

Democracy as a Curve: A Study on How Democratization Impacts Economic Growth

Authors : Henrique Alpalhão

Abstract : This paper attempts to model the widely studied relationship between a country's economic growth and its level of democracy, with an emphasis on possible non-linearities. We adopt the concept of 'political capital' as a measure of democracy, which is extremely uncommon in the literature and brings considerable advantages both in terms of dynamic considerations and plausibility. While the literature is not consensual on this matter, we obtain, via panel Arellano-Bond regression analysis on a database of more than 60 countries over 50 years, significant and robust results that indicate that the impact of democratization on economic growth varies according to the stage of democratic development each country is in.

Keywords : democracy, economic growth, political capital, political economy

Conference Title : ICIPEP 2018 : International Conference on International Political Economy and Development

Conference Location : London, United Kingdom

Conference Dates : January 18-19, 2018