V-Dem INSTITUTE

Case for Democracy

REPORT

UNIVERSITY OF GOTHENBURG

Contents

Varieties of Democracy (V-Dem) produces the largest global dataset on democracy with almost 30 million data points for 202 countries from 1789 to 2020. Involving over 3,500 scholars and other country experts, V-Dem measures hundreds of different attributes of democracy. V-Dem enables new ways to study the nature, causes, and consequences of democracy embracing its multiple meanings.

Produced by the V-Dem Institute at the University of Gothenburg

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Cover photo: Amritsar, India, February 20, 2022. A polling officer applies indelible ink on the index finger of a voter at a polling station during the Punjab state assembly elections. Photo: Getty Images.

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Executive Summary

Increased availability of scientific data from across the world covering large stretches of time have grounded a new era of robust academic evidence. Overall, the evidence affirms that democracies perform better; it also unveils how and why.

This Case for Democracy (C4D) Report highlights the following 10 key scientific research findings:

1. Democratization leads to economic growth – on average 20% higher GDP per capita after 25 years. Democracies also avoid the more catastrophic economic outcomes that characterize many autocracies.

2. Transitioning to democracy leads on average, to over 100% increase in social protection spending.

3. Democracies with strong accountability mechanisms provide 23% more safe water access, 35% more immunization to young children, and up to 40% more electricity access, than autocracies.

4. Democracy improves human development. For example, a high level of democracy leads to 94% less infant mortality than in dictatorships.

5. Democracy increases education: Moving from a full autocracy to a full democracy corresponds to 70% increase in secondary enrolment – but it is unclear if education spending or quality is affected.

6. Democratic countries have better gender equality and more women engaged in politics – and increased participation of women in politics reduces risk of conflicts and wars.

7. Democracies do not wage wars against each other and see much lower risks of conflict and instability than autocracies. Autocratization leads to more wars and conflicts.

8. Corruption diminishes as democracy matures with fully free and fair elections and freedom of expression including media freedom.

9. Democracies consistently perform better than autocracies when it comes to committing to and delivering policy on climate change mitigation.

10. Yet, democracy does not in general lead to lower levels of economic inequality.

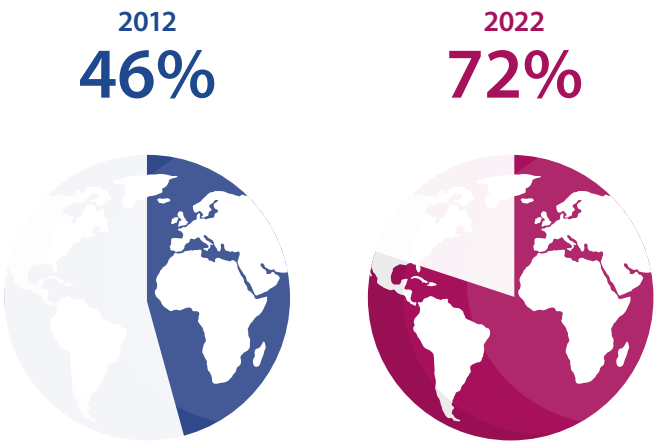
Why Do Democracies Deliver?

The perhaps most influential general theory stipulates that political leaders motivated by staying in power distribute benefits to those that keep them in power – the 'selectorate'. Therefore, democratic governments should be motivated to follow the wants and needs of citizens. There are three key institutions through which officials are held accountable to popular demands in democracies: media, civil society, and elections. These enable the exposure of governments when promises are not kept, expressing organized demands, and 'throwing the rascals out'.

Shortcomings of Democracy

Democracy does not necessarily reduce the gap between wealthier and poorer citizens. While democracy increases enrolment in education, it is no guarantee on quality of the education offered. Transition to democracy often sees increased risks of instability. Yet, as democracies mature, they deliver better for their citizens. Therefore, much work is still needed to ensure democracies are strengthened, invested in, and encouraged to improve. This is particularly important, as the latest *Democracy Report 2023* shows that 72% of the world population now live in autocracies, up from 46% a decade ago, and a historical record 42 countries are in a process of autocratizing.

Share of the world population living in autocracies



Democracies Outperform Autocracies in Multiple Measurements

A historical record 42 countries are in a process of autocratizing and many populous countries previously set on a democratising trajectory now see a backsliding, such as India and Türkiye.[1] Meanwhile, countries like China promote the view that autocratic governments do a better job at providing human and economic development, goods and services, and in meeting challenges such as climate change.

Increased availability of detailed data and more sophisticated research methods serve as an unequivocal evidence base to inform the debate with precise and reliable estimates of effects of democracy and autocracy.

Economic Impacts

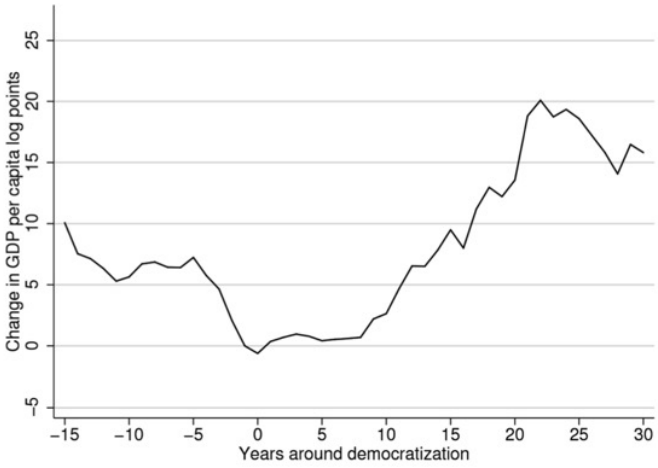
Economic Growth, Distribution, and Inequality

- Democratization leads to higher growth – countries transitioning to democracy have 20 percentage points higher GDP per capita after 25 years than countries who remain autocracies.
- Democracy acts as a safety net for the economy – from 1990 to 2009, 7% of democracies had negative growth rates, whereas almost a third of the autocracies – 28% – did.
- Transitioning from a closed dictatorship to a full democracy leads, on average, to more than a 100% increase in social protection spending.
- Yet, democracy do not in general lead to lower levels of economic inequality.

New scientific evidence convincingly demonstrates that democracy has substantial positive effects on economic development. A recent study employing some of the most advanced scientific methods to compare countries with counterfactual outcomes, provide a robust demonstration that transition to democracy on average increases the GDP per capita by 20 percentage points after 25 years.[2] This solidifies available evidence that democratization has a substantial positive effect on economic growth in the longer term. Additional evidence from sophisticated research designs to capture causal effects, finds that moving from a full autocracy to full democracy increases national income between 125–278%.[3] These examples of recent robust scientific findings show the magnitude at which democracy impacts a country's economic development.

Evidence shows not only that democratization is good for growth, but so is being a democracy. Based on comparisons of all countries from 1800 to 2009, a recent robust study illustrates that democracies on average produce a 1.1% higher annual GDP per capita growth than autocracies.[4] The evidence also corroborates democracies experience fewer economic crisis. From 1990 to 2009 10% of democracies experienced negative growth rates, whereas 30% of autocracies did. This reflects the fact that while autocracies can experience periods of strong economic performance, they frequently suffer from deep economic crisis. For instance, Mugabe's Zimbabwe had negative GDP growth rates (topping 16% on an annual basis) each year between 1999 and 2008. This is more representative of autocracies than present day China.[5]

FIG 1. DEMOCRATIC TRANSITIONS AND ECONOMIC GROWTH[6]



Note: The figure plots GDP per capita in log points around a democratic transition relative to countries remaining non-democratic in the same year.

1 Papada, E et.al 2023. Defiance in the Face of Autocratization. Democracy Report 2023. University of Gothenburg. Varieties of Democracy Institute.

2 Acemoglu, D. et al. (2019) Democracy Does Cause Growth. J. Polit. Econ. 127, pp47–100).

3 Madsen, J.B., Raschky, P.A. and Skali, A. (2015) "Does democracy drive income in the world, 1500–2000?," European economic review, 78, pp. 175–195.

4 Knutsen, C H (2021). A business case for democracy: regime type, growth, and growth volatility. Democratization. 28, 1505–1524 (2021).

5 Knutsen, C H (2021). A business case for democracy: regime type, growth, and growth volatility. Democratization. 28, 1505–1524 (2021).

6 Acemoglu, D. et al. (2019) "Democracy Does Cause Growth," The Journal of political economy, 127(1), pp. 47–100.

Democracies also do better in using economic resources for improving citizens' lives. Robust findings now demonstrate that transitioning from a closed dictatorship to a full democracy leads on average to more than a 100% increase in social protection spending.[7] Evidence from Ghana shows that relatively small improvements in election quality led Members of Parliament (MPs) to spend 19% more on local development projects.[8]

Yet, it is important to note that while democracies are better at reducing poverty than autocracies, democracy do not in general lead to lower levels of economic inequality.[9] Suggested reasons include that democratization increases redistribution only if elites are politically weak at the time;[10] if levels of inequality are very high to begin with;[11] if democracy is captured by a middle class unwilling to share resources, if cleavages like ethnicity or religion prevent redistribution, or if voters view redistribution as unfair.[12] In some wealthy democracies, it is also well-known that many policies serve interests of the rich.[13] More research is needed to disentangle the relationship to regime type.

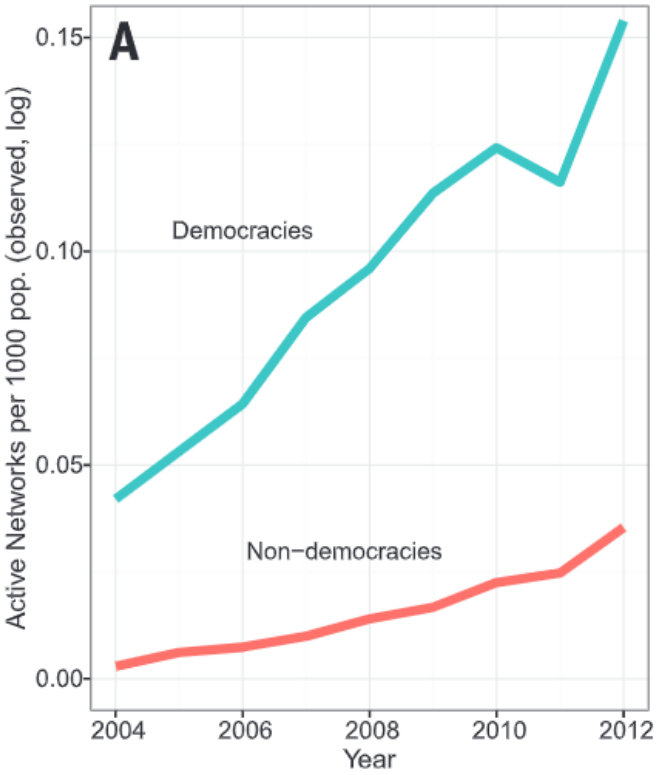
Public Goods

- Democracies with high strong accountability mechanisms provide 23% more safe water access, 35% more immunization to young children, and up to 40% more electricity access, than autocracies.
- Democracy provides citizens with an on average 300% higher internet connection rate than autocracies.
- Road density is over twice as great in democracies than in autocracies.

Democracy is instrumental in supporting access to public goods.[14] Higher electoral accountability leads to a higher proportion of people living in lit areas.[15] Robust evidence also show that democracies outperform autocracies in spending on non-exclusive public goods such as roads. Road density is twice as great in democracies than in autocracies.[16]

Information (but not disinformation) is also a public good. Democracies afford their citizens with a 300% higher internet access rate than in autocracies on average.[17] Authoritarian governments certainly use interference in online traffic, such as cyberattacks and temporary shutdowns to interfere with the free flow of information and go against the interest of the public.[18] Look no further than Iran, where the government denied an essential public good to no less than 84 million citizens by cutting off mobile data, disrupting popular social media platforms and blocking individual users.

FIG 2. INTERNET PENETRATION IN DEMOCRACIES VS. AUTOCRACIES[19]



7 Murshed, S.M. et al. (2022) "Fiscal Capacity, Democratic Institutions and Social Welfare Outcomes in Developing Countries," Defence and peace economics, 33(3), pp. 280–305.

8 Ofosu, G.K. (2019) "Do Fairer Elections Increase the Responsiveness of Politicians?," The American political science review, 113(4), pp. 963–979.

9 C. H. Knutsen, Reinvestigating the Reciprocal Relationship between Democracy and Income Inequality, Rev. Econ. Inst. 6, 37 (2015). Z. Nikoloski, Democracy and income inequality: revisiting the long and short-term relationship, Rev. Econ. Inst. 6, 1–24 (2015).

10 Albertus, M. and Menaldo, V. (2014) "Gaming Democracy: Elite Dominance during Transition and the Prospects for Redistribution," British journal of political science, 44(3), pp. 575–603.

11 Dorsch, M.T. and Maarek, P. (2019) "Democratization and the Conditional Dynamics of Income Distribution," The American political science review, 113(2), pp. 385–404.

12 Acemoglu, D. et al. (2015) "Democracy, Redistribution, and Inequality," in Handbook of Income Distribution. Elsevier B.V, pp. 1885–1966. Scheve, K. and Stasavage, D. (2017) "Wealth Inequality and Democracy," Annual review of political science, 20(1), pp. 451–468.

13 Brady, H.E., Verba, S. and Schlozman, K.L. (1995) "Beyond SES: A Resource Model of Political Participation," The American political science review, 89(2), pp. 271–294. Gilens, M. and Russell Sage Foundation (2012) Affluence and influence : economic inequality and political power in America. Princeton, N.J. ; Oxford: Princeton University Press.

14 Brown, D.S. and Mobarak, A.M. (2009) "The Transforming Power of Democracy: Regime Type and the Distribution of Electricity," The American political science review, 103(2), pp. 193–213.

15 Min, B. (2015) Power and the vote: elections and electricity in the developing world. New York, Cambridge University Press.

16 Deacon, R.T. (2009) "Public Good Provision under Dictatorship and Democracy," Public choice, 139(1/2), pp. 241–262.

17 Weidmann, N.B. et al. (2016) "Digital discrimination: Political bias in Internet service provision across ethnic groups," Science (American Association for the Advancement of Science), 353(6304), pp. 1151–1155.

18 Lutscher, P.M. et al. (2020) "At Home and Abroad: The Use of Denial-of-service Attacks during Elections in Nondemocratic Regimes," The Journal of conflict resolution, 64(2–3), pp. 373–401.

19 Weidmann, N.B. et al. (2016) "Digital discrimination: Political bias in Internet service provision across ethnic groups," Science (American Association for the Advancement of Science), 353(6304), pp. 1151–1155.

Human Development Impacts

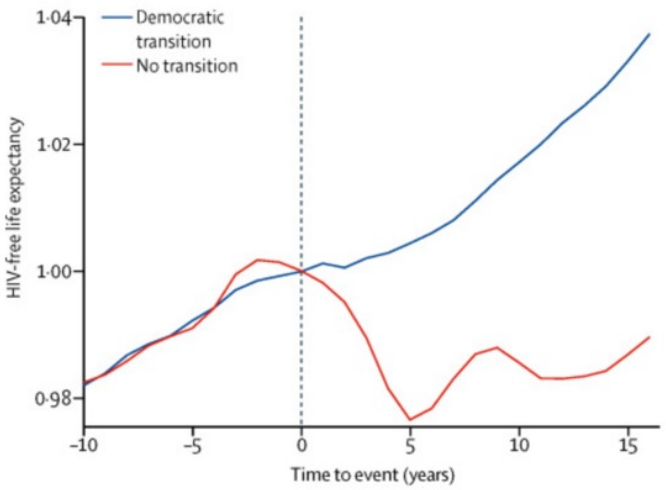
Health

- Democratization leads to better population health – transition to democracy increases life expectancy by 3% within 10 years of regime change.
- The previous expansion of democracy in the world had tangible health benefits – increased global levels of democracy between 1995 and 2015 averted 16.2 million cardiovascular deaths.
- High quality democracies are especially good for population health – infant mortality is reduced with on average 94% when a country moves from a closed autocracy to a full democracy.

Rigorous scientific evidence tells us that democracy has substantial positive effects on a wide range of population health outcomes. A recent study in *The Lancet* shows that democracy explains 22% of the variance in mortality from cardiovascular diseases, 16% from tuberculosis, and 18% from transport injuries. The same study demonstrates that for all non-communicable diseases, democracy explains more of the variation in mortality than GDP.[20] Another study provides evidence that 10 years of full democracy translates into a 10% reduction in infant mortality rates, equivalent to a GDP per capita increase of 40% over a decade.[21]

The higher the quality of democracy, the more tangible the effects: a country moving from closed autocracy to a high-quality democracy cuts infant mortality with 94% on average.[22] Scientific evidence also demonstrates that democratization leads to a 3% increase in HIV-free life expectancy 10 years after transitioning into a democracy;[23] and mothers in Africa giving birth following a transition to democracy have 1.2 percentage points lower mortality rates compared to before democratization.[24]

FIG 3. LIFE EXPECTANCY AFTER DEMOCRATIC TRANSITIONS[25]



Much of these effects come from voters holding politicians accountable in elections. Experimental evidence from Brazil for example illustrates that enabling illiterate (poor) voters to cast valid ballots led to a 34% increase in public health spending over the following eight years.[26]

Autocratization has the opposite effect of deteriorating population health and health care access. For example, a recent study in *BMJ* shows that both HIV-free life expectancy and health care coverage increased substantively less in the ten years after autocratization started (by 1.3 and 8.3 percentage points, respectively) than had a country not autocratized.[27]

Education

- Democracy leads to more children enjoying education – increasing secondary education enrolment by almost 70%.
- Yet, effects of democracy on education spending and quality are not clear.

Democracy improves access to education for children, according to scientific evidence. A comprehensive global analysis shows that if a country moves from the least to most democratic, children get 1.3 years more schooling.[28] Another study using a global sample finds that having a democracy increases secondary school enrollment by almost 70% compared to being an autoc-

20 Bollyky, T.J. et al. (2019) "The relationships between democratic experience, adult health, and cause-specific mortality in 170 countries between 1980 and 2016: an observational analysis," The Lancet (British edition), 393(10181), pp. 1628–1640.

21 Gerring, J., Thacker, S.C. and Alfaro, R. (2012) "Democracy and Human Development," The Journal of politics, 74(1), pp. 1–17.

22 Wang, Y.-ting, Mechkova, V. and Andersson, F. (2019) "Does Democracy Enhance Health? New Empirical Evidence 1900–2012," Political research quarterly, 72(3), pp. 554–569.

23 Bollyky, T.J. et al. (2019) "The relationships between democratic experience, adult health, and cause-specific mortality in 170 countries between 1980 and 2016: an observational analysis," The Lancet (British edition), 393(10181), pp. 1628–1640.

24 Kudamatsu, M. (2012) "Has demoratizations reduced infant mortality in sub saharan Africa? Evidence from micro data" Journal of the European Economic Association, 10(6), pp. 1294–1317.

25 Bollyky, T.J. et al. (2019) "The relationships between democratic experience, adult health, and cause-specific mortality in 170 countries between 1980 and 2016: an observational analysis," The Lancet (British edition), 393(10181), pp. 1628–1640.

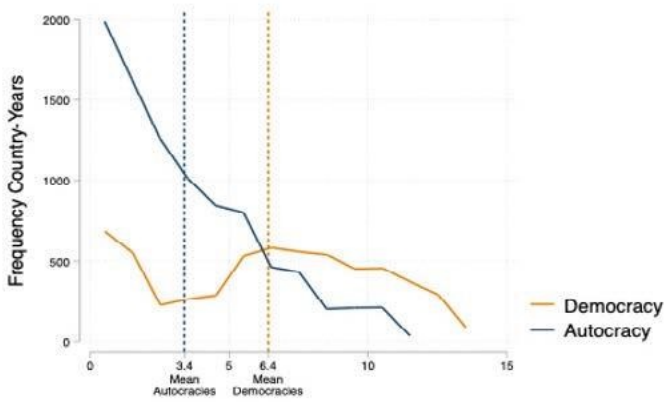
26 Fujiwara, T. (2015) "Voting technology, political responsiveness, and infant heatlh: evidence from Brazil," Econometrica, 83(2), pp. 423–464.

27 Wigley, S. et al. (2020) "Autocratisation and universal health coverage: synthetic control study," BMJ (Online), 371, p. m4040.

28 Dahlum, S. and Knutsen, C.H. (2017) "Do Democracies Provide Better Education? Revisiting the Democracy–Human Capital Link," World development, 94, pp. 186–199.

racy.[29] Studies focusing on Africa demonstrate that low- and middle-income households, as well as rural areas, benefit the most from democracy's dividends for education.[30]

FIG 4. AVERAGE YEARS IN EDUCATION IN AUTOCRACIES AND DEMOCRACIES



Note: Average years of education among citizens older than 15 (Clio Infra 2018).

The association between regime type and education spending is undetermined, however. Many studies find that democracies spend more on education;[31] one rigorous global analysis for example finds that moving from an autocracy to a democracy corresponds to an increase of 30% in total expenditure as share of GDP.[32] Yet, a corresponding number of studies do not find significant impacts of democracy.[33]

The relationship to education quality is equally unclear, in large part due to the inherent difficulty in cross-nationally measuring education quality. Some studies find a positive association between democracy and literacy,[34] while others do not.[35] Similarly, a recent study finds no relationship between students' test score performances and regime type.[36]

Gender Equality

- Democracy promotes gender equality attitudes. Citizens in fully democratic countries have 60% more equal gender attitudes than citizens in autocracies.
- Women are more likely to hold key political positions in democracies – the proportion of women in government cabinets is 5.7 percentage points higher in democracies than in autocracies.

Higher levels of democracy and education promote egalitarian gender attitudes, compared to non-democratic societies. Evidence shows that minimally democratic countries have on average 33% lower levels of egalitarian gender attitudes compared to fully democratic countries. Hybrid and authoritarian regimes, by contrast, have over 60% lower levels.[37]

29 Acemoglu, D. D., Naidu, S., Restrepo, P., & Robinson, J. (2015) "Chapter 21 – Democracy, Redistribution, andInequality," in Handbook of Income Distribution, A. B. Atkinson, F. Bourguignon, Eds. (Elsevier, vol. 2 of Handbook of Income Distribution, pp. 1885–1966.

30 Harding, R. (2020) "Who Is Democracy Good For? Elections, Rural Bias, and Health and Education Outcomes in Sub-Saharan Africa," The Journal of politics, 82(1), pp. 241–254.

31 Easton, M.R. and Montinola, G.R. (2017) "Remittances, Regime Type, and Government Spending Priorities," Studies in comparative international development, 52(3), pp. 349–371.

32 Ansell, B.W. (2008) "Traders, Teachers, and Tyrants: Democracy, Globalization, and Public Investment in Education," International organization, 62(2), pp. 289–322.

33 Kotera, G. and Okada, K. (2017) "How does democratization affect the composition of government expenditure?," Journal of economic behavior & organization, 137, pp. 145–159.

34 Miller, M.K. (2015) "Electoral Authoritarianism and Human Development," Comparative political studies, 48(12), pp. 1526–1562.

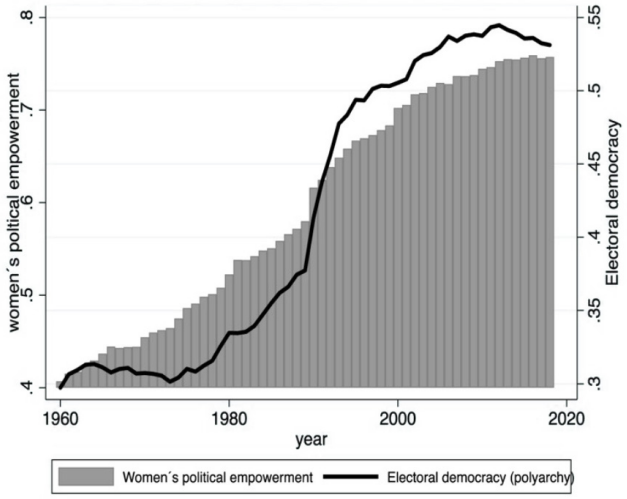
35 Lee, M.M. and Zhang, N. (2017) "Legibility and the Informational Foundations of State Capacity," The Journal of politics, 79(1), pp. 118–362.

36 Dahlum, S. and Knutsen, C.H. (2017) "Do Democracies Provide Better Education? Revisiting the Democracy–Human Capital Link," World development, 94, pp. 186–199.

37 Zagrebina, A. (2020) "Concepts of democracy in democratic and nondemocratic countries," International political science review, 41(2), pp. 174–191.

Women are more likely to hold politically powerful positions in democracies than in autocracies, despite that many authoritarian countries set high legislative quotas as a way of showcasing gender equality in representation.[38] Increasing the share of female MPs has been a lengthy process in democracies.[39] Yet, recent scientific evidence finds that the proportion of women in cabinets is on average 5.7 percentage points higher and women hold more important portfolios in democracies than in autocracies.[40] In practice, women hold more power in politics in democracies than autocracies.

FIG 5. THE TRENDS IN WOMEN'S POLITICAL EMPOWERMENT AND ELECTORAL DEMOCRACY, 1960–2018[41]



Human Security and Peace

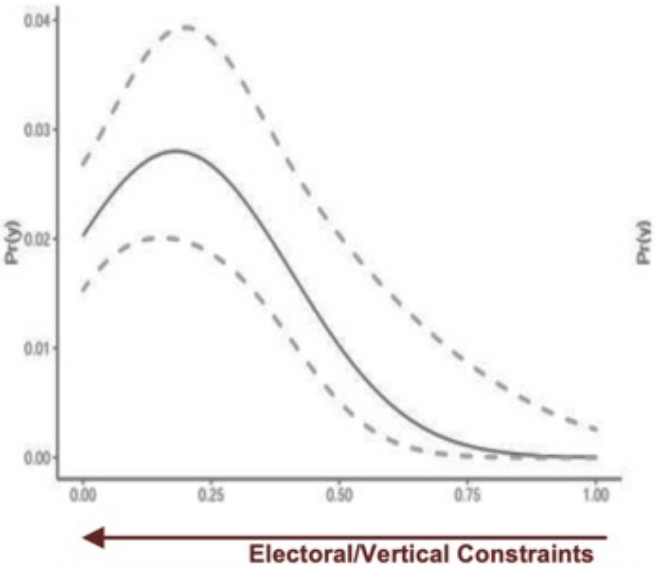
- Democracies do not fight wars with each other. After India turned into an electoral autocracy, the statistical odds of a militarized dispute with Pakistan are 300% higher than 10 years ago.
- Democracies are at less risk of civil conflict. The difference between elections with very low and very high quality corresponds to a reduced risk of civil conflict in a given year by 2.9 to 0.9 percentage points.

Autocratization increases the risk of conflict. A large body of scientific evidence demonstrates that human security, as well as international and domestic peace, are strongly and positively related to democracy. Recent evidence demonstrates that states with a score of above 0.61 (out of 1) on V-Dem's Electoral Democracy Index has never gone to war with each other.[42] That level is comparable to that of The Gambia and Bolivia in 2022. The same study moreover finds that two states located in a low democracy level-region are 70% more likely to engage in violent conflict than a pair of states in a region with high levels of democracy. Scientific estimations show that the statistical odds of a militarized conflict between India and Pakistan is 300% higher than 10 years ago during which time India turned into an electoral autocracy.[43]

Democracies are also less prone to domestic violent conflicts. Recent evidence using sophisticated methods demonstrates that fully free and fair electoral competition leads to the lowest risk of civil conflict.[44] The effects of elections are substantial, as another recent study demonstrates. Moving from low to high quality elections reduces probability of conflict onset in a given year from 2.9 to 0.9 percentage points.[45]

However, it is important to recognize that countries undergoing regime transitions to and from democracy are the most prone to violent domestic conflict.[46] Processes of regime change are often messy and lead to eruption of instability and violence.

FIG 6. ELECTORAL CONSTRAINTS AND CONFLICT



38 Hughes, M.M. et al. (2019) "Global Gender Quota Adoption, Implementation, and Reform," Comparative politics, 51(2), pp. 219–238.

39 Fallon, K.M., Swiss, L. and Viterna, J. (2012) "Resolving the Democracy Paradox: Democratization and Women's Legislative Representation in Developing Nations, 1975 to 2009," American sociological review, 77(3), pp. 380–408.

40 Hogstrom, J. (2015) "Do Development and Democracy Positively Affect Gender Equality in Cabinets?," Japanese journal of political science, 16(3), pp. 332–356.
J. Nyrup, H. Yamagishi, S. Bramwell, "Figurines and Doyennes: The Selection of Female Ministers in Autocracies and Democracies" (SSRN Scholarly Paper 4052720, Social Science Research Network, Rochester, NY, 2022)

41 Hornset, N. and de Soysa, I. (2022) "Does Empowering Women in Politics Boost Human Development? An Empirical Analysis, 1960–2018," Journal of human development and capabilities, 23(2), pp. 291–318.

42 Altman, D., Rojas-de-Galarreta, F. and Urdinez, F. (2021) "An interactive model of democratic peace," Journal of peace research, 58(3), pp. 384–398.

43 Hegre, H., Bernhard, M. and Teorell, J. (2020) "Civil Society and the Democratic Peace," The Journal of conflict resolution, 64(1), pp. 32–62.

44 Bartusevičius, H. and Skaaning, S.-E. (2018) "Revisiting democratic civil peace," Journal of peace research, 55(5), pp. 625–640.

45 Fjelde, H., Knutsen, C.H. and Nygård, H.M. (2021) "Which Institutions Matter? Re-Considering the Democratic Civil Peace," International studies quarterly, 65(1), pp. 223–237.

46 Z. M. Jones, Y. Lupu, Is There More Violence in the Middle? Am. J. Polit. Sci. 62, 652–667 (2018).

Cross Cutting Issues

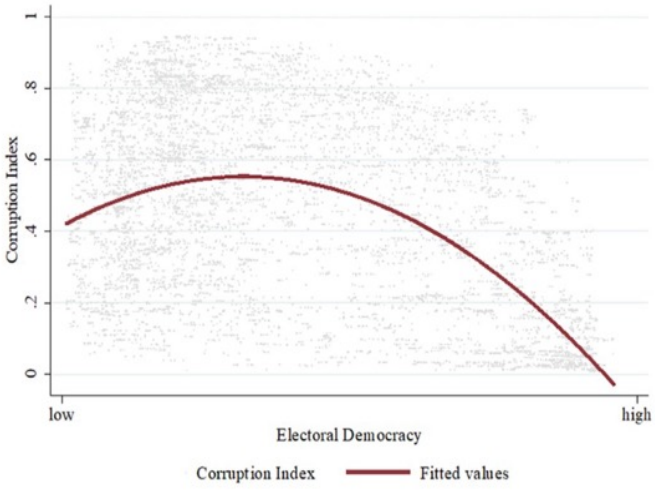
Corruption

- High-quality democracies have the lowest levels of corruption.
- Yet, democratization is often a period of increasing corruption, and countries with limited levels of democracy typically stay with high levels of corruption.
- Strong accountability reduces corruption. Mayors ineligible for re-election steal about USD55,000 more than those up for re-election on average.

The relationship between democracy and corruption corresponds to an inverted U where the most authoritarian and the most democratic states are the least corrupt.[47] Evidence demonstrates that freedom of expression and association are driving this curvilinear relationship, reducing corruption as they reach a sufficient quality. Deficient democracies are not 'good enough' to curtail corruption.

Accountability is key. Experimental scientific evidence from Brazil demonstrates that mayors no longer accountable due to term limits steal on average about USD 55,000 more than those up for reelection.[48]

FIG 7. DEMOCRACY AND CORRUPTION[49]



Climate Change Mitigation

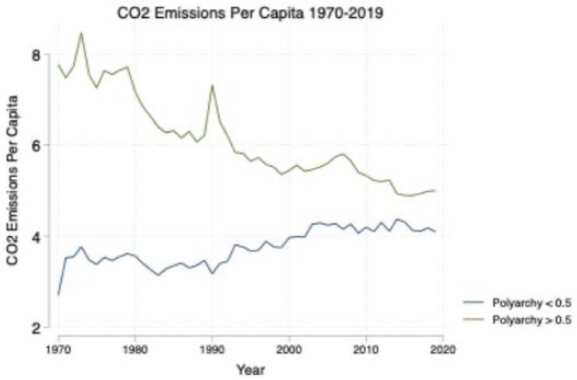
- Democracies produce more ambitious climate policies. In the nationally determined contributions under the Paris Agreement, a fully democratic country on average set targets of 1.6 degrees C lower than full autocracies.
- Each new such climate policy reduces CO_2 emissions by 1.79% within three years.
- Civil liberties empower environmental NGOs. A 1% increase in civil liberties generates a 0.05% reduction in national CO_2 emissions.

Democracies consistently perform better than autocracies when it comes to committing to policy on climate change mitigation. Recent scientific evidence shows that moving from a fully authoritarian to fully democratic regime also corresponds to a difference in almost -1.6 degrees C on nationally determined contributions under the Paris Agreement.[50] Moving from the lowest levels of democracy (e.g., Iran or) to the highest (e.g., Germany) equals an increase in policy commitments to climate change mitigation by 19%.[51]

Climate ambitions materialize into tangible outcomes. Recent evidence published in *Nature* illustrates that that each new climate policy enacted by governments on average reduces CO_2 emissions per unit of gross domestic product by 0.78%, over the first three years, and by 1.79% in the longer term.[52]

Empirical evidence shows that a free civil society enables environmental NGOs to effectively pressure governments: A 10% increase on V-Dem's civil liberties index leads to a substantial 0.5% decrease in a country's CO_2 emissions.[53] Civil liberties is also one of the most important determinants of climate change awareness and belief, as recent state of the art evidence finds; high levels of civil liberties correspond to 7% higher belief in climate change in a population.[54]

FIG 8. CO_2 EMISSIONS IN DEMOCRACIES AND AUTOCRACIES



47 McMann, K.M. et al. (2020) "Why Low Levels of Democracy Promote Corruption and High Levels Diminish It," Political Research Quarterly, 2020, Vol. 73, Iss. 4, pp. 893–.907, 73(4), pp. 893–907.

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Transparency & Data Reliability

- Democracies provide more data. Democratization leads to an increase in supply of data to the World Bank by 13 percentage points.
- Autocracies manipulate data. Evidence shows that annual GDP growth rates are overstated by 35% on average in autocracies.

Scientific evidence shows that democracies outperform autocracies in supplying reliable and transparent data. Switching from autocracy to democracy improves fiscal transparency by 18%.[55] Countries that transition to democracies increased their reporting on the World Development Indicators by 13 percentage points.[56] Such transparency has tangible implications for public knowledge. Voters in a democracy are 70% better informed about policy decisions and processes than those in autocracies.[57]

Democracies also supply more accurate data. Studies demonstrate that autocratic governments manipulate data to appear more competent,[58] exaggerate economic growth,[59] or simply to manipulate or control their own populations.[60] For example, evidence shows that autocracies overstate real GDP growth rates by roughly 35% on average,[61] or around 0.5–1.5 percentage points per year.[62]

If we could fully correct statistical manipulation by autocracies, it is likely that comparative analysis would result in even stronger evidence in support of democracy.

Why Do Democracies Perform Better

The evidence presented in this report contradict arguments put by autocratic regimes that their heavy-handed rule can do a better and more efficient job in delivery of growth, health, education, public goods and services for their citizens. This begs the question – why is this so?

The most influential theory suggests that since political leaders are motivated by staying in power, they distribute benefits to those that keep them in power: In autocracies a small faction that otherwise could defect and support an alternative leader; in democracies the broad electorate voting in elections. Therefore, democratic governments should be motivated to distribute goods following the wants and needs of citizens.

There are three key institutions through which officials are held accountable to popular demands in democracies: media, civil society, and elections. These enable the exposure of governments when promises are not kept, expressing organized demands, and 'throwing the rascals out'. Thus, for outcomes reviewed in this report – that are also among the Sustainable Development Goals (SDGs) – such as reducing poverty, expanding children's education, improving population health, and protecting the environment, theory predicts that democracies should perform better than autocracies.

This report shows that there is hard evidence to support this theory, especially when democratic institutions work well and after reforms to make electoral process more accessible and participatory, even if just the mere introduction of real multiparty elections can lead to large improvements in areas such as spending on education.[63] Fully free and fair elections, freed media and civil societies are instrumental and the studies reported here demonstrates that accountability and the incentives democracy brings to ruling elites, lead them to invest into welfare of their citizens. This 'pressure from below' in democracies force elected politicians to deliver public services.

Mere presence of elections and the pressure they place on politicians to deliver, however, is not a cure-all. Moderate levels of democracy are often tainted by high levels of corruption, domestic violent conflicts, and meagre economic outcomes as well as deficient delivery of public goods. Especially during the early stages of democratic transition, elections create dynamics of clientelism and vote buying. But when elections are fully free and fair and there are independent judicial oversight and Independent legislative institutions, corruption decreases, and democracy really start to deliver on economic and human development. Such factors also explain why particularly mature democracies perform: democracies are better at absorbing and channelling discontent through legal and political structures and accountability mechanisms.

Take for instance rule of law, the principle that sees all individuals, entities and institutions as accountable to laws that are stable and enforced equally. This means that an impartial and fully functioning justice system will allow for markets and competition to operate freely as participants will feel confident that there are accountability mechanisms in place in case things go wrong. The more democracy, the less corruption, the more welcoming the environment for investors.

A high-quality democracy will have strong institutions that will oppose corporate interests. The past few decades have seen a

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decline in peoples trust in democratic institutions not least because elite interests have intervened in political processes and derailed them. There are less people today that feel their children will be better off than them and fewer believe there are democratic safeguards in place are strong enough to provide stability. This does not mean giving up on democracy but rather strengthening the institutions of government. Democracy works because and when checks and balances work.

Human welfare goes beyond the economy. Democratic mechanism such as media freedom and freedom of information are essential for development goals. Economist and Nobel prize winner Amartya Sen highlighted the instrumental role of a truly free press in facilitating a public debate for the diagnoses of problems to be addressed and the assessment of policies.[64] Freedom of media can cultivate that necessary democratic engagement that can allow all citizens, especially the ones affected the most by poverty and lack of security and development to demand reforms. Similarly, the information about an impeding famine could not be suppressed.

There is also the assumption that civil and political rights are necessary and a prerequisite to the protection of social and economic rights. It would be uncontroversial to argue that those who engaged in claiming their civil and political rights in the civil rights and anti-colonial independence movements did it also to improve their living conditions. On the other hand, gross violation of social and economic rights persists today even within liberal democracies. Yet democracies remain the only regime type in which economic rights can potentially become justiciable. Democracies function because they nurture possibilities through dialogue and promote equality.

The challenges societies face today are complex not least due to our global interdependencies. Growing polarization and the spread of disinformation, including by governments, create animosities and present false dilemmas on societies and individuals. Down the road, this could harm human security and hinder economic prosperity. Perhaps one of the most important challenges democracies have had to face yet. Already, however, there are signs that democracies can overcome some of these challenges. Polarization and government dissemination both decrease when countries democratize. Properly timed elections, active judiciary and mass mobilizations can in the long run smooth out societal divisions. Contrary to the speedy advance of disinformation and polarization, democratic processes are slow yet stable, working at the micro level to sustain longer term rewards for the society and the economy.

Last but not least, climate change today poses an existential threat to humanity; Democracies provide more freedom for non-governmental organizations (NGOs) that can educate citizens about climate problems and exert pressure on governments to take action.

How can we protect economic and human security further on?

The historical high in countries that are autocratizing (42) indicates that the quality of democracy is worsening. Yet democracy does not always succumb to autocracy. Autocratization can be stopped and reversed. In the V Dem Report 2023, *Defiance in the Face of Autocratization*, our findings point to eight countries that were on a collision course with autocracy but rebounded.

Looking at the reasons can provide additional lessons not only on why democracy delivers on economic and human indicators, but also how its mechanisms function to reverse downward trends and therefore protect economic and human security.

While the analyses do not claim a causal relationship, we nevertheless observed five common elements in all eight cases, drawing on different regions of the world, including Bolivia, Maldives, Moldova, North Macedonia, Ecuador, South Korea, North Macedonia, and Zambia.

The emergence of a large, unified, and sustained democratic popular mobilization appears to be key. Peaceful mobilizations, either organized by the civil society or driven by the opposition to put pressure on the incumbent have reversed the trend in seven out of ten cases. Public protests for democracy have an enormous symbolic power. Images travel through the media globally, making aspiring dictators wary for their future. This also explains why autocratizers attack media and civil society the most, as shown in this year's report.

The second common element relates to the existence of a robust and independent judiciary. Simply put, the ability of the judiciary to put constraints on the executive, either by facilitating the holding of elections despite parliaments attempt to haul them or by reversing harmful executive orders.

Third, a unified opposition coalescing with civil society actors can strengthen both popular mobilizations and arm the hand of the judiciary with the necessary confidence to stand up to the executive. When opposition parties are allowed to exist and are able to articulate the demands of civil society into a political program, they can play an important role in reversing the trend.

Finally, the simple occurrence of election at critical moments as well as efforts by the international democracy support community and protection both help steer the course of democratization back on track.

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