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# Study Links Money, Democracy

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Russia is the richest country with a weak democracy, a new report claims. **Igor Tabakov**

When per capita contribution to gross domestic product reaches $10,000, democracy becomes "eternal," according to a Renaissance Capital report.

Improvement in quality of life leads to the establishment of democracy, says the report, based on the histories of 150 countries over the past 60 years. Parallels can be drawn between the development of political regimes and Maslow's hierarchy of needs.

Higher needs — including the pinnacle, self-actualization — can be met only by a democracy, according to the report, entitled "The revolutionary nature of growth entrenches democracy." It states, "Once we have fed ourselves, housed ourselves and are thinking about buying a car, we begin to demand political rights."

Researchers also constructed a hierarchy of requirements for a democracy — according to the per capita contribution to GDP by purchasing power parity. "Political risk can be measured. Revolutions can be predicted," the report says.

In countries where per capita contribution to GDP is below $6,000, democracy is fragile — and if it is established, it's not for long. Overcoming this threshold strengthens democracy, and vice versa — in undemocratic nations with an income above $6,000 the probability of political unrest rises, such as in Tunisia ($8,300 in 2009, according to Penn World Table, based on the exchange rate in 2005).

In rich countries, democracy is eternal. There has not been a case of a country above the $10,000 level switching from democracy to a different regime. Thus 45 nations, including Mexico, Lebanon and many in Eastern Europe, are safe from shifting to undemocratic regimes, the report states. Brazil ($9,352) and Turkey ($9,910) are approaching "eternal democracy."

China is due for a complicated period. Its per capita contribution to GDP has entered the range of $6,000 to $10,000 ($6,200 in 2009) and will remain there for at least the next four years, the report says. High inflation could trigger political unrest, and the government's intention to double incomes by 2015 will not help. In such a position, countries that are not energy exporters always become democracies — excluding the city-state of Singapore, whose leader is exceptional.

The immortality of autocracy costs almost twice as much — $19,000 — and is possible only for energy exporters.

Life insurance for autocracy is low taxes. Citizens will not be very interested in where their government spends money nor worry much about free elections then.

Elections in Russia are not entirely democratic on the Polity IV scale of institutional characteristics of political regimes and are classed as anocracy — weak democracy with autocratic tendencies, said Renaissance chief strategist Charles Robertson. The level of prosperity in Russia has topped $14,000. It is the richest country with a weak democracy. "We would not be at all surprised by a fully competitive presidential election race in 2018," the authors said.

Looking at the volume of oil produced per capita, Russia cannot be grouped with the energy exporters with unconquerable autocracies. That indicator for Russia is one-seventh of what it is in the United Arab Emirates, Brunei or Qatar and one-third that of Kazakhstan and Azerbaijan. Only force can prevent democracy from gaining a foothold if Russia reaches $19,000, according to the authors.

It is impossible to say who or what will give impetus to the process, Robertson wrote. Tunisia was ready for change for many years before a vegetable seller who set himself on fire began the change, he pointed out.

At a forum in Yaroslavl last year, President Dmitry Medvedev quoted American sociologist Seymour Lipset as saying that the chances of creating a democracy increase with the wealth of a nation as he named modernization among his top political priorities.

But prosperity does not strengthen democracy by itself. Institutions, free elections, high-quality governance and innovative business do not arise from nothing, noted MIT economist Daron Acemoglu and Harvard professor James Robinson. In countries where the elite is

occupied with the collection of rent and there is no access to the elite, economic growth will not lead to democracy.

There is no direct correlation between GDP growth and political regime, according to Sergei Guriev, rector of the New Economic School. There are rich dictatorial regimes and poor democracies (such as India). But the regime influences prosperity: Democracies grow faster economically than others.

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