

CHAPTER 13

Can Democracy be measured?

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Democracy – a matter of governance and culture

In general terms democracy may be defined as a form of governance in which rule is of, by and for the people. However, democracy is not only a matter of governance it is also a matter of people's shared values, beliefs, attitudes, standards, morals, customs, habits and knowledge. In short: democracy is also a matter of culture.

Democracy a matter of governance and culture

Today a wide range of countries name themselves democratic, and Human Development Report (HDR) states that 'The democracy a nation chooses to develop, depends on its history and circumstances' (UNDP 2002: 4). Consequently different countries develop different brands of democracy and the report describes countries as 'differently democratic.' In other words: democracy does, and probably should, have a wide range of appearances, reflecting different countries' histories, cultures and circumstances.

Countries are differently democratic

At the same time, globally there seems to be a need and a will to develop certain commonly accepted measures for democracy. Beginning in the early 1990s, democracy as part of good governance is often being mentioned as a condition for receiving development aid. This is a significant change compared to the 1980's which mainly focused on economy and markets, and this illustrates the need. HDR claims that the world is more democratic than ever before (ibid: 2), using the number of countries that conduct multi-party elections as an indicator. This illustrates the will.

There is a need and a will to develop measures of democracy

The fundamental questions in this connection are what the core traits of democracy are, how they may appear and how they may be measured. The aim of this chapter is to shed some light on these questions.

To measure what avoids measurements

Democracy is difficult to measure

There are a lot of features in human life that are difficult to measure and one of these is human development. A lot of time and effort have been spent on developing a measure for human development, so that today there is a human development index that will be commented upon below. So far there is no corresponding measure for democracy. In this chapter we therefore will take a look at a few principles of how the concept of human development is being measured, as an example of something that avoids measurements. The idea is that some of the same principles and reflections are valid for the concept of democracy. This approach seems relevant also since the two concepts overlap to a certain degree.

Human development measured as GDP per capita

In this context human development may be defined as the improvement of human welfare or human well-being. For a long time income, measured as GNP pr. capita in a country, was used to represent human well-being in international statistics. However, the well-being of people in a society does not depend on the level of income itself. It is more important what the income is used for. Human Development Report states that income alone is not the answer to human development (UNDP 1990: 18) and that the use of statistical aggregates to measure national income and its growth has tended to move the focus away from the importance of human well-being (ibid: 9). This illustrates one of the weaknesses of this measure.

GDP has important weaknesses as a measure for human welfare

In addition there are several aspects of human well-being that are not reflected in the amount of income. The report presents two main reasons for this: 'First, national income figures, useful though they are for many purposes, do not reveal the composition of income or the real beneficiaries, Second, people often value achievements that do not show up at all, or not immediately, in higher measured income or growth figures: better nutrition and health services, greater access to knowledge, more secure livelihoods, better working conditions, security against crime and physical violence, satisfying leisure hours, and a sense of participating in the economic, cultural and political activities of their communities. Of course, people also want higher incomes as one of their options. But income is not the sum total of human life' (ibid: 9).

For reasons like these, another and more detailed measure for human well-being was established and presented for the first time

in Human Development Report 1990. This measure is named the Human Development Index (HDI). The HDI has been widely used since that time as a measure of human well-being. The main point of development in this context is improvement of human well-being. Thus development may be regarded as a means as well as an end towards improved well-being. The use of the term 'development' in the name rather than 'well-being' helps keep focus on the improvement of human well-being, the paramount challenge of our time.

The starting point for the HDI is the notion that human development is a question of enlarging people's choices: The most critical choices concern leading a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices are about political freedom, guaranteed human rights and self-respect (ibid: 10). Consequently the report suggests that the HDI should focus on three essential aspects of human life: longevity, knowledge and decent living standards. These are represented by the following key indicators, with the report's explanation of each (ibid: 11-12):

- *Life expectancy at birth.* A long life correlates closely with adequate nutrition, good health and education and other valued achievements. Life expectancy is thus a proxy measure for several other important variables in human development.
- *Adult literacy rate and combined gross enrolment ratio for primary, secondary and tertiary schools.* For knowledge, literacy figures are only a crude reflection of access to education. But literacy is a fundamental step in learning and knowledge-building, so literacy figures are essential in any measurement of human development. In a more varied set of indicators, importance would also have to be attached to the outputs of higher levels of education. But for basic human development, literacy clearly deserves emphasis.
- *Gross Domestic Product (GDP) per capita (PPP US\$³³).* This concerns command over resources needed for a decent living.

Human Development Index (HDI) was constructed in 1990

Starting point: enlarge people's choices

HDI is composed of:

– life expectancy at birth

– literacy and school enrolment

– GDP per inhabitant

The key indicators are compiled into the Human Development

³³ Purchasing Power Parity: 'A theory which states that the exchange rate between one currency and another is in equilibrium when their domestic purchasing powers at that rate of exchange are equivalent' (Bannock et al 1977: 336). This implies that the numbers used in the GDP are adjusted in such a way that the amounts that appear as GDP should buy the same goods regardless of which country the purchase is made. This makes comparisons between countries feasible.

Index. The HDR comments on two important concerns about this index (UNDP 1990). First about the number of indicators used to build the index, and second, about the distribution of human well-being within a population:

HDI has a multitude challenge

‘In any system for measuring and monitoring human development, the ideal would be to include many variables, to obtain as comprehensive a picture as possible. But the current lack of relevant comparable statistics precludes that. Nor is such comprehensiveness entirely desirable. Too many indicators could produce a perplexing picture – perhaps distracting policymakers from the main overall trends. The crucial issue therefore is of emphasis’ (ibid: 11).

HDI has an average challenge

‘All three measures of human development suffer from a common failing: they are averages that conceal wide disparities in the overall population. Different social groups have different life expectancies. There often are wide disparities in male and female literacy. And income is distributed unevenly. The case is thus strong for making distributional corrections in one form or another. Such corrections are especially important for income, which can grow to enormous heights. The inequality possible in respect of life expectancy and literacy is much more limited: a person can be literate only once, and human life is finite.’ (ibid: 12). The report then continues to point at the Gini index³⁴ as a possible measure for distribution, but at that time (1990) sufficient statistics were not available to put it into use.

Supplementary indexes to HDI

Human Development Report 2002 discusses the HDI and states that since the index was created, some supplementary measures have been established to highlight different aspects of human development. These are the human poverty index (HPI³⁵), the gender related development index (GDI³⁶) and the gender empowerment measure (GEM³⁷), which are used in all the Human Development

³⁴ Gini index: A measure for distribution of income or expenditure between individuals or households in a country. For instance, the Gini index captures disparities in the percentages of income that each 1% (percentile) of the population receives. If each percentile receives 1% of the income, there is no disparity, and the Gini coefficient is 0. If one percentile receives all the income, there is maximum disparity, and the Gini coefficient is 100 (UNDP 1990: 21- 22).

³⁵ Human Poverty Index: A measure for human poverty which takes into account the distribution of human development in the country. There is one measure for developing countries (HPI 1) and one for developed countries (HPI 2) because what is regarded to be poverty is influenced by the living standard in the actual country.

³⁶ Gender Development Index: A measure of human development, where differences between men and women show. The indicators are the same as in the Human Development Index and for each indicator the scores are defined separately for men and women.

³⁷ Gender Empowerment Measure: A measure for female participation in politics and business.

Reports since 2001. The report also points out that the ability to participate in the decisions that affect one's life is left out of the HDI, and regards this as a major drawback: 'A person can be rich, healthy and well-educated, but without this ability [to participate] human development is held back' (UNDP 2002: 34). The report continues on the same page: 'The omission of dimensions of freedom from the HDI has been highlighted since the first Human Development Report – and drove to the creation of a human freedom index (HFI) in 1991 and a political freedom index (PFI) in 1992. Neither measure survived past its first year, testament to the difficulty of adequately capturing in a single index such complex aspects of human development. But that does not mean that indicators of political and civil freedoms can be ignored entirely in considering the state of a country's human development.'

HDI lacks indicators of political and civil freedom

This statement actually leads us to the concept of democracy, and the question of constructing a measure for this important part of human well-being and human development.

Democratic governance

Human Development Report claims that democratic governance is valuable in its own right (UNDP 2002: 1), giving people a fair chance to determine their own destiny through political freedom and participation. This is an important aspect of human dignity. The report continues to argue (ibid: 3) that democratic governance has the potential of advancing human development because it helps protect people from economic and political catastrophes. As examples it upholds that democracies help avoid famines and contribute to political stability by providing open space for political opposition and handover of power. In his special contribution in the report, UN secretary general Kofi Annan writes: 'Indeed, one lesson of the 20th century is that where the dignity of the individual is trampled or threatened – where citizens do not enjoy the basic right to choose their government, or the right to change it regularly – conflict too often follows, with innocent civilians paying the price in lives cut short and communities destroyed' (ibid: 14). Furthermore, democratic governance may trigger virtuous circles of development. This may happen 'as political freedom empowers people to press for policies that expand social and economic opportunities as open debates help communities shape their priorities' (ibid 3).

Democratic governance has the potential of advancing human development

Challenge: to build key institutions of democratic governance

HDR 2002 (ibid: 4) maintains that a central challenge in many countries is to build key institutions of democratic governance, like

- A system of representation, with well-functioning political parties and interest associations.
- An electoral system that guarantees free and fair elections as well as universal suffrage.
- A system of checks and balances based on the separation of powers, with independent judicial and legislative branches.
- A vibrant civil society, able to monitor government and private business – and provide alternative forms of political participation.
- A free, independent media.
- Effective civilian control over the military and other security forces.

When institutions function badly, poor and vulnerable people tend to suffer the most. Good governance therefore must foster fair and accountable institutions that protect human rights, human security and human development, in short: human dignity (Villumstad 2005). Countries therefore may promote human dignity for their citizens by developing governance institutions that are fully accountable to all the people – and allow the same people to participate in the political debates and decisions that shape their lives. Therefore accountability and participation are core principles on which democracy is based (UNDP 2002: 55). In addition comes freedom of choice.

Democratic institutions should secure accountability, participation and freedom of choice

The virtues of democratic governance seem obvious and focus on building institutions to enhance democracy is consequently very much to the point. Therefore, it is plausible to employ the occurrence and state of different institutions as indicators of democracy in a country. HDR 2002 presents a list of so called *objective indicators of governance*. The indicators are organized in three groups: 'Participation', 'Civil society' and 'Ratification of rights instruments'. To my mind the three groups are very much relevant to democracy³⁸ and should therefore be correspondingly relevant as indicators of democratic governance. The indicators are the following (source in parenthesis):

³⁸ See chapter 1 'So what is democracy about?'

Participation

- Date of most recent election (Inter-Parliamentary Union).
- Voter turnout in last general election (Inter-Parliamentary Union).
- Year women got the right to vote (Inter-Parliamentary Union).
- Seats in parliament held by women (Inter-Parliamentary Union).

Objective indicators of governance:
– *Participation*
– *Civil society*
– *Ratification of rights instruments*

Civil society

- Trade union membership (Inter-Parliamentary Union).
- Number of non governmental organizations (NGOs) (Yearbook of International Organizations).

Ratification of rights instruments

- Ratification of the International Covenant on Civil and Political Rights (UN treaty section).
- Ratification of Freedom of association and Collective Bargaining Convention 87 (UN treaty section).

Democratic culture

So far, nobody has been able to come up with one indicator, or a set of indicators, that are unambiguous or uncontroversial measures of democracy. HDR points at two options in this connection (UNDP 2002: 36). One is objective indicators as mentioned above. The main drawback for objective indicators is that they may fail to capture important aspects of democracy. A country may for instance perform an election without this leading to a change in power. On the other hand a change in power does not necessarily lead to civil liberties like freedom of expression and choice, which are fundamental for realizing accountability and participation. It is therefore safe to say that objective indicators are not sufficient to portray the degree of democracy in a country. Fortunately they are also not the only possible indicators of democracy or political and civil rights in countries. There exists a second option and this is *subjective indicators of governance*. Subjective indicators should be able to capture a broader variety of aspects of governance compared to the objective ones. Especially important in this context are the cultural aspects. The indicators are based on assessments by experts, but

even so the subjective approach may lead to disagreement and perception biases. HDR 2002 submits a set of subjective indicators of governance and these are organized in the following groups: 'Democracy', 'Rule of law and government effectiveness' and 'Corruption'. As measures of democratic governance the indicators in the group 'Democracy' may be our first choice. But 'Rule of law and government effectiveness' and 'Corruption' are also very relevant. The indicators are the following (source in parenthesis):

Democracy

- *Polity score* (Polity IV dataset University of Maryland): competitiveness and openness of chief executive recruitment; constraints on chief executive; regulation of participation; regulation of executive recruitment; competitiveness of participation.
- *Civil liberties* (Freedom House): freedom of expression and belief; freedom of association and organizational rights; rule of law and human rights; personal autonomy and economic rights.
- *Political rights* (Freedom House): Free and fair elections for offices with real power; freedom of political organization; significant opposition; freedom from domination by powerful groups; autonomy or political inclusion of minority groups.
- *Press freedom* (Freedom House): media objectivity; freedom of expression.
- *Voice and accountability* (World Bank): free and fair elections; freedom of the press; civil liberties; political rights; military in politics; change in government; transparency; business is kept informed of developments in law and policies; business can express its concerns over changes in laws and policies.

Rule of law and government effectiveness

- *Political stability and lack of violence* (World Bank): perceptions of the likelihood of destabilization.
- *Law and order* (International Country Risk Guide): legal impartiality; popular observance of the law.
- *Rule of law* (World Bank): black markets; enforceability of private and government contracts; corruption in banking; crime and theft as obstacles to business; losses from and cost

Subjective indicators of governance:
– *Democracy*
– *Rule of law*
– *Government effectiveness*
– *Corruption*

of crime; unpredictability of the judiciary.

- *Government effectiveness* (World Bank): bureaucratic quality; transactions costs; quality of public health care; government stability.

Corruption

- *Corruption perceptions index* (Transparency International): official corruption as perceived by businesspeople; academics and risk analysts.
- *Graft* (World Bank): corruption among public officials; corruption as an obstacle to business; frequency of 'irregular payments' to officials and judiciary; perceptions of corruption in civil service; business interest payment.

As we can see, some of these indicators overlap on some issues and this indicates that constructing a single index for democracy is a very complicated task. For the time being we must make do with the multiple of scores and indicators that exist. The combination of the objective and subjective indicators enables the reader to balance the strengths and weaknesses of the two principles used, thus leaving it to the reader's judgment which aspects to emphasize. This underlines something that is always the case when using statistics: it needs to be done with understanding and responsibility.

Weaknesses of the measures

The indicators of democracy mentioned above, have two main weaknesses. First, they present the average picture of the countries concerned. Second, they are stronger on the institutional aspects of democracy compared to the cultural ones.

Distribution

In general, average conceals a lot of disparities within a country. This may concern gender, age groups, social groups, ethnic groups, geographic areas and more. Inequalities for such reasons are unjust, economically wasteful and socially destabilizing, comments HDR (UNDP 2005 English summary: 24). This report spends a full chapter (2) on inequality and human development.

There is a general line of thought in development analysis and policies stating that the main problem in the world today is not lack of resources, but the distribution of them. This view is applied on

*'Average'
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of disparities*

Resource distribution is the real welfare problem

different geographic levels, and to omit distribution in measures of human well-being or access to democratic features seems to be a rather serious weakness.

The Gini index is a measure for wealth distribution

HDR 1990 states that for human development, the distribution of GNP is as important as the growth of GNP. The report continues to point to the Gini index as a measure of income disparities. Through the years the availability of relevant statistics has increased. While in 1990 the Gini index was available for less than 35 countries (UNDP 1990:12), HDR 2005 presents the same index for 124 countries. The broader availability of the Gini index should make it technically feasible to include distribution of income and wealth in the development index or in any measure of democracy. But so far this has not been done.

Gender related indexes: GDI and GEM

The UN portrays gender inequality through two indexes. The gender-related development index (GDI) employs the same indicators as Human Development Index (HDI), but takes the differences between men and women into account. Human Development Report 2005 presents the GDI for 140 out of the 177 countries for which the HDI is presented, which also should make it feasible for use in many contexts. The gender empowerment measure (GEM) is based on seats in parliament held by women, female legislators, senior officials and managers, female professional and technical workers and the ratio of estimated female to male earned income. This measure is presented for 80 different countries in HDR 2005, in other words far fewer than the GDI.

Participation and freedom of choice are important for cultural aspects of democracy

Cultural aspects

So far, it seems like the presented measures are stronger on the institutional aspects of democracy compared to the cultural ones. Participation and freedom of choice are main qualities of democracy where cultural aspects are especially obvious. In order to exercise choice and participation, a person needs

- energy
- self confidence
- practice

It may be argued that the person's health situation may serve as a measure for energy. The health condition of the people in a country may be portrayed through life expectancy at birth.

Self confidence may in this context be taken to be a question of being able to take in information, to make up one's mind and let one's voice be heard. Education seems to be a feasible measure for these traits.

Practice in democratic ways may be obtained at in several ways. If NGOs are run according to democratic principles, a lot of practice may be achieved through participation in such organizations. The same may be said about schools. Access to resources may open another way to practise democratic principles. Access to resources gives a person options; s/he may choose between different alternatives in ways of using the resources at hand. A life style that permits choosing between options in the everyday life should accustom a person to make decisions – and enjoy (or suffer) the consequences – as a way of life. This should be expected to include the political sphere as well as other spheres of life. Income is often used as a proxy measure for access to resources.

When we combine the three: life expectancy at birth, education and income, we arrive at the HDI. Derived from what is written above, to use the HDI as one indicator of democracy among some others, seems like a plausible idea. The GDI may be an even better idea for countries where the relevant statistics exist, since it also includes gender balance. A similar point may be made on account of the Gini index. To include the two, GDI and Gini index, may strengthen the cultural distributional aspects in the measurements of democracy. To my mind these are fields where improvements are most needed.

The HDI indicators have important properties that are supportive of choice and participation

Combined with others, GDI and Gini index may be used as indicators of democracy

What may measures of democracy be good for?

This chapter points out that there are a number of difficulties and uncertainties associated with the measures of democracy. Why then is so much energy spent on constructing and upholding a variety of such measures? The likely answer is the important potential that such measures hold in several fields, for instance:

- *Policymaking.* The measures may help politicians and anybody in a society to focus on important elements of democra-

*Measures of
democracy
may be
helpful for
– policy-
making
– monitoring
changes
– comparing
countries*

cy. Such a focus is probably necessary in any society in order to further develop democracy and defend democracy against retracting. This is important since democracy is not static in the sense that once it is reached, it is secured for ever. Democracy is an ongoing process, where the important aspects need to be tended to, developed and secured continually.

- *Monitor changes.* It should be in the interest of people in any society to further develop democratic governance and democratic culture. In that context knowing something about whether we are making progress or not is a great force of motivation and guidance.
- *Comparisons between countries.* Such measures are easily used to compare the situation of democracy in different countries. This may be a bit on the negative side since it may be taken to underline and perpetuate the supremacy of some countries and some regions. On the positive side, comparisons may give those lagging behind ideas about where to go for help, offering cases for studies of examples of better practice.

Concluding remarks

*Used with
caution
measures
may be
helpful for
development
of human
welfare*

As pointed out above, there are constructed several measures for democracy in countries. In order for them to be good for anything at all, we need to remember that they are all proxies. This implies that there are no ‘right’ or ‘wrong’ measures, but more or less good measures. It is therefore important that we are aware of the weaknesses when such measures are constructed and used. We must be aware not to overemphasize whatever the measure may be able to tell us. Modesty on behalf of such measures is very much needed. On the other hand, used with proper caution, such measures may be of substantial help for us to describe, analyze and develop society, be it within the field of human well-being, democracy or any other important feature.

Questions

1. What does it mean that democracy is a matter of governance and culture both?
2. Explain why countries may be 'differently democratic'.
3. Why is democracy difficult to measure?
4. Why does this chapter start explaining about Human Development Index (HDI) while the actual theme is to measure democracy?
5. Which are the indicators that the HDI is composed of?
6. Name some of the weaknesses of the HDI.
7. In which ways has democratic governance potential for advancing human development?
8. Why is it important to build democratic institutions in a country – and what institutions may this be?
9. Explain why accountability and participation are essential in a democracy.
10. Explain the difference between objective and subjective indicators of governance.
11. Explain why the omission of 'distribution' in the indicators of governance (both subjective and objective) is a weakness.
12. In what ways do the HDI indicators have important properties that are supportive of democracy?
13. What may measures of democracy be good for?
14. How many indicators should be used in a democracy index – and which should these indicators be?

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