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Human Development and Democracy: Re-examining the Relationship

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Abstract

We explore the role of democracy in human development. Rather than viewing democracy as a prerequisite for or consequence of human development, we suggest that, like health, education, and income, democracy is also an integral part of human development. We draw on the experiences of a number of countries to reinforce this perspective, and propose a two dimensional typology of human development based on the degree of democracy prevailing in a country and “tangible” human development, as measured by the HDI and other supplementary indices. We use this typology to distinguish between four types of human development: sustainable human development, pseudo human development, emergent human development, and failed human development. We propose that such a classification can be used as a tool for the planning and evaluation of development policies.

Keywords: human development, capabilities, democracy, authoritarianism

1. Introduction

Since the early 1990s, the human development (HD) paradigm has had a marked impact on development policy globally, and has been instrumental in uplifting and enriching the lives of millions of people in developing countries. The distinctive feature of the HD paradigm is that, instead of viewing humans merely as a factor of production, it puts them at the center of the development process (Anand & Sen, 2000). Unlike traditional growth economics, which sees higher income per capita as the ultimate goal of development, the HD paradigm regards income as just a means of enhancing the opportunities available for people to achieve better living standards (Anand & Sen, 1994).

The HD paradigm originates from the Capability Approach (CA), which was pioneered by Nobel laureate Amartya Sen in the 1980s. The CA gestated out of a dissatisfaction with traditional welfare economics, which is primarily opulence-focused as it measures a person’s well-being on the basis of the commodities she owns (Sen, 1999). Instead, the CA proposes a framework for evaluating individual well-being based on functionings and capabilities. Functionings refer to what an individual values doing with the resources she possesses, while capabilities refer to the opportunities or freedom a person has to achieve the functionings she values (Alkire, 2005; Robeyns, 2006). For example, an organ transplant

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may improve a terminally ill person's capability to live longer. However, if she refuses it due to certain religious or ideological reasons, it is the actual functioning she selects. Yet, what is most important is that, regardless of her decision, the capability to undergo an organ transplant is available to her.

The Human Development Reports (HDRs) published by the United Nations Development Programme (UNDP) interpret development as the enlargement of people's functionings and capabilities, through widening the choices available to them to do what they value in life (Fukuda-Parr, 2003). Over the years, the HDRs resulted in the notion of HD developing into a paradigm in its own right (Fukuda-Parr, 2003). Hence, although the CA is primarily a conceptual framework for evaluating *individual* well-being, its operationalization through the HD paradigm enables the CA to be applied for the comparison of development experiences within countries over time as well as across countries.

The Human Development Index (HDI) published in the annual HDRs is the central measure of HD used in such comparisons. The HDI measures a country's HD along three dimensions: longevity, knowledge, and income. Hence, the HDI is a composite measure of the capabilities to live a long and healthy life, be educated, and achieve economic well-being. Aspects of development such as education, health, and income can be clearly interpreted, measured in relatively straightforward ways, and directly linked to the idea of HD. Hence, in the remainder of this paper we refer to such dimensions of HD as the "tangible" aspects of HD.

When compared to using income per capita to measure well-being, the multiple dimensions captured by the HDI makes the HD paradigm a people-centred approach to development. However, focusing on the tangible aspects of development leads to less attention being paid to certain important *intangible* aspects of HD such as affiliation, friendship, creativity, and freedom of political choice. The realization of true people-centred development is not possible unless adequate attention is paid to these intangible aspects.

We emphasize that democracy is a key intangible aspect of HD. The objective of this paper is to explore the role of democracy in HD, and establish it as a vital element of HD. For this purpose, we construct a typology which links democracy and the tangible aspects of HD. We develop this typology through the analysis of literature, the exploration of relevant examples, and the investigation of related data where necessary. We show how this typology can be used as a framework for gaining deeper insights into the development experience of some countries.

This study is meant to be primarily exploratory in nature, and our aim is to contribute to the literature on international development by reinforcing the stance that genuine empowerment of people cannot occur in the absence of democracy. Such a study can potentially contribute towards the current debate on the links between democracy and development. In recent times, there have been instances where governments of certain countries have masked rampant corruption and autocratic rule behind improvements in income per capita, literacy rate, life expectancy, and composite indicators like the HDI. By using these indicators to convince the international community that their countries were

developing rapidly, they were able to divert attention from the fundamental flaws in their rule and freely engage in tyranny and misappropriation of resources. Positioning democracy as a vital aspect of HD could reduce such potential misuses of measures like the HDI.

The paper is structured as follows: in section 2, we make a distinction between the tangible and intangible aspects of HD. In section 3, we review the various definitions of democracy. Section 4 explores the relationship between the HDI and several indices of democracy. We develop our proposed typology in section 5, and section 6 concludes.

2. The tangible and intangible aspects of human development

The HDI is often criticized for attempting to oversimplify the notion of HD, as HD flows far beyond health, education, and income. In response to these criticisms, the UNDP retains the HDI as a standard measure of HD, but also provides several supplementary indices comprising of the Inequality Adjusted HDI, Gender Inequality Index and the Multidimensional Poverty Index, as well as a range of cross country socio-economic data within the annual HDRs. Klugman, Rodríguez, and Choi (2011) defend the HDI by noting that the breadth of the concept of capabilities and the limited availability of data means that a measure of functionings and capabilities such as the HDI can only be derived after considerable approximation and simplification.

We are of the view that the dimensions captured in the HDI and its supplementary indices are tangible aspects of HD, as they can be readily interpreted, measured, and connected to the notion of HD. Although health, education, income equality, gender equality and poverty are very important aspects of development, there are certain other crucial, yet often overlooked, *intangible* aspects of development, which, although difficult to measure, are nevertheless imperative for HD.

In order to gain a better understanding of what these intangible aspects are and why they are important for HD, we need to first understand what capabilities human beings value. A list of such capabilities is provided by Nussbaum (1997). It comprises of a long and fulfilled life; sound bodily health; bodily integrity in the form of physical security and safety; being able to use one's senses, imagination, and thoughts for creating experiences and producing expressive works; ability to display emotions and engage in human associations; being able to engage in practical and critical reasoning when planning one's life; affiliation; friendship; being treated with dignity and not being discriminated against; ability to co-exist harmoniously with other species; opportunities for enjoyment and recreational activities; control over one's environment; opportunities to make political choice; and the ability to possess things of material value. Nussbaum (1997, p. 286) admits that this list is, "... open-ended and humble; it can always be contested and remade." However, in this list, the components that can reasonably be classified as at least partially tangible are only life and bodily health. All the other capabilities are primarily intangible ones which cannot be easily quantified, let alone defined.

Nonetheless, these intangible capabilities are crucial for HD, since their presence is vital for enabling citizens to lead happier, enriched lives, which is the desired outcome of HD. Therefore, only by delving into these primarily intangible capabilities can one gain a holistic understanding of capabilities and HD.

In Nussbaum's (1997) list, we can identify democracy as a key underlying intangible aspect of development which can have a crucial impact on the ability of citizens in a country to live fulfilling lives by achieving functionings and capabilities they value. In Nussbaum's (1997) list, democracy is directly captured by the political component, which covers the individual's ability to contribute towards choices that govern the lives of citizens of a country through political participation as well as the opportunity to engage in free speech and association. Additionally, shortcomings in democracy can adversely affect other capabilities such as creativity, affiliation, ability to engage in recreational activities, respect, and bodily integrity. One obvious example is an undemocratic government which bans works of art that criticize its activities, thereby preventing artists from disseminating their creativity. Going further, oppressive regimes could inflict physical harm in the form of abduction, imprisonment, torture or assassination upon individuals who oppose them, which interferes with bodily integrity and the ability to lead a long and fulfilled life. Another example is a tyrannical regime that randomly seizes people's property, which obstructs people from holding things of material value and usurps their ability to exercise control over their own environment.

Fukuda-Parr (2003) shows that the importance of a particular capability is determined by two factors. Firstly, it should be universally valued; that is, people all over the world should consider it to be important. Secondly, it should be a basic capability which is a prerequisite for the realization of many other capabilities. The scale and frequency of mass uprisings against undemocratic regimes throughout modern history provides evidence to support the view that people around the world do indeed consider democracy to be a valuable aspect of their lives, and the discussion in the previous paragraph demonstrates that it is a prerequisite for realizing other capabilities. While these observations reiterate the importance of democracy as a key intangible aspect of HD, we emphasize that we do not, at any stage of our discussion, *equate* democracy to intangible HD. Democracy is by no means a panacea, as is evident from the display of people's dissatisfaction with life through the high prevalence of suicide and depression in some of the most democratic countries in the world that have reached great heights in tangible HD. For instance, the high suicide rates per 100,000 people in South Korea (20.1), Japan (19.8), Hungary (17.9), Finland (17.7), Slovenia (15.5), France (13.6), and Iceland (12.9) (World Health Rankings, 2011), which are all OECD member countries that have displayed very high achievements in tangible HD as well as democracy shows us that neither tangible HD nor democracy can necessarily bring about happiness and fulfilment.¹ Thus, democracy is just *one* intangible aspect of HD that could *potentially* contribute towards enabling people to do what they value in life.

The importance of democracy for HD is definitely recognized by the UNDP. An example of their commitment to improving democracy globally is the 2002 Human Development Report which was titled “Deepening Democracy in a Fragmented World.” Its underlying assertion is that improving people’s capabilities to articulate their political views and get involved in decisions that impact their lives and destinies is as equally important as improving health and education. However, in practice, development policy is largely centred on achieving improvements in the tangible aspects of development. A possible reason for this could be that the role of international development agencies has traditionally been assisting improvements of health, education and livelihoods of people rather than establishing democracy. Some authors argue that improvements in health, education and economic circumstances could lead to democracy over time, while others argue that democracy is a prerequisite for achieving improvements in these spheres. Regardless of the direction of causality however, there is a clear positive association between democracy and the traditional, tangible aspects of HD. This is a concern we will explore further in Section 4. Before that, in the next section, we focus on selecting a definition of democracy which suits the aims of this study.

3. Towards a broader interpretation of democracy

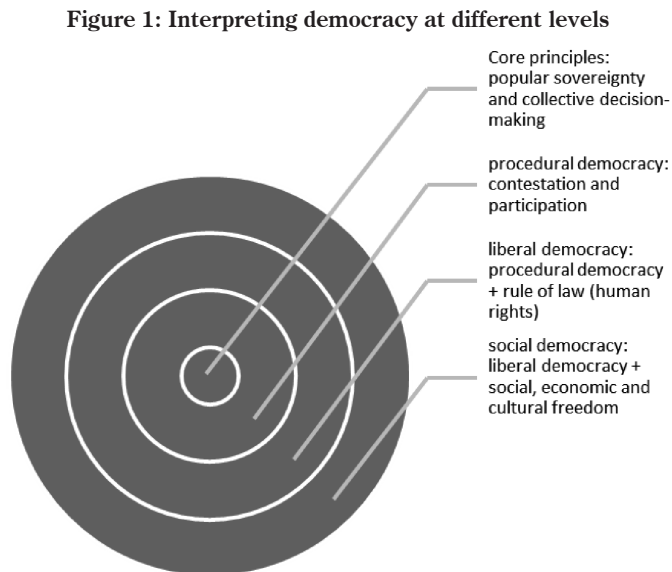
According to Przeworski (2000, pp. 15-16), the key feature of a democratic state is contestation, whereby individuals are appointed to the chief executive post and the seats in the legislative body through contested elections in which more than one party participates. In other words, in a democracy, people can take part in free and fair elections, and the outcomes of these elections determine the actions of the state (Jou, Dalton, & Sin, 2007). Consequently, in a democratic country, the judiciary is independent, the rights of individuals are protected, private property rights are respected, and the government honours its contractual obligations (Olson, 1993).

However, for decades, democracy has been regarded as broader concept comprising of social, political and ethical facets (see Ranney and Kendall, 1951 and references therein). In relation to this type of broad interpretation, Przeworski (2000, p. 14) suggests that, “Almost all normatively desirable aspects of political life, and sometimes even of social and economic life, are credited as definitional features of democracy: representation, accountability, equality, participation, dignity, rationality, security, freedom -the list goes on.” In the present context, we are of the view that there is a need to embrace such a broader interpretation of the idea. This is warranted as our discussion is centred around its role in HD, which in itself is a vast concept. Hence, we use democracy as a catchall term which includes contestation, upholding of human rights, cultural freedom, an unbiased judiciary, equity,

1 A notable attempt to incorporate these wider concerns into a composite index is the Happy Planet Index, which ranks countries based on how many long and happy lives they can generate per unit of environmental input. Such an index has wide connotations for global sustainability, and it shows that many of the most developed countries of the world cannot deliver long and happy lives without compromising their sustainability.

and a well-regulated system of governance characterized by accountability, transparency and minimal corruption.

We derive this interpretation from Landman's (2011) concept of social democracy. According to Landman (2011), democracy can be divided into three different "layers": procedural democracy, liberal democracy, and social democracy as summarized diagrammatically in Figure 1 below:



Source: Landman (2011 p. 30)

The core principles of procedural democracy are popular sovereignty and collective decision-making. Procedural democracy is the minimalist definition of democracy that we looked at before, which captures the ability for citizens to participate in free and fair elections. Procedural democracy can be regarded as the foundation for achieving a range of other desirable socio-economic outcomes. In a country where governments are elected through majority rule, public resources are more likely to be utilized for the benefit of the public, leading to lower inequality and equitable distribution of power, resulting in the government being more accountable to the public (Tsai, 2006).

Liberal democracy includes a human rights aspect in addition to contestation and participation. Such a broader definition of democracy is justified by Landman (2011) on the basis that human rights and democracy share many complementarities with each other. The contemporary interpretation of liberal democracy owes much to John Rawls's theory of political liberalism, which assumes that in a liberal democracy, people possess the power of reason, can rationally form a conception of what is good for them, are free to develop a sense of justice, and base their actions on co-operation, whereby they pursue courses of action that may benefit them, while adhering to commonly recognized rules of society. (Cuneo & Wolterstorff, 2012).

Social democracy constitutes of social, economic and cultural freedom in addition to contestation and participation and human rights. We see this as the most apt level at which democracy should be interpreted when exploring it from a HD perspective. This is because the ability of people to exercise such freedoms is directly related to the opportunities available to realise many capabilities. Nussbaum's list of capabilities, which we looked at before, shows the need for such a broad interpretation of democracy, as the realization of many of the capabilities therein require not only contestation, participation and the protection of human rights, but also the empowerment that social, economic, and cultural freedom brings about.

Despite being a definition which suits our objective, we admit that given the breadth of a notion like social democracy, measuring it is no easy task. Most extant measures of democracy are mainly concerned with measuring procedural democracy, and to a lesser extent, liberal democracy. Therefore, the measures of democracy we use in the next section to investigate the link between HD and democracy are derived based on relatively narrower interpretations of democracy, which do not capture the notion of social democracy completely. In addition to such limitations of scope, a democracy score for a particular country is just an "average" representation of that country's conditions, and cannot account for considerable intra-country variations in democratic rights and political processes that are generally likely to be present in practice. For instance, despite being the world's largest democracy, there are many low caste and tribal groups in India whose participation in the political process is limited by various socio-cultural factors (Chatterjee, 2008). In spite these concerns regarding measurement issues, there is no doubt that democracy is pivotal for HD.

4. The relationship between democracy and HD

Many studies have shown a strong positive association between development and democracy (see Landman 2011 for a detailed discussion). For instance, Tsai (2006) describes a number of mechanisms through which democracy can influence HD, and demonstrates empirically that democracy is a key determinant of the level of HD in a country. We commence this section with an exploration of the association between cross country HDI values and democracy scores based on different measures. These quantitative observations are not meant to be a standalone analysis. Rather, the positive, statistically significant correlations we observe between HDI scores and these democracy indices are meant to provide a motivation for the remainder of the section, which explores different explanations for this positive relationship found in the interdisciplinary literature.

Prior to looking at the correlations, we briefly discuss the methodology underlying the construction of the HDI as well as the indices of democracy used in this section. The HDI is the geometric mean of three normalized indices: the income index, the health index and the education index. The normalized index for each dimension is calculated as:

$$i = \frac{\text{actual value} - \text{minimum value}}{\text{maximum value} - \text{minimum value}} \quad (\text{Equation 1})$$

In order to capture the idea of diminishing returns, the income index is computed using natural logarithms of all the values (UNDP, 2014). Hence, the actual value used is the natural logarithm of a country's gross national income in purchasing power parity dollars, the minimum value is the natural logarithm of \$100, which is considered to be a minimum subsistence level of income, and the maximum value is the natural logarithm of \$75,000. The health index is computed using the average life expectancy of a country's population as the actual value, and the minimum and maximum values are set at 20 and 85 respectively. The education index is calculated as the arithmetic mean of two indices. The first uses as its actual value the mean years of schooling of a country's population, with minimum and maximum values set at 0 and 15 respectively. The second index is based on expected years of schooling, and its minimum and maximum values are 0 and 18 respectively. As the HDI is the geometric mean of these three indices, it weights all three dimensions equally (UNDP, 2014). Based on their HDI values, countries are classified into the following groups: "very high human development," "high human development," "medium human development," and "low human development."

We consider three measures of democracy: the Economist Intelligence Unit (EIU) overall democracy index values for 2012, the 2013 Freedom House democracy ratings, and the Global Democracy Ranking 2011-2012. The EIU's democracy index 2012 is available for 167 countries, and is constructed using survey responses to 60 questions covering five aspects of democracy: electoral process and pluralism, civil liberties, the functioning of government, political participation, and political culture. Basing the index on survey results potentially affects its reliability. Nevertheless, such a measure goes beyond procedural democracy to look at civil liberties which is important for liberal democracy, and also looks at the presence of a democratic political culture and the quality of governments, which is vital for the sustainability of democracy (EIU, 2012). The scores vary between 0 and 10, and countries are categorized into four groups: "full democracies," "flawed democracies," "hybrid regimes," and "authoritarian regimes."

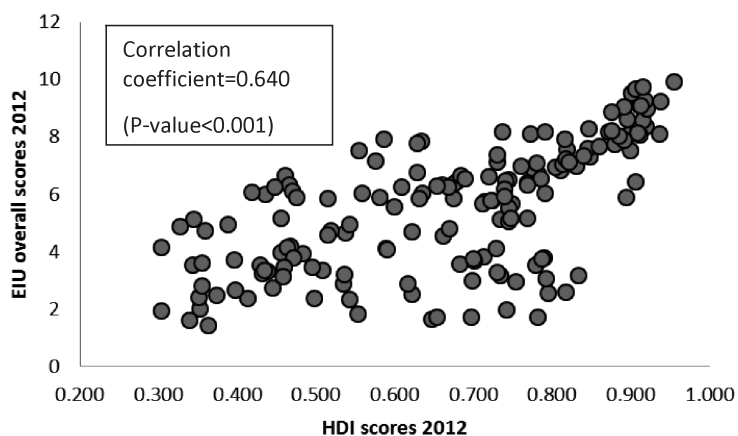
The Freedom in the World survey published by Freedom House looks at two broad aspects of democracy: political rights and civil liberties, and is more focused on the rights and freedoms of individuals rather than the functioning of governments (Freedom House, 2013b). Each country is assigned a score between 1 and 7 for political rights and civil liberties based on a series of survey questions, and countries are categorized as "free," "partially free" and "not free."

The scores of the Global Democracy Ranking are based on a six-fold structure covering politics, gender, economy, knowledge, health and the environment. Each of these dimensions are measured using specific indicators, and they are then combined into an overall index in which the political dimension has a weight of 50% and all the other dimensions have a weight of 10% each (Campbell,

2008). A higher weight is given to the political dimension to signify the important role of politics in establishing democracy in a country, but the measure also incorporates other aspects since the quality of democracy depends on the quality of both politics and society. Since it considers both society and politics, the Global Democracy Ranking is broader in scope than other extant measures of democracy (Campbell, 2008).

Figures 2 to 4 provide scatterplots of the 2012 HDI scores against the EIU democracy scores for 2012, the 2013 Freedom House democracy ratings, and the inverse of the Global Democracy Scores 2011–2012.² The EIU democracy scores and the Freedom House ratings are moderately positively correlated with the HDI values. However, the inverse Global Democracy Ranking scores display a much higher positive correlation of 0.812 with the HDI values. Due to the large number of countries considered, the p-values of these correlation coefficients are very small ($P < 0.001$ approximately), making them statistically significant at any conventional level of significance level considered. However, it should be noted that there is some degree of overlap between the indicators used for computing HDI values and those used to compute the Global Democracy Ranking scores. Specifically, in the Global Democracy Ranking, gross domestic product (GDP) per capita in PPP dollars is used as a variable in the economy dimension, and life expectancy is one of the variables used for computing the health dimension.³ The presence of these caveats signals to us once again that these correlations alone should not form the basis for our argument that democracy is a vital component of HD.

Figure 2: Scatterplot of EIU overall scores 2012 vs HDI scores 2012

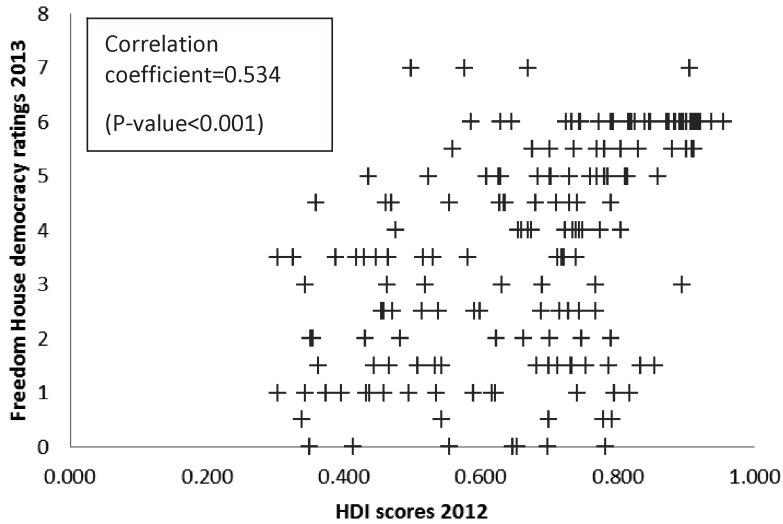


Source: Economist Intelligence Unit

2 The Global Democracy scores are constructed so that a higher score reflects a lower degree of democracy. These values were inverted by deducting each score from the maximum score.

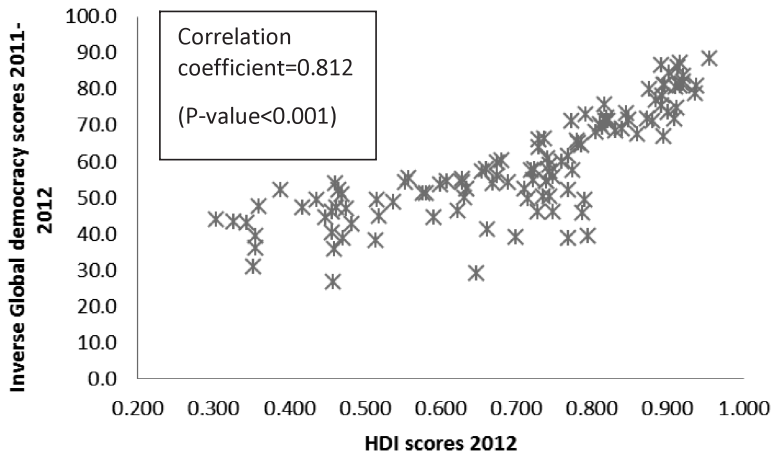
3 The difference between GDP per capita and GNI per capita is that GNI includes the net income flows from assets (i.e. receipts from foreign assets held by domestic citizens minus payments for domestic assets owned by foreigners). For most countries, the difference between GDP and GNI is negligible (OECD, 2004).

Figure 3: Freedom house democracy ratings 2013 vs HDI scores 2012



Source: Freedom House

Figure 4: Inverse global democracy scores 2011-2012 vs HDI scores 2012



Source: Democracy Ranking Association

We use the EIU and Freedom House democracy classifications and the UNDP's HD classification to carry out Chi-square tests of independence to explore if any association may be present between the democracy group and the human development category a country belongs to. The two way tables constructed for carrying out the Chi-square tests are given in Appendix A. In the case of the EIU democracy categories versus HDI groups, the Chi-Square statistic is 86.3526 (p-value < 0.00001) and for the Freedom House democracy categories versus HDI categories, we observe that the Chi-square statistic is 58.2788 (p-value < 0.00001). These Chi-square tests also provide evidence of an existence

of a clear association between the HDI category a country belongs to and its democracy status. The presence of such a clear association between the categories further strengthens our previous observations of a positive correlation between democracy scores to the HDI values.

With regard to explanations for the close link between democracy and tangible HD, one strand of literature suggests that democracy causes tangible HD. For instance, Wolfrum (1999) notes that good governance, participatory decision-making, transparency and accountability are preconditions for achieving sustainable development. According to Tsai (2006), in a democratic setting where civil liberties and political participation are considered to be very important, public policy is likely to be directed towards enhancing the material well-being of the population. Boix (2001) shows that such improvements in well-being are made possible because the government sector is usually bigger under democracy. Empirical evidence for this proposition in the context of specific aspects of HD such as education, longevity, and income inequality is provided, among others, by Stasavage (2005), Besley and Kudamatsu (2006), (Muller, 1988) and (Meltzer & Richard, 1981).

However, another established view, which Burkhart and Lewis-Beck (1994) refers to as the “economic development thesis,” is that democracy is a *consequence* of, rather than a precondition for, economic development. Empirical studies such as Burkhart and Lewis-Beck (1994), Bollen (1979) and Brunk, Caldeira, and Lewis-Beck (1987) lend support to this direction of causality. This strand of literature advocates that the more economically developed a country, the higher would be its chances of sustaining democracy. Economic development, especially through the improvements in education it generates, enables a vast majority of the population to enjoy a high standard of living, and thereby facilitates the conscious and informed participation of citizens in the political process (Lipset, 1959). For example, countries like Singapore and South Korea did not enjoy democratic rule during the decades of miraculous growth they enjoyed. However, later on, these countries gradually embraced democracy. When countries with high levels of tangible human development adopt democracy, they help strengthen the positive link between democracy and HD observed in Figures 2, 3, and 4.

Despite the strong positive link between democracy and HD, and the compelling hypotheses found in the interdisciplinary literature to support this link, several studies and examples cast doubt on whether this positive association is necessarily universal. For instance, Ross (2006) shows that the correlation between democracy and the infant and maternal mortality of people in lower socio-economic groups is very small, while Timmons (2010) finds that there is no statistically significant association between democracy and income inequality. The development experiences of countries such as Brunei Darussalam, Qatar and the United Arab Emirates, that belong to the very high HD group but have been consistently ranked by Freedom House as countries that are “not free,” suggests the possibility that tangible HD can indeed occur in the absence of democracy. Furthermore, in recent times, China’s rise to global economic superpower status did not occur within a democratic setting. These examples and research findings are a primary motivation for our typology, which includes such

scenarios where non-democratic countries may display superior performance in tangible HD.

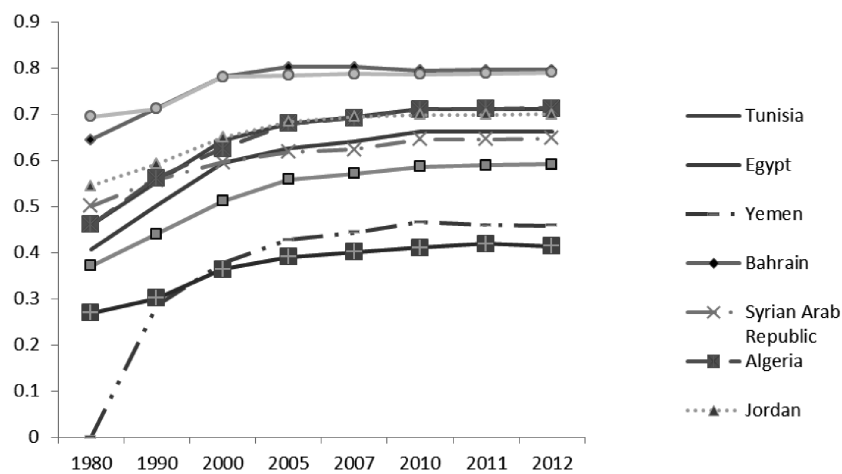
Despite such counter-examples, we observe that, in a vast majority of cases, true development cannot be achieved through material well-being alone, while on the other hand democracy is of little use in itself if it is not coupled with good living standards over time. Hence, rather than regarding democracy as a prerequisite for or a consequence of HD, it is necessary to appreciate that it is an integral aspect of HD.

It is often the case that even in the absence of democracy, improvements in income, health and education, which are captured by the HDI, can indicate that a country is achieving improvements in HD. However, such improvements, if not complemented with achievements in the democracy sphere, are unlikely to be sustainable. Recent tensions in the Middle East, better known as the Arab Spring, bear testimony to this view. As shown in Figure 5, most of the countries where rebellions or major protests occurred in recent years recorded improvements in their HDI values over time. However, it is also interesting to observe that from 2005 onwards, these countries experienced a stagnation of their HDI values. This slowdown in the growth of HDI values across *all* these countries seems to suggest that these countries could not maintain their impressive improvements in the tangible aspects of HD due to various shortcomings in the manner in which they were governed. Indeed, it is quite plausible to perceive that the deficiencies in democracy which led to a systematic surge in public discontentment against the respective governments of these countries were reflecting negatively on their achievements in relation to the tangible aspects of HD, which once again supports our argument that true development cannot be sustained in the absence of democracy.

For instance, based on HDI values, Tunisia was one of the best performers in the medium HD category for the period 1970 to 2007 (Ranis & Stewart, 2012). Furthermore, Aré et al. (2010) identified Algeria, Botswana, Egypt, Libya, Mauritius, Morocco, South Africa and Tunisia as the top-performing economies in Africa (these economies are often known as the African Lions), also noting that these countries had GDP per capita values which were higher than those of the BRIC economies. These authors attributed the relatively superior performance of the African Lions to high education expenditure, coupled with intermediate growth in income. Despite being lauded for its impressive development, Tunisia was the very country where the wave of protests started with the self-immolation of a person in protest of the tyrannical Ben Ali regime.

Christopher (2010) points out that between 1957 and 1987, President Habib Bourguiba's regime provided the authoritarian stability to steer Tunisia towards development. However, in the 1970s, the government became visibly more autocratic, and this resulted in economic hardships and widespread discontent among the people, and it was in this setting that Zine Al-Abidine Ben Ali seized power in a coup in 1987. By the mid-1990s, international agencies were commending the economic reforms implemented by the Ben Ali regime as the country continued to show improvements with respect to living standards, economic growth, education, and economic liberalization. Despite these

Figure 5: HD over time in some countries where rebellions or major protests occurred in recent years



Source: HDR Statistics

achievements, government authoritarianism accelerated, resulting in mass protests leading to the Ben Ali regime being overthrown in January 2011.

A similar story applies to several other African Lions. The uprising in Tunisia helped Egyptians escape their “barrier of fear” and their mass protests resulted in the 30 year old authoritarian regime of President Hosni Mubarak coming to an end (Haseeb, 2012). In Libya, the civil uprising against the Gaddafi regime led to international intervention, while in Morocco, mass protests encouraged King Muhammad VI to seek constitutional amendments that resulted in democratic parliamentary elections (Haseeb, 2012).⁴

An explanation for the rapid advances in HDI values that these countries enjoyed prior to 2005 is provided by Olson (1993), who suggests that an autocrat has an incentive to supply public goods such as health and education that contribute to increases in output and incomes, as improved economic conditions enable the autocrat to extract more tax revenue from the people. However, the events that transpired in these countries suggest that judging a country’s development on the basis of improvements in the tangible aspects of HD alone can be very misleading. If people in these countries had indeed enjoyed an expansion in their capabilities over time, which is what higher HDI values would suggest, we need to understand what led to these mass protests and rebellions. It is necessary to look at what prompted ordinary people to take up arms against the regimes which had steered their countries towards development. The underlying story behind these uprisings is that higher

⁴ While at present, in the post-Arab Spring era, we see mounting tensions in the Middle East, especially in Syria and Iraq, the present study focuses on the events that led to public protest, rather than the subsequent events, which can be attributed to religious and ethnic issues.

incomes, access to better healthcare and better education need to be complemented with democracy if people are to genuinely reap the benefits of development. In other words, democracy was the missing ingredient in the HD process of these countries. The lack of democracy creates in people a deep sense of injustice which drives them to protest against the existing state of affairs. As Sen (2009 p. vii) notes, when these uprisings occur, people are not interested in following the impossible dream of creating absolute justice in the world, rather they are driven by the desire to do away with preventable injustice present within the current system.

5. A typology of HD

Now that we can perceive democracy as an integral facet of HD, the typology of HD we propose is presented in Table 1. We distinguish between four types of HD based on the dimensions of tangible HD and democracy. Countries characterized by “sustainable HD” are those that enjoy democratic rule as well as high tangible HD. Countries that display high achievements in the tangible aspects of HD but perform poorly in terms of democracy are classified under the “pseudo HD” category. The “emergent HD” quadrant comprises of countries struggling to improve the tangible aspects of HD, but are nevertheless democratically governed. Finally, we have the “failed HD” group in which we can include undemocratic countries with poor tangible HD.

Table 1: A typology of HD

		Democracy	
		High	Low
Tangible aspects	High	Sustainable HD	Pseudo HD
	low	Emergent HD	Failed HD

Countries in the very high and high HDI groups can be classified in the high tangible development category, while those in the medium and low HDI groups can be classified in the low tangible development category. However, this is a loose classification because countries that have displayed marked improvements in their HDI values, even if they are not in the high HD category, could be placed on the top row. With regard to choosing the best measure for classifying countries into the high and low democracy groups, a number of considerations such as the availability of data and the reliability of the sources are important. Although the Global Democracy Ranking is considered the most comprehensive index of democracy by Campbell, Carayannis, Barth, and Campbell (2013), as noted before, the fact that it includes economic, knowledge and health aspects results in considerable overlap of the two dimensions in this typology. However, this does not preclude its use in any precursory analysis, as in the case of some countries we consider in this section. Using the EIU democracy index,

countries which are classified as full or flawed democracies can be classified as high in the democracy sphere while hybrid and authoritarian regimes are countries with low levels of democracy. In what follows, we explore each “type” of HD in Table 1 in greater detail.

5.1 Sustainable HD

Sustainable HD refers to improvements in tangible aspects of development that occur within a democratic setting. This is essentially the crux of the HD experience. Countries in this category are typically characterized by high income per capita, high quality health and education services, and democratic rule. Countries that belong to this quadrant include Norway, Denmark, Sweden, Australia, the United Kingdom and South Korea, among others.

Przeworski (2005) asserts that democracy can be preserved in economies that have passed a certain level of development. On the other hand, Kotzian (2011) argues that public support for democracy depends heavily upon the economic outcomes it can deliver. Both these perspectives suggest that democracy is accepted by citizens in the most developed economies of the world and the possibility of dictatorships emerging in these nations is very slim or non-existent.

Democracy is often considered a dominantly “Western” phenomenon because, for the greater part, the most democratic countries of the world are located in the West. Scandinavian social democracy, for instance, is a political economy model characterized by a large public economy, a generous welfare state to reduce inequality, ample employment and education opportunities to all citizens, and low rates of inflation achieved through consensual modest wage increases (Iversen, 1998). These principles enabled countries such as Norway, Sweden, Denmark and Finland to become more benevolent and democratic (Castles, 2009, p. 81), whilst cementing their position as some of the most developed countries in the world. These countries can essentially serve as excellent exemplars for countries lagging behind in terms of tangible HD and/or democracy.

5.2 Emergent HD

Countries belonging to the emergent HD category can be regarded as those who are in the process of transitioning from low to high HD. What is noteworthy about emergent HD is that, despite relatively poor performance in the tangible aspects of HD, these countries perform well in terms of democracy. Hence, emergent HD could, over time, transition into sustainable HD as the presence of democracy is likely to enable the development of industries, promote equity, and facilitate improvements in access to health and education.

Przeworski (2000) regards the Dominican Republic as a democratic country, because the same party held power there for two terms with an overwhelming majority, but transferred power to the opposition peacefully when they lost the next election. Freedom House classifies the Dominican Republic as a free country, and it is classified by the UNDP as a country with medium HD. Hence, it can be regarded

as a country with emergent HD, since they are performing well in relation to democracy and therefore have a better chance of achieving improvements in the tangible aspects of HD over time. Botswana, which belongs to the medium HD category, can also be included in this group, as it has operated as a stable democracy since independence from colonial rule and has managed to achieve steady economic growth (Maundeni, Mafela, & Mookodi, 2011). However, Botswana's high HIV infection rates of 18.9% for males and 28.9% for females aged 15 to 49 during the period 2007 to 2009 (Kandala, Campbell, Rakgoasi, Madi- Segwagwe, & Fako, 2012) is an impediment to its growth, and it is a good illustration of the fact that a country's ability to transition from emergent to sustainable HD could be hindered by problems such as disease, poor geographical conditions, and cultural factors.

5.3 Pseudo HD

Virtually all the countries associated with the Arab Spring can be categorized into the pseudo HD category. We saw in Section 4 that they enjoyed improvements in the tangible aspects of HD over time but lacked democratic governance, which can be seen as the main cause of the tensions these countries experienced.

However, timely political and legal reforms could help a country transition for pseudo HD to sustainable HD. Such transitions occurred in some Latin American and Asian countries which achieved enviable economic development during a 30 to 40 year span while being governed by authoritarian regimes. For instance, Brazil achieved huge improvements in the HDI over time and is now one of the most influential emerging economies in the world. Despite not being a democracy for decades, today Brazil it is a democratic state. Another interesting example is South Korea, which achieved phenomenal economic growth during the 1980's and 1990's enabling it to transform from one of the world's poorest countries to the 13th richest country in the world by 2007, with a GDP per capita of US\$20,000 (Chaibong, 2008). Although democracy was formally established in South Korea in 1987, it was of a very unsettled, unconsolidated nature and was characterized by widespread corruption, authoritarianism and cronyism (Chaibong, 2008), but governments which came to power after 1997 gradually transformed the country into a strong democracy (Im, 2011).

Przeworski and Limongi (1993) argue that state autonomy enables development to take place without being influenced by citizens organized into interest groups who exert pressure on governments to appropriate resources for immediate consumption rather than investment. However, given our emphasis on democracy as an end in itself, it makes the development experience of such countries rather "incomplete," which could lead to public discontentment as in the case of the countries associated with the Arab Spring. However, examples such as Brazil and South Korea suggest the possibility that once development in tangible aspects is achieved, countries could indeed transform into stable democracies.

5.4 Failed HD

It is important to appreciate that there is a separate category of countries which display very poor performance in relation to the tangible aspects of HD as well as democracy. In fact, none of the countries belonging to the low HD category are classified as full democracies by the EIU. Some notable examples of such countries stuck in the low HD category and ruled by undemocratic governments include Zimbabwe, Afghanistan, Eritrea, and Guinea, among many others. These countries belong to the low HD category and are also classified as authoritarian regimes by the EIU.

Some social scientists are of the view that in the least developed countries of the world, where the majority of the population is poor and uneducated, people may display an apathetic view towards democracy (Nelson & Singh, 1998). An authoritarian regime instils a notion of helpless servitude in the minds of the ordinary people, which discourages them from opposing the government's actions, thereby supporting the continuity of the regime (Masunungure, 2011). An example of the indifference of the general public towards the absence of democracy is provided by Masunungure (2011), who notes that a mass protest organized in 2011 against Robert Mugabe's regime in Zimbabwe attracted far fewer people than expected.

The international community has an important role to play in helping these countries out of their failed HD state. Reflecting on the responses of the international community towards Myanmar's political regime, Pedersen (2013) distinguishes between three different approaches: ostracism, engagement, and principled engagement. Often, ostracism comes in the form of trade sanctions and a reduction in official development assistance, which typically hurts the ordinary people by increasing unemployment and reducing access to health and education, thereby pushing them into greater deprivation and exacerbating their vulnerability. At the other end of the spectrum of responses is engagement, which involves ignoring the undemocratic activities of these governments and continuing economic and political relations with them, with the hope that economic progress will create greater pressure on authoritarian regimes to embrace democracy. However, if key export industries are under state control, such a stance can lead to a worsening of inequality as cronies of the state reap all the benefits resulting from international trade. A middle of the road alternative is principled engagement, which involves facilitating conflict resolution between different stakeholders connected to a particular issue (Emerson, Nabatchi, & Balogh, 2012). Pedersen (2013) suggests that in practice, principled engagement occurs when international agencies and governments assist in uplifting the lives of people by contributing towards health services, education, access to finance to commence businesses, and the improvement of water and sanitation facilities, while simultaneously encouraging and facilitating those in power to establish democracy and respect for human rights.

6. Conclusion

In this paper, we distinguish between the tangible and intangible aspects of HD. We classify the standard dimensions of HD, i.e. health, education, and income, as tangible elements of HD. However, there is a range of aspects associated with development that are largely intangible in the sense that they are difficult to interpret and measure. Democracy is a critical intangible aspect of HD. Hence, we re-emphasize the idea that true HD cannot be achieved in the absence of democracy. We suggest a four-fold typology of HD where countries performing well in terms of both the tangible dimensions of HD as well as democracy are classified under the “sustainable HD” category. Those that are undemocratic but enjoy high HD are classified under the “pseudo HD” category. Countries in the “emergent HD” group are democracies with a relatively low level of HD. Countries ruled by undemocratic government and with low HD governments are classified in the “failed HD” group. Through our four-fold classification we draw on the development experiences of a number of countries to demonstrate that improvements in tangible HD in the absence of democracy is clearly untenable.

Countries that can be classified under the sustainable HD are stable democracies that offer their citizens the opportunity to enjoy a high standard of living. Such countries can be exemplars against which countries experiencing deficiencies in either tangible HD or democracy can benchmark themselves. While in many of these countries, the road to sustainable HD has been a long and difficult one, democracy and a high quality of life are now established features of these countries, and their social, political, legal and economic circumstances guarantee the sustainability of both democracy and tangible HD.

Both emergent and pseudo HD can be considered as transitional stages of HD. However, as countries in the emergent HD category are characterized by democratic rule, they are in a better position to achieve improvements in the tangible aspects of HD. On the other hand, countries characterized by pseudo HD suffer from inherent uncertainty and tension, which could easily translate into public uprisings against their governments, thereby stalling any progress achieved in the tangible dimensions of HD. Therefore, governments of such countries should identify the need to establish democratic rule before public discontentment climaxes, thereby preserving the improvements in tangible HD achieved and transitioning to sustainable HD.

Generally, many countries with low HD are not ruled by democratic governments. This observation highlights that democracy is often denied to the poorest people in the world. This state of affairs calls for international intervention. Rather than imposing sanctions on these undemocratic regimes or resorting to military action, which only causes a worsening of the lives of the people of these countries, an approach that involves direct intervention to help uplift people’s lives while simultaneously facilitating the establishment of democratic rule, which Pedersen (2013) refers to as “principled engagement” is likely to lead to better outcomes.

The classification introduced in this paper could potentially be used by governments and policymakers as a tool in the preliminary stages of the development of national or regional development policy plans. Given that there are considerable variations between countries and regions in terms of tangible HD and the prevalence of democracy, it is possible to categorize countries and regions to determine which ones should be prioritized when allocating resources for development. However, categorizing countries based on the typology introduced in the paper could be problematic because the UNDP already provides a classification of countries based on their HDI values. Expanding this classification to include democracy would cause the entire framework upon which the extant HD classification is based to change, and could potentially create issues with regard to comparability. Furthermore, reaching a consensus on the most appropriate measure of democracy to use for such a categorization is also difficult.

A natural extension to this study resulting from the caveats outlined above is to employ this typology to carry out a classification of countries using indicators of tangible HD and appropriate measures of democracy. Another potential extension is examining the role of other intangible aspects such as affiliation, respect, and creativity in HD, and exploring the strength of the association between these intangible aspects of development and the “traditional”, tangible aspects of HD through a multivariate statistical technique such as canonical correlation analysis. Given the paucity of data on intangible aspects of development, such a study may require the need to synthesize information from interdisciplinary literature through a method such as meta-analysis.

Appendix A: Two way tables used for conducting Chi-square tests

Table A1: EIU democracy category vs HDI category

	HDI category				
		Very high	High	Medium	Low
EIU democracy category	Full	22	2	0	0
	Flawed	16	14	16	5
	Hybrid	1	10	11	12
	Authoritarian	2	7	12	21

Table A2: Freedom House democracy category vs HDI category

	HDI category				
		Very high	High	Medium	Low
Freedom House democracy category	Free	41	20	18	5
	Partially free	2	17	14	23
	Not free	3	10	13	17

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