

The Relationship between Democracy, Freedom and Economic Development

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Abstract : In this study, firstly democratic thoughts which directly or indirectly affect economic development and/or the interaction between authoritarian regimes and the economic development and the direction and channels of this interaction were studied and then the study tried to determine how democracy affects economic development. It was concluded that the positive contributions of democracy to economic development were more determinant than the effects that were either negative or restrictive in terms of development. When compared to autocracy, since democracy is more successful in managing social conflicts, ensuring political stability and preventing social disasters such as famine, it contributes more to economic development. Democracy also facilitates delegation of authority, provides a stable investment environment and accelerates mobilization of resources in accordance with economic growth/development. Democracy leads to an increase in human capital accumulation and increases the growth rate through reducing income inequality. It can be said that democratic regimes are the most appropriate ones in terms of increasing economic performance and supporting economic development through their strong institutional structures and the assurance they will ensure in property rights.

Keywords : democracy, economic growth, economic freedom, autocratic regime

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