



*The Case for Democracy:*

## Does Democracy Have Dividends for Education?

**Scientific evidence shows:**

- **Democracy leads to more education and is thus critical to achieving SDG#4 as it can increase secondary education enrollment by almost 70%.**
- **Democratization leads to countries spending up to 30% more on education. These dividends primarily benefit low- and middle-income households and rural residents.**
- **Effect of democracy on education quality is less consistent.**

### Democracy Increases Education

A recent body of scientific studies provides robust evidence that democracy leads to higher enrollment in education. For example, Acemoglu et al. (2015) demonstrate in a comprehensive empirical study that democracy increases secondary school enrollment by almost 70% over autocracies in the long run. Increasing enrollment in education is integral to achieving SDG#4.

Dahlum & Knutsen (2017) comprehensive analyses across a global sample of countries demonstrates that a country moving from the least to most democratic on average increases education by 1.3 years of schooling (Dahlum & Knutsen 2017). Harding & Stavasage (2014) present strong evidence of the same pattern in Africa’s low- and lower-middle income countries. They also show becoming a democracy means a country is likely to abolish primary education school fees which reduces inequalities in access to education, another critical target outlined in SDG#4.

Recent studies such as the ones mentioned above, as well as Lake & Baum’s (2001) analysis shows that when a country democratizes from a full autocracy to a full democracy, the ratio of enrolled students within a cohort increases by five, as compared to the average annual increase of under 1 student.

### Democracies Spend More on Education

Another large body of evidence from scientific research shows tangible benefits of democracy on education spending. For example, Ansell’s (2008) rigorous global analysis shows that moving from an autocracy to a democracy corresponds to an increase of up to 30% in total education expenditure as share of GDP (Ansell 2008). The study also demonstrates that democracies redistribute to less educated children by shifting spending from tertiary to primary education.

Similarly, Brown and Hunter (2004) demonstrate that the difference in spending on primary education between the least and most democratic

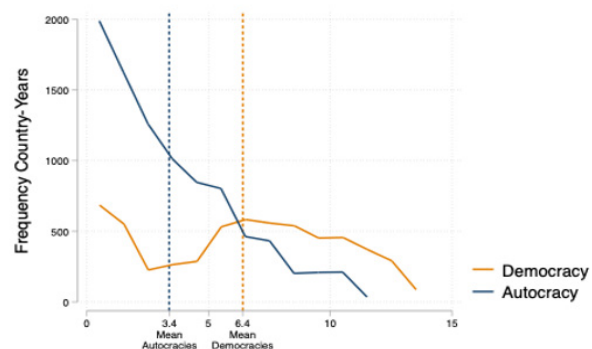
countries in Latin America is six percentage points, or a sizeable 18 dollars per capita.

Stasavage (2005) provides evidence of an equally consequential effect observed in Africa on the the critical role vertical accountability plays on education. In this case, the introduction of real multiparty elections leads to a large increase in education spending, equivalent to adding resources corresponding to 1.1% GDP (Stasavage 2005)

This positive effect of vertical accountability is even more amplified when electoral competition is high. Hecock’s study (2006) attests that higher electoral competition consistently increases spending on education. For instance, adding one more party to the legislature equals an increase of between 126 and 173 Mexican pesos per student in primary education, or about 1 % of total expenditure per student<sup>1</sup>, between 1999 and 2004.

Competitiveness is thus beneficial, and even in less competitive settings elections have been found to positively impact enrollment and literacy (Harding & Stasavage 2014, Miller 2015; Harding 2020).

**FIGURE 1. AVERAGE YEARS OF EDUCATION IN AUTOCRACIES AND DEMOCRACIES**



*Note: Education estimates as average years of education among citizens older than 15 (Clio Infra 2018). Democracy and autocracy estimated using V-Dem’s Regimes of the World measure (Coppedge et al. 2021).*

<sup>1</sup> Calculated using education spending data from the OECD: <https://data.oecd.org/eduresource/education-spending.htm>

It is critical to note that evidence has shown that vertical accountability must be channeled by parties. Hicken & Simmons (2008) confirm that if programs of political parties drive vote choices, a 1% of GDP increase in education spending corresponds to a decrease of illiteracy by almost 2%. This effect completely disappears when voting is primarily based on candidates instead, because politics becomes more particularistic and spending is allocated less efficiently.

### Lower-Income and Rural Benefits

Importantly, low- and middle-income households as well as people living in rural areas benefit the most from democracy's dividends for education. For example, Harding & Stasavage's (2014) provide evidence that while the wealthiest quintile is unaffected, the effect of democracy on removing school fees increases attendance of children in low- and middle-income households by about 5 percentage points.

Harding's (2020) robust analysis similarly shows that the effect of democracy on school attendance is particularly pronounced in large rural populations. In Africa's democratic countries, children in rural areas

are 2 percentage points more likely to attend school than in autocracies, while there is no effect in urban areas. Prioritizing lower-educated and rural children is another important and tangible aspect of democracy's dividends for education and hence for achieving SDG #4.

### Improving Education Quality Remains Difficult

Despite democracy's positive effect on access to and spending on education, the effect on education quality is less clear. While studies like Miller (2015) demonstrate that democracy produces higher literacy rates, others like Dahlum & Knutsen (2017) show that student test scores are not consistently better in democracies than in autocracies. Harding and Stasavage (2014) may provide evidence on the reason, showing that voters in Kenya for example hold politicians accountable on easily monitored, observable matters such as school fees. Quality of education is much less visible and attributable to government actions, than access and spending.

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**To contribute to building a scientific evidence base for democracy, the European Union signed a contract with University of Gothenburg/V-Dem Institute to develop "The Case for Democracy", and make it available to the European Union as well as its collaborating partners. On November 30th to December 1st, 2021, 26 scholars and over 400 policymakers and practitioners participated in a hybrid onsite/virtual conference held in Brussels on the Case for Democracy. Scholars presented scientific evidence on the dividends of democracy across six broad areas. This is one of a series of eight policy briefing papers summarizing the collated evidence.**



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