

From:
How Was Life?
Global Well-being since 1820

Access the complete publication at:
<http://dx.doi.org/10.1787/9789264214262-en>

Political institutions since 1820

Peter Foldvari, Katalin Buzasi

Please cite this chapter as:

Foldvari, Peter and Katalin Buzasi (2014), "Political institutions since 1820", in Jan Luiten van Zanden, *et al.* (eds.), *How Was Life?: Global Well-being since 1820*, OECD Publishing.
<http://dx.doi.org/10.1787/9789264214262-13-en>

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the OECD member countries, or those of the IISH.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Chapter 9

Political institutions since 1820

by

Peter Foldvari and Katalin Buzasi, Utrecht University

Political institutions determine the degree of freedom people enjoy and their capacity to influence their social and political environment. This chapter provides historical evidence on the evolution of political institutions drawing upon two major research projects: the PolityIV dataset and the Vanhanen dataset, which focuses on electoral participation and competition. Strengths and weaknesses of both databases are discussed. The chapter shows that global averages are tending to rise according to both datasets, but with significant differences in timing. Both datasets also show that the Western Offshoots and Western Europe took the lead in this process, while other parts of the globe often experienced a much less gradual evolution, with occasional violent swings in political rights. Yet in the long run, there has been an impressive improvement in the quality of political institutions worldwide.

Introduction

Political institutions to a large extent determine the degree of freedom people enjoy, and their capacity to influence their social and political environment, and their quality is therefore fundamental for well-being. Since the seminal works of Douglass North (1990, 1989, 1973), political institutions have been considered relevant factors for people's well-being through their influence on economic performance as well as on other domains of social life, including democracy and happiness (Frey and Stutzer, 2002; Przeworski et al., 2000). Although institutions are popular research topics, when it comes to empirical analysis one has to cope with the difficulties of defining and measuring rather elusive concepts. According to North, institutions are the "rules of the game", or literally, "the humanly devised constraints that shape interaction. In consequence, they structure incentives in human exchange, whether political, social, or economic".¹

Since this concept is quite broad, the empirical literature has adapted it so as to identify and measure different types of institutions that influence economic and social outcomes in various ways. The past two decades have thus witnessed the launch of a number of databases that provide information on the quality of political institutions. Much of the available historical data on institutions goes back at least a century and focuses on democracy and governance, which is most relevant for the purposes of this chapter. This chapter is therefore largely concerned with democracy, an area where the interrelation of political institutions with well-being is well established.

First of all, in the long run democracy is a prerequisite of good governance, which allows other key institutions such as the rule of law and protection of property rights to evolve: these latter institutions have an indirect but significant effect on factor accumulation and material welfare. Second, governments in democratic countries are usually supportive to education, as it acts as a stabilising factor, while authoritarian regimes often perceive it as a threat to their power base (Glaeser et al., 2007). Finally, an individual's ability to have a say in political decisions in democracies lessens the likelihood of violent conflict, such as war, civil unrest or civil war.

This chapter relies on composite measures of democracy to capture the individual's possibilities to affect his or her social environment and the decision-making process. The analysis is limited to measures that are available for long time periods. As these measures are aggregated from underlying sub-indices, the chapter also presents measures of different aspects of political stability, the population's participation in elections and the relative weight of the winning party in parliament (competition).

Description of the concepts used

When aiming to examine the relationship between political institutions and well-being in the long run, one has to cope with several difficulties. First, in the past decade various scholars have contributed to the measurement of institutions with a dozen new concepts plus measures and data. The spectrum of measures incorporated in the term "political institutions" includes the rule of law, which assesses the authority of law within

societies in general, as well as the corruption that people perceive in everyday life; the quality of governments; the extent of democracy; the nature of elections; the stability and duration of political regimes; and even the characteristics of constitutions.² Second, the temporal and geographical scope of most indicators is rather limited, making them weak tools for any comparative historical investigation.

Long-term data on democracy are available from a variety of secondary sources, such as the polity2 index, the Vanhanen index, the Banks CNTS Data Archive, the Boix et al. dataset for political regimes, and the Varieties of Democracy dataset. One indicator that could be used as a proxy of governance is the state antiquity index³ (Bockstette et al., 2002; Chanda and Putterman, 2007): however, this index shows only a very small variation over time, providing meaningful and visually appealing information only in a cross-sectional analysis.⁴ For this reason the scope of this chapter is limited to measures of democracy.

While in its broadest sense democracy is understood as “rule by the people”, in both theory and practice this concept is defined in many ways. One important consideration underlying the various definitions and measures of democracy is the distinction between “minimalist” (or thin) and “wider” (or thick) approaches (Coppedge, 2005). The minimalist view focuses only on the basic attributes of democracy: while this approach helps to identify those instances that fulfil “thin” criteria, it is often too general to allow detailed comparisons between countries. Most currently-used measures of democracy follow this minimalist strategy, which corresponds closely to the concept of “polyarchy” introduced by Robert Dahl (1971).⁵ In contrast, the wider concept attempts to identify and integrate all important aspects of democracy: its drawback is that, since it might be difficult to find cases that fulfil all these requirements, this approach might lose its analytical value.⁶

None of the existing approaches and measures are able to identify and account for all the relevant aspects of democracy. Rather, they conceptualise and measure it along a limited number of dimensions; Coppedge et al. (2011) argue that most studies of democracy can be classified based on seven key principles or concepts:

- The “electoral conception” identifies the key element of a working democracy as the competition of leadership groups.
- The “liberal approach” stresses the importance of transparency, civil liberty, rule of law, horizontal accountability and minority rights. These features are seen as key elements of democracy in their own right, and not merely as support for political competition.
- The “majoritarian conception” highlights the principle that the will of the majority should be sovereign, i.e. the many should prevail over the few.
- The “consensual approach” highlights the importance of the presence of as many political perspectives as possible, rather than decision-making by narrow majorities.
- The “participatory democracy” conception is viewed as a descendant of the direct model of democracy, derived from the experience of Athens. The key idea is unease at delegating authority to representatives. The most important element of democracy is therefore voting and the presence of fora where citizens can share their voice and opinions (assemblies, social movements, etc.).
- The “deliberative conception” focuses on the process through which decisions are reached in a polity. A deliberative process is one in which public reasoning focused on the common good motivates political decisions.
- Finally, an “egalitarian democracy” aims to achieve political equality (equal participation, equal representation, equal protection and equal resources).

Although some of the above concepts might contradict each other to some extent, all existing definitions and measures of democracy involve some combination of these dimensions.

Finally, in order to understand the causes for the vagueness and lack of transparency of current methods of evaluating democracy, it is important to bear in mind that the original concept of democracy is based predominantly on the views and practices of the Western developed world. Thus, it is not surprising that in the second half of the 20th century, as a number of states transitioned from authoritarian regimes to something different, the application of the Western democratic definition came under challenge. Although the newly emergent states in Eastern Europe, Latin America, Asia and Africa fulfilled certain requirements of democracy, they also exhibited some specific features that just didn't quite fit. Consequently, scholars in the field were encouraged to find ways to bridge the existing theory and deal with the realities of the changing world, which has led to numerous new approaches. Even the newest and most popular concepts are often accused of a lack of ability to make a proper evaluation of authoritarian regimes with "good" policies (Glaeser et al., 2004).

Historical sources

This chapter is based on two historical measures: the polity2 index and the Index of Democracy. The polity IV dataset⁷ elaborated by Marshall, Jagger and Gurr (2011) is designed to capture the political regime of each country. In this dataset, countries are assigned a score ranging between +10 (fully democratic) and -10 (fully autocratic) over the period from 1800 to 2010. This composite index is based on six component variables: i) the regulation of chief executive recruitment; ii) the competitiveness of executive recruitment; iii) the openness of executive recruitment; iv) executive constraints; v) the regulation of participation; and vi) the competitiveness of participation. These six components are used to compute a composite "autocracy and democracy index", which ranges between 0 and 10. The polity IV value that is used in this chapter is computed by subtracting the value of autocracy from the value of democracy.⁸

The Index of Democracy⁹ by Vanhanen (1984, 1997, 2003) is a composite score of political competition (one minus the share of votes by the winning party) and political participation (the percentage of the adult population who cast a ballot in the elections). A score of zero indicates the lack of participation or competition. Participation depends fundamentally on two factors: the enfranchisement of the population, and the voter turnout at elections; while competition reflects the dominance of a single political opinion within the parliament. While a significant majority of seats may contribute to stability, the predominance of a single party may hurt the expression of alternative views and the probability of a future change in government.¹⁰

Both the polity2 and the Index of Democracy measures are considered as a minimalist approach to democracy (Munck and Verkuilen, 2002). Competition and participation (the two main dimensions of the Vanhanen index) correspond to the electoral and participatory concept in the scheme of Coppedge et al. (2011). The polity2 index does not easily map to a single theory. The indicators of executive recruitment are straightforward, so finding a match is relatively easy. The second and third indicators refer to the practice of competitive elections, while the last one captures the constraints on the executives. Even though the regulation of participation and the competitiveness of participation components refer in name to participation, they are not related to voting and the rule by citizens, but rather to the possibility for political groups to be included in the political process, which again is more related to competition than to participation. For a systemised description, see Table 9.1.

Table 9.1. Indicators to measure democracy: polity2 and Index of Democracy

Name of indicator	Definition	Number of countries	Time span	Main elements	Components	Corresponding concept in the Coppedge scheme
Polity2	Aggregate measure of the political regimes on a -10 (fully authoritarian) to +10 (fully democratic) scale.	187	1800-2010	Democracy Autocracy	Regulation of chief executive recruitment	-
					Competitiveness of executive recruitment	Electoral
					Openness of executive recruitment	Electoral
					Executive constraints	Liberal
					Regulation of participation	Electoral, (consensual, majoritarian)
					The competitiveness of participation	Electoral, (consensual, majoritarian)
Index of Democracy by Vanhanen	The product of the participation (Percentage of the adult population voting in the elections (0-100%)) and the competition (One minus the share of votes by the winning party in a national election (0-100%)) indices. Its value is between 0 and 100, with 100 being the maximum theoretically possible level of democracy.	189	1810-2000	Competition Participation	Competition	Electoral
					Participation	Participatory

Data quality

The first and most obvious limitation of the measures presented in this chapter is the availability of data. The polity2 indicator is available only for countries with a population of 500 000 or more, which still provides relatively large country coverage. Smaller states and islands in the Caribbean and the Pacific areas are included only in the Vanhanen dataset.

Another pitfall related to data availability concerns the viability of comparisons between regions over time. Although time series for most countries in Western Europe, the Western Offshoots, East Asia, and Latin America and the Caribbean are available for earlier periods, in the remaining territories the overall picture on democracy in early times depends highly on only a few observations in both datasets. This is because most of these areas were either colonies of Western European imperia or did not exist (countries of the former Soviet bloc) in their current form. Most Sub-Saharan African countries enter the dataset after the 1950s when they became independent and authoritarian regimes developed. Thus the values of the regional democracy measures (discussed in the following sections) related to the 19th century and the beginning of the 20th century basically mirror the situation in three countries: Ethiopia, Liberia and South Africa. The same applies to South and Southeast Asia. Only Afghanistan, Bhutan, Nepal and Thailand are considered before the middle of the 20th century. Democracy values for former colonies (Malaysia, Philippines, Papua New Guinea, etc.) are provided only after independence. Certain countries (Armenia, Georgia, Turkmenistan etc.) came into existence after the dissolution of the Soviet Union, and thus are included in our datasets from the 1990s onwards. For Bulgaria, Hungary, Romania, Russia and Serbia, data are provided from the early and

mid-1800s. The Northern African MENA countries (Algeria, Libya, Morocco and Tunisia) were colonised by European countries until the first half of the 20th century, before which data are not available (except for Morocco). In this region democracy measures are available for Iran, Morocco (before colonisation), Oman and Turkey from 1800 onwards.

Beyond the country coverage, a more important difference between the two datasets arises from differences in the theory underlying them. While both measures adopt Dahl's (1972) conceptual framework, which identifies competition and participation as the two key attributes of democracy, their measurement strategy is fundamentally different, even though both can be seen as minimalist approaches (i.e. they omit certain aspects of democracy in exchange for empirical feasibility). The polity2 measure assigns scores on an ordinal scale to six components, some of which are less important than others; the index also focuses on the regulatory aspects of participation (i.e. whether or not elections are competitive) rather than on the actual degree of participation (Munck and Verkuilen, 2002). Vanhanen, on the other hand, chooses a single empirical proxy for each of the attributes, i.e. the share of the adult population who voted in the last elections, and the degree of dominance of the winning party in the elections, thereby measuring the two concepts on an interval scale (as percentages).¹¹ Reich (2002) noted a further problem with the polity2 score, which is that about 62% of the countries cluster near the extremes of the score ($\pm 6-10$), which leads to a bimodal distribution. Regimes with intermediate scores are thus difficult to classify.

Finally, the method of aggregation, i.e. combining all component scores into a single measure, is different in the two datasets. The polity2 score is aggregated as a weighted average of the scores, while Vanhanen multiplies the two attributes into an overall index, which, since the components vary between 0 and 1, often results in low aggregate scores, often below 20%. Both methods lack theoretical justification and an empirical comparison of alternative weighting methods. Furthermore, the polity2 score may suffer from double-counting as a result of redundant indicators (Munck and Verkuilen, 2002).

As for the quality of the underlying sources (Table 9.2), Vanhanen's strategy allows for the direct use of national and international statistical sources, and – for statistically more problematic regions – of secondary sources. The documentation of sources for the Vanhanen index makes it possible to classify the data quality level as either 1 or 2, depending on the country. Unfortunately, the polityIV project does not supply a list of sources. The polity2 aggregate is based on expert opinion using secondary historical sources: this is closest to category 3 in the classification adopted in this report.

A real strength of the two datasets is that they consistently use the same data and process them in the same way, as a result of which the data are highly comparable over time and space. Nor does the data quality change over time.

Table 9.2. Quality of data on indicators on democracy

Indicator	Data quality
Polity2 (Polity IV)	3
Participation (Index of Democracy)	1 and 2
Competition (Index of Democracy)	1

Note: 1. High quality; 2. Moderate quality; 3. Low quality; and 4. Estimates. See the section on «Data Quality» in Chapter 1 for a description of the quality criteria.

Source: Clio-Infra, www.clio-infra.eu.

Main highlights of trends in political institutions

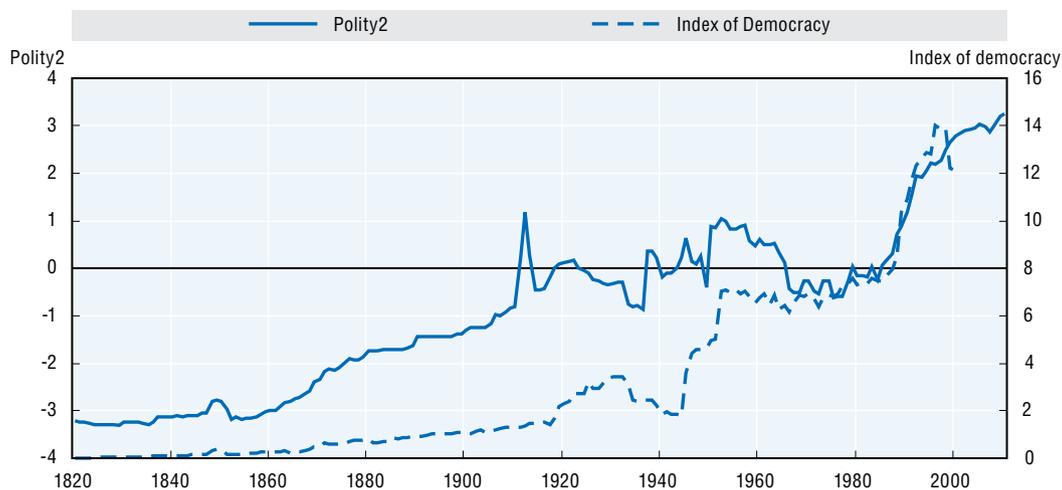
Description of global trends

The world witnessed three main waves of democratisation and two reverse waves over the past 200 years (Huntington, 1993 and 1991). The first wave (1828-1926) was rooted in the American and French revolutions. Then the dominant political process in the 1920s and 1930s (1922-1942) was a shift away from democracy and towards more authoritarian regimes. This reversal was more relevant in countries that adopted democratic forms just before or after the First World War. The second wave of democratisation (1943-1962) started with the Second World War and was followed by a second reversal (1958-1975). The third wave of democratisation (1974 to present times) started with the overthrow of the Portuguese dictatorship, which was the first episode in a long process in which more than thirty countries replaced autocratic regimes with democratic ones.¹²

Figure 9.1 presents the global trend in the degree of democracy based on the polity2 score and the Index of Democracy (ID) by Vanhanen. Even though these two measures are based on somewhat different theoretical understandings of democracy, they lead to very similar conclusions: the world has become more democratic during the 19th and 20th centuries. There is, however, a striking difference in the speed and timing of the democratisation process. The polity2 score suggests that a worldwide democratisation began in the 1860s and lasted until the 1960s, restarting only in the 1980s. Conversely, the Index of Democracy points to a modest improvement during the 19th century, and strong improvements around the 1920s and at the end of the Second World War. The reason for these differences lies in the different conceptual framework of the two indicators. In case of the polity2 score, if a country fulfils certain qualitative conditions, as do the United States, the United Kingdom and Canada, they are given a high score (Table 9.3); in this respect, the polity2 score is more representative of *de jure* political rights. Vanhanen's Index of Democracy is based on actual

Figure 9.1. **Global scores for Index of Democracy and polity2 of the Polity IV project, 1820-2000**

Values in percentages and scale from -10 to +10



Note: For an assessment of data quality, see Table 9.2.

Source: Clio-Infra, www.clio-infra.eu.

StatLink  <http://dx.doi.org/10.1787/888933096008>

Table 9.3. Polity2 democracy indicator in selected countries, 1820s-2000s

Decadal averages

	Western Europe (WE)							Eastern Europe (EE)		Western Offshoots (WO)			Latin America and Caribbean (LA)			Middle East and North Africa (MENA)		Sub-Saharan Africa (SSA)			East Asia (EA)		South and South-East Asia (SSEA)		
	GBR	NLD	FRA	DEU	ITA	ESP	SWE	POL	RUS	AUS	CAN	USA	MEX	BRA	ARG	EGY	TUR	KEN	NGA	ZAF	CHN	JPN	IND	IDN	THA
1820s	-2.0	-6.0	-4.0	-10.0	..	-5.4	-8.0	..	-10.0	..	..	9.0	-1.0	-6.0	-5.0	..	-10.0	..	..	..	-6.0	-10.0	..	..	-10.0
1830s	-0.5	-6.0	-1.0	-10.0	..	-4.2	-8.0	..	-10.0	..	..	9.0	-2.1	-6.0	-5.0	..	-10.0	..	..	..	-6.0	-10.0	..	..	-10.0
1840s	3.0	-6.3	0.4	-8.8	..	-1.5	-7.2	..	-10.0	..	..	9.5	-3.0	-6.0	-5.0	..	-10.0	..	..	..	-6.0	-10.0	..	..	-10.0
1850s	3.0	-3.0	-5.9	-8.3	..	-4.5	-6.0	..	-10.0	..	..	8.4	-3.0	-6.0	-3.5	..	-10.0	..	..	..	-6.0	-9.7	..	..	-10.0
1860s	3.0	-3.0	-6.0	-6.6	-4.0	-5.4	-5.0	..	-10.0	..	4.0	8.0	-3.7	-6.0	-3.0	..	-10.0	..	..	..	-6.0	-2.6	..	..	-10.0
1870s	3.0	-3.0	3.5	-4.1	-4.0	-0.9	-4.0	..	-10.0	..	4.0	9.8	-6.0	-6.0	-3.0	..	-9.4	..	..	..	-6.0	1.0	..	..	-10.0
1880s	7.0	-2.9	7.0	-4.0	-4.0	4.0	-4.0	..	-10.0	..	5.0	10.0	-9.0	-5.7	1.0	..	-10.0	..	..	..	-6.0	1.0	..	..	-10.0
1890s	7.0	-2.0	7.2	1.0	-4.0	4.5	-4.0	..	-10.0	..	9.0	10.0	-9.0	-3.0	1.0	..	-10.0	..	..	..	-6.0	1.0	..	..	-10.0
1900s	7.9	-2.0	8.0	1.1	-1.0	6.0	-3.3	..	-8.2	10.0	9.0	10.0	-9.0	-3.0	1.0	..	-8.5	..	..	..	-6.0	1.0	..	..	-10.0
1910s	8.0	1.6	8.1	2.6	-1.0	6.0	6.5	8.0	-4.5	10.0	9.0	10.0	-1.2	-3.0	1.8	..	-1.0	..	..	4.0	-3.8	1.0	..	..	-10.0
1920s	9.6	10.0	9.0	6.0	-5.0	-2.6	10.0	3.6	-5.6	10.0	9.9	10.0	-2.2	-3.0	2.0	2.8	-5.3	..	..	4.0	-5.0	1.0	..	..	-10.0
1930s	10.0	10.0	10.0	-4.5	-9.0	5.0	10.0	-3.9	-8.7	10.0	10.0	10.0	-6.0	-6.3	-4.1	-2.1	-6.6	..	..	4.0	-5.0	1.0	..	..	-5.3
1940s	10.0	10.0	0.5	-7.3	0.8	-7.0	10.0	-2.8	-9.0	10.0	10.0	10.0	-6.0	-1.3	-4.4	1.0	-1.4	..	..	4.0	-5.8	1.0	..	1.0	-3.0
1950s	10.0	10.0	9.0	1.0	10.0	-7.0	10.0	-7.0	-7.6	10.0	10.0	10.0	-6.0	5.2	-5.7	-5.4	5.2	..	..	4.0	-8.0	10.0	9.0	-0.7	-4.7
1960s	10.0	10.0	5.3	1.0	10.0	-7.0	10.0	-7.0	-7.0	10.0	10.0	10.0	-6.0	-2.9	-4.2	-7.0	8.3	-0.1	1.8	4.0	-8.3	10.0	9.0	-5.7	-5.6
1970s	10.0	10.0	8.0	1.0	10.0	-1.4	10.0	-7.0	-7.0	10.0	10.0	10.0	-5.1	-6.0	-4.5	-6.6	6.7	-6.9	-4.9	4.0	-7.6	10.0	8.3	-7.0	-1.3
1980s	10.0	10.0	8.4	1.5	10.0	9.8	10.0	-5.7	-6.6	10.0	10.0	10.0	-2.4	2.0	3.0	-6.0	3.6	-6.8	-1.2	4.0	-7.0	10.0	8.0	-7.0	2.2
1990s	10.0	10.0	9.0	10.0	10.0	10.0	10.0	8.2	2.6	10.0	10.0	10.0	3.0	8.0	7.1	-6.0	8.0	-4.3	-4.4	7.8	-7.0	10.0	8.5	-5.5	7.4
2000s	10.0	10.0	9.0	10.0	10.0	10.0	10.0	9.8	5.3	10.0	10.0	10.0	8.0	8.0	8.0	-4.4	7.0	5.9	4.0	9.0	-7.0	10.0	9.0	7.3	5.5

Notes: For an assessment of data quality, see Table 9.2. RUS 1920s-1980s: refers to the Soviet Union.

Source: Clio-Infra, www.clio-infra.eu.StatLink  <http://dx.doi.org/10.1787/888933097167>

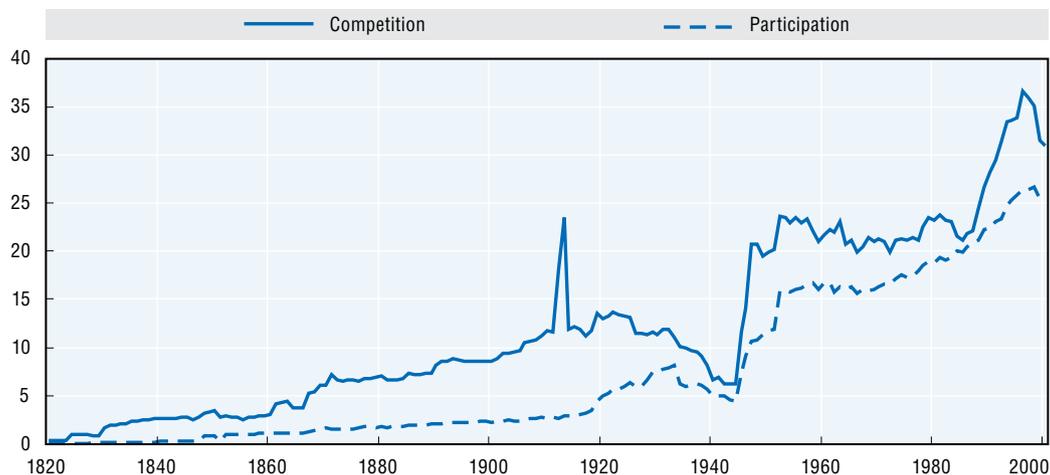
data on election results, and more reflects how political rights are actually translated into practical application (which is more in line with the capability concept of Sen (2003) and with a *de facto* understanding of institutions). As Figure 9.2, Table 9.3 and 9.4 suggest, using Vanhanen's concept we find strong overall improvements in countries that had a relatively high polity2 score already in the 19th century. What is more, the primacy of the United States in terms of democracy is not straightforward once measured by the Index of Democracy, since it suggests that United Kingdom overtook the United States around 1919, and preserved its leading position until 2000.

The general trend in Figure 9.1 is also affected by the weighting scheme used, as populous countries dominate the overall score. This is especially striking in the polity2 score in 1912-14, when the temporary improvement of the degree of democracy in China (as a result of the 1911 revolution and the establishment of the republic) in Table 9.3 caused a positive spike in the average score (Figure 9.1). No comparable overall spike is observed in the Index of Democracy.

Figure 9.2 shows the global trend of the two components of Vanhanen's Index of Democracy, i.e. competition and participation. Due to the multiplicative aggregation used by this index, the participation component (with the least variability of the two) mostly determined the movement of the composite index in Figure 9.1. It refers back to the case of China as discussed just above. The improvements in China as the most populous country cause a spike in the competition component in 1910, but this is offset by the zero value of participation and thus cannot be traced in the overall measure. Nevertheless, the two components show a strong correlation: while the right to vote on a global scale was limited to less than 5% of the total population at the end of the 19th century, this experienced a strong increase during the 1940s. Figure 9.2 also reveals an important aspect of the democratisation process. The share of the population that votes in elections depends on two factors: one is the share of the population that has the political right to vote, while the other is the actual voter turnout. While historical information on the latter component

Figure 9.2. **Index of Democracy: participation and competition, 1820-2000**

World average, percentages



Note: For an assessment of data quality, see Table 9.2

Source: Clio-Infra, www.clio-infra.eu.

StatLink  <http://dx.doi.org/10.1787/888933096027>

Table 9.4. Index of Democracy in selected countries, 1820s-1990s

Decadal averages

	Western Europe (WE)							Eastern Europe (EE)		Western Offshoots (WO)			Latin America and Caribbean (LA)			Middle East and North Africa (MENA)		Sub-Saharan Africa (SSA)			East Asia (EA)		South and South-East Asia (SSEA)		
	GBR	NLD	FRA	DEU	ITA	ESP	SWE	POL	RUS	AUS	CAN	USA	MEX	BRA	ARG	EGY	TUR	KEN	NGA	ZAF	CHN	JPN	IND	IDN	THA
1820s	0.04	0.00	0.00	0.00	..	0.00	0.19	..	0.00	..	..	1.59	0.00	0.00	0.00	..	0.00	..	..	..	0.00	0.00	..	..	0.00
1830s	0.63	0.00	0.05	0.00	..	0.00	0.19	..	0.00	..	..	4.31	0.00	0.00	0.00	..	0.00	..	..	..	0.00	0.00	..	..	0.00
1840s	0.92	0.00	1.50	0.00	..	0.00	0.19	..	0.00	..	..	6.81	0.00	0.00	0.00	..	0.00	..	..	..	0.00	0.00	..	..	0.00
1850s	0.96	0.31	1.38	0.00	..	0.00	0.19	..	0.00	..	..	7.00	0.00	0.00	0.06	..	0.00	..	..	..	0.00	0.00	..	..	0.00
1860s	1.30	0.45	1.77	0.44	0.44	0.51	0.17	..	0.00	..	3.89	7.09	0.02	0.00	0.09	..	0.00	..	..	..	0.00	0.00	..	..	0.00
1870s	2.23	0.98	8.12	1.99	0.38	1.62	0.12	..	0.00	..	4.37	7.95	0.01	0.00	0.51	..	0.00	..	..	..	0.00	0.00	..	..	0.00
1880s	3.37	1.32	7.42	2.51	0.96	0.22	0.19	..	0.00	..	6.27	9.50	0.00	0.00	0.54	..	0.00	..	..	..	0.00	0.00	..	..	0.00
1890s	4.56	3.34	10.37	2.84	0.99	1.10	0.36	..	0.00	..	8.51	9.77	0.00	0.14	0.17	..	0.00	..	..	..	0.00	0.11	..	..	0.00
1900s	4.52	6.32	14.70	2.83	1.42	1.60	1.41	..	0.00	11.78	8.48	8.00	0.00	0.27	0.34	..	0.01	..	..	..	0.00	0.19	..	..	0.00
1910s	7.15	9.46	14.89	3.77	5.36	1.55	7.39	12.18	0.00	17.42	8.34	8.96	0.03	0.50	1.71	..	0.01	..	..	2.34	0.00	0.32	..	..	0.00
1920s	18.33	26.37	15.02	20.27	4.71	0.37	18.24	13.50	0.00	21.56	18.18	11.21	0.91	0.53	4.29	0.00	0.00	..	..	2.22	0.00	0.97	..	..	0.00
1930s	22.48	31.68	16.42	11.24	0.15	13.02	24.44	4.23	0.00	29.86	20.81	13.63	0.47	0.00	4.23	0.00	0.00	..	..	2.64	0.00	2.10	..	..	0.00
1940s	23.58	34.48	27.79	2.90	12.55	0.00	24.50	1.01	0.00	30.37	21.38	16.61	1.36	3.19	4.89	0.00	2.30	..	..	4.16	0.00	11.80	1.77	0.00	0.00
1950s	28.01	35.57	28.44	15.76	32.87	0.00	29.09	0.86	0.00	27.90	20.88	16.67	2.89	9.24	11.95	0.00	17.84	..	..	4.32	0.00	22.20	13.00	3.50	0.18
1960s	26.89	36.56	17.93	15.38	36.52	0.00	29.82	0.39	0.00	27.82	22.88	17.52	2.39	4.00	13.93	0.00	16.67	1.38	6.54	2.81	0.00	21.62	15.11	0.00	0.25
1970s	29.92	38.52	30.94	15.96	38.42	9.85	36.01	0.37	0.00	29.88	24.57	17.56	3.23	0.00	5.60	1.13	17.92	0.00	1.50	2.20	0.00	27.00	15.98	3.77	1.77
1980s	31.76	40.40	34.34	16.84	42.79	29.44	36.66	13.51	0.77	31.30	25.98	17.25	7.33	2.86	17.11	1.86	16.76	0.00	4.49	2.20	0.00	26.18	16.90	4.05	4.51
1990s	32.26	39.42	31.15	33.96	42.60	35.83	36.90	24.02	24.43	34.85	27.15	19.98	16.41	24.76	26.15	3.06	31.09	7.55	1.77	11.60	0.00	28.59	19.87	5.62	9.02

Notes: For an assessment of data quality, see Table 9.2. RUS 1920s-1980s: refers to the Soviet Union.

Source: Clío-Infra, www.clío-infra.eu.StatLink  <http://dx.doi.org/10.1787/888933097186>

is not available, the OECD (2011) demonstrated a substantial reduction in voter turnout in OECD countries during the last few decades. The dominant process behind the rising participation index shown in Figure 9.2 is the expansion of political rights to different segments of society.

Regional trends¹³

The three waves of the democratisation process described above can be illustrated by Tables 9.5, 9.6, 9.7 and 9.8, which show trends in the two democracy indices by the main geographical areas (Huntington, 1993). These regional data highlight the special role played by political institutions in different historical contexts. Tables 9.3 and 9.4 in the previous section might also be used to follow the characteristics of trends in certain major countries of each region.

A range of measurement and technical issues should be kept in mind when interpreting the evidence for North America and Europe. The United States in the early 19th century is often cited as an early example of modern democracy. However, rules for suffrage were not uniform across the United States states, and only white males who met certain conditions on property were allowed to vote. The 19th and 20th centuries saw a process of extension of the franchise in the United States (often as a result of wars, Keyssar, 2009), first to include all white men in the 1820s, then to native Americans and women in the 1920s, and finally to the Afro-American population from the 1860s until the 1960s. A similar increase in the share of population with the right to vote can be observed in Europe during the 1920s with the introduction of universal suffrage there. But looking only at the share of the population that votes in elections can be misleading. One region that experienced a heavy increase in electoral participation was post-1945 Eastern Europe, which had recorded only quite limited improvements in terms of democracy during the inter-war period, but had participation rates of around 60-70% under the state-socialist regimes (in the 1950s: Bulgaria 65.6%, Hungary 58.3%, Poland 48.2%). Still, these elections were held under a one-party system, with no real political alternative being offered to the voters. This is reflected in the lack of political competition, as shown in Table 9.8, where the score for Eastern Europe is close to 0% in this period. The degree of political competition also depends on the political structure. In the two-party system of the United States, Table 9.8 displays remarkably stable political competition over time, while political segmentation in Western and Northern Europe led to an increase in competition. There is also evidence of an increasing convergence in political competition between Europe and America, while Asia and Africa seem to be lagging behind, due to the presence of one-party systems (China, North Korea, Laos and Vietnam) or dominant-party systems (Singapore, Indonesia, Malaysia, Cambodia, Kazakhstan, Yemen, Syria, etc.).

The democratic transition of the post-communist Eastern European countries is a well-researched topic. Since these countries have different cultural features and historical experience compared to those in Western Europe, their membership in the European Union has raised some challenges in terms of policy formation (Kubicek, 2013, Petrovic, 2013). Although both the polity2 scores and the Index of Democracy suggest an increase in democracy from the 1980s onwards in Eastern Europe (Tables 9.5 and 9.6), both indices declined in the last years of the 20th century. Since the constitutional system did not change much in that period, the polity2 index shows only a very moderate decline. The decrease in democracy is more drastic when measured by the Index of

Democracy. Tables 9.7 and 9.8 reveal that a decline in both participation and political competition drove the observed lowering of the democracy scores for the Eastern Europe and post-Soviet states. This was to a lesser degree a result of increasing dominance by the winning party, leaving less room for dissenting opinions in national parliaments. The observed trend mainly reflects a reduction in participation (especially in Bulgaria, Hungary and Poland). While this decline in political participation is typically explained by voter disenchantment, Pacek et al. (2009) suggest that it reflects a rational decision by voters to vote only when the stakes are high. Nevertheless, even Pacek et al. find evidence of a negative empirical relationship between voter turnout and macroeconomic indicators like inflation and unemployment.

Major changes in political institutions have also taken place in the Sub-Saharan African region over the past fifty years. Between 1956 and 1970, more than thirty African countries gained independence from their former European colonisers. However, this decolonisation typically resulted in the establishment of authoritarian regimes (see the low competition scores). These events are reflected in Tables 9.3, 9.4, 9.5 and 9.6. The only country in the region that maintained democratic practices constantly over this entire period is Botswana. The improvement in both indices around 1980 reflected some short-lived changes in Burkina Faso, Ghana, Nigeria, Senegal, Tanzania and Uganda. Conversely, since the 1990s most Sub-Saharan African countries have experienced a steady increase in both the polity2 and the Index of Democracy.

Latin America played only a limited role in the second democratisation wave, via popularly elected governments in Argentina, Colombia, Peru and Venezuela in the mid-1940s. However, this effort did not last long, and both Argentina and Peru moved back towards limited democracy in subsequent years (although some British colonies in the Latin America region that became independent in the 1960s maintained long-lasting democratic institutions, e.g. Jamaica and Trinidad and Tobago in 1962, Barbados in 1966). In the 1960s and 1970s, military regimes were established in several countries (Peru in 1962; Brazil and Bolivia in 1964; Argentina in 1966; Ecuador in 1972; Uruguay and Chile in 1973). Since the late 1970s, the region has experienced a steadily improvement in political institutions.

Within Asia, there are striking differences between South and South-eastern Asia on the one hand and East Asia on the other. In the late 1950s and early 1960s, military rule in Pakistan and Korea, guided democracy in Indonesia, and emergency rule in India temporarily reduced the democracy scores for both regions. As part of the third wave of democratisation, however, India returned to the democratic path in 1977, and in the 1980s Pakistan and the Philippines also restored democratic rule. Even though Japan and South Korea both achieved a high level of democracy after 1945 and 1987, respectively, the low score for China dominates the picture, making East Asia the least democratic region in today's world.

The Middle Eastern and North African (MENA) countries have lagged in the democratisation process. Several studies show that countries with Muslim majorities exhibit less democracy (Potrafke, 2012; Borooah and Paldam, 2007; Barro, 1999). Abundant oil resources might also hinder the establishment of democratic institutions (Aslaksen, 2010; Badawi and Makdisi, 2007; Ross, 2001), as this increases the chance that ruling elites are not willing to share control over these resources.

Table 9.5. **Regional averages of polity2 democracy scores, 1820s-2000s**

Values on -10/+10 scale, decadal averages

	Western Europe (WE)	Eastern Europe (EE)	Western Offshoots (WO)	Latin America and Caribbean (LA)	East Asia (EA)	South and South-East Asia (SSEA)	Middle East and North Africa (MENA)	Sub-Saharan Africa (SSA)	World
1820s	-4.2	-4.2	7.7	-1.5	-6.1	-0.3	-3.2	..	-3.3
1830s	-3.4	-4.1	7.8	-2.7	-6.1	-0.3	-3.1	..	-3.2
1840s	-2.2	-3.8	8.3	-3.0	-6.1	-0.2	-3.0	..	-3.0
1850s	-3.2	-4.3	7.3	-3.0	-6.1	-0.2	-3.2	..	-3.1
1860s	-3.3	-4.7	7.0	-3.3	-5.5	-0.2	-3.3	..	-2.8
1870s	-0.4	-4.5	8.8	-3.2	-5.2	-0.2	-3.3	..	-2.1
1880s	1.4	-4.1	9.1	-3.3	-5.2	-0.2	-3.1	..	-1.7
1890s	2.6	-4.1	9.4	-2.7	-5.1	-0.2	-3.0	..	-1.4
1900s	3.6	-3.3	9.7	-2.9	-5.1	-0.3	-1.8	..	-1.1
1910s	4.4	-1.5	9.7	-1.4	-3.2	-0.3	-0.1	0.2	-0.1
1920s	5.1	-0.2	9.7	-2.1	-4.2	-0.3	-1.5	0.2	-0.1
1930s	2.2	-0.5	9.7	-3.5	-2.9	-0.2	-2.2	0.3	-0.3
1940s	1.1	-1.7	9.7	-2.0	-1.9	-0.1	-0.6	0.3	0.1
1950s	5.3	-2.2	9.6	-0.4	-5.9	4.4	-1.4	0.3	0.8
1960s	4.7	-2.2	9.6	-1.8	-5.8	3.1	-2.1	-1.2	0.1
1970s	5.8	-1.6	9.5	-3.4	-5.7	2.6	-1.6	-4.5	-0.4
1980s	7.4	-0.3	9.5	1.8	-5.1	2.3	-0.8	-3.9	0.1
1990s	9.7	4.6	9.5	6.1	-4.8	4.6	-0.3	-1.5	2.0
2000s	9.7	6.1	9.5	7.3	-4.8	5.4	-0.2	2.9	3.0

Note: For an assessment of data quality, see Table 9.2.

Source: Clio-Infra, www.clio-infra.eu.StatLink  <http://dx.doi.org/10.1787/888933097205>Table 9.6. **Regional averages of Index of Democracy scores, 1820s-2000s**

Percentages, decadal averages

	Western Europe (WE)	Eastern Europe (EE)	Western Offshoots (WO)	Latin America and Caribbean (LA)	East Asia (EA)	South and South-East Asia (SSEA)	Middle East and North Africa (MENA)	Sub-Saharan Africa (SSA)	World
1820s	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0
1830s	0.1	0.0	3.8	0.0	0.0	0.0	0.0	0.0	0.1
1840s	0.5	0.0	6.0	0.0	0.0	0.0	0.0	0.0	0.2
1850s	0.5	0.0	6.1	0.1	0.0	0.0	0.0	0.0	0.2
1860s	0.8	0.1	6.2	0.1	0.0	0.0	0.0	0.0	0.3
1870s	2.7	0.2	7.3	0.1	0.0	0.0	0.0	0.0	0.7
1880s	2.8	0.1	8.8	0.1	0.0	0.0	0.0	0.0	0.8
1890s	3.9	0.2	9.2	0.2	0.0	0.0	0.0	0.0	1.0
1900s	4.9	0.2	7.9	0.3	0.0	0.0	0.0	0.0	1.2
1910s	6.6	0.4	8.9	0.6	0.0	0.0	0.0	0.1	1.5
1920s	14.2	2.3	11.7	1.2	0.1	0.0	0.0	0.1	2.8
1930s	13.5	2.2	14.1	1.1	0.2	0.0	0.0	0.2	2.8
1940s	10.9	0.5	16.7	3.2	1.5	0.4	0.1	0.3	3.1
1950s	18.9	0.2	16.6	6.1	3.2	7.3	0.9	0.4	6.5
1960s	17.8	0.1	17.5	6.0	3.0	8.0	0.8	3.1	6.6
1970s	22.5	1.1	17.6	3.7	3.0	9.2	0.8	1.0	7.0
1980s	27.3	4.6	17.4	7.6	3.0	9.9	1.2	2.1	7.9
1990s	34.4	15.0	19.9	18.3	3.6	13.5	1.3	4.1	12.7
2000s	32.9	12.5	18.8	19.6	1.4	12.6	1.4	6.9	12.1

Note: For an assessment of data quality, see Table 9.2.

Source: Clio-Infra, www.clio-infra.eu.StatLink  <http://dx.doi.org/10.1787/888933097224>

Table 9.7. Regional averages of participation scores in democracy, 1820s-2000s
Percentages, decadal averages

	Western Europe (WE)	Eastern Europe (EE)	Western Offshoots (WO)	Latin America and Caribbean (LA)	East Asia (EA)	South and South-East Asia (SSEA)	Middle East and North Africa (MENA)	Sub-Saharan Africa (SSA)	World
1820s	0.0	0.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0
1830s	0.3	0.0	8.1	0.0	0.0	0.0	0.0	0.0	0.2
1840s	1.3	0.0	12.1	0.1	0.0	0.0	0.0	0.0	0.4
1850s	4.6	0.0	11.7	0.5	0.0	0.0	0.0	0.0	0.9
1860s	5.7	0.2	12.1	0.6	0.0	0.0	0.0	0.0	1.2
1870s	7.2	1.1	15.0	0.5	0.0	0.0	0.0	0.0	1.6
1880s	7.4	0.3	17.0	0.9	0.0	0.0	0.0	0.0	1.8
1890s	8.8	0.8	17.8	1.4	0.0	0.0	0.0	0.0	2.2
1900s	9.8	0.9	16.9	2.3	0.1	0.0	0.0	0.0	2.4
1910s	12.5	1.2	17.2	3.8	0.1	0.0	0.0	0.2	3.1
1920s	24.5	4.6	26.4	6.4	0.4	0.0	0.1	0.3	6.0
1930s	27.6	11.8	33.0	7.0	0.9	0.0	0.0	0.4	6.7
1940s	20.8	27.3	35.2	10.9	2.8	1.3	0.3	0.7	7.3
1950s	33.0	38.3	36.3	16.6	6.4	14.5	1.8	1.0	15.3
1960s	31.4	38.6	36.3	15.5	6.3	16.3	2.0	11.9	16.1
1970s	36.9	40.4	36.4	12.7	5.6	20.6	2.4	13.2	17.4
1980s	44.2	43.4	37.4	19.9	5.8	24.5	4.3	16.5	20.1
1990s	56.1	33.8	37.3	36.1	5.6	27.5	3.7	14.3	25.0
2000s	53.3	28.1	35.9	36.9	1.6	28.5	4.2	21.0	25.2

Note: For an assessment of data quality, see Table 9.2.

Source: Clio-Infra, www.clio-infra.eu.

StatLink  <http://dx.doi.org/10.1787/888933097243>

Table 9.8. Regional averages of competition scores in democracy, 1820s-2000s
Percentages, decadal averages

	Western Europe (WE)	Eastern Europe (EE)	Western Offshoots (WO)	Latin America and Caribbean (LA)	East Asia (EA)	South and South-East Asia (SSEA)	Middle East and North Africa (MENA)	Sub-Saharan Africa (SSA)	World
1820s	2.6	0.0	27.6	0.0	0.0	0.0	0.0	0.0	0.7
1830s	12.0	0.0	40.2	0.0	0.0	0.0	0.0	0.0	2.2
1840s	14.4	0.0	43.4	0.7	0.0	0.0	0.0	0.0	2.7
1850s	11.6	0.0	45.4	7.2	0.0	0.0	0.0	0.0	2.8
1860s	20.1	0.6	45.5	7.9	0.0	0.0	0.0	0.0	4.4
1870s	32.0	3.2	45.7	8.8	0.0	0.0	0.0	0.0	6.7
1880s	31.5	3.5	48.8	5.8	0.0	0.0	0.0	0.0	7.0
1890s	35.4	3.9	48.8	9.7	2.1	0.0	0.0	0.0	8.6
1900s	40.0	4.4	45.6	9.1	2.3	0.0	2.9	0.0	9.8
1910s	44.1	6.1	51.0	14.9	9.0	0.0	1.9	3.3	13.7
1920s	47.9	11.0	42.6	20.5	2.8	0.0	3.8	3.5	12.6
1930s	36.6	10.9	41.2	13.9	3.2	0.0	0.0	4.3	10.3
1940s	24.4	1.3	45.8	23.9	7.0	5.8	7.7	4.1	11.9
1950s	37.5	0.3	44.2	35.7	8.0	32.8	5.6	4.9	22.3
1960s	35.9	0.2	46.0	24.4	7.0	30.8	2.5	18.6	21.4
1970s	41.9	2.1	45.9	16.0	6.1	34.1	2.2	7.3	21.4
1980s	47.9	6.8	44.1	33.8	6.3	33.0	3.4	11.5	23.1
1990s	59.5	30.8	50.4	51.5	7.0	42.1	3.8	17.6	32.9
2000s	57.5	30.5	49.5	51.7	2.0	36.5	3.4	26.8	31.0

Note: For an assessment of data quality, see Table 9.2.

Source: Clio Infra, www.clio-infra.eu.

StatLink  <http://dx.doi.org/10.1787/888933097262>

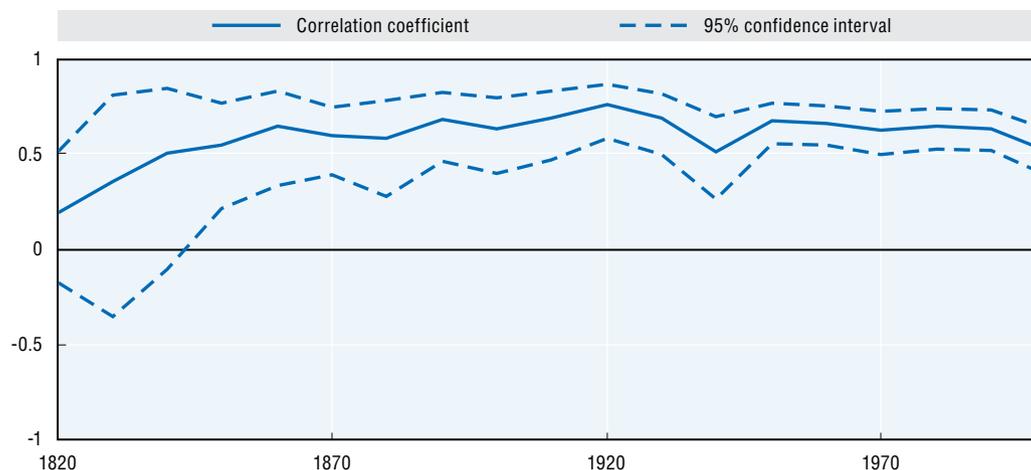
Correlation with GDP per capita

Figures 9.3 and 9.4 reveal similar patterns for both aggregate measures: statistically insignificant, close to zero correlation until the mid-19th century, followed by a period of stable, strong and positive correlation (around 0.5-0.6) from 1870s on, implying that democracy over this period was a privilege of wealthy countries. The positive correlation somewhat dropped in the second half of the 20th century in case of the polity2, which is a result of the democratisation process in Africa and the former Eastern-bloc countries.

The two figures show the linear (Pearson's) correlation coefficients between the different democracy indicators used in this chapter and per capita GDP. In all cases, the correlation coefficient was calculated per decade in order to avoid the problems resulting from non-stationarity. It should be noted that this type of correlation can be applied to variables measured as intervals or ratio scales. While this condition is met in case of the Index of Democracy as well as for GDP per capita, it is not met by the polity2 score, which is measured on an ordinal variable. Nevertheless for sake of comparability, and since polity scores are usually used in linear regression that require the same linearity assumption as the linear correlation, a linear correlation was applied here as well.

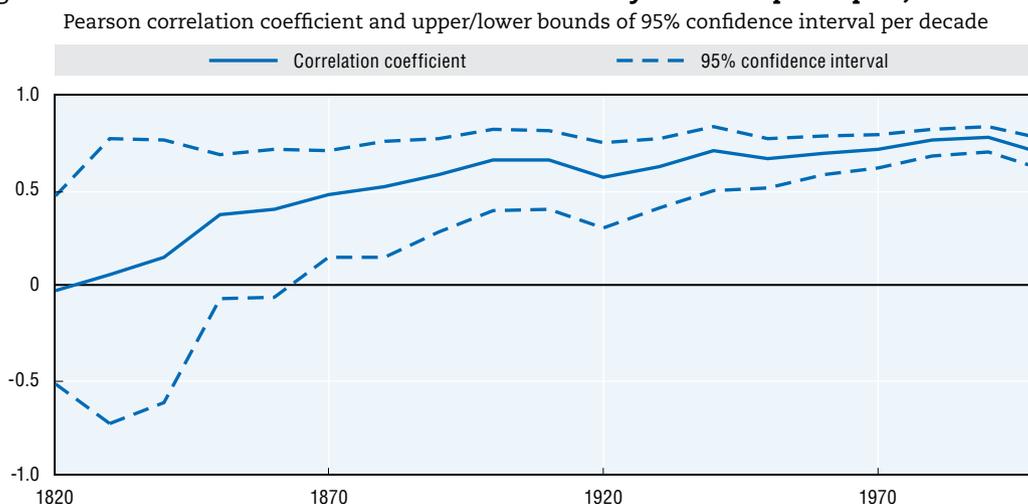
It should be stressed that the figures above show only co-movements among the variables, rather than causal relationship. Several theoretical and empirical studies have tried to reveal the causality between democracy and economic development. Early modernisation theory argued that a society must fulfil some social and economic prerequisites (economic development, urbanisation, education, mass media and communication, etc.) in order to reach political democracy (Roxborough, 1988; Lipset, 1959). Later studies recognised the possibility of reverse causality and analysed anomalies that do not fit into the general modernisation theory. Przeworski and Limongi (1993), for example, argued that democracy promotes GDP growth by limiting the predatory behaviour of autocratic leaders, but that it might also hinder it by increasing consumption and impeding investment. In the case of China, De Mesquita and Downs

Figure 9.3. **Correlation between polity2 index and GDP per capita, 1820s-2000s**
Pearson correlation coefficient and upper/lower bounds of 95% confidence interval per decade



Note: For an assessment of data quality, see Table 9.2.
Source: Clio-Infra, www.clio-infra.eu.

StatLink  <http://dx.doi.org/10.1787/888933096046>

Figure 9.4. **Correlation between Index of Democracy and GDP per capita, 1820s-2000s**

Note: For an assessment of data quality, see Table 9.2.

Source: Clio-Infra, www.clio-infra.eu.

StatLink  <http://dx.doi.org/10.1787/888933096065>

(2005) argued that increasing economic development does not necessarily lead to greater democracy, since autocratic leaders are able to gain the benefits of development while avoiding pressures for loosening political control.

Priorities for future research

In this chapter, two aggregate indices (polity2 and the Vanhanen Index of Democracy) were used to review the main historical trends in political institutions. Even though there are significant differences in how these indicators measure democracy, they both suggest that a large wave of democratisation affected the world during the last 200 years. As for when the democratisation began, the two measures lead to differing conclusions: according to the polity2 indicator, the great wave of democratisation began in the mid-19th century, while the Index of Democracy suggests that it began only in the early 20th century. While both measures agree on the general trend, they lead to different conclusions when looking in more detail.

There are three main directions where further improvement could be of great importance. The most obvious one is the extension of available historical data on institutions. Currently, comparable historical datasets on political institutions exist only back to the early 1800s, and there is some data on the outcomes of the institutional system (like personal security, violent conflicts and parliamentary activity). It would be desirable, however, to have data on other aspects of institutions with comparable historical dimensions as well, such as the rule of law, including the protection of private property, the enforcement of contracts and the protection of intellectual property rights.

A second direction concerns an important technical issue, namely, the aggregation of institutional component indices into a single institutional variable. As was seen with polity2, it is often the case that either nominal or ordinal variables are aggregated into a single aggregate using arbitrary weights, which not only is problematic from a statistical point of view, but also lacks a clear theoretical justification. The latter applies to the Index

of Democracy as well, where the components are metric, but there is no clear explanation of why multiplication the right way is to aggregate them.

Finally, it seems straightforward that using different imperfect measures of democracy would lead to different results. It should be kept in mind that the ability to measure democracy empirically is so limited that ultimately no indicators can be placed above the others. Hence, future research should consider the existence of a variety of alternative measures rather as an advantage, and so use different tools (e.g. meta-analysis, latent variable methods) to arrive at results that may get us closer to a consensus on the effects of democracy on a range of other socio-economic characteristics.

Notes

1. It is worthwhile distinguishing between social capital and institutions. Cote and Healy (2001) define social capital as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups”. On one level, this broad definition may be interpreted as encompassing institutions. On another level, the above definition refers only to “networks”, i.e. interactions leading to improvement in well-being, while institutions refer to certain rules that govern interactions among individuals.
2. To gain a good practical overview of and insight into types of political institutions and ways to measure them, see Emory Libraries Electronic Data Center and Democracy Barometer.
3. The state antiquity index has been designed to test the hypothesis that current countries that have experienced statehood (nation-state, kingdoms or empires) for longer historical periods have been able to achieve higher economic development and growth in recent decades. Based on three features (the existence of government; indigenous or externally imposed government; the proportion of the territory covered) and data from the *Encyclopaedia Britannica*, each half-century is assigned a score of between 0 and 1. The scores on the three questions are multiplied by one another and by 50 to account for the fifty-year periods. In order to get a more interpretable series, the sum computed based on the above method was divided by the maximum possible value that the series could take given a certain discount rate. Thus, the final state antiquity index in each period might assume a value between 0 and 1.
4. These datasets are described in more detail in the next sub-section.
5. Dahl defined “polyarchy” as the existence of eight institutional guarantees (freedom of organization, freedom of expression, the right to vote, broad eligibility for public office, the right to compete for support and votes, the availability of alternative sources of information, free and fair elections, and the dependence of public policies on citizens’ preferences), which can be classified into two underlying dimensions, namely “contestation or competition” and “inclusiveness or participation”. Coppedge et al. (2008) further demonstrated the wide applicability of the concept of “polyarchy” by showing that the two principal components derived from the most popular democracy indicators (Banks, Gurr et al., Freedom House, Polity, Vanhanen, Przeworski et al.) correspond to the contestation or competition dimensions of polyarchy, which together account for about three-quarters of the variation captured by the underlying measures.
6. The Freedom House index and the Economic Intelligence Unit’s index of democracy are examples of maximalist approaches (Munck and Verkuilen, 2002; Kekic, 2007).
7. For the database and the user’s manual, consult Polity IV Project.
8. Moreover, the six above-mentioned dimensions are also used to create three additional variables: executive recruitment, which combines the first three component variables; executive constraint, which is identical to the fourth component variable; and political competition, which combines information covered by the last two component variables.
9. See: Vanhanen’s index of democracy.
10. Three other indicators could be used for long-term historical research but are not considered in this chapter. First, the Banks Cross-National Time Series (CNTS) Data Archive this is a collection of political, economic and demographic variables covering a range of countries from 1815 onwards. However, data on political institutions from this source are available only for the most recent period (time series on elections start from 1862, other political data such as party fractionalisation, number of constitutional changes, etc., have been compiled from 1919 onwards, and the observation

of legislative process began in 1946). Second, the Boix et al. (2012) dataset, also inspired by Dahl's conceptual framework, is available for 219 countries from 1800 onwards, but it provides only a dichotomous measure, which is less suitable for showing historical trends. Finally, the Varieties of Democracy Project (<https://v-dem.net/>), which is expected to be completed by 2015, aims to provide data for 206 countries from 1900 onwards; the basic idea of this project is to gather indicators that can be related to at least one of the seven main dimensions of the scheme of Coppedge et al. (2011).

11. Vanhanen defended his strategy with the argument that the use of simple qualitative measures avoids the subjectivity involved in evaluating qualitative categories, even though the available statistics may be subject to measurement errors.
12. Rose and Shin (2001) and Diamond (1996) argue that the third wave might have come to an end.
13. The main regional trends are described by relying mostly on Huntington (1993).

References

- Acemoglu, D. and Johnson, S (2005), "Unbundling Institutions", *Journal of Political Economy*, Vol. 113/5, pp. 949-995.
- Aslaksen, S. (2010), "Oil and democracy: more than a cross-section correlation?" *Journal of Peace Research*, Vol. 47/4, pp. 421-431.
- Badawi, I. and S. Makdisi (2007), "Explaining the democracy deficit in the Arab world", *The Quarterly Journal of Economics and Finance*, Vol. 46/5, pp. 813-831.
- Banks Cross-National Time Series (CNTS) Data Archive, www.databanksinternational.com.
- Barro, R. (1999), "Determinants of democracy", *Journal of Political Economy*, Vol. 107/6, pp. 158-183.
- Bockstette, V., A Chanda and L. Putterman, (2002), "States and Markets: the advantage of an early start," *Journal of Economic Growth*, Vol. 7/4, pp. 347-369.
- Boix, C., M. Miller and S. Rosato (2012), "A Complete Data Set of Political Regimes, 1800-2007." *Comparative Political Studies*, online version ahead of print, doi:10.1177/0010414012463905.
- Borooah, V. K. and M. Paldam (2007), "Why is the world short of democracy? A cross-country analysis of barriers to representative government", *European Journal of Political Economy*, Vol. 23/3, pp. 582-604.
- Bowman, K., F. Lehoucq and J. Mahoney (2005), "Measuring Political Democracy, Case Expertise, Data Adequacy, and Central America", *Comparative Political Studies*, Vol. 38/8, pp. 939-970.
- Chanda, A. and L. Putterman (2007), "Early Starts, Reversals and Catch-up in the Process of Economic Development", *Scandinavian Journal of Economics*, Vol. 109/2, pp. 387-413.
- Dahl, R.A. (1972), *Polyarchy: Participation and Opposition*, Yale University Press, New Haven, CT.
- Democracy Barometer, www.democracybarometer.org/links_en.html, accessed 17 January, 2014.
- Diamond, L. (1996), "Is the third wave over?" *Journal of Democracy*, Vol. 7/3, pp. 20-37.
- Eicher, T.S., C. García-Peñalosa and U. Teksoz, (2006), "How Do Institutions Lead Some Countries to Produce So Much More Output per Worker than Others?" Theo S. Eicher and Cecilia García-Peñalosa (eds.), *Institutions, Development, and Economic Growth*, The MIT Press, pp. 65-80.
- Emory Libraries Electronic Data Center, <http://einstein.library.emory.edu/govinstlinks.html> accessed 17 January 2014.
- Frey, B.S. and A. Stutzer (2002), *Happiness and Economics*, Princeton University Press.
- Glaeser, E.L., G.A.M. Ponzetto and A. Shleifer (2007), "Why does democracy need education", *Journal of Economic Growth*, Vol. 12/2, pp. 77-99.
- Glaeser, E.L. and A. Shleifer, (2002), "Legal Origins", *The Quarterly Journal of Economics*, Vol. 117/4, pp. 1193-1229.
- Glaeser, E.L. et al. (2004), "Do Institutions Cause Growth?" *Journal of Economic Growth*, Vol. 9/3, pp. 271-303.
- Hall, Robert E. and C.I. Jones (1999), "Why Do Some Countries Produce So Much More Output Than Others?" *Quarterly Journal of Economics*, Vol. 114, pp. 83-116.
- Huntington, S.P. (1991), "Democracy's third wave", *Journal of Democracy*, Vol. 2/2, pp. 12-34.

- Huntington, S.P. (1993), *The third wave: democratization in the late twentieth century*, University of Oklahoma Press.
- Keyssar, A. (2009), *The Right to Vote: The Contested History of Democracy in the United States*, New York: Basic Books (revised edition)
- Knack, S. and P. Keefer (1995), "Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures", *Economics and Politics*, Vol. 7/3, pp. 207-227.
- Kubicek, P. (ed.) (2013), *European Union and Democratization*, Routledge.
- La Porta, R. et al. (1999), "The Quality of Government", *The Journal of Law, Economics, and Organization*, Vol. 15/1, pp. 222-279.
- La Porta, R. et al. (2008), "The Economic Consequences of Legal Origins", *Journal of Economic Literature*, Vol. 46/2, pp. 285-332.
- Marshall, M.G.K. Jagers and T.R. Gurr (2011), "POLITY IV project Political Regime Characteristics and Transitions, 1800-2010 Dataset Users' Manual". www.systemicpeace.org/inscr/p4manualv2010.pdf.
- Munck, G.L. and J. Verkuilen (2002), "Conceptualizing and measuring democracy", *Evaluating Alternative Indices. Comparative Political Studies*, Vol. 35/1, pp. 5-34.
- North, D. and R. Thomas (1973), *The Rise of the Western World: A New Economic History*, Cambridge University Press.
- North, D. (1989), "Institutions and Economic Growth: an Historical Introduction", *World Development*, Vol. 17/9, pp. 1319-1332.
- North, D. (1990), *Institutions, Institutional Change and Economic Performance*, Cambridge University Press.
- OECD (2001), *The Well-being of Nations: The Role of Human and Social Capital*, OECD Publishing, <http://dx.doi.org/10.1787/9789264189515-en>.
- OECD (2011), *How's Life?: Measuring Well-being*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264121164-en>.
- Pacek, A.C., G. Pop-Eleches and J.A. Tucker (2009), "Disenchanted or Discerning: Voter Turnout in Post-Communist Countries", *The Journal of Politics*, Vol. 71/2, pp. 473-491
- Petrovic, M. (2013), *The democratic transition of post-communist Europe: in the shadow of communist differences and uneven Europeanisation*, Palgrave Macmillan.
- Polity IV Project, <http://www.systemicpeace.org/polity/polity4.htm> accessed 11 June, 2013.
- Potrafke, N. (2012), "Islam and democracy", *Public Choice*, Vol. 151/1-2, pp. 185-192.
- Przeworski, A. and F. Limongi (1993), "Political Regimes and Economic Growth", *Journal of Economic Perspectives*, Vol. 7/3, pp. 51-69.
- Przeworski, A. et al. (2000), *Democracy and Development. Political Institutions and Well-being in the World, 1950-1990*, Cambridge University Press.
- Reich, G. (2002), "Categorizing Political Regimes: New Data for Old Problems", *Democratization*, Vol. 9/4, pp. 1-24.
- Rose, R. and D.C. Shin (2001), "Democratization backwards: the problem of third-wave democracies," *British Journal of Political Science*, Vol. 31/2, pp. 331-354.
- Ross, M.L. (2001), "Does oil hinder democracy?" *World Politics*, Vol. 53/3, pp. 325-361.
- Sen, A. (1993), "Capability and Well-Being" in M. Nussbaum and A. Sen, eds. *The Quality of Life*, pp. 30-53, Oxford Clarendon Press, New York.
- Vanhanen's index of democracy, www.prio.no/Data/Governance/Vanhanens-index-of-democracy/ accessed 11 June, 2013.
- Vanhanen, T. (2003), *Democratization: A Comparative Analysis of 170 Countries*, Routledge, London.