Exploring Democracy on Income: Differential Outcomes for Thailand and the United Kingdom

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Abstract

Does democracy, defined as having contested elections, increase economic growth? If so, does the relationship between them apply to developing nations, which are often marked by low income, clientelism, and high informal economy? This study explored the statistical relationship between democracy and income per capita, using 175 cross-country data. GDP per capita for 2022 and the V-Dem 13th edition electoral democracy index 2022 were used for analysis. The findings revealed that democracy and income were positively linked, although a non-linear relationship had greater explanatory power. Also investigated were group differences in income per capita. Contradicting the positive benefit of democracy on growth, no difference between low-democracy and mid-democracy countries on income was found. Rather, the findings lent support to the modernization theory, finding that higher income countries had correspondingly higher democracy scores compared to other groups.

Finally, this study explored the democracy-growth relationship between Thailand and the United Kingdom (UK) from 1960-2022. It was found that democracy was statistically unrelated to income for Thailand, unlike the strong positive correlation for the UK. These results showed that (1) greater income led to democratization rather than the reverse, and that (2) democracy did not deliver growth in developing nations as it did in developed nations. Thus, it is recommended that developing nations and emerging economies prioritize growing their economies rather than elections per se. Put in another way, elections do not lead to growth in developing nations.

Keywords: *Democracy, Income, GDP per Capita, Clientelism, Developing Nations*

1. Introduction

Democracy has been gaining footholds all over the globe. After World War II, there were only 29 democratic governments. By 2017, the number increased to 57. In contrast, 31 autocratic regimes (i.e., ruled by unelected leaders) existed in 1946; it peaked at 62 in the 1970s, only to decline to its lowest at 13 in 2017 (Desilver, 2019). One could say democracy – defined in this paper as a regime in which government offices are filled by contested elections (Przeworski, Alvarez, Cheibub & & Limongi, 2000) – has triumphed over other regime types.

Indeed, this year will see at least 64 countries having elections, including the United States and India - the largest democracy in the world by population.

A debate has been raging in comparative politics and political economy for decades. Does democracy lead to economic growth? Does it enhance voters' material well-being?

The above questions are critical. If democracy, in an empirical sense, does not lead to economic growth, then it begs the question of what use or other purpose it has for societies at large.

A significant amount of money has been spent on election campaigns. For instance, approximately $14 billion was spent in the 2020 US presidential and congressional elections, double the cost of the 2016 US elections (Horton, Auer, & Glatte, 2020). Insofar as democracy delivers 'value' to people's lives by increasing their standard of living, it is worth the cost.

Nevertheless, research findings on this topic are mixed at best, and contradictory at worst. Lipset (1959), a sociologist and political scientist, was one of the first to study this topic. He argued that democracy was the result of economic growth and modernization, which in turn led to the rise of the middle class. Democratic countries, he observed, had higher income per capita, and more cars, telephones, and radios per capita than unstable democracies or dictatorships. Moreover, democratic countries consumed more energy, were more industrialized (had fewer people working in the agriculture sector), and were more urbanized and educated than their non-democratic counterparts.

These comparisons held across Europe, Latin America, and elsewhere. It appears that democratic countries were richer and enjoyed a higher standard of living, whilst non-democracies were comparatively poorer.

His insight came to be known as the "modernization theory" or "Lipset's Theory." The essence of this was that democracy was akin to a "luxury good." Poor and developing nations could not 'afford' democracy until they reached a sufficient development level.

The implication of Lipset's theory is far-reaching. It means that non-democracies need not rush into adopting democracy, as pushed forth by the West, as per their foreign policy (U.S. Department of State, n.d). Moreover, autocratic leaders or otherwise should prioritize building infrastructures and increasing human capital to lift their people out of poverty. In a nutshell, economy first, and then governance.

Consistent with Lipset's theory, Barro (1996, 1999) and Feng (1997) found that long-term growth led to democratization. A review by Wucherpfenning and Deutsch (2009) also found support for Lipset's thesis.

A more recent study found that economic crisis, not political variables such as political freedom, led non-democracies to transition to democracies (Pozuela, Slipowitz & Guillermo, 2016). This furnished the empirical evidence that economic factors were crucial to the emergence or adoption of democracy. Development was key to democratization.

Nevertheless, since the 1980s onwards, other researchers using new methodologies and statistical techniques found positive effects of democracy on growth (e.g., Acemoglu et al., 2019; de Hann & Sturm, 2003; Grundler & Krieger, 2016; Madson, Rashky, & Skali, 2015).

Using data from 175 countries from 1960 to 2010, Acemoglu et al. (2019) found that democratization raised GDP per capita by about 20% in the long term. Specifically, they were interested in the periods when countries *shifted* from non-democracies to democracies and vice-versa to observe changes in GDP per capita using data obtained from the World Bank. They found that there was little change in GDP per capita just after 5 years of democratization. After 10 years of democracy, however, GDP increased, peaking at 20% after 20 years of democracy. To put it another way, *the longer a country had democracy, the more positive GDP per capita it had*. The mechanism driving this, according to the researchers, was that democracy fostered economic reform, and improved schooling and healthcare.

The implication of the positive benefits of democracy (or the democracy-growth link) led us to a different interpretation from that of the modernization theory. If they are correct, it means non-democracies should focus on increasing people's political freedom, holding regular elections with multiple political parties contesting. Political freedom first, then the economy.

Another influential quantitative researcher on democracy is Adam Przeworski. He analyzed data from 1950 to 1990 across over 100 countries, exploring both causal paths: economic growth on political regimes, and the reverse, political regimes on growth (Przeworski et al., 2000). What he found was that there was no trade-off between democracy and development. Democracy need not necessarily lead to growth. Nor did dictatorship always lead to growth, as was the case of Singapore and South Korea during General Park's reign, when the countries were highly autocratic. Most important to his discovery was that, *however democracy emerged, it was more likely to survive if the country had a high income level*. Democracy could emerge in multiple ways, but being a rich country served as a protective shield against democratic backsliding.

So far, we have found three groups of findings. One group supported the modernization theory (development leading to democracy), while another group supported democracy leading to growth, and still, another group found no causal link between the two variables, only that rich democracies were more likely to survive than poor democracies.

The authors of this study speculated that one reason for the mixed findings was, in addition to the different methodologies used, the notion that developing and developed nations are markedly different. It could be that democracy has *differential* effects on growth depending on the level of development. Specifically, the desirable effects of democracy may not yield growth in developing countries – or at least not as much as in developed countries. While much research has been conducted on the democracy-income relationship across countries, little research has specifically investigated the aforementioned relationship in developing economies. After all, over 6.8 billion people live in developing countries, not in high-income Western countries.

Leading this view was Khan (2005), who argued that democracy was *not* necessary for growth in developing countries due to the prevalence of the patron-client relationship (clientelism), competing political factions, corruption, and their high informal economy sectors. Moreover, the belief that democratization would undermine clientelism in developing nations was unrealistic according to Khan.

The patron-client relationship is an instrumental bond where a person of higher socioeconomic status (patron) uses his influence or resources to provide protection or benefits for a lower status person (client), who then reciprocates by offering personal support to the patron (Scott, 1972; Lo bue, Sen, Linberg, 2021).

Khan (1998, 2005) reasoned that, since developing nations' economies were still growing and had not matured, there were limited resources to be shared. Consequently, the political and capitalist classes competed to access those resources to enrich themselves and their clients. This competition was especially intense in developing countries.

Recent empirical evidence supported Khan's claim. Kyriacou (2023) obtained data from 87 countries to investigate clientelism on income redistribution across 87 countries. He found more clientelism was associated with lower income redistribution, r = - 0.73. In other words, the benefits from rent-seeking were shared only between their allies. Neither the state nor the populace at large benefited from clientelism.

Lending more weight to Khan's proposition was the UNDP's statistics on the informal economy. The informal economy comprises 8 out of 10 small enterprises in the world. Over 2 billion people (60% of the world's workforce) earn their livelihoods in this sector (UNDP, 2022). Not surprisingly, the informal economy (also known as the shadow economy) is overrepresented in developing nations.

Below are selected countries' informal sector percentages relative to their GDP for developing and developed nations (Elgin, Kose, Ohnsorge, & Yu, 2021). It can be observed that the proportion of the informal sector in developing nations is high (approximately 40%) relative to their richer counterparts (12%).

Table 1: Percentage of the informal sector relative to GDP by selected countries

Country	Percent of informal sector proportional to GDP for the year 2020
Developed nations	
Germany	15.6%
Ireland	14.4%
The United Kingdom	12.8%
The United States	8.5%
Developing nations	
Thailand	48.4%
Ethiopia	34.3%
Libya	36.2%
The Philippines	39.8%

What the above evidence suggests is that high clientelism and high informal economy are prevalent in developing nations. These structural differences may help shed light on whether differential effects of democracy on growth exist in line with Khan's analysis, that developing nations do not economically benefit from democracy.

In the most up-to-date research, Mohammadi, Boccia, and Tohidi (2023) explored this relationship. Their research questions were: What is the relationship between democracy and economic growth? And crucially, does that relationship differ in developing and developed nations? Comparing 32 countries from the Organization for Economic Cooperation and Development (OECD) with 27 developing nations, they found that democracy causally and *negatively* impacted growth for the OECD countries. However, there was *no* causal democracy-growth link for the developing nations. The authors explained that politicians in democracies were pressured to spend on healthcare, education, security, and other vital spending to appeal to voters and get reelected. These acts led to government deficits and higher taxes, resulting in slower growth.

Further, they interpreted that variables such as the rule of law, economic liberty, property rights, and macroeconomic conditions were more important in determining growth for developing nations rather than democracy per se.

Another recent study found that democracy facilitates growth only when the country has adequate development during the transition time. Conversely, democracy did not improve growth without adequate development (Sima & Huang, 2023). Of importance was their realization that the democracy-growth relationship was not as simple as a 'yes' or 'no' answer. Rather, it depended on the level of development.

Given Khan's (2005) thesis that democracy is irrelevant to growth in developing nations, this study compares Thailand and the United Kingdom on the said relationship. Both countries are constitutional monarchies; both hold local and general elections, notwithstanding the periodic coups in Thailand. The United Kingdom is a rich democracy, with low clientelism and a low informal economy sector. Thailand, on the other hand, is a developing nation with moderate income, moderately high clientelism, factionalized politics, and a high informal economy sector. The former has a low corruption score relative to Thailand's.

Thailand, like much of the developing world, is pressured to conform to human rights and democratic principles. Would becoming more 'democratic' like the United Kingdom lead to income gain for Thailand? That is a central question on which this paper reflects.

Crucially, if Khan's thesis is correct, we should observe a differential relationship between democracies on growth in developing relative to developed nations. On the other hand, if Khan's thesis is incorrect, we should expect no differences in the democracy-growth relation in both groups.

Below is a summary of key data for both countries in the year 2022.

Table 2: Key variables by country

Key Variables	United Kingdom	Thailand
Nominal GDP per capita	$45,850	$6909
Democracy score (V-dem)	.84	.21
Clientelism (V-dem)	.13	.61
Corruption Perception	73	36
Informal economy	12.8%	48.4%

According to Table 2, Thailand has far less income per capita than the UK. Its democracy score (described in the next section) is lower than the UK. It has high clientelism and informal economy scores. It scored high in corruption (a lower score denotes more perceived corruption).

To summarize, mixed findings on the democracy-growth relationship have been found since Lipset's publication, with some finding positive effects of democracy on growth, while others finding the reverse as per the modernization theory. Still others found no relation between the two. We believe that one reason for this discrepancy is the fundamental difference between developing and developed nations, such that they deserve to be studied separately.

2. Objectives

1) Explore the statistical relationship between democracy and income per capita for 175 countries for the year 2022

2) Compare differences between three levels of democracy (low-, mid-, and high-democracy nations) on income per capita

3) Compare differences between three levels of income on democracy (testing modernization theory)

4) Explore the statistical relationship between democracy and income for Thailand and the United Kingdom between 1960 and 2022

3. Materials and Methods

This study uses a quantitative method in line with empirical democracy research in this field, supplementing it with two interviews by experts. The independent variable is democracy scores, while the dependent variable is income per capita.

Data from one hundred and seventy-five countries (N = 175) were collected. Small islands with very small populations like Aruba (106,445 population) and the Cayman Islands (68,706) were excluded. West Bank and Gaza, for instance, were omitted as technically they were not countries recognized by the United Nations.

GDP per capita (nominal) for the year 2022 in USD currency (also known as income per capita, here used interchangeably) was extracted from the World Bank.

Democracy scores were from the V-Dem Variety of Democracy 13th Edition published by V-Dem Institute. The data set is published annually and available to the public for free. Moreover, the indices are widely used by political scientists, providing more than 470 indicators of democracy measures. Five core measures of democracy are available, including the liberal democracy index, participatory democracy index, deliberative democracy index, egalitarian democracy index, and electoral democracy index.

In this paper, we used the electoral democracy index as it formed the basis of all other components. It measures the principle of representative democracy especially the extent to which elections were free and fair, and the presence of free and independent media. Scores ranged from 0 to 1. Higher scores indicated higher democracy.

As an example, Afghanistan scores .08, Cambodia .21, and Australia .86. This makes intuitive sense. Since the US forces' departure from Afghanistan, leaving it in the hands of the Taliban, the country has become lawless. Elections and independent media are non-existent, and it has the lowest score as a result. Cambodia, in turn, has elections, despite them not being fairly contested, which explains its moderate score relative to Australia's high score – an advanced democracy, with free and fair elections, coupled with independent media.

We classified democracy into three groups: Low, mid, and high. Low democratic countries had scores between 0 - .32, while mid democracies scored between .33 - .65, and high democracies scored .66 and higher.

When the democracy score was missing data, we consulted Freedom House. For instance, V-dem did not have data for Belize. Freedom House, on the other hand, gave Belize a score of 87/100, listing it as a free country. Accordingly, we scored Belize as a highly democratic country (.66).

SPSS was used for statistical analysis. Pearson's correlation was performed for statistical relationships. One-way ANOVA computed group differences. Multinomial logistic regression was also used to compute odds ratio statistics.

Due to income per capita being highly positively skewed, as over 120 countries had incomes less than $10,000, we transformed the data with a log transformation. After that, the data were normalized, retaining every country's value relative to others.

We also categorized countries' income into three levels: Low, middle, and high income. Under $1,085 was classified as low-income. Between $1,086 and $13,205 was middle-income, and over $13,205 was high income. We based this classification on the World Bank for the year 2022. The only difference was that we combined the low-middle and upper-middle-income countries.

Below are the descriptive statistics for democracy score, income per capita, and normalized income per capita (log income). As observed, the range (mix-max) in income per capita was extremely high before the transformation. Afghanistan had the lowest income ($238), while Monaco had the highest ($234 317).

Table 3: Descriptive statistics for democracy and income per capita

	Mean	**SD**	**Min-Max**
Democracy	.50	.26	.02 - .92
Income per capita	$17,638	$28,363	$238 - $234317
Log income	8.78	1.51	5.47 – 12.36

Supplementing the quantitative method were the written interviews we conducted online. Two interviewees agreed to provide their thoughts on the research subject. To protect their identities, the first interviewee is named "Dr. A." He is a research fellow at the Office of Democratic Innovation at King Prajadhipok's Institute.

The other, named "Dr. B," holds a very senior position at the state enterprise bank EXIM.

The interview questions were as follows:

"In your judgment, do you think democracy (defined as a system with contested election) influences economic growth? Does it lead to high income for citizens?" Put another way, on the whole, is democracy better than other systems (e.g., autocracy, one-state party) in delivering prosperity to nations?"

1st interviewee's response:

"China's GDP growth has been phenomenal. Between 2000 and 2019, its growth rate was approximately 9%. Currently, China is the 2nd largest economy in the world. It has a one-party communist state that directs most or all of the policies. Not only has China successfully tackled inequality, but it also has local and provincial elections to ensure representation across social sectors. Accordingly, a *democracy that focuses on election per se doesn't lead to economic growth. Rather, the governing system must be suitable for the people in that country based on their socio-cultural factors* (emphasis added by the researcher). A key factor in establishing a democracy-growth link is tackling corruption. By tackling corruption, not only will you reduce the people's discontent, but also lend you legitimacy to govern in the long run."

2nd interviewee's response:

"The foundation of economic growth, as shown by theory and empirical work, comes from the promotion of economic freedom (i.e., the freedom to pursue economic interest) and assurance of property rights of economic agents (i.e., support asset and wealth accumulation), economic infrastructure, and human capital accumulation.

Democracy may have a high correlation with the above factors, but *many do not directly contribute to economic growth* (emphasis added by the researcher). Contested elections, as a mechanism of selecting policies (leaders), may contribute to short-term economic growth spurts.

In the historical context, democracy would likely have more correlation with development (i.e., access to water, electricity, education, transportation, and other basic necessities), which form "early" foundations for future economic growth.

To induce longevity, a stable economic policy that attracts local and foreign investment is necessary for long-term growth (i.e., eastern economic seaboard), but the key is policy stability across governments, which is important for long-term investment decisions."

4. Results

As per our first objective, we analyzed the relationship between democracy and income. Pearson's correlation revealed democracy was moderately and positively associated with income per capita, $r = .55$, $p < .001$. The R^2 indicated that democracy accounted for approximately 30% of income per capita variance, which was also statistically significant $F(1, 171) = 72.58$, $p < .001$.

While the linear relationship between democracy and income was statistically significant, we observed that a non-linear "U-shape" curve better explained and captured the data. We reran the regression analysis using the democracy x democracy variable and found the R^2 change to be statistically significant. Specifically, the R^2 change increased by almost 50% from .30 to .41, $F(1, 171) = 36.32$, $p < .001$. This U-shape was largely attributed to the countries with low democracy-high income, such as Singapore, China, and the Gulf states.

Below is a scatter plot depicting the relationship. The black line is a linear relationship, while the dotted line is a non-linear regression.

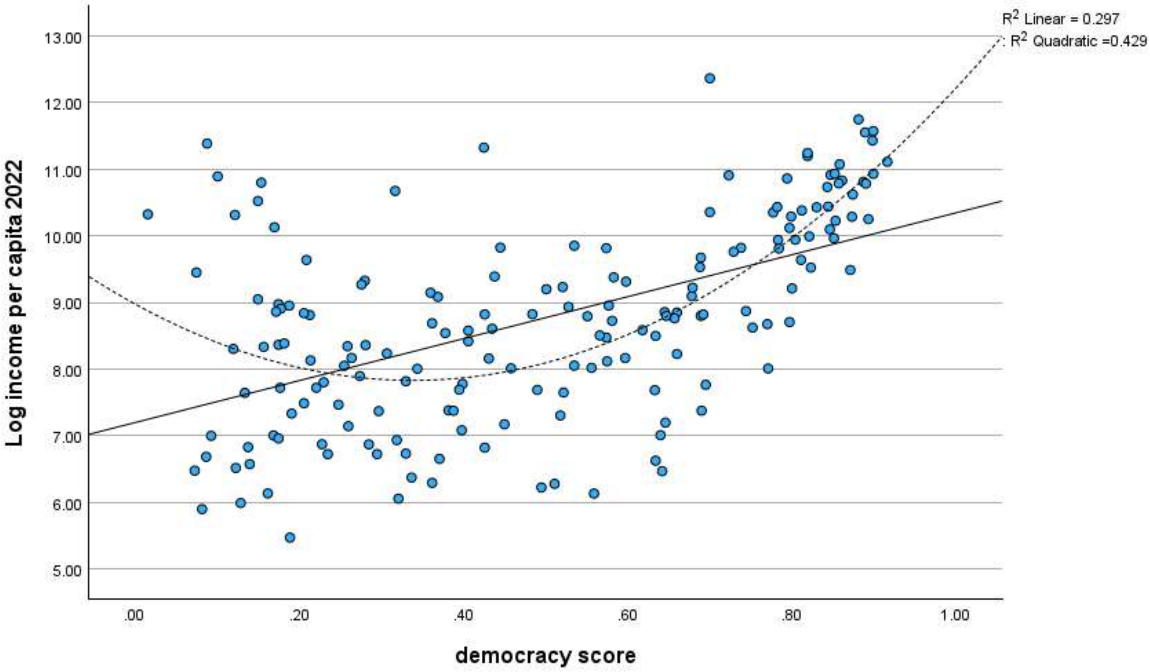

Figure 1: A scatter plot with democracy on the x-axis, and income per capita on the y-axis

Notably, the high democracy countries (.66 onwards) have very high incomes and are clustered together at the top right. By contrast, the variances in low- and mid-democracies tend to spread out much more.

Our second objective was to compare democracy groups on income per capita. Accordingly, we performed a one-way ANOVA analysis, with democracy scores as an independent variable with three levels (low, mid, and high). The results revealed the overall model was significant, $F(2, 172) = 47.17$, $p < .001$. Its overall effect size was $\eta^2 = 35.4\%$. Levene's test = $p = .023$. LSD post-hoc tests indicated that the low democracy group (mean = 8.13, SD = 1.45) did not differ from the mid-democracy group (mean = 8.15, SD = 1.11). Both, however, had lower income than the high democracy group (mean = 10.04; SD = 1.06), $p <$ 001. This was inconsistent with literature concerning democracy-boosting growth.

Below is a box plot of the three democracy groups. The error bar denoted 95% confidence intervals.

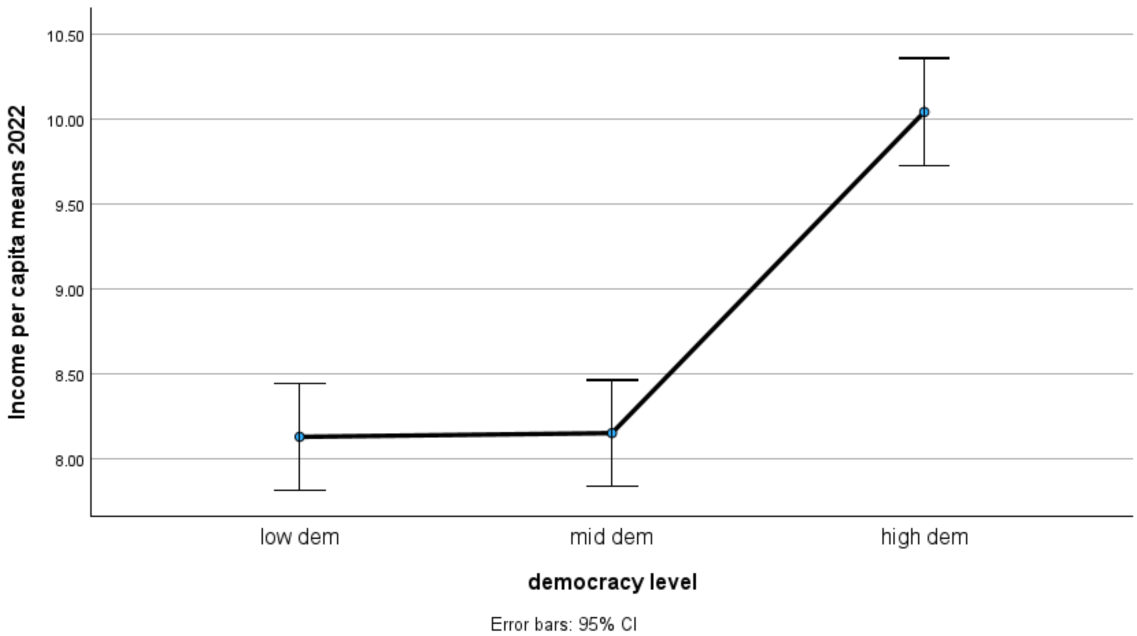

Figure 2: A box plot with democracy on the x-axis and log income on the y-axis

For the third analysis, we performed one-way ANOVA to test the modernization theory using income per capita as the independent variable with three levels, and democracy as the dependent variable.

The overall ANOVA F test was statistically significant, with $F(2, 171) = 33.50$, $p < .001$, $\eta^2 = 28.1\%$. (Levene's test, $p = .30$). Crucially, LSD post-hoc revealed low-income countries (mean = .33; SD = .20) had lower democracy scores than middle-income countries (mean = .43; SD = .20), $p = .04$, which, in turn, had lower democracy scores than high-income countries (mean = .69; SD = .26), $p < .001$. Higher-income groups tended to be more democratic, which gave credence to the modernization theory.

A box plot depicting the relationship is presented below.

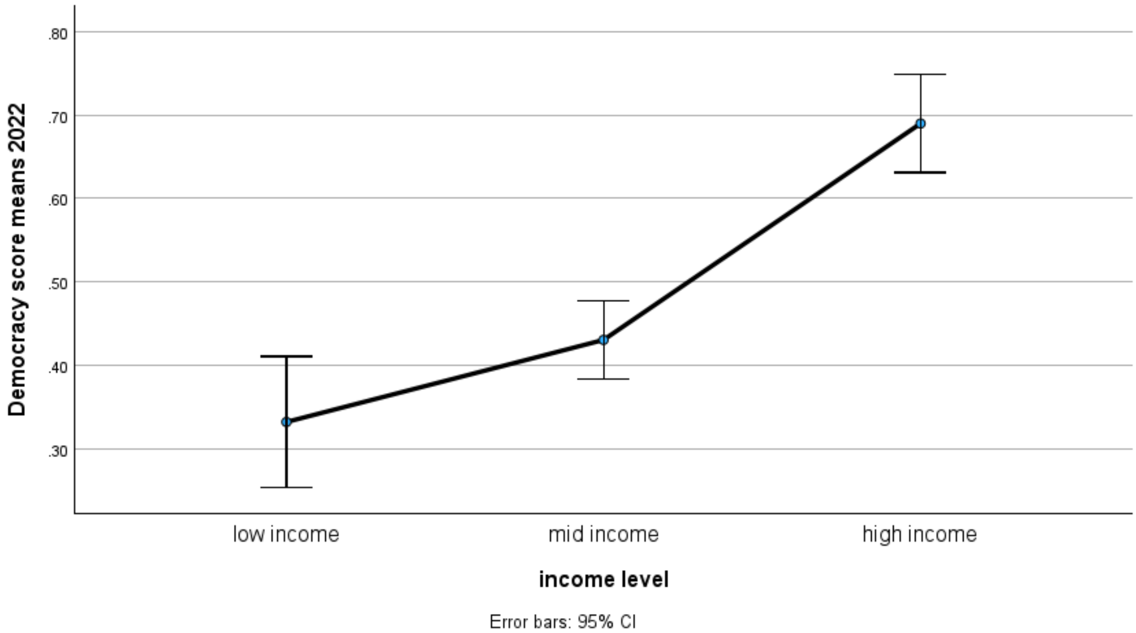

Figure 3: Box plot with three income groups on the x-axis and democracy on the y-axis.

Moreover, we took the liberty to determine if democracy could predict countries correctly classified based on their income. We utilized multinomial logistic regression, with democracy scores as a discreet independent variable, and income per capita as a categorical dependent variable (with three levels). The overall model fitting chi-squared was significant, χ^2 (2) = 55.10, p < .001, meaning the model fit the data significantly better than the null hypothesis model. For the parameter estimates, democracy could marginally discriminate between mid- and low-income countries (p = .05). The odds ratio indicated that a higher democracy was almost 7 times more likely to be a middle-income country than a low-income country (reference category). Most remarkable was that high democracies were **921** times more likely to be high-income than low-income countries. In other words, the democracy score could barely discriminate between middle-income vs. low-income countries. However, the odds of a highly democratic country being rich were very high.

For the fourth research objective, we sought to determine whether the democracy-income relationship was influenced or moderated by developmental level. Specifically, developing nations may have characteristics that diminish or nullify the positive effects of democracy on growth. This was analyzed in two ways – at a 'macro level' and 'micro level.' First, we computed correlations between democracy and income separately for each democracy group. The results revealed the low democracy group yielded a negative but non-significant relationship r = -.14, p = .31. The mid-democracies, likewise, produced a non-significant relationship, r = .15, p = .27. For the high democracies, however, democracy was strongly linked with high income, r = .64, p < .001. One unit increase in democracy score (e.g., from .6 to .7) was predicted to increase log income per capita by .8. This furnished the odds ratio above that high democracies were most likely to be high-income countries.

Figure 4 shows separate regression lines for each democracy sub-group. Note that the high democracy-high income was the only subgroup that had a statistically strong relationship, unlike the other two groups. In other words, democracy was unrelated to income per capita in developing nations.

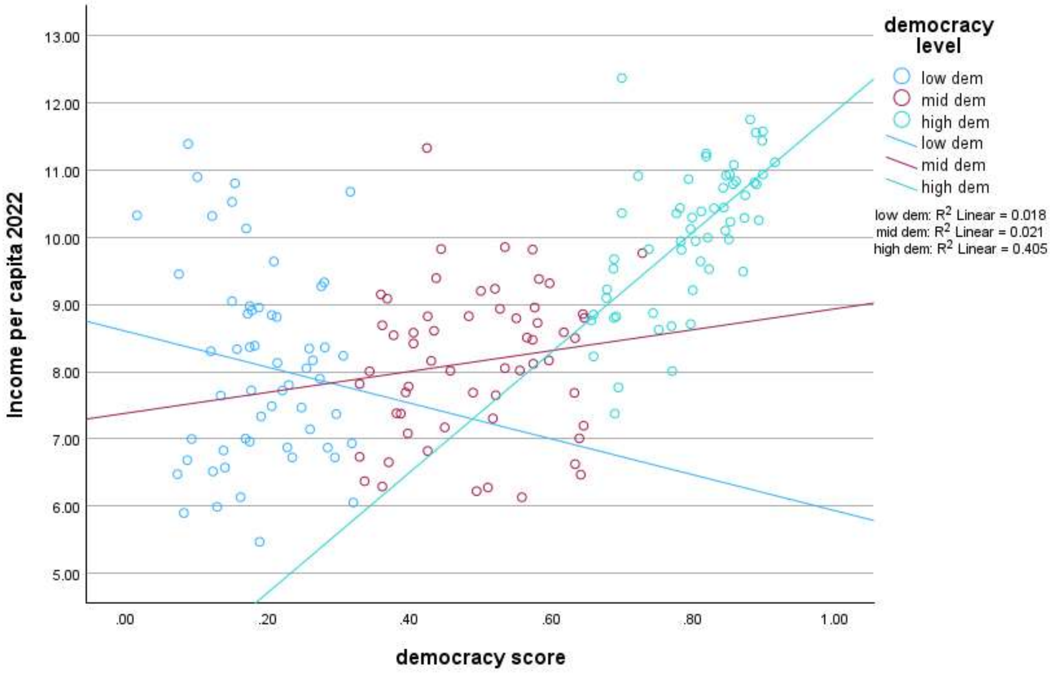

Figure 4: Scatter plot with three regression lines for democracy sub-groups

Finally, to get a micro view, we gathered data on income per capita and democracy scores for Thailand and the United Kingdom from 1960 to 2022. This gave us deeper insights akin to a longitudinal study. For Thailand (representing a developing country), we found no relationship between democracy and income per capita across those years, r = .18, p = .17. For the UK, a developed nation, greater democracy was associated with higher income, r = .84, p < .001.

Table 4 presents descriptive statistics for both countries.

Table 4: Descriptive statistics for Thailand and the UK

	Mean dem	**SD**	**Dem min-max**	**Income min-max**
Thailand	.29	.15	.11 - .56	$104 - $7629
United Kingdom	.84	.02	.81-.88	$1398 - $50398

5. Discussion

This research had four aims. The first was to explore whether democracy was related to income per capita. As expected, the results showed a moderate and positive linear relationship. However, a non-linear U-shape regression line better fitted the data. This was largely due to the approximately 10 countries that scored low on democracy, yet had high income, including Qatar, Saudi Arabia, the United Arab Emirates, Turkmenistan, Russia, Brunei, Kuwait, Hong Kong, and China. Given the predicted regression line, Singapore should have had a much lower income, yet it enjoyed one of the highest incomes in the world. Ruled by monarchs, the Gulf States are rich due to their vast oil resources for export, enabling them to boost their economies and increase income for their citizens. Singapore and Russia, while holding elections regularly, do not have strong political opposition parties to contest and win elections. For instance, the late Lee Kuan Yew founded the People's Action Party (PAP) in 1954. Since its founding, the PAP has never lost an election and continued to rule Singapore. As for China, it is governed by a one-party state. Policies are thought out and executed by the State.

What this tells us is that alternative paths toward governing exist that can deliver wealth to the people. It need not strictly be through elected politicians.

Since correlation does not prove causation (i.e., that democracy causes increased income), we supplemented our correlational findings by comparing group differences on income level. The logic is that the more democracy a country has achieved, the more income it should have. What we found, however, disproved that. While the highest democracy group had the highest incomes, the middle democracy group should have higher income levels than the low democracy group. This was *not* found. Low democracies and mid-democracies had the same income levels. This finding lent empirical support to Khan's (2005) theory that democracy is irrelevant to growth in developing nations. To illustrate, our data showed Zambia has a mid-democracy score, yet it has as low an income as the low-democracy Cameroon. What they have in common is the fact that they are in a poor region in Africa with little economic development; it has nothing to do with whether they hold elections.

Put in another way, both the low-democracies and mid-democracies were equally poor, in contrast to the high incomes enjoyed by rich democracies.

We also analyzed the validity of the modernization theory marshaled by Lipset (1959). The data supported the modernization theory. Low-income countries had low democracy, while mid-income countries had moderate levels of democracy, and finally, rich countries had the highest level of democracy. It appears that income per capita – as a proxy of development – led to democratization rather than the reverse. This finding contradicted the group of researchers that found democracy increased income (e.g., Acemoglu et al., 2019; de Hann & Sturm, 2003; Grundler & Krieger, 2016; Madson, Rashky, & Skali, 2015).

Complementing the above results, we found no correlations between democracy and income per capita for the low-democracies and mid-democracies. Statistically, democracy did not drive income variation. The two were unrelated. Only the rich democracies had a strong correlation.

One of the first researchers to find empirical support for the modernization theory was Barro (1996). Reaching the same findings via a different statistical technique from the current study, he concluded that more democracy was not the key to growth. *Rather, improvements in the standard of living as measured by income per capita, health status, and education raise the probability that political freedoms would grow*. We concur with this conclusion.

Finally, we explored the differences between Thailand and the United Kingdom. We wanted to know if there was a longitudinal effect. Perhaps from 1960 – 2022, a greater score on democracy would lead to higher income. Consistent with Khan's theory, democracy scores were unrelated to Thailand's income per capita across those years. Specifically, six coups were executed in Thailand during these periods: 1971, 1976, 1977, 1991, 2006, and 2014. In 2006, when the Thai military led by General Sonthi Boonyaratglin staged a coup, Thailand's democracy score was .24 and its income per capita was $3344. The next year, its democracy score plummeted to .19, despite an *increase* in income to $3935. Thailand's wide variation in democracy scores between - .11 and .56 did not have any impact on its economy.

Worth speculating counterfactually is a question: If Thailand were a rich country (say, had an income of $14000), would coups and political instabilities have happened? According to Przeworski et al. (2000), statistically, Thailand's democracy would have been more likely to survive. Coups may not have occurred in Thailand had it been a rich country.

To be sure, we do not condone military coups as a way to resolving political disputes. Yet our findings indicated that, whether elected politicians or unelected autocrats governed, statistically, they were unrelated to economic performance. Possible explanations were given by Khan (2005), such as the high clientelism in developing nations, where resources and benefits went to their factions. Whether the military or elected politicians governed, corruption and rent-seeking were the norms, which impacted the economy.

In contrast, there was a positive relationship between democracy and income in the United Kingdom across those years.

Overall, the finding was also supportive of the study by Mohammadi et al. (2023), which suggested the democracy-growth relation was unrelated to developing economies.

Finally, our findings substantiated the responses from the two interviewees. One mentioned the rise of China as a counterpoint to democracy-growth. A one-state party, governed effectively, could indeed increase 1.4 billion people's incomes. The second interviewee's response was more nuanced, arguing that policy stability across governments was more important than elections per se. It does not serve the people if old policies are destroyed, and new ones created by a new government, only to be abandoned by subsequent elected governments.

As for the study limitations, we want to make clear that our conclusion is tentative. We had not statistically controlled for corruption, informal economy, or clientelism variables as per Khan's analysis. To truly test the effect of democracy on income, we need to hold other relevant variables constant and observe outcomes across time. Moreover, we chose one particular year only (2022). This study compensated by comparing group analyses to test our predictions. Future research should collect and analyze data from at least 1960 to 2022 across 175 countries. This would combine the temporal dimension and cross-country data. Crucially, we urge future research to investigate this topic separately for developing and developed nations. Analyzing all countries collectively, like in previous research, may have inadvertently canceled out their statistical differences.

6. Conclusion

This study explores the statistical relationship between democracy and income. While we found a positive linear relationship between the two, a non-linear U-curve had greater predictive ability. Our findings supported both the modernization theory that sufficient economic development was needed prior to democratization, and Khan's theory that democracy was irrelevant to growth in developing nations. Consistent with many researchers (e.g., Barro, 1996; Przeworkski et al., 2000), democracy is akin to a 'luxury good.' Only rich countries could afford it. The extent of democracy in Thailand between 1960 and 2022 was unrelated to its income, unlike in the UK, where both variables were related. Consequently, Western efforts to 'export' democracy to developing countries, Thailand included, pushing for regular elections, may not be in the latter's best interest.

This study implies that developing nations, due to their unique economic and social structures, should prioritize modernizing and growing their economies before elections. At the very least, our findings raise the prospect of whether people are unrealistically expecting too much from elections. Insofar as holding an election every four to five years has not increased people's income in developing nations, thereby boosting their material well-being, we concluded that elections were more a vehicle for processing conflicts.

7. References

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