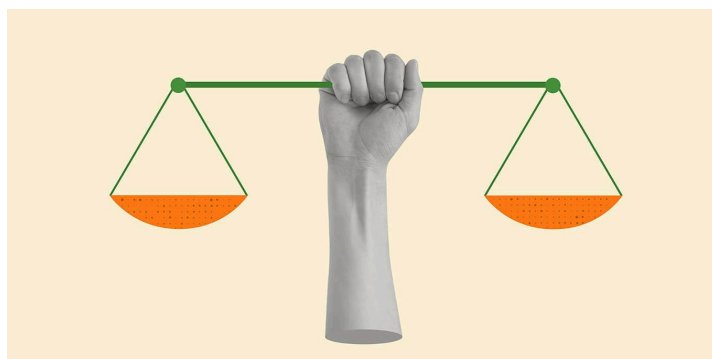


What Democracy Means for a Society's Bottom Line

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History and direct political experience suggest that if democracy and broad-based social and human development are to be sustainable, they must be pursued in tandem. When people are free to choose their leaders and hold them accountable, sustainable and inclusive growth become more likely.

DAKAR/SAN JOSÉ – Democracy is in trouble. For nine consecutive years, more countries have suffered a weakening of democratic institutions than have experienced improvement – the longest such decline in a half-century. Around the world, citizens are losing faith in democracy, and demagogues have exploited their disillusionment.

One factor driving this growing democratic crisis is the false notion that political rights and socioeconomic welfare are separate or even competing goods. In fact, history suggests the opposite: countries that protect political rights and freedoms are the ones that build lasting prosperity. From our work leading diverse national and international administrations, we know that if democracy and development are to be sustainable, they must be pursued in tandem.

Broad-based development is ultimately about expanding human freedom and agency, so it cannot be achieved without democracy at its core. This is not just a principled approach; it is also practical. It is no accident that democracies account for 27 of the top 30 countries in the United Nations Human Development Index. When people are free to choose their leaders and hold them accountable, sustainable and inclusive growth becomes more likely. The pattern is even clearer when we look at gender equality. Half of all authoritarian regimes perform very poorly on this metric, whereas only 3% of democracies do. No society can thrive if half its population is held back.

The 2024 Nobel Prize winners in economics – Daron Acemoglu, Simon Johnson, and James Robinson – have shown how democratic governance enhances innovation, safeguards investment, and improves financial accountability and oversight. Democracies don't just safeguard rights. They deliver results.

Yet here we are. With less than five years to go until the 2030 deadline for the Sustainable Development Goals, we are still debating governance frameworks instead of doing what we already know to be effective. Since democracy is the most reliable driver of development, governments and multilateral institutions should strive with equal intensity to advance civil and political rights, on one hand, and social and economic rights, on the other.

To be sure, while we firmly believe in democracy's place at the heart of development, we are not blind to its shortcomings. In rich and poor countries alike, the health of democracy is often seen as a distant issue involving abstract processes and political theater, when what concerns people most is the need to feel safe in their homes, the affordability of food and care for their families, and the knowledge that their children will have a better future than they did. When democracy is seen to be failing to deliver these basics, anger and disillusionment follow.

Such perceptions are not unwarranted in a world where, by some measures, the richest 1% own more wealth than the bottom 95%. Faced with such glaring disparities, it is no wonder that so many people are willing to throw their lot in with the first demagogue who comes along promising radical change. If we don't confront rampant inequality and the sense of unfairness that it provokes, democracy will continue to suffer.

A democracy rooted in human development must be able to show that it provides just and fair outcomes for the people it serves. That means delivering concrete benefits, from improving health-care access and educational opportunities to safeguarding freedom of expression and labor rights. Fortunately, one can already find this kind of human-centered democracy narrative in initiatives like the Global Democracy Coalition's #KeepDemocracyAlive campaign.

Democracy and development must be reconciled within the multilateral system, too. Owing to the economic, social, and political transformations of the last century, many international organizations are no longer well-suited for current needs or aligned with new global configurations. The emerging powers of the Global South are justified in demanding reforms to the global economic and political order. Fair representation and power-sharing in multilateral

institutions like the World Bank, the International Monetary Fund, and – most importantly – the UN Security Council are not just overdue; they are essential if we ever want to foster the kind of cooperation that works for everyone.

When democracy and development reinforce each other, the results are transformative. Democratic freedoms empower citizens, improve social inclusion, and boost economic growth. Development, in turn, strengthens credibility and trust in democratic governments. To sustain human progress in an era of radical change and uncertainty, democracy and development must go hand in hand.

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