

# Has democracy decreased in the 21<sup>st</sup> century?

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Recently a number of books and papers have made the *democracy-in-crisis* claim.<sup>1</sup> The signs are many: Increasing distrust in politicians, rising populism, the replacement of old political parties by nationalists, and unarticulated protest. The development in countries such as Turkey and Venezuela. A president in the US, who has made hype his trademark, the strange mixture of comedy and tragedy termed Brexit, etc. A whole school of thoughts proclaims this as a story of crisis and big dangers looming – precisely what journalists love. Hence it gets much publicity. Apart from such signs, it is also possible that the aging populations in the west have caused grumpiness to rise – things were surely much better when we were young!

## 1. What do democracy indices show?

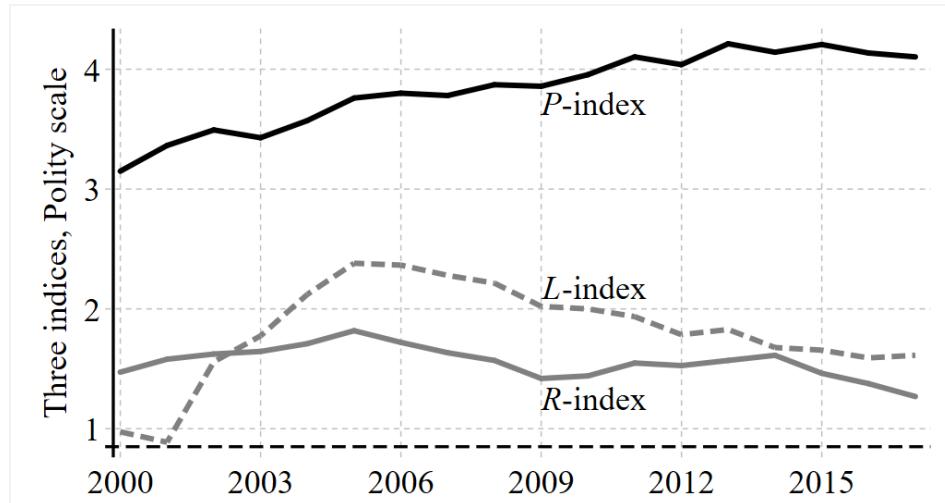
All observers agree that democracy is falling in Turkey, Venezuela and a dozen other countries, but then it is rising in others. The foundation of the democracy-in-crisis claim must hence be indices measuring democracy in all – or at least most – countries. The most used are:

The two *Freedom House* indices: the **R-index** for Political Rights and the **L-index** for Civil Liberties. They use the same 7-point integer scale, where the best score (most democratic) is 1 and the worst score is 7. The **Polity, P-index** for democratic vs authoritarian regimes. It uses a 20-point integer scale where 1 to 10 are the democracies with 10 as the most, while -1 to -10 are autocracies with -10 as the worst (most authoritarian). The Appendix shows that the three indices are highly correlated, but the connection is non-linear. I use a linear formula with end-point consistency to make the indices comparable. Thus, the annual averages of the same-scale version of the indices differ, as seen on Figure 1.

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1. For a strong statement of the claim, see Diamond *et al.* (2016).

Figure 1. Three indices, 2000-17, using the Polity scale



For the period from 2000 to 2017 the three indices overlap for 155 countries.<sup>2</sup> Figure 1 shows the paths of the three indices for these countries using the Polity scale. Table 1 is a simple regression test showing if these the series have trends during the 21<sup>st</sup> century. The trends for the *P* and the *R* indices are (fairly) robust to the time interval, but this it is obviously not the case for the *L* index.

Table 1. A regression test for trends in the three indices on Figure 1

Index	Year/100	Constant	R <sup>2</sup>
<i>P</i>	<b>5.64</b> (11.8)	<b>-109.47</b> (-11.4)	0.90
<i>L</i>	1.20 (0.6)	-22.27 (-0.6)	0.02
<i>R</i>	<b>-1.43</b> (-2.8)	<b>30.25</b> (2.9)	0.32

Note: The brackets holds t-ratios. Bolded estimates have t-rations above 2.

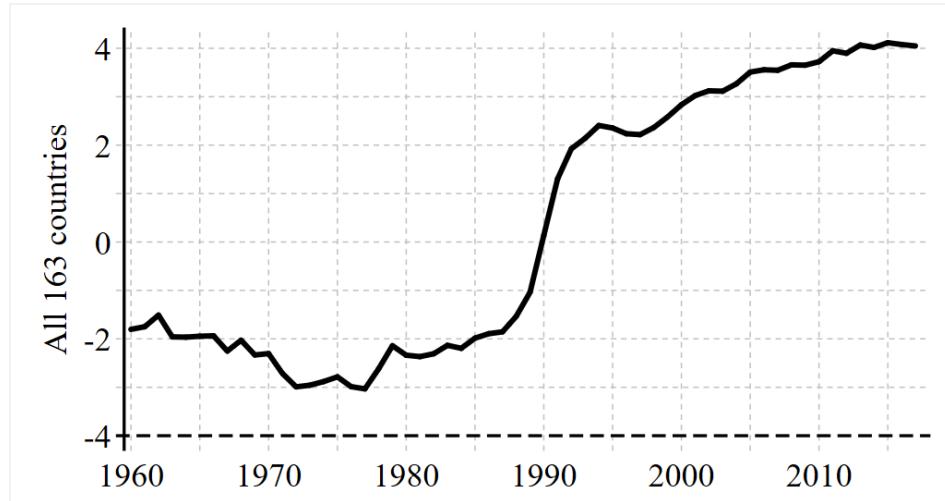
The main message from Figure 1 and Table 1 is that it is unclear if democracy is rising or falling. The Polity *P*-index rises substantially, the Freedom House *L*-index for Civil Liberties first rises and then turns to fall in a way that mirrors the Polity rises, and the Freedom House *R*-index for Political Rights has a small negative trend. Whatever is happening is not so strong that it is evident to such careful observers as the ones making these indices.

2. The indices overlap for 10 more countries, but here Polity reports anarchy, where *P* is zero, for more than 3 years. The score of zero is controversial, so these countries are omitted.

## 2. Two aspects

*The historical aspect:* If we interpret the contrasting evidence as a story of a stagnation in the level of Democracy, it is worth looking at a longer period and see how unusual it is. Figure 2 shows the average Polity-index for 163 countries from 1960 to 2017. The index was actually rather stable in the quarter-century from 1960 to 1987, but the stability was caused by a fall of 1 point in the first half of the period and a rise later on. Since the early 1970s, the data have two main traits: (a) an underlying upward trend and (b) a big jump around 1990 where the collapse of socialism in Europe created a large wave of distrust to socialism in most of the world.

Figure 2. The Polity index for 1960-2017, average for all countries covered



The data have some missing values, but the curve is virtually the same for the countries with complete data, and the similar curve for the average of the two Freedom House indices is rather similar as well. The increase in the index corresponds rather neatly to the large increase in income in the average country in the period as per the democratic transition.

*The cross-country aspect:* Table 2 is a count of the sum of changes for the three indices in three periods since 2000 made for 155 countries with (almost) complete data. As the period gets shorter, the number of countries with no changes rises as predicted, but there are always more countries with a positive sum, except in one case. As the increases are more numerous than the decreases, we know that the reason for the difference between the indices is that the individual decreases are numerically larger than the increases for the *R* and the *L* indices.

Table 2. Countries with falling, stable and rising scores by the three indices

	P-index (democracy)			R-index (political rights)			L-index (civil liberties)		
	2001-17	2007-17	2013-17	2001-17	2007-17	2013-17	2001-17	2007-17	2013-17
No changes	65	95	113	54	77	98	47	87	116
Changes with sum zero	5	5	1	23	15	3	39	13	7
Changes with negative sum	28	25	17	35	22	22	46	12	13
Changes with positive sum	57	30	24	43	41	32	23	44	19

Figure 3. The path of the three indices for some country groups 2000-17

Fig. 3a. Africa (SS),  $N = 42$

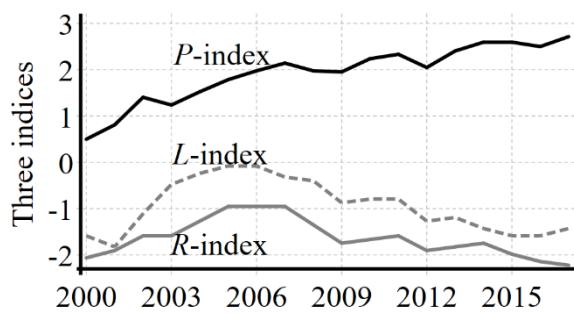


Fig. 3b. Europe extended,  $N = 30$

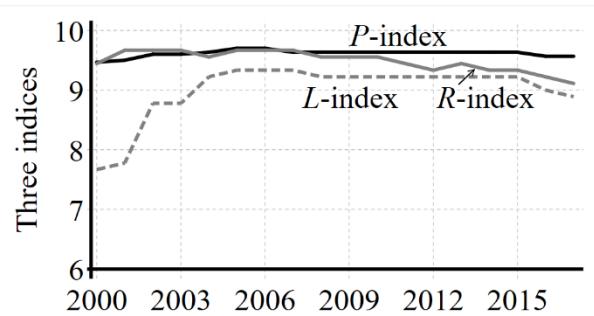


Fig. 3c. Latin America,  $N = 22$

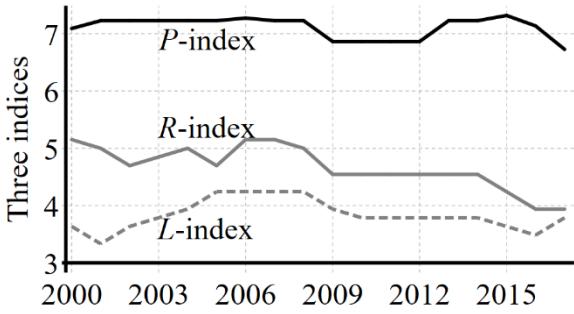


Fig. 3d. Ex USSR and Yugoslavia,  $N = 20$

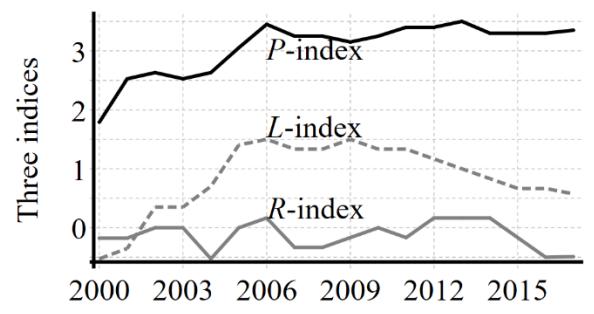
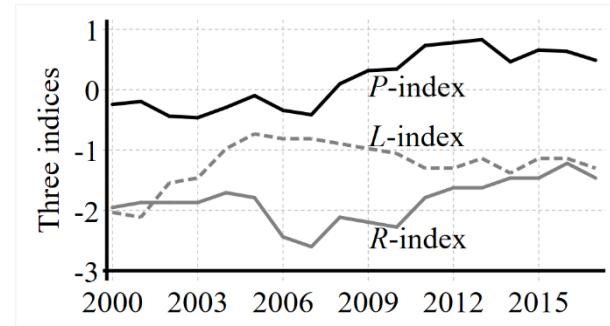


Fig. 3e. Residual group,  $N = 41$

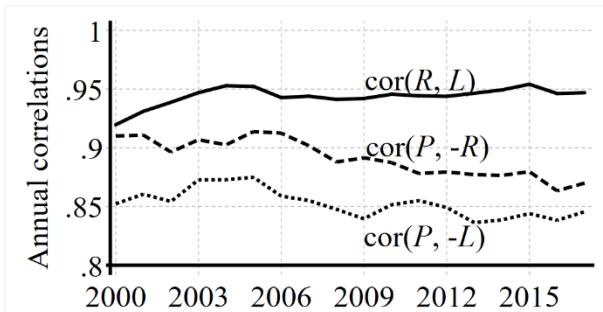


Note: Africa is Sub Saharan Africa net of Mauritius, which is in the residual group. Europe includes Israel and the four overseas countries (Australia, Canada, New Zealand and USA). Latin America includes Caribbean countries.

The five graphs of Figure 3 break Figure 1 into five country-groups. Two of the graphs show very little: The European graph has a small fall, which is in Eastern Europe. The Latin American graph has two stable lines and a small fall in the  $R$ -index. The residual group has parallel increases in the  $P$ - and  $R$ -indices and a small fall in the  $L$ -index, so here democracy is increasing. The African countries have a pattern that is very much as the average pattern on Figure 1, but here both Freedom House indices peak in 2005/06 and then they fall with 1-1½ point, while the  $P$ -index keeps rising. The fall in the  $L$ -index is not concentrated in a few countries. The twenty successor states to the USSR and Yugoslavia have seen a strong increase in democracy since 1990. It goes on until 2006, but since then there has been some backsliding in the  $L$ -index. This is well known, but it is not enough for the other two indices to fall.

Finally, Figure 4 depicts the annual cross-country correlations between the three indices. The  $R$ - and  $L$ - indices have a stationary cross-country correlation around 0.95, but the correlations between the two and Polity decrease from 2005-06. This must mean that the scoring of the individual countries from the two sources comes to differ more and more.

Figure 4. Cross-country correlations of indices



### 3. Conclusion: Facts or artefacts?

The Polity and the Freedom House indices differ, but the large pattern is broadly similar; see my two papers with Erich Gundlach (2009 and 2012). Thus, when they differ, it is interesting to ask why. Polity is made by the modest *Center for Systemic Peace*. It has published a mission statement which says that is an NGO doing peace research. Democracies tend to be peaceful – this explains interest of the Center in Democracy.<sup>3</sup> Freedom House is a much larger and more

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3. See the URL: <https://www.systemicpeace.org/mission.html>.

activist NGO. It is ‘dedicated to increase freedom and democracy around the world.’<sup>4</sup> Consequently, one may expect some bias in the levels, but I know no reason to think that the trends are biased.<sup>5</sup> Thus, we are stuck with the observation that the trends differ, and thus that the true development in democracy in the world is unclear.

The introduction outlined the democracy-in-crisis claim. This note has demonstrated that this claim has a weak foundation, which makes the whole building shaky. This does not mean that the various signs mentioned are wrong, but that they are selected from a lot of signs that go either way. The fact that some old political parties die and new ones come up is not a sign that democracy is dying, but rather that it is rejuvenating.

The media use many quick thinkers, who thrive on the projection of short-run trends, which often come from small data-bumps soon to be forgotten. Even when the bumps are real, it is limited how much projection they allow. Think of the financial crisis of 2007 to 08 and the recession the next 3-5 years. It led to dire predictions of no less than the end of capitalism. A movement termed Occupy Wall Street emerged. It has now vanished, but many newspapers took it very seriously.

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4. Cited from the first sentence on the URL: <https://freedomhouse.org/about-us>.

5. Paldam (2019) compares the jumps in the two indices: *P* and the average of the *R* and *L*-indices. Here I find that the *P*-index jumps more. A typical example is the reforms in Myanmar since 2008. Polity report them as a major step, while Freedom House consider them to be small. Thus, we can expect that the Policy index moves more than the Freedom House indices, but once again this does not explain the difference in the trends.

6. The Freedom House index used to be known as the Gastil index

## Appendix: The relation between the three indices for 155 countries

Figures A1 to A3 show the highly correlated scatter of the averages for the three indices 2000–17 against each other. The scatter would be random around the straight lines drawn if the indices were proportional. That is not the case, though Figure A3 comes close. The average relation on both Figures A1 and A2 is convex, so that it is easier to be democratic by the Polity index than by the *L* and *R* indices. The convexity explains why the Polity-curve on Figure 1 is above the *L* and *R* curves, but it does not explain the big difference between the trends in the indices. The convexity also explains why it is possible to make alternative conversion formulas between the *P*-scale and the *F*-scale of the Freedom House indices. We stick to the endpoint-consistent formula, where the *P*-scale is  $P = (40 - 10F)/3$  and the *F*-scale is  $F = 4 - 0.3P$ .

