



Political Freedom and Human Prosperity

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One of the oldest and most important questions in the comparative study of nations is the impact of different economic and political systems on human prosperity. What is the secret to developmental success? Is it capitalism or socialism? Or what degree of market orientation? Democracy or dictatorship? What kind of democracy? And to complete the triangular relationship, what is the relationship between economic system and political system? Does democracy require capitalism?

I argue here four key points, the first two of which require little elaboration. To begin with, socialism cannot deliver countries to prosperity. Genuine and sustained developmental progress requires private property and a market economy. Second, socialism is equally antithetical to democracy, which also requires private property and reasonably free markets to limit the power of the state and protect civil liberties. Third, over the long run, democracy is the best system for delivering human prosperity, and almost all of the world's most prosperous countries (save those that came upon a windfall of natural resource wealth) are democracies. But fourth, a crucial intervening variable in the relationship between democracy and prosperity is good governance: transparency, the rule of law, and a state regulatory environment that encourages investment and innovation. Singapore has managed to become rich by achieving good governance without democracy. Few (if any) other countries will be able to repeat that formula. For in the absence of open political and ideological competition, governments tend to go bad, abusing both civil rights and property rights.

Capitalism, Socialism, and Human Prosperity

The question of the relationship between economic structure and human prosperity can at a general level be fairly easily dispensed with. One need only compare the developmental performance of South Korea versus North Korea, or West Germany versus East Germany, to appreciate how much more successful market economies are at generating wealth. The key to creating wealth and human prosperity is to stimulate individual initiative, savings, investment, and technological innovation. Private enterprise, with limited government regulation, provides the incentives for individuals to work hard, take risks, invest, and innovate.

Expropriation of private property has disastrous consequences for productivity because it destroys incentives and misallocates resources. Witness the famines and human suffering in Stalin's Russia, Mao's China, and North Korea or the more recent economic catastrophes of Zimbabwe under Robert Mugabe or Venezuela (which had once been a relatively prosperous country) under Hugo Chavez's "Bolivarian Socialism." State socialism (which is the only kind of socialism that has existed in the modern world) stifles productivity and innovation and misdirects investment. At the end of the Korean War, in the early 1950s, South Korea was only about 1.3 times as rich (in per-capita income) as North Korea. Four decades later, South Korean per-capita income was estimated to be about seven times that of the North, and the South's economy (as measured by GDP) increased during those decades from three times that of the North to fourteen times.¹ In food production and other measures of human welfare, North Korea remains a basket case, with chronic shortages, human deprivation (including physical stunting), and underinvestment. The South's economy is now estimated to be fifty times that of the North, and the gap in per-capita income has increased to a ratio of 23 to 1.² Though not as dramatic, there was also a radical divergence in the economic performance of West and East Germany from 1950 to unification in 1990, with West Germany vaulting into the ranks of advanced industrial democracies while per-capita income largely stagnated in East Germany from the early 1970s to the end of communism.³ It's not that communist countries have been incapable of producing broad and sustained increases in human prosperity. Since Deng Xiaoping came to power in 1978, the People's Republic of China has lifted some 850 million people out of poverty, with annual GDP growth averaging nearly 10 percent. But such gains have largely come when—as with Deng's economic reforms in China and then later in Vietnam with *doi moi*—these regimes began to dismantle the socialist economic features of the communist system even while retaining the political apparatus of Leninist dictatorship.

Capitalism, Socialism, and Democracy

The second leg of the triangle is also fairly easily established. As Friedrich Hayek and Milton Friedman understood, economic and political freedom go together, with economic freedom and private property being preconditions for

political freedom.⁴ There are few real laws in the social sciences, but this is one of them: true socialism—by which I mean a centrally planned economy that largely prohibits private property—is incompatible with democracy. This is true on its face empirically: there has never been a socialist democracy. There have been (mainly in northern Europe) successful “social democracies” with relatively high rates of taxation and redistribution, but these have not been socialist systems, because they are still based on market forces and private ownership of the means of production. As Peter Berger observed, “The welfare state, even in its Scandinavian apotheosis, continues to rest on a capitalist system of production; indeed only the affluence created by the latter makes this welfare state possible.”⁵

In the moral or philosophical sense, the right to own and dispose of property is a fundamental individual right. When such a basic right is trampled upon, and the state is so engorged with power as to deny it, it is inevitable that other individual rights will be trampled upon as well. Coercion in the economic realm suffuses the political realm as well, and, as Peter Berkowitz noted in his paper for this project, citing Hayek, it then further seeps into the intellectual realm, constricting freedom of thought and expression.⁶ Private ownership of the means of production is a crucial bulwark against an overweening state and eventual political tyranny. The existence of private property constitutes a check on tyranny, and this is why so many incipient dictators seek to eliminate or politically subjugate it once they consolidate power. As Alexis de Tocqueville wrote a century before Hayek, private property is a crucial foundation of a vigorous civil society and a culture of liberty. In an 1848 speech to the French Constituent Assembly, he declared:

[Common to] socialists of all schools and shades, is a profound opposition to personal liberty and scorn for individual reason, a complete contempt for the individual. They unceasingly attempt to mutilate, to curtail, to obstruct personal freedom in any and all ways. They hold that the State must not only act as the director of society, but must further be master of each man, and not only master, but keeper and trainer. For fear of allowing him to err, the State must place itself forever by his side, above him, around him, better to guide him, to maintain him, in a word, to confine him. They call, in fact, for the forfeiture, to a greater or less degree, of human liberty.⁷

Capitalism is thus a core condition for democracy, and still more so for that degree of democracy—liberal democracy—that ensures a high degree of liberty. The reverse is not true: democracy is not a precondition for successful capitalist development. It is possible to identify countries that have achieved rapid development under authoritarian rule. In fact, this has been closer to the norm for the early and middle stages of development in Asia, beginning with Meiji Japan (1868–1912), and then the post–World War II “Asian miracle” states of South Korea, Taiwan, and Singapore. But Japan, South Korea, and Taiwan all became democracies as they became middle-class societies, and a more recent developmental quasi-success story, Malaysia, has also experienced democratizing pressures. Moreover, beginning in the 1990s, South Korea and Taiwan continued their rise to the status of advanced industrial countries as democracies (like Japan did a generation before them), with Korea’s economy growing at an average annualized rate of 5.9 percent between 1990 and 2015 and Taiwan’s growing at 4.1 percent (see figures 1 and 2).⁸

Singapore stands alone as the one capitalist success story that has not become a democracy and does not show much sign of doing so soon. Its sustained success as a nondemocracy (lifting it from poverty to prosperity in the space of just two generations) is due to a governance formula that has been extremely difficult for other countries to reproduce on a sustained basis. In most countries, the political openness, electoral competition, and media freedom of liberal democracy have proved powerful mechanisms for controlling corruption and protecting property rights. Lacking the need to be transparent or to be held accountable by voters in regular, free, and fair elections, authoritarian regimes have all sooner or later fallen victim to venality and bad governance—except for Singapore. As a result of the founding developmental vision of former prime minister Lee Kuan Yew, and the internal discipline and meritocracy of the ruling People’s Action Party, Singapore has so far defied the odds. Singapore’s top ranking on the Heritage Foundation’s Index of Economic Freedom and its heavy investments in education and health have made it one of the ten richest countries in the world. This achievement of sustained good governance without democracy is, I believe, a feat that no large country—and certainly not China—could replicate.

Democracy, Governance, and Human Prosperity

Now on to the more challenging question: what is the relationship between democracy and human prosperity? Much historical and empirical research has demonstrated

that democratic institutions constrain the arbitrary power of rulers and thus constitute a check against predatory behavior, leading to secure property rights and economic growth.⁹ In these theories, the causal pathway from democracy to prosperity passes through the quality of governance. This affirms the important overarching insight from John Cogan's contribution to this policy series: "Nothing is more important to sustained economic prosperity than rule of law, private property, limited government, and free markets."¹⁰

Three further arguments buttress the theoretical claims for the affinity between democracy and prosperity. The second rationale is that democracies are more responsive to the public and thus better able to deliver public goods such as education and health care, thereby increasing the accumulation of human capital and enhancing economic growth.¹¹ In addition, democracies provide mechanisms to moderate social conflicts and maintain political and economic stability.¹² Finally, democracies are more likely to facilitate technological progress and encourage innovation.¹³ Open societies with freedom of speech are instrumental for generating and disseminating new ideas, which encourage innovation.

The features of governance that provide the enabling conditions for prosperity are closely related to democracy. The World Bank measures annually six different elements of the quality of governance based on the perceptions of thousands of informed experts and stakeholders in the private sector, NGOs, and public sector agencies.¹⁴ Three of these measures capture particularly well the conditions for sustained prosperity:

- Rule of Law: "the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence."
- Control of Corruption: "the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture' of the state by elites and private interests."
- Regulatory Quality: "the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development."¹⁵

Empirically, each of these three governance measures is strongly correlated with the other two and with the extent of democracy in a country (the figures that follow are for the Liberal Democracy scale of the "Varieties of Democracy"

project).¹⁶ By my calculation, the overall correlation between the rule of law and the extent of democracy is about .77. This means that a little over half of the variance among countries for the rule of law can be explained by the extent of liberal democracy. Democracy's correlation with regulatory quality is identical to the correlation with rule of law (.77). The correlation with the World Bank's "control of corruption" measure is slightly lower (.70), but if we take instead Transparency International's measure of corruption control the correlation is .76. Statistically, all of these correlations are highly significant. Moreover, these associations are highly robust across different regions of the world. While they are a little weaker within Asia (generally between .40 and .75), they are still mostly statistically significant, and within some regions they are especially strong (over .80 in Central and Eastern Europe). In most regions of the world (save the Middle East), the quality of governance is strongly positively related to the degree of democracy (see table 1).

We get a similar perspective if we examine the Heritage Foundation's 2020 Index of Economic Freedom, an aggregate score evaluating rule of law, government size, regulatory efficiency, and openness of markets.¹⁷ Of the thirty-five countries rated free or mostly free, twenty-nine are democracies and two (Malaysia and Armenia) have had pluralistic and competitive political systems that have been approaching democracy. The four authoritarian regimes are mainly familiar by now: Singapore, United Arab Emirates (UAE), Qatar, and an ambitious African economic reformer, Rwanda. By contrast, most of the nineteen most economically repressed countries are politically authoritarian regimes such as Iran, Zimbabwe, and Venezuela. (The others are very poor, former war-torn states such as Liberia, Sierra Leone, and Timor-Leste). Five authoritarian regimes are not rated but probably fall in the latter category: Iraq, Libya, Syria, Yemen, and Somalia. Put differently, over 80 percent of the economically freest countries are democracies, and nearly 80 percent of the least economically free countries are authoritarian regimes. The world's most liberal democracies in political terms also generally have the freest economies.

Let's now look at the relationship between democracy and prosperity in two ways. One way to measure human prosperity is by per-capita income—taking the annual income of a country and simply dividing it by the population. This is the single most common measure of the level of a country's economic development, but it doesn't tell us much about how it is distributed. The Human Development Index (HDI), produced annually by the United Nations Development Program, provides an important additional measure of

prosperity, because it controls somewhat for income inequality by averaging three measures: gross national income per capita (in purchasing power parity dollars); health, as measured by years of life expectancy; and education (an average of the current expected years of schooling for children at school-entry age and the mean actual years of schooling of the adult population).¹⁸ This produces a summary “human development” score which ranges from 0 (lowest) to 1 (highest). Because the HDI controls for inequality and tempers the artificial, distorting effect of oil wealth, it is more highly correlated with democracy. In fact, nearly half of variance among countries in the 2019 HDI scores can be explained simply by the level of democracy in a country (as measured by the annual Democracy Index of *The Economist*).¹⁹

The Economist’s Democracy Index summarizes democracy scores in four categories: full democracies, flawed democracies, hybrid regimes, and authoritarian regimes. The latter two nondemocratic regime types have significantly lower average scores (a little over 0.610) than do the democracies. As we see in table 2, even the flawed democracies score much higher (.786 on average), and the full (liberal) democracies perform by far the best (.902). By any measure, and over any time period, democracies are more prosperous than authoritarian regimes—and when one looks at “real” human development, rather than just the average money income, the advantage increases. Table 3 averages scores on the HDI over the past decade (2010–19) according to the type of regime that has prevailed over the entire decade. The same pattern holds. The countries that have been continuously liberal democracies over the decade—with strong protections for rule of law, private property, and control of corruption—have achieved and maintained the highest levels of human development (0.84 on average). Electoral democracies have performed better than hybrid regimes or continuous autocracies, but the difference is much smaller (0.68 versus 0.62).

Table 4 shows a clear step pattern in the relationship between per-capita income and democracy. Only four of the twenty-five richest countries—Singapore, Qatar, Kuwait, and UAE—are nondemocracies. And only one of those, Singapore, became wealthy by its own entrepreneurial initiative, as opposed to the natural resource windfall of oil. With every step down the ladder of wealth, the percentage of authoritarian regimes rises. Only one-fifth of the fifty richest countries are authoritarian regimes, but more than three-quarters of the fifty-seven poorest countries are. The relationship between democracy and development is even more striking when we examine the HDI (table 5). Among the top twenty-five states in human development, only Singapore is not a democracy.

In the next twenty-five are several oil-rich states (and Russia and Belarus), but the step pattern then strikingly continues: with each step down the ladder of human development, there are fewer and fewer democracies.

There is another way of thinking about the relationship between prosperity and democracy, by looking at the most extreme deprivation of prosperity, namely famine. Table 6 lists the nine worst instances of humanitarian catastrophe (generally famine, but also mass murder) in the last one hundred years. All of these have occurred in authoritarian regimes, and almost all of these have been communist or Marxist dictatorships. In fact, several of these occurred as part of an effort establish, widen, or enforce the abolition of private property in the countryside. Other famines have occurred, for example in Sudan in 1993 and 1998, killing tens of thousands of people. But none of these famines has ever occurred in a democracy. One of the great contributions of the Nobel Prize-winning economist Amartya Sen has been to demonstrate this point. He writes:

The process of preventing famines and other crises is significantly helped by the use of instrumental freedoms, such as the opportunity of open discussion, public scrutiny, electoral politics, and uncensored media. For example, the open and oppositional politics of a democratic country tends to force any government in office to take timely and effective steps to prevent famines, in a way that did not happen in the case of famines under nondemocratic arrangements—whether in China, Cambodia, Ethiopia or Somalia (as in the past), or in North Korea or Sudan (as is happening today [circa 1998]).²⁰

Table 7 presents the countries with the best and worst economic growth rates in the immediate post-Cold War period, 1990–2007. We see that democracies were well represented among the countries with the most rapid economic growth, but all of the developmental disasters—the seven countries with negative average annual rates of economic growth in this period—came in authoritarian regimes. Studying African economic growth rates during the years 1996–2008, the development economist Steven Radelet found that the best economic performers were generally countries with democratic or at least somewhat pluralistic and competitive political systems. These seventeen countries achieved average annual growth rates in per-capita income of over 3 percent, after per-capita incomes had completely stagnated during the preceding two decades. Rational economic policies (such as

the end of black markets, reductions in regulation and public debt, lower trade and investment barriers, and more incentives for business formation) were vitally important. But preceding and underlying these, Radelet found, was the rise of more accountable, democratic, and legitimate government, with associated improvements in the rule of law and transparency.²¹

Multivariate Analyses

The above statistical evidence is of course only correlative and suggestive, leaving open the question of whether democracy actually *generates* human prosperity more effectively than autocracy, and if it does, whether this is so at all stages of development, and for all regions and all historical periods. The econometric literature on this subject is voluminous and somewhat conflicting. One of the most careful studies (of up to 135 countries from 1950 to 1990) did not find a clear statistical relationship between democracy and economic growth rate but rather concluded that autocracies were more likely to generate both spurts of extremely rapid growth and also developmental catastrophes (as noted above).²² Examining one hundred countries between 1960 and 1990, Robert Barro found a nonlinear relationship between democracy and economic growth, with democracy increasing economic growth at the initial stage of democracy but beginning to inhibit growth once a moderate amount of democracy has been reached.²³ A study of 154 countries from 1950 to 2000 found that new democracies (within the first five years of democratization) have a positive effect on economic growth, whereas established democracies (more than five years after democratization) exert a small and negative effect on growth rate.²⁴

More recent studies, however, have tended to affirm what is known as “the democracy advantage.” An analysis of about 150 countries over the period 1960 to 2000 finds that democracy is associated with a 0.75 percentage point annual increase in economic growth.²⁵ In a similar fashion, an analysis of up to 166 countries during the 1960–2003 period shows that democratic transitions are associated with an increase of one percentage point in annual GDP per-capita growth, and that the effect is relatively larger in “partial democratizations” and in the medium and long run.²⁶ Most recently (and exhaustively), Daron Acemoglu and his colleagues, drawing on a sample of 175 countries from 1960 to 2010, consistently find that democratization increases GDP per capita by approximately 20 percent in the long run (over more than twenty-five years).²⁷ In other words, the GDP per capita of the typical authoritarian regime would be 20 percent higher today had it democratized twenty-five

years ago. Furthermore, the effect of democratic institutions is cumulative in the sense that democratic stock—a country’s democracy history—is found to be robustly associated with economic growth rates.²⁸

Conclusion

The institutional formula for human prosperity weds two types of open and competitive markets: political competition between parties that seek the power to rule through regular, free, and fair elections and economic competition between private firms that seek profits through initiative, innovation, and improved productivity. In each realm, competition generates responsiveness to the market and accountability. In each realm, low barriers to entry enhance competition and performance, while monopolistic or oligopolistic practices diminish the performance of the system and, ultimately, human welfare. In each realm, constitutional limits on the power of government protect freedom and enhance prosperity. In each realm, the rule of law, defended by neutral and independent courts and administered by a nonpartisan and independent civil service, prevents the abuse of power and ensures, respectively, civil rights and property rights. Political freedom and economic freedom are the symbiotic twin pillars of human prosperity and the indispensable foundations for enduringly successful nations.

Endnotes

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- ⁵ Peter Berger, “The Uncertain Triumph of Democratic Capitalism,” in *Capitalism, Socialism, and Democracy Revisited*, eds. Larry Diamond and Marc F. Plattner (Baltimore: Johns Hopkins University Press, 1993), 3.
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- ¹¹ Bruce Bueno de Mesquita, Alastair Smith, Randolph Siverson, and James Morrow, *The Logic of Political Survival* (Cambridge, MA: MIT Press, 2003); Matthew Baum and David Lake, “The Political Economy of Growth: Democracy and Human Capital,” *American Journal of Political Science* 47, no. 2 (April 2003): 333–47.
- ¹² Dani Rodrik, “Participatory Politics, Social Cooperation, and Economic Stability,” *American Economic Review* 90, no. 2 (May 2000): 140–44
- ¹³ Morton Halperin, Joe Siegle, Michael Weinstein, (2005). *The Democracy Advantage: How Democracies Promote Prosperity and Peace*. New York: Routledge; Helen Milner, (2006), “The Digital Divide: The Role of Political Institutions in Technology Diffusion,” *Comparative Political Studies* 36(2): 176–199
- ¹⁴ Daniel Kaufmann, Aart Kraay, and Massimo Mastruzzi, “Governance Matters VIII: Aggregate and Individual Governance Indicators, 1996–2008,” World Bank Policy Research Working Paper No. 4978, June 2009, 4, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1424591.
- ¹⁵ Kaufmann, Kraay, and Mastruzzi, “Governance Matters VIII,” 6.
- ¹⁶ See the “Varieties of Democracy” project, <https://www.v-dem.net/en/>. The correlations with the annual Freedom House index of political rights and civil liberties are a bit lower but still quite high.
- ¹⁷ “2020 Index of Economic Freedom,” Heritage Foundation, accessed November 12, 2020, <https://www.heritage.org/index/ranking?version=468>.
- ¹⁸ Max Roser, “Human Development Index,” Our World in Data, revised 2019, accessed November 12, 2020, <https://ourworldindata.org/human-development-index#>.
- ¹⁹ “Democracy Index 2019,” The Economist, accessed November 12, 2020. <https://www.eiu.com/topic/democracy-index>. This correlation, which yields an R^2 of .49, is computed by excluding the five oil-rich Gulf states (Bahrain, Kuwait, Qatar, Saudi Arabia, and United Arab Emirates), whose artificial oil wealth relative to population distorts the results. If these are excluded, the R^2 drops to .42, which is still substantial.
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²⁶ “Full” democratization is coded when both the Polity indicator is greater than +7 and the Freedom House status characterization is “free.” (Polity is another measurement scheme for regime type ranging from -10 (absolute monarchy) to +10 (consolidated democracy). Freedom House aggregates countries’ freedom scores into three categories of regimes—free, partly free and not free). All remaining democratization countries are coded as “partial.” Elias Papaioannou and Gregorios Siourounis, “Democratization and Growth,” *Economic Journal* 118, no. 532 (October 2008): 1520–51

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Supporting Figures

Figure 1
South Korea's Annual Economic Growth Rates, by Quarter, 1995–2020

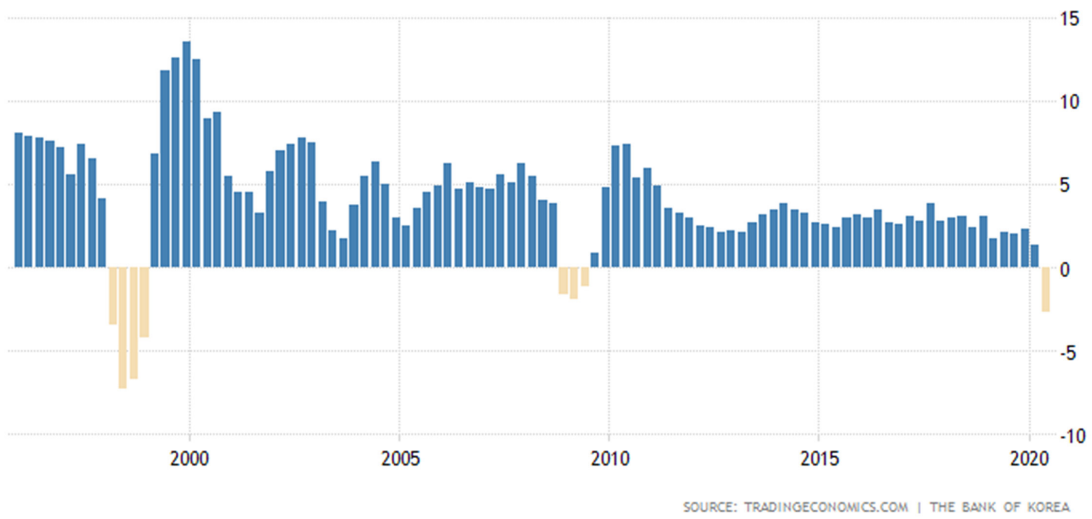
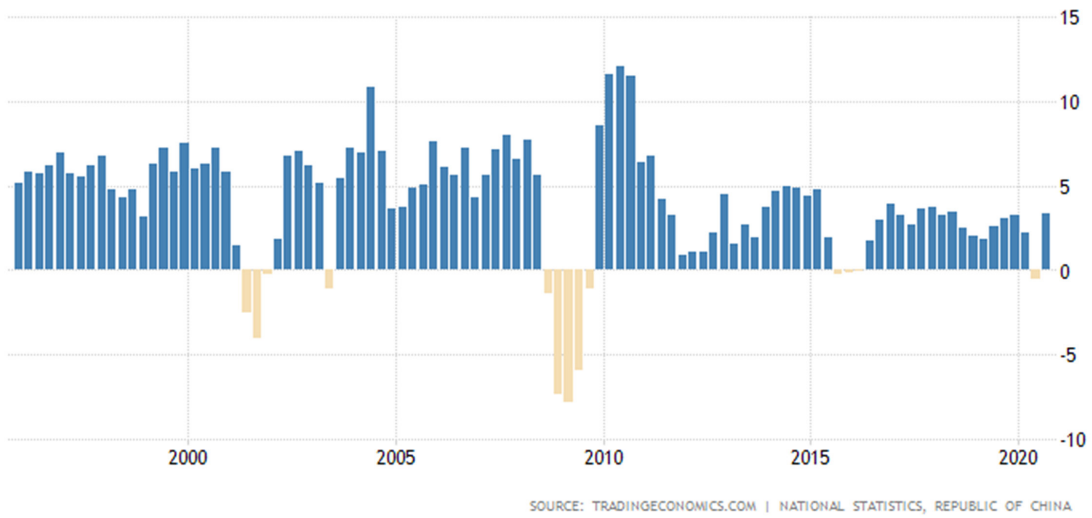


Figure 2
Taiwan's Annual Economic Growth Rates, by Quarter, 1995–2020



Supporting Tables

Table 1

Correlations Between the Quality of Governance and Liberal Democracy, 2019

Region	Rule of Law	Control of Corruption	Regulatory Quality
All countries	.77	.70	.77
Central and Eastern Europe	.83	.83	.84
East and Southeast Asia	.62	.45	.60
Latin America and the Caribbean	.78	.54	.73
Sub-Saharan Africa	.76	.69	.73

Source: Worldwide Governance Indicators, <https://info.worldbank.org/governance/wgi/>; V-Dem measure of Liberal Democracy, <https://www.v-dem.net/en/data/data/v-dem-dataset/>. Computation of Correlations are my own.

Table 2

Regime Type and Average Human Development Index, 2018

Regime Type	HDI Average	Number of Countries
Full Democracy	0.902	22
Flawed Democracy	0.786	53
Hybrid Regime	0.614	35
Authoritarian Regime	0.625	52

Source: Economist Democracy Index, <https://www.eiu.com/n/democracy-index-2018/>, and UNDP Human Development Index 2018, <http://hdr.undp.org/en/2019-report>. Computation of correlations are my own.

Table 3

Regime Type and Average Human Development Index, 2010–18

Type of Regime	Average HDI 2018	Average V-Dem Liberal Democracy Score
Continuously Liberal Democracy	0.84	0.74
Continuously Electoral Democracy	0.68	0.46
Oscillating or Hybrid Regimes	0.62	0.38
Authoritarian Regimes	0.62	0.18

Source: UNDP Human Development Index and Author's calculations.

Table 4
Relationship Between Gross National Income and Democracy, 2018

Rank on Gross National Income per Capita	Democracies (%)		Authoritarian (%)
	Liberal	Electoral	
Best 25 States	84	0	16
2nd best (26–50 rank)	76	4	20
3rd best (51–75)	56	16	28
4th best (76–100)	20	40	40
5th best (101–125)	32	28	40
2nd worst (126–150)	12	12	76
Worst 32 (151–182)	0	2	78

Source: World Bank, <https://data.worldbank.org/indicator/NY.GNP.MKTP.CD>, and author's classifications of democracies.

Table 5
Relationship Between Human Development Index and Democracy, 2018

Rank on Human Development Index	Democracies (%)		Authoritarian (%)
	Liberal	Electoral	
Best 25 States	96	0	4
2nd best (27–49 rank)	58	0	42
3rd best (51–75)	48	28	24
4th best (76–97)	28	40	32
5th best (101–123)	22	17	61
2nd worst (124–148)	27	12	61
Worst 38 (150–187)	3	18	79

Source: UNDP Human Development Index and Author's Classification of Democracies.

Table 6
Great Famines of the Twentieth Century

Country	Regime Type	Years	Est. Deaths
China (“Great Leap Forward”)	Communist dictatorship	1959–61	15 million–55 million
Soviet Union (Ukraine, Kazakhstan)	Communist dictatorship	1932–34	5 million–8 million
Soviet Union (Russia)	Communist dictatorship	1921–22	5 million
Northwest China	Authoritarian warlords	1928–30	3 million–10 million
Soviet Union (Ukraine and Russia)	Communist dictatorship	1946–47	1 million–1.5 million
Ethiopia	Marxist dictatorship	1983–85	1 million
North Korea	Totalitarian	1994–98	240,000–3 million
Cambodia	Marxist dictatorship	1975–79	500,000
Somalia	Authoritarian, civil war	1991–92	300,000
Somalia	Authoritarian, civil war	2011–12	285,000

Source: Author’s assessments of regimes; https://en.wikipedia.org/wiki/List_of_famines; and other sources.

Table 7

Annual Rates of Economic Growth, 1990–2007

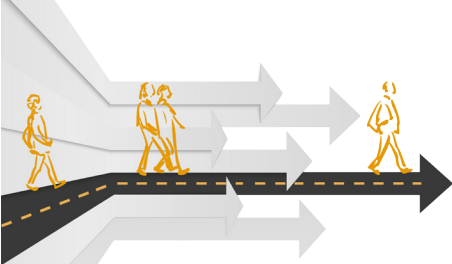
Fastest Growth Rates

Rank	Country	Regime Type	Growth Rate (%)
1	Equatorial Guinea (oil)	Authoritarian	26.0
2	Vietnam	Authoritarian	13.3
4	China	Authoritarian	12.4
5	Poland	Democratic	11.6
7	Albania	Democratic	10.0
10	Qatar (oil)	Authoritarian	9.7
12	Czech Republic	Democratic	9.5
13	Romania	Democratic	9.3
15	Estonia	Democratic	9.1
16	Ireland	Democratic	9.1
19	Cambodia	Authoritarian	8.7
20	Azerbaijan (oil)	Authoritarian	8.6
24	Chile	Democratic	8.3
25	Kazakhstan (oil)	Authoritarian	8.1

Worst Growth Rates

Rank	Country	Regime Type	Growth Rate (%)
210	Zimbabwe	Authoritarian	-9.30
209	Kosovo	Authoritarian / Civil War	-3.77
208	Burundi	Authoritarian	-3.1
207	Dem. Republic of Congo	Authoritarian	-2.8
205	Cen. African Republic	Authoritarian	-1.3
204	North Korea	Authoritarian	-1.0
203	Togo	Authoritarian	-0.9

Source: World Bank data and author's classifications of regimes.



SOCIALISM AND FREE-MARKET CAPITALISM: THE HUMAN PROSPERITY PROJECT

AN ESSAY SERIES FROM THE HOOVER INSTITUTION

Over the last century, free-market capitalism and socialism have provided the dominant interpretations, and conflicting visions, of political and economic freedom.

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