

# HOW ECONOMY INFLUENCES DEMOCRACY

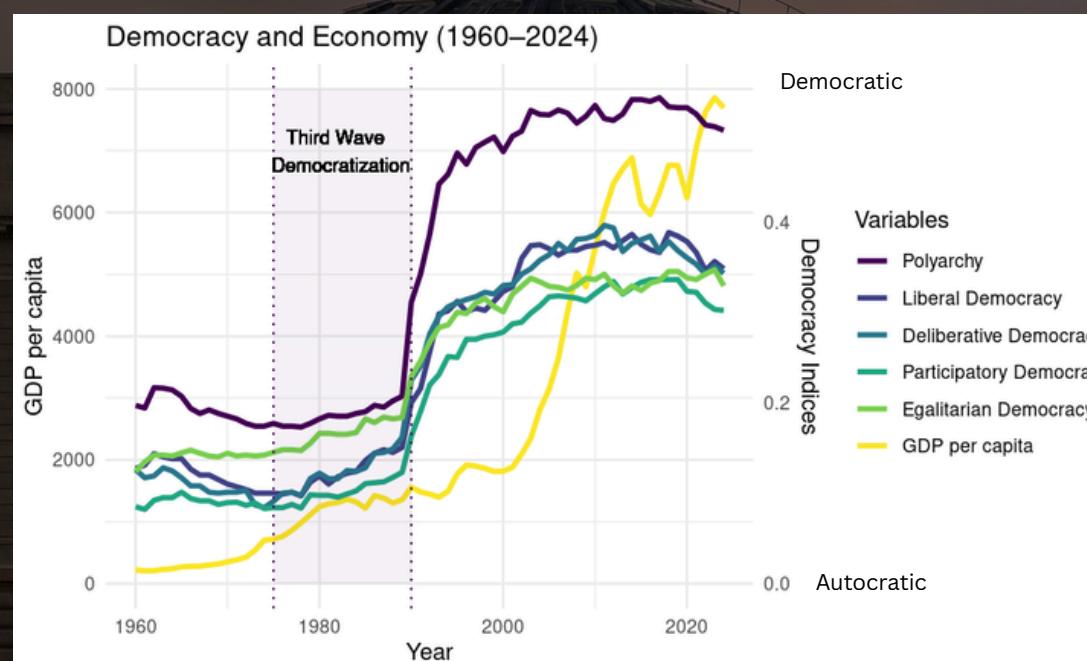
This project deals with economy and regime. Specifically, we inquire on the relationship between countries' economy and their regime. We ask how a country's economy determines its regime measured in democracy and dictatorship continuum.

We use regime and economic indicators collected from the Varieties of Democracy (V-Dem) dataset and World Development Indicators (WDI) dataset of the World Bank, respectively. V-Dem provides the five indices of democracies, while WDI provides economic indicator measured in GDP per capita.

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## Democracy & Economy Overtime

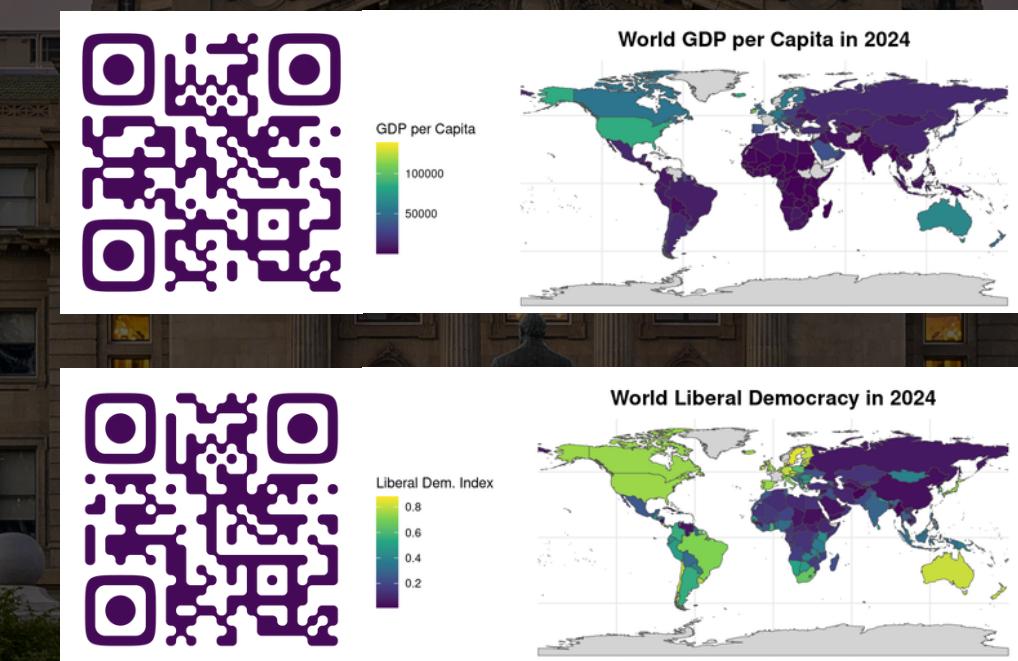
This graph shows the change in Democracy and GDP per capita over time. We can see that after the Third Wave of Democratization, which shifted from authoritarian regimes to democratic governments, there is an almost instant increase in democratization, shortly followed by a rise in GDP per capita. This data shows that once a country has become more democratic, its economy begins to increase shortly after.



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## Evolution of Democracy & Economy

These maps show the GDP per capita and the World Liberal Democracy of the entire world in 2024. When comparing these maps side by side, we can see that in countries that are more democratic, we also see a better GDP per capita. When you scan the QR codes, you can also see the change in GDP per Capita and World Liberal Democracy over time (1960 - 2024). In these changing maps, we can also see the same pattern as in 2024.



## MEASURES OF DEMOCRACY



### Polyarchy

The extent to which elections are free, fair, and inclusive, and whether key democratic institutions allow citizens to choose their leaders meaningfully.



### Liberal

The extent to which individual rights, rule of law, and constraints on executive power protect citizens from government abuse.



### Deliberative

Whether political decisions are made through reasoned, respectful, and common-good-oriented public deliberation rather than elite coercion or narrow interests.



### Participatory

How much citizens can directly participate in political processes through civil society, local governance, and non-electoral channels.



### Egalitarian

The extent to which political power and influence are distributed equally across social groups, ensuring equal access to rights and resources.

## Relationship Between Democracy & Economy

These plots show the bivariate relationship between the percentile of indices of democracy and GDP per capita. We can observe here a strong positive relationship between economy and democracy. Moreover, the concentration in the lower right of each plot shows what scholars call resource curse, where because states have high amount of resources, they become less dependent on the people.

