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DI SIMA

320329@nau.edu.cn

Nanjing Audit University

FALI HUANG

Singapore Management University

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How Democracies Are Born Matters: The Ideological Orientation of Mobilization and Long-Run Growth*

Di Sima† Fali Huang‡

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Abstract

This paper examines how the cultural and behavioral norms prevailing during democratization shape subsequent economic performance. Focusing on Third Wave democracies, we document that nearly a quarter of democratic transitions occur without a fundamental shift toward liberal and democratic core values. We show that the ideological orientation of mass mobilization during the transition is a key predictor of these cultural dynamics. Utilizing multiple identification strategies, we establish that transitions dominated by pro-autocratic mobilization yield little growth. Conversely, transitions characterized by dominant pro-democratic mobilization increase long-run GDP per capita by 32 percent. These two transition paths diverge sharply after democratization in conflict resolution, societal stability, institutional quality, and individual economic behavior. Finally, the liberal orientation of mobilization is a stronger determinant of institutional success and economic growth than the level of transition-era violence.

Keywords: Democratization, Growth, Mobilization, Ideology, Culture, Institution, Critical Juncture, Illiberal Democracy

JEL Codes: D72, D74, O43, P16, P17, P26

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†Email: 320329@nau.edu.cn. Institute of Economics and Finance, Nanjing Audit University, China.

‡Email: flhuang@smu.edu.sg. School of Economics, Singapore Management University, Singapore.

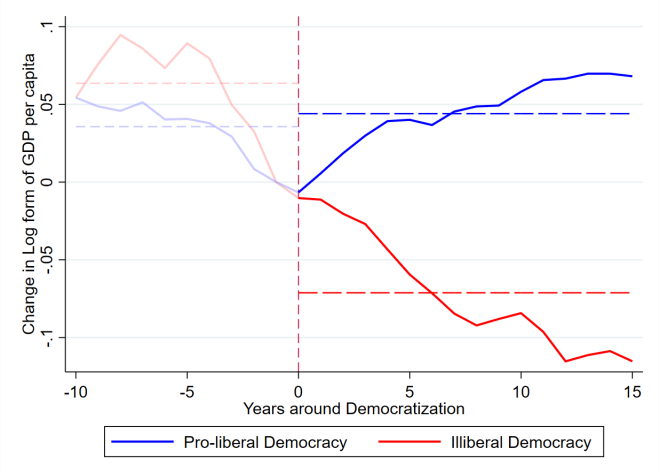
1 Introduction

Democratization does not produce a common economic trajectory. The Third Wave (Huntington, 1993) brought a large expansion in electoral democracy, but its long-run developmental consequences were sharply uneven. In some countries, democratic transition was followed by durable improvements in institutional quality and sustained income growth, while in others, electoral competition emerged without comparable gains in prosperity, leaving democratic rule fragile, polarized, or institutionally hollow (Zakaria, 1997; Levitsky and Ziblatt, 2018; Svolik, 2019). This paper examines why apparently similar democratic transitions lead to such different long-run developmental outcomes.

Our central claim is that the cultural and behavioral norms prevailing during democratization shape subsequent economic performance. Specifically, this paper demonstrates that the ideological orientation of mass mobilization during the transition period matters much more than the violence level in determining post-democratization outcomes. The key insight is that democratic transitions are critical founding moments in which competing actors contest the norms, constraints, and institutional priorities of the post-authoritarian order. When the dominant mobilization coalition is organized around liberal-democratic commitments—free and fair elections, civil liberties, judicial independence, and limits on arbitrary power—the resulting democracy is far more likely to generate durable institutional inclusion, political stability, and sustained long-run growth. Conversely, when illiberal values (such as strongman rule, anti-pluralism, and the erosion of liberal constraints) prevail, the new regime is not likely to deliver comparable gains even with a peaceful transition.

We refer to these two transition paths as *Pro-Liberal Democracy* and *Illiberal Democracy*. As illustrated in Figure 1, the growth trajectories of these two democratization types diverge markedly when compared to a control group of countries that remained autocratic. Using data for 133 countries over 1960–2020, we find that a permanent transition to Pro-Liberal Democracy raises annual growth by about 1% point relative to the autocratic counterfactual, implying a long-run increase in GDP per capita of roughly 32%. In contrast, transitions to Illiberal Democracy produce almost zero growth effect. Given that one quarter of Third Wave democratization fall into this latter category, the conventional average growth effect of democratization obscures substantial and systematic heterogeneity.

Figure 1. Change in GDP per capita around Democratic Transition: Pro-Liberal Democracy (Blue) versus Illiberal Democracy (Red)



Note: This figure plots changes of log GDP per capita around a Pro-Liberal/Illiberal democratic transition relative to autocratic countries in the same year. We normalize log GDP per capita to 0 in the year preceding democratization.

We establish this regularity through a comprehensive suite of empirical strategies, including dynamic panel regressions, event-study models, matching-augmented difference-in-differences, semi-parametric estimators robust to heterogeneous treatment effects, and an instrumental-variable framework exploiting regional democratization waves and institutional ties to established democracies as the exogenous sources of variation in mobilization orientation. Across these diverse methodologies, the central finding remains unequivocal: democratic transitions anchored by pro-liberal mobilization generate durable economic dividends, whereas illiberal democratization fails to shift the macroeconomic baseline.

An interesting though unexpected finding is that the relationship between mobilization orientation and post-transition growth is more nuanced and non-monotonic. While even a slight dominance of pro-democratic mobilization is sufficient to place a new democracy on a higher-growth trajectory, more dominance yields diminishing economic returns. Furthermore, post-transition mobilizations, even pro-democratic ones, act as economic frictions in routine times, different from their catalyst role in the critical junction of political transitions. These results imply that moderate dominance of pro-democratic mobilization — not maximum dominance — produces the best growth outcomes, countering the "more democracy is better" monotone claims. They connect naturally to theories of competi-

tive political equilibrium, polarization traps, and the costs of hegemonic mobilization even when pro-democratic (Acemoglu and Robinson, 2001; Besley et al., 2010; Esteban and Ray, 2011; Callander and Carbajal, 2022; Oprea et al., 2024).

Another result worth highlighting is that the relevant margin of transition politics is not simply whether democratization is violent or peaceful. Existing work has often emphasized violence as a key determinant of post-transition outcomes (Chenoweth and Stephan, 2011; Chenoweth and Cunningham, 2013; Cervellati et al., 2014). Our evidence indicates that the ideological orientation of mobilization during transition is more informative than the level of violence alone. In our data, 67% of Illiberal Democracies experienced nonviolent transitions, yet still fail to generate institutional and economic improvements because they are organized around anti-pluralist and anti-liberal politics. Conversely, 15% of Pro-Liberal Democracies involve some violence during transition, yet nonetheless produce stronger long-run outcomes. What matters for long-run development is therefore not only whether conflict is resolved peacefully, but what kind of political order the mobilized coalition seeks to build.[1]

The post-transition divergence between Pro-Liberal and Illiberal Democracies in economic growth is generated through multiple channels. Pro-Liberal Democracies exhibit much higher institutional quality across the board, especially in objectively measurable areas such as government transparency, corruption control, state capacity, property-rights protection, and economic freedom. Another growth-relevant channel runs through behavioral and conflict-resolution mechanisms. Pro-Liberal regimes systematically institutionalize peaceful conflict resolution, driving significant reductions in political polarization, extra-legal violence, and broader societal instability. By contrast, illiberal transitions fail to pacify societal grievances, frequently enduring volatility that matches or exceeds pre-transition baselines. Finally, micro-level evidence indicates that citizens exposed to Pro-Liberal Democracy report a more supportive environment for entrepreneurship, are more likely to engage in entrepreneurial activity, and are more likely to operate higher-quality businesses. Taken together, these patterns suggest that the ideological orientation

[1] Sombatpoonsiri (2020) introduces the concept of "authoritarian civil society," where nonviolent mobilization can undermine democracy by promoting strongman figures and suppressing dissent. Despite their peaceful appearance, these movements prioritize order and obedience over democratic values, undermining existing democratic institutions (Kopecký and Mudde, 2003; Hadiz, 2018). Conversely, Huntington (1993) acknowledges potential benefits from violent pro-democratic movements. While advocating peaceful transitions, he suggests that in certain contexts, violence serves as a necessary catalyst for dismantling authoritarian regimes and establishing democratic foundations.

of transition-era mobilization matters because it shapes the norms, institutions, and political equilibrium through which democracy operates long after the transition itself.

This paper makes innovative contributions to several strands of literature. The conventional literature on civil society and democratization often emphasizes the beneficial role of civil society in constraining power and sustaining democracy (De Tocqueville, 1835; Putnam, 1995, 2000), while recent studies show it can also support exclusionary, illiberal, and anti-democratic politics (Berman, 1997; Chambers and Kopstein, 2001; Kopecký and Mudde, 2003; Satyanath et al., 2017; Fishman, 2017). Our findings accommodate these two seemingly contradictory streams of evidence by showing that the net effect of civil society is determined by the dominant ideological orientation of the mobilization coalition at transition times, which can lead to divergent and profound consequences. This is the first study providing rigorous panel data evidence that the developmental influences of civil society depend less on its presence or intensity than on its ideological character at the moment of democratic transition.

Second, it qualifies the democracy's long-run growth effects by identifying a first-order source of heterogeneity that is rooted in regime origins rather than post-transition policy variation alone. Recent work in the democracy-and-growth literature establishes that democratization raises growth on average (Acemoglu et al., 2019), but that average effect leaves open the central question of under what conditions democratization actually becomes development-enhancing; our answer points to a specific founding political margin that is obscured when democratization is considered as a homogeneous treatment. Democracies are indeed born differently and destined towards divergent paths.

This paper also contributes to the broad literature on mechanisms, critical junctures, and path dependence in political development, especially on how transition conditions shape later institutional and economic outcomes (Cervellati et al., 2014; Capoccia, 2015; Besley and Persson, 2019; Sima and Huang, 2023; Bisin and Verdier, 2024). We add to this literature by showing that transition-era mobilization predicts later social violence, polarization, transparency, and rights protection, consistent with a regime-founding path-dependence channel. The individual-level evidence further suggests that these institutional and social legacies extend to economic decision-making: exposure to Pro-Liberal Democracy is associated with more favorable perceptions of entrepreneurship, greater entrepreneurial activity, and higher-quality businesses. In particular, the paper helps connect the emergence of illiberal democratic regimes to observable features of mobilization during transition, complementing work emphasizing that electoral competition may coexist with

weak constraints on executive power (Zakaria, 1997; Levitsky and Ziblatt, 2018; Svolik, 2019; Plattner, 2020). The new contribution is systematic evidence linking the ideological origins of democracy to its long-run institutional and developmental consequences.

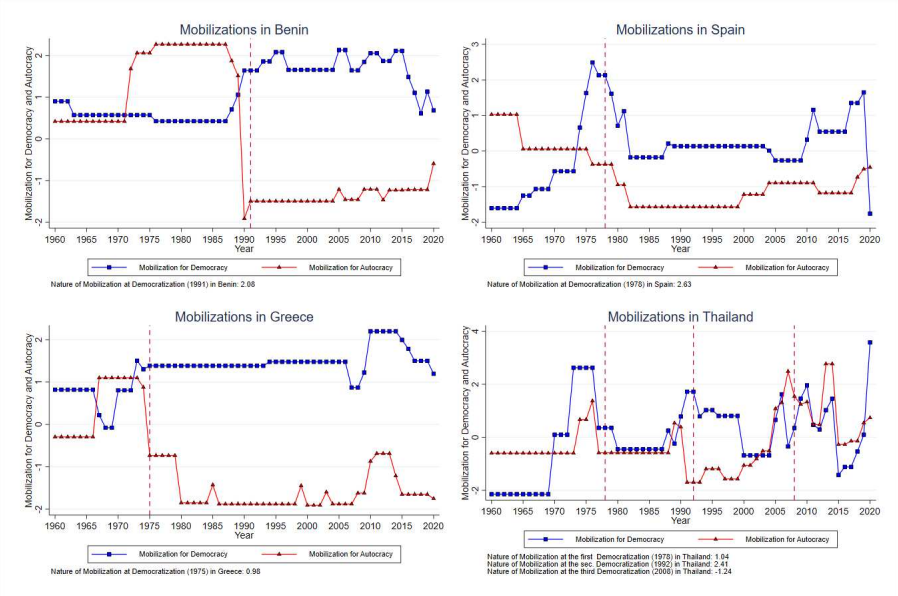
The remainder of the paper is structured as follows. The next three sections detail the dataset, present benchmark empirical results, and report robustness checks. Section 5 investigates the transmission mechanisms through which institutions and cultural norms mediate the effects of democratization, extending the analysis to individual-level evidence on entrepreneurial activity. Section 6 highlights the greater salience of the liberal orientation of mobilization compared to the level of violence in shaping democratization outcomes. The final section offers concluding remarks. The online appendix provides supplementary background information and additional robustness check results.

2 Data and Descriptive Statistics

Our panel data set covers 133 countries from 1960 to 2020, focusing on countries experiencing democratic transitions in comparison with those remaining autocratic. This so-called Third Wave of Democratization (Huntington, 1993) often exhibits distinct features from earlier waves.

The nature of civil society mobilization, which is the main target of interest in this paper, is constructed from the Varieties of Democracy (V-Dem) dataset. A mobilization is classified as *pro-democratic* if it explicitly aims to advance or protect democratic institutions and principles such as free and fair elections, independent courts, and civil liberties including freedoms of association and speech. Alternatively, a mobilization is classified as *pro-autocratic* if it is organized explicitly to support nondemocratic forms of government or leaders questioning basic democratic principles or undermining institutions like rule of law or media freedom. The inclination, frequency and scale of mass mobilizations in a country each year are measured by several experts (usually 5–10 per country-year) on a nominal rating from 0 to 4, and then converted to a standardized interval scale after accounting for disagreements and biases (Pemstein et al., 2023). A larger value indicates a higher intensity of mobilization, with "large-scale" typically implying events involving significant portions of society (more than 1% of the national population or with national media coverage). The dynamic patterns of pro-democratic and pro-autocratic mobilization vary across countries, where the most common scenario involves dominance-switching before political transition

Figure 2. Democratizing Countries with Fluctuating Mobilization Patterns



Note: The vertical dashed line marks the year of democratization, where the corresponding gap between the scales of *Pro-Democratic* and *Pro-Autocratic* mobilization is also shown.

times, as illustrated by Benin, Spain, Greece, and Thailand in Figure 2.[2]

Since collective choices in a society are shaped by interactions or confrontations among distinct groups, the dominant side usually sets the final tone. This holds true especially during the critical juncture such as political transition times when major institutions and norms of behaviors are solidified as the new foundation of social orders. Based on this insight, we categorize democratic countries into two subgroups: (1) *Pro-Liberal Democracy*, if the dominant form of mobilization is pro-democratic during the democratic transition time t_0 , and (2) *Illiberal Democracy* if otherwise.[3]

Specifically, the dominance indicator is measured by the variable *Nature of Mobilization* ($Nature_mob_{i,t_0}$), defined as the difference between the scales of pro-democratic mobilization and pro-autocratic mobilization in country i during the democratization pe-

[2]Appendix C provides additional figures depicting representative patterns in democratizing countries.
[3]These two labels are chosen mainly for brevity, though at the risk of abusing notations.

riod t_0.[4] A democratic transition occurs in a year t_0 when the binary democratic indicator $Democracy_{it}$ turns from 0 to 1.[5]

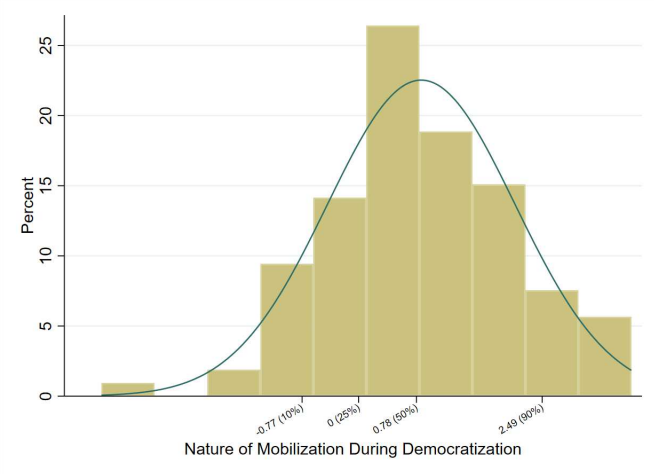
The two categories of democracy, Pro-Liberal Democracy and Illiberal Democracy, can be denoted by the following two dummy variables, respectively:

$$Proliberal_dem_{it} = \begin{cases} 1 & \text{if } Democracy_{it} = 1 \text{ and } Nature_mob_{i,t_0} > 0, \\ 0 & \text{Otherwise;} \end{cases}$$

$$Illiberal_dem_{it} = \begin{cases} 1 & \text{if } Democracy_{it} = 1 \text{ and } Nature_mob_{i,t_0} < 0, \\ 0 & \text{Otherwise;} \end{cases}$$

where the default group is *Autocratic* countries when both dummies equal 0.

Figure 3. Distribution of Nature of Mobilization During Democratization



Note: This figure presents the distribution of $Nature_mob_{i,t_0}$ during democratic transitions in countries of the third wave democratization.

[4] We use the nature of mobilization data for the transition and prior two years to reduce potential noises, while results are consistent when data from the transition year alone or across longer time frames are used instead, as demonstrated in Appendix F.13.5.

[5] The primary indicator is adopted from Acemoglu et al. (2019) and updated to 2020 using data from Polity V, CGV (Cheibub et al., 2010; Bjørnskov and Rode, 2020), BMR (Boix et al., 2013) and Freedom House. Alternative democratic variables are used in robustness checks.

The distribution of Nature of Mobilization in the Third Wave democratization is shown in Figure 3, where 25% cases have negative values and thus belong to Illiberal Democracy.[6] Interestingly, the majority of Pro-Liberal Democracy has values just slightly above 0, confirming our conceptual arguments that a moderate dominance is enough to set the political tone towards either liberal or illiberal orientation. Our regression results below also suggest that too much dominance in either direction is not necessarily good for growth.

Descriptive statistics in Table 1 indicate that Pro-Liberal Democracies exhibit higher growth rates and GDP levels (2020 edition of World Development Indicators) than Illiberal ones and autocracies. Similar gaps also exist in a range of variables listed in the table, representing potential intermediate mechanisms such as institutional quality and societal behaviors.[7]

3 Baseline Results: A Dynamic Growth Model

To estimate the effect of mobilization nature on later economic growth, we use the following dynamic growth model adopted from Acemoglu et al. (2019):

$$g_{it} = \beta_p Proliberal_dem_{it} + \beta_I Illiberal_dem_{it} + \sum_{j=1}^{3} \alpha_j g_{it-j} + \varphi y_{it-4} + \lambda_i + \delta_t + \varepsilon_{it}. \quad (1)$$

The dependent variable g_{it} is the growth rate defined as $g_{it} = 100 * (y_{it} - y_{it-1})$ where y is the natural log of GDP per capita.[8] The two dummy variables $Proliberal_dem_{it}$ and $Illiberal_dem_{it}$ as defined earlier denote the two subgroups of democratic countries. The growth dynamics are captured via three lags of growth rates and a four-period lag of GDP per capita, y_{it-4}. Country fixed effects λ_i absorb time-invariant factors like geography,

[6] Pro-autocratic Mobilization tends to lower the possibility of democratization but not necessarily precludes it (Hellmeier and Bernhard, 2023). In Indonesia, for example, the middle class prioritized stability over democratic ideals, while student protests in December 1993 reflected a desire for change, albeit through Islamic identity rather than pluralism (Jones, 1998). In Thailand, the People's Alliance for Democracy (PAD) advocated reform but simultaneously supported military coups (Mansrisuk, 2017; Sinpeng, 2021).

[7] More details are discussed later. Appendix D also examines the economic structures during periods of democratization in both Pro-Liberal and Illiberal Democracies.

[8] As discussed in Sima and Huang (2023), using either GDP level or growth rate yields identical estimates of the two democracy coefficients in this dynamic model.

history and culture, while year effects δ_t account for global growth trends. The error term ε_{it} includes other unobserved shocks to growth, orthogonal to democracy types conditional on controls. Standard errors are clustered by country to address serial correlation (Papaioannou and Siourounis, 2008a; Madsen et al., 2015). The coefficients of interest, denoted as β_P and β_I, can be accurately estimated through the application of the standard within-estimator, which generates consistent estimates with various alternative estimation methods (Acemoglu et al., 2019).

3.1 The Benchmark Results: Pro-Liberal Democracy Facilitates Growth

Estimation results based on Equation (1) are in Table 2. The baseline regression results in Column (1) show the estimated annual growth effect of Pro-Liberal Democracy is 0.994 and statistically significant at 1%; in sharp contrast, that of Illiberal Democracy is 0.100 and insignificant. The gap between these two growth effects is also statistically significant. This leads to a long-run GDP growth effect at 32% for a political transition to Pro-Liberal Democracy but only at 3% for an Illiberal one.[9]

To address the concern on whether recent levels of Nature of Mobilization in a country matter more than those during the political transition period far back in time, we include further control variables in the regression. The average value of Nature of Mobilization in preceding four years is included in Column (2),[10] while the dummy variable version in the previous year in Column (3). Note that the same dummy variable is used as our grouping criterion except that the timing is set at the democratic transition year of each country. The results in both cases are robust and similar to the baseline values, again showing a highly significant difference between the two types of democracies. The coefficients of the two recent mobilization variables are very small compared with that of the transition period value; their negative sign, though seemingly counter-intuitive, confirms our key conceptual intuition that mass mobilization *per se* is costly to economic growth in routine situations, since it diverts resources from productive usage, but plays a crucial role at the critical juncture of political transition when fundamental changes are shaped.

This insight of political transition period being qualitatively different from regular times is further demonstrated by a placebo test in Column (4). Two subgroups, namely *Fake*

[9]The derivation of the formula that quantifies the impact on long-run growth is in Appendix H.
[10]Results are robust to alternative lag specifications.

Pro-Liberal and Fake Illiberal Democracy, are created based on the Nature of Mobilization in a *fixed* year (e.g., 1970) following prior studies (Acemoglu et al., 2019; Eberhardt, 2022). Each of the fake groups is further divided into two groups by our *True* criterion using the *transition time* value. When these two grouping methods disagree with each other, which arise in two subgroups, a horse-race can tell which criterion has more predictive power. Results in Column (4) reveal that the estimated growth effect of True Pro-Liberal and Fake Illiberal is still large, positive and significant, while that of True Illiberal and Fake Pro-Liberal is small, negative, and insignificant. So the fake categorization based on a fixed year is unambiguously dominated by the true criterion based on the transition period.[11]

If we stick to the transition period, but use an alternative measurement of civil society character to categorize democracies, results are also robust. The specific variables are the democratic and anti-democratic characteristics of anti-system movements of civil society organization (CSO) from the V-Dem data set; the difference between them is used as the alternative dominance indicator. The estimated growth effects in Column (5) are very close to the baseline results.[12]

These results provide a coherent and robust set of evidence suggesting that small but qualitative dominance of mobilization orientation may produce divergent long-term outcomes on growth. This striking implication can shed light to the democratization processes of two Latin American countries, Chile and Mexico. The pro-democratic coalition in Chile was only marginally dominant in strength, but facilitated the dismantling of authoritarian structures and fostered a stable and effective democratic system. In contrast, a slightly dominant pro-autocratic coalition prevailed in Mexico's political transition, where entrenched autocratic networks still persist despite formal democratization. Detailed comparison of these two countries is in Appendix E.

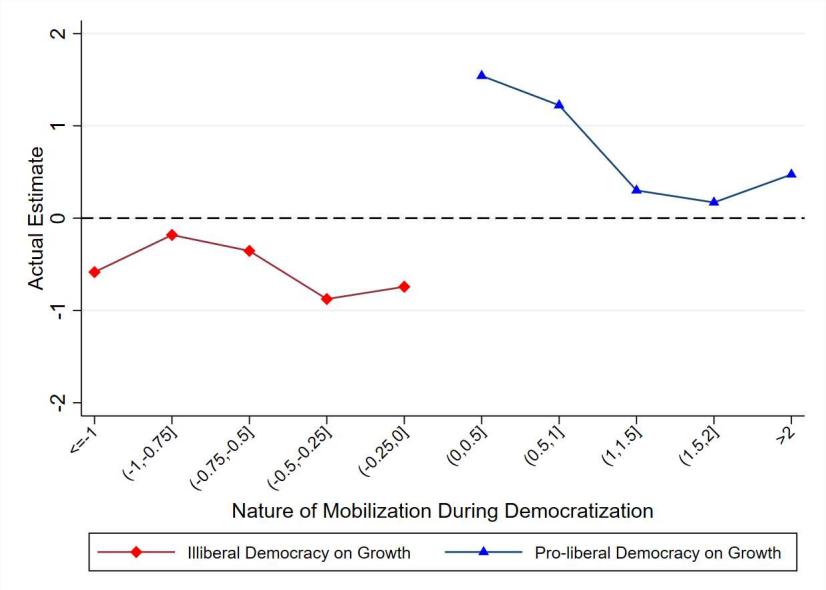
3.2 Non-Liner Effects on Growth: Moderation the Best

The benchmark results above categorize democracies using two dummy variables of mobilization at transition. One may wonder whether the exact level of Nature of Mobilization matters in addition to its sign. For example, would a stronger dominance of Pro-Democratic mobilization during the transition bring a better economic growth in future? It turns out

[11] Alternative fake categorizations using the nature of mobilization in several years before the real transition time also fail.

[12] Further robustness checks, including controls for country-specific trends, regional effects, and interactions with ethnic fragmentation, are in Table A13 and Table A24 in the Appendix.

Figure 4. Non-Linear Effects on Growth



Note: This figure illustrates the nonlinear growth effects of the nature of mobilization during democratization.

that moderation is the key here. Too much dosage, even when it is pro-democratic mobilization, does not facilitate economic growth.

To illustrate the nonlinear effects, countries are grouped into narrow bins from the smallest value to the largest based on the Nature of Mobilization in transition time. Each group is then compared with autocratic countries in the growth regression. The results in Figure 4 show positive growth effects for all Pro-Liberal democracies and negative effects for all Illiberal ones, which strongly support our choice of using dummy variables to categorize democracy. The scale of dominance, however, exerts additional impact on growth for Pro-Liberal democracies: The highest growth effects are achieved by the slight and moderate dominance as in the two bins (0,0.5] and (0.5, 1]; while in contrast, those more lopsided exhibit lower effects. The variation of growth effects is quite modest among Illiberal democracies, which is not surprising given that the growth effects are very small and insignificant at the group level.[13]

[13]Further results are provided in Table A7 of the Appendix.

3.3 Is Political Transition Time a Critical Juncture? A Placebo Test

Given that the democratization process may unfold over quite a long period, how salient is the actual political transition year on future growth perspective? Is it just a representative phase of the whole process, or a critical juncture that shifts track for the train to future?

To answer this question, we construct a fake transition time in a country by randomly picking any year within the 10-year window surrounding the true democratization year, and then use that year's Nature of Mobilization to categorize the two subgroups and run the benchmark growth regression. Repeating this exercise 1,000 times yields a sample of placebo growth effects, which are plotted in Figure 5.

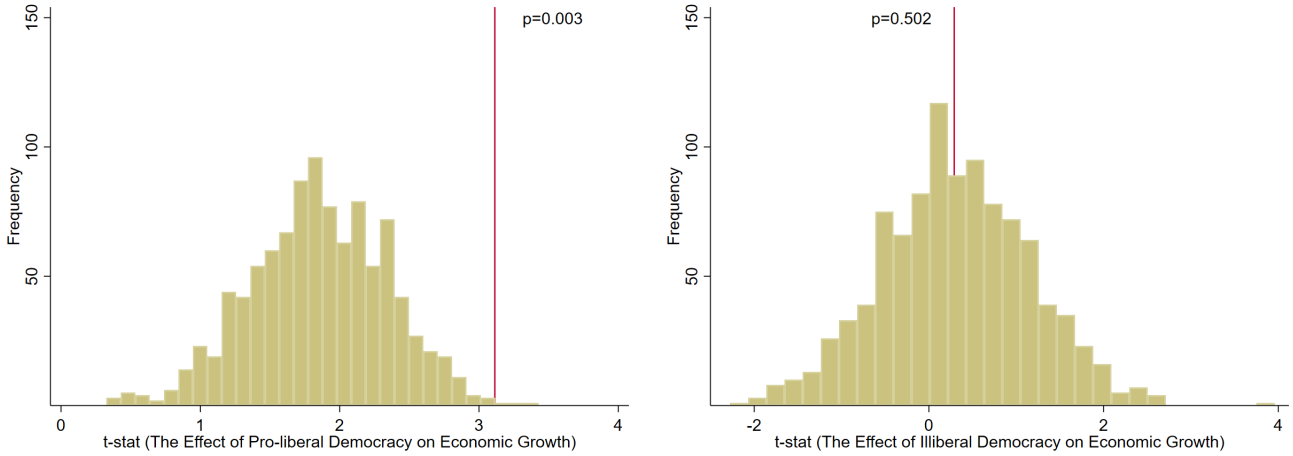
For Pro-Liberal Democracies, there is indeed certain evidence of continuity in the democratization process since about one-third of coefficients are statistically significant, showing that mobilization levels in nearby years around transition also exhibit some relevance. Their significance, however, is dwarfed by the actual transition year as marked by the red line at the far right extreme of the whole distribution. The pattern in Illiberal Democracies is again quite different, where almost all coefficients remain insignificant and spread randomly around the true effect, indicating that the actual transition year does not stand out from nearby years.

These results suggest that the positive growth effects in Pro-Liberal democracies are linked with the critical juncture role of the transition year, where some fundamental change has been forged in society. Without such a structural transformation, a mere nominal change in democracy indicators as experienced in Illiberal Democracies would not bring any real impact on economic growth.

3.4 Robustness Check for Democratic Stock and Formats

If democratic quality can improve over time through learning-by-doing, can Illiberal Democracies eventually shake off the initial setback of the transition time? To assess this possibility, we control for the Democratic Capital variable from Gerring et al. (2005), which is equal to the accumulation of a country's annual Polity2 scores (with a 5% depreciation rate) since 1900 up to the current year. As shown in Column (1) of Table 3, the coefficient of Democratic Capital is near zero and insignificant, while those of Pro-Liberal and Illiberal Democracy remain similar to the benchmark results. These results are also consistent

Figure 5. A Placebo Test: Random Transition Years versus Actual Data



Note: The left figure depicts the distribution of placebo t-statistics estimating the effect of Pro-Liberal Democracy on economic growth, obtained by randomly assigning a false democratization year within a 10-year window around the true transition. The vertical red line marks the actual estimated effect (p = 0.003), clearly distinct from the placebo distribution. The right figure presents the analogous placebo distribution for Illiberal Democracies, where the actual estimated effect (p = 0.502) is indistinguishable from the placebo estimates.

with the critical juncture results above: If a society fails to transform during the political transition period, then much less can be expected of other time.

The literature also examines whether specific democratic formats, such as majoritarian versus proportional representation, matter more than the democracy-autocracy distinction (Persson, 2005). Various combinations of these variables are controlled in Columns (2) – (4); our main results are again robust with similar scale and significance, while the coefficients of majoritarian election system are more negative than the proportional one. The Pro-Liberal versus Illiberal distinction has thus a substantial and long-lasting growth effects compared with other democratic formats.

3.5 Robustness Check for Alternative Democracy Indicators

The impact of democracy on economic growth remains a contentious topic partially due to the sensitivity of empirical results to the chosen democracy measure (Gründler and Krieger, 2021, 2022). Democracy encompasses diverse institutions, making its quantification and cross-country comparison challenging. Our findings, however, are robust to alternative democracy indicators, which are shown in Table 4.

The three binary democracy variables, BMR (Boix et al., 2013), CGV (Cheibub et al.,

2010; Bjørnskov and Rode, 2020), and PS (Papaioannou and Siourounis, 2008b), which are used in Acemoglu et al. (2019) to construct their indicator, can be directly put into our regression. In Column (1) with BMR, Pro-Liberal Democracies exhibit a positive growth effect, while Illiberal Democracies negative, both of which are statistically significant together with their difference. Coefficients in Column (2) with CGV are almost identical to our baseline results. The PS indicator in Column (3) considers only enduring transitions to democracy,[14] thus excluding many Illiberal Democracies due to their brief lifespans and frequent reversals to autocracy. The coefficient of Pro-Liberal Democracy is still significantly positive, while that of Illiberal Democracy again small and insignificant, though their difference becomes less significant than the benchmark case, which is not surprising given the data set restriction.

Some democracy indicators are not binary. For example, Polity2 ranges from -10 to +10, whereas Freedom House spans from 1 to 7. To facilitate comparison, these two scores are standardized to the range from 0 to 1. Instead of imposing a threshold to transform them into binary indicators,[15] we interact the standardized score with our dummy variables of Pro-Liberal and Illiberal Democracy. The estimated coefficient would capture the growth effect when the normalized score reaches the maximum value of 1, which is 1.195 for Polity2 in Column (4). For example, if a country's Polity2 score is 6 (with a normalized value of 0.8), the estimated growth effect of Pro-Liberal Democracy would be $0.8 \times 1.195 = 0.956$, which is again close to our baseline coefficient. Results from Freedom House in Column (5) are also similar, suggesting that a higher democracy quality in Pro-Liberal Democracy improves growth, which is not true for Illiberal Democracy.

The same exercise delivers similar robust results when applied to some recent democracy metrics in columns (6)–(9), including the Machine Learning Democracy Index (Gründler and Krieger, 2021), the Lexical Index Index (Skaaning et al., 2015) (normalized to match the 0–1 range of the other indicators), and the Electoral Democracy and Liberal Democracy variables from the V-Dem project. Across all specifications, the growth gap between Pro-Liberal and Illiberal Democracies remains positive and statistically significant. [16]

A comprehensive set of further robustness checks are in Appendix F, considering regime reversals, multiple transitions, ethnic fragmentation, colonial experiences, various outliers,

[14] We employ the updated PS data set (Pozuelo et al., 2016) to account for recent political shifts and corrected classifications.

[15] Using binary transformation yields similar results (Appendix F.12).

[16] Appendix F.3 uses these democracy variables to construct dichotomous measures over a longer time period and obtains similar results.

regional and temporal heterogeneity, expert judgment variances in mobilization questions, different threshold cutoffs, alternative specifications, and more estimation methods. Our baseline results remain robust and consistent. Crucially, this Appendix also demonstrates that it is not the individual levels of pro-democratic or pro-autocratic mobilization that drives lasting growth effects, but their difference as measured by the Nature of Mobilization.

4 Alternative Estimation Strategies and Results

4.1 Event-Study Analysis

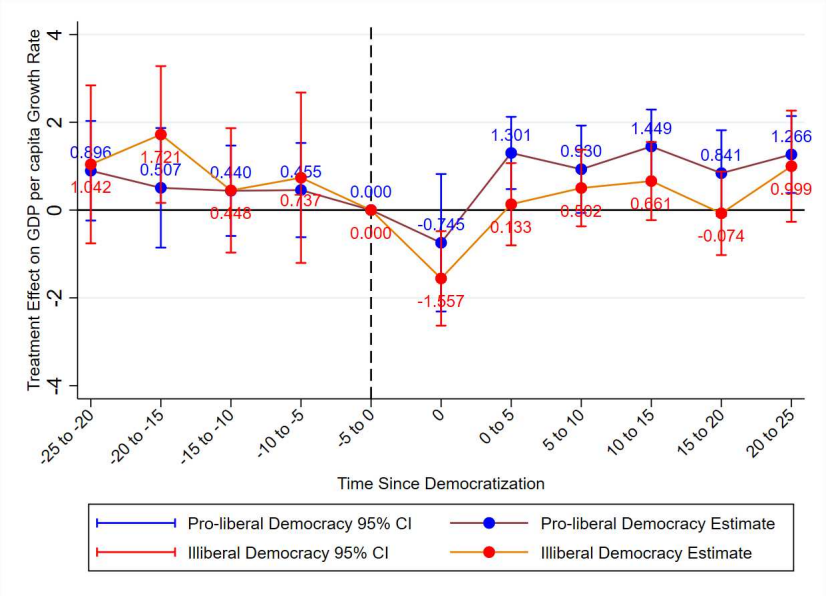
The distinct growth trajectories after democratic transitions can be compared in an event-study analysis if the assumption of parallel trends holds after controlling country and year fixed effects alongside dynamic growth variables as in the dynamic model (1) above. We define event time e (in a period of five-years) relative to the democratic transition time ($e = 0$). The event indicators $Proliberal_dem_Event_{ie}$ and $Illiberal_dem_Event_{ie}$ equal 1 if country i is e time before or after becoming a Pro-Liberal or Illiberal Democracy, respectively, at time t. We normalize the coefficients to 0 just before treatment ($e = -1$) so that the estimated effects represent changes in growth relative to the pre-treatment time. We examine a 25-year symmetric window around transition ($e = -5$ to $e = +5$) to assess both pre-trends and treatment effects. Standard errors are clustered at country level. The specific regression equation is:

$$g_{it} = \beta_{Pe} Proliberal_dem_Event_{ie} + \beta_{Ie} Illiberal_dem_Event_{ie} + \sum_{j=1}^{3} \alpha_j g_{it-j} + \varphi y_{it-4} + \lambda_i + \delta_t + \varepsilon_{it}. \tag{2}$$

Estimated coefficients with 95% confidence intervals based on Equation (2) are plotted in Figure 6. The assumption of parallel trends prior to democratization indeed holds for the preceding 25 years, where the growth dynamics in both types of democracies closely resemble autocracies, with almost all coefficients hovering around 0 and insignificant statistically. After the initial dip in the democratization year, however, a clear divergence emerges: The growth coefficients in Pro-Liberal Democracies become significantly positive

and stable in the following 25 years, while Illiberal Democracies still display no discernible difference from autocracies in post-transition growth patterns.

Figure 6. Event Study Plots: Distinct Growth Trajectories of Pro-Liberal and Illiberal Democracy

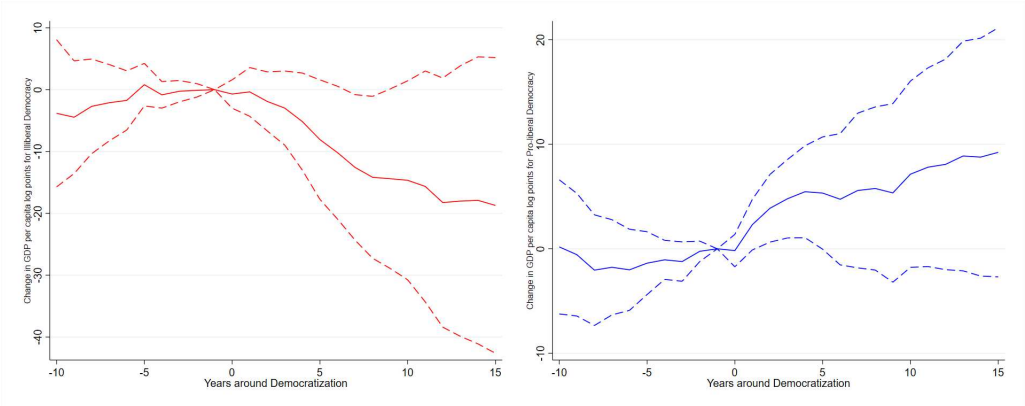


Note: This figure depicts the estimated differences in economic growth between Pro-Liberal democratic states (blue) and non-democratic states, as well as those between Illiberal democratic states (red) and non-democratic states, before and after democratic transitions. The plot displays regression coefficients with 95% confidence intervals for the treatment leads and lags, which represent five-year periods leading up to and following democratization. The regression specification includes fixed effects and controls for growth dynamics and the fourth lag of GDP per capita, as described in Equation (2). The diverging patterns for Pro-Liberal and Illiberal Democracies relative to non-democracies reveal distinct economic growth trajectories associated with the nature of mobilization during democratization.

4.2 Semi-Parametric Estimates

To address the non-random selection into democracy, we employ the semi-parametric approach in Acemoglu et al. (2019) to explore a more nuanced analysis of growth path after democratization. It estimates the propensity score of a country transitioning to democracy in a given year based on past GDP per capita and other observable characteristics, and then creates a control group of autocracies using an inverse-propensity-score reweighting approach. The treatment effect is obtained by contrasting the actual growth trajectory of democratizing countries with the counterfactual path they would have followed absent democratization. This counterfactual is derived from a linear regression model for the control

Figure 7. Semi-Parametric Estimates: GDP per capita Paths in Illiberal and Pro-Liberal Democracy



Note: This figure depicts the effects of Illiberal (red line) and Pro-Liberal (blue line) democratization on log GDP per capita, estimated using a semiparametric approach with counterfactual as in Acemoglu et al. (2019). The dashed lines indicate 95% confidence intervals. We normalize log GDP per capita to 0 in the year preceding democratization.

group of autocracies with the same covariates as used in the propensity score model.

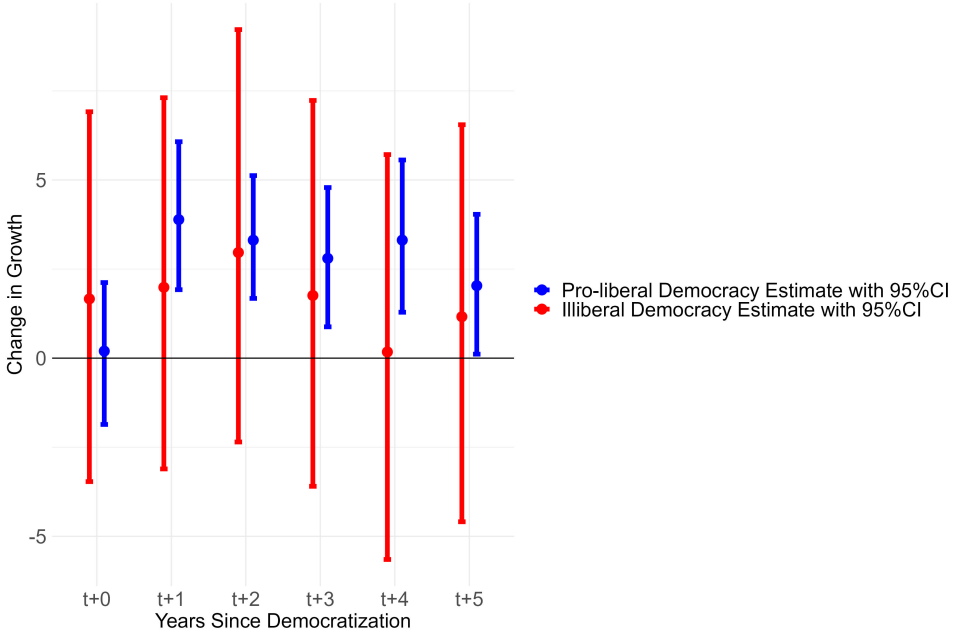
The results are plotted in Figure 7 for time ranging from -10 to 15 years, with $s = 0$ corresponding to the year of democratization. The blue line depicts the gradual increase in GDP per capita following Pro-Liberal democratization, while the red line indicates a decline trend after Illiberal democratization. Notably, the pre-democratization trends ($s < 0$) show no significant difference between the two groups, confirming the identification strategy.

4.3 Matching-Augmented DID

We also explore the matching-augmented DID approach in Imai et al. (2023) to further address potentially time-varying unobserved confounding factors. For each country experiencing democratization (treated), we identify control observations (untreated) from the same period with identical pre-treatment regime status for a predefined lag of four years. The matched set is further refined using standard methods (such as the Mahalanobis distance) to balance observed covariates between treated and control units. Finally, we estimate the Average Treatment Effect on the Treated (ATT) using a DID approach.[17] This estimator

[17]We employ the *PanelMatch* R package (Imai et al., 2023) with default options in estimation.

Figure 8. Estimated Average Effects of Pro-Liberal Democracy and Illiberal Democracy on Growth



Note: The estimates are based on a matching method that adjusts for treatment and covariate histories during the 4-year pre-treatment period (Imai et al., 2023). The figure shows the average effects of Pro-Liberal democratization (blue) and Illiberal democratization (red) for the 5 years following the transition ($t = 0, 1, ..., 5$), with 95% asymptotic confidence intervals represented by vertical bars.

controls for time trends and compares the outcomes of treated and control groups before and after democratization. As illustrated in Figure 8, the estimated growth effects over the 5-year period following the transition are significantly positive for Pro-Liberal democracies (blue), while remain at zero for Illiberal ones (red).

Results using alternative DID techniques are reported in Appendix G, including the factor-augmented DID approach in Eberhardt (2022) that can account for heterogeneous pre-treatment trends and endogenous selection into democracy (Chan and Kwok, 2022) as well as several recently developed estimators robust to heterogeneity.[18] The core finding across all these specifications remains consistent with the baseline results.

[18]These include Cengiz et al. (2019); Freyaldenhoven et al. (2019); Borusyak et al. (2021); Callaway and Sant' Anna (2021); Sun and Abraham (2021); Butts and Gardner (2021); Dube et al. (2023).

4.4 Endogeneity Concerns and Instrumental Variables

The causality of estimates in the dynamic panel model relies on the assumption that, after controlling for country and time fixed effects, past growth rates, and lagged GDP per capita levels, a country's political regime choice is independent of other unobserved variables influencing growth. While intuitively sensible, this assumption is not infallible. Political and economic forces often intertwine and evolve concurrently, particularly during democratization processes. Consequently, isolating the causal effect of democracy proves challenging due to the difficulty of identifying truly exogenous instrumental variables (IV).

One source of exogenous variation in democratic transitions lies in the regional waves of democratization and autocratic reversals (Acemoglu et al., 2019; Dorsch and Maarek, 2019). In particular, we use the average democratic indicator in a country's region over two lagged years to instrument for its current democracy level. Potential spatial spillover effects within regions are also checked using further control variables including the initial development level, post-socialist transition effects, and various regional and spatial shocks in Appendix I.

The nature of mass mobilization during democratization is affected by numerous elements, a substantial portion of which are determined by country fixed features and time trends already controlled in the regression. The residual part is often affected by spontaneous actions of many individuals, which should not directly affect future growth especially after controlling multiple lagged growth variables. Having said that, one noticeable exogenous influence, which may play an important role in mobilization at the transitional period of a country but attenuat thereafter, is the international engagement of established democracies to promote democratic values (Huntington, 1993).

The diverse instruments employed by policymakers from the Old Democratic Countries — those already democratized before 1960 such as Western Europe and the United States — to advance democratic governance internationally, including democracy assistance programs, reform-contingent foreign aid, cultural exchanges, and educational initiatives, are well documented and studied (Carothers, 1999; Pevehouse, 2002; Nye, 2004; Tallberg et al., 2016; Woods, 2018). For example, support from established democracies for independent media ecosystems, civil society institutions, and educational exchange programs fostered democratic political consciousness among citizenries in transitioning states. This ideational influence manifested prominently in Indonesia's 1999 transition, Poland's 1989 Solidarity movement, and Chile's 1988 plebiscite, where pro-democracy constituencies

incorporated democratic principles from established democracies while adapting them to domestic socio-political contexts.[19] Diplomatic recognition of and material support from established democratic nations for democratically-oriented leadership often proved critical in the actual transitioning process (Harbeson, 2016).

To measure the influence of old democratic countries, we utilize the Foreign Bilateral Influence Capacity (FBIC) data set, which quantifies various dimensions of bilateral relationships, including political, economic, and cultural connections. The FBIC index captures relationship depth through metrics such as political bandwidth (diplomatic engagement and shared memberships in international organizations) and economic bandwidth (trade intensity and agreements), providing a comprehensive framework for analyzing international power dynamics.

We focus primarily on a country's shared IGO memberships with old democratic countries as an IV for its likelihood of Pro-Liberal democratization. Democratic states in international organizations tend to promote openness, transparency, and liberal governance through their collective influence, especially when decision-making rules allow democratic majorities to implement reforms. The presence of strong democratic membership enables international organizations to socialize and pressure members into maintaining democratic standards, facilitating greater access for transnational actors and adoption of liberal principles (Mansfield and Pevehouse, 2006; Tallberg et al., 2016; Woods, 2018; Panke et al., 2019).

Specifically, we use the regional democratization as the key IV for whether a country is democratized, and the normalized Shared IGO Membership with Old Democratic countries as the key IV for whether the mobilization is Pro-Liberal at the transition time.[20] Table 5 reports estimated coefficients of 2SLS regressions and first-stage results using two lagged levels of the instrumental variables. The 2SLS estimation in Column (1) shows a statistically significant impact of Pro-Liberal Democracy, slightly larger than the baseline results of the dynamic panel model in Table 2, which aligns with findings in relevant literature (Madsen et al., 2015; Acemoglu et al., 2019). The Hansen test shows no evidence of mis-specification, and Kleibergen-Paap statistics demonstrate strong instrument validity

[19] Comparative case evidence shows that domestic pro-democracy actors commonly incorporated Western liberal practices while adapting them to local political cultures. See Uhlin (1997) on Indonesian pro-democracy discourse and Puryear (1994) on Chilean intellectual and campaign adaptations; Huntington's discussion of regional demonstration effects provides a broader framework (Huntington, 1993).

[20] Detailed steps for generating the IVs are provided in Appendix I.

(Stock et al., 2002).[21]

5 Transmission Mechanism: Institutions and Cultural Norms

The democratic transition is defined as a period of political regime shift, which is often underpinned not only by changes in formal institutions, but also by informal ones such as political culture, social norms, and collective behaviors. These are the two distinct mechanisms through which the nature of mobilization during the transition time may exert enduring impact on future growth.[22] In particular, since a Pro-Liberal Democracy is born with mobilizations dominated by pro-democratic values and features, it is more likely to continue along such path by establishing more inclusive institutions and facilitating more peaceful resolution of societal conflicts.

These conjectures are explored using the following dynamic panel model, where the key institutional and behavioral variables are denoted by m_{it}:

$$m_{it} = \beta_P Proliberal_dem_{it} + \beta_I Illiberal_dem_{it} + \sum_{j=1}^{4} \alpha_j m_{it-j} + \sum_{j=1}^{4} \varphi_j y_{it-j} + \lambda_i + \delta_t + \varepsilon_{it}. \quad (3)$$

To capture the dynamic nature of each variable, we control for its four lagged levels, four lagged GDP, country and year fixed effects following the within estimator approach in Acemoglu et al. (2019) and Sima and Huang (2023).

5.1 Pro-Liberal Democracy: More Tolerant and Peaceful

The heterogeneous impacts of democracy types on the effectiveness of conflict resolution are shown in Table 6: In comparison with autocracies, all indicators suggest Pro-Liberal Democracies have become more tolerant and peaceful, while in contrast no change is observed in Illiberal Democracies.

[21] We also conduct a series of robustness checks to address potential violations of the exclusion restriction in Appendix I. When including the time-varying FBIC indicator directly into the growth regression, the results confirm that its effect is confined to the democratic transition period only, with no lingering influence to future growth.

[22] For more nuanced discussions on institutional versus behavioral mechanisms underlying historical legacies, see Wittenberg (2006); Besley and Persson (2011); Nunn and Wantchekon (2011); Acharya et al. (2017).

The Political Polarization indicator from V-Dem in Column (1) measures the extent to which society is divided into hostile political camps, and political differences undermine social relationships and discourage interaction across ideological lines. It is substantially lower in Pro-Liberal Democracies than both autocracies and Illiberal Democracies. The scales of both types of mass mobilizations in Column (2) and (3) are significantly reduced in Pro-Liberal Democracies, suggesting that the democratic transition has successfully solved major problems in society and thus reduced the need to use the costly method of mass mobilization.[23] Similar patterns apply to the rest four columns (4) – (7) on various measures of violence and instability: Political Violence (from V-Dem, measuring the use of physical force by non-state actors for political objectives), Violence Index (indicating the intensity of assassinations, revolutions, and wars),[24] Regime Instability Index (capturing frequencies of constitutional changes, coups, cabinet/executive changes, and regime crises), and finally Social Unrest indicator from Acemoglu et al. (2019).

5.2 Pro-Liberal Democracy: Better Institutional Quality

Table 7 demonstrates the quality of various growth-enhancing institutions is significantly improved in Pro-Liberal Democracies than others. The Transparency index (Hollyer et al., 2014) in Column (1) measures the quality of data reported to international organizations, which is a good predictor of a country's law & order and bureaucratic quality. The Economic Freedom Index in Column (2) is a composite indicator encompassing trade freedom, government size, regulatory efficiency, property rights, and access to sound money (Krieger and Meierrieks, 2016; Kotschy and Sunde, 2017).[25] Both of them are significantly higher in Pro-Liberal Democracies than others, while no difference exists between Illiberal Democracies and autocracies. The same pattern also applies to Property Rights and Political Corruption in columns (3) and (4), both from V-Dem. The State Capacity (Hanson and Sigman, 2021) in column (5), defined as the ability of governments to effectively implement policies and achieve goals such as providing security, public goods, and rule of law, has

[23] Kopecký and Mudde (2003) argues that successful mobilization by a particular social group or network should be followed by demobilization (potentially accompanied by the incorporation of its leaders into the state apparatus). This does not imply the demise of civil society as a whole, but rather the (often temporary) demobilization of a specific segment. Other segments of civil society may remain largely unaffected by these events, or even become more active in response.

[24] Both Violence and Regime Instability Index are from Aisen and Veiga (2013).

[25] To maximize sample size, we construct a new economic freedom index incorporating data from the 1960s. Results remain similar when restricting data to post-1970 periods.

improved in both types of democracies after transition, while the level is again much higher and more significant in Pro-Liberal Democracies.[26]

5.3 The Transmission Mechanism in Growth Regression

Among these transmission channels discussed above, which contributes most to the differential growth impacts of Pro-Liberal and Illiberal Democracies? To address this question, we augment the baseline growth model by incorporating a mechanism indicator (m_{it}):

$$g_{it} = \beta_P Proliberal_dem_{it} + \beta_I Illiberal_dem_{it} + \gamma m_{it} + \sum_{j=1}^{3} \alpha_j g_{it-j} + \varphi y_{it-4} + \lambda_i + \delta_t + \varepsilon_{it}.$$

In Table 8, all of the political behavioral indicators exhibit significant negative impacts on growth, substantially absorbing the differential growth effect of Pro-Liberal Democracy. The institutional indicators are shown in Table 9, where the coefficients are significant and positive for Transparency, State Capacity and Economic Freedom Index, but insignificant for Political Corruption and Property Rights; none of them fully captures the growth effects of Pro-Liberal Democracies.[27] These results suggest that the key transmission channels to growth are in lower political polarization and violence levels.

5.4 Individual-Level Evidence: Democratic Type and Entrepreneurial Activity

These channels operate at the level of the polity as a whole; we now ask whether their imprint is visible in the choices of individual economic agents. If a Pro-Liberal transition genuinely reshapes the civic and institutional environment in the ways just documented, that environment should also alter the calculus facing a would-be entrepreneur—lowering the perceived risk of starting a venture, widening access to markets, and signaling that private initiative will be protected rather than expropriated. We test this implication directly using individual-level survey data, asking whether citizens who have lived under Pro-Liberal Democracy are more likely, relative to their Illiberal-Democracy or autocratic

[26] A similar pattern holds for democratic quality (electoral, liberal, participatory, deliberative, and egalitarian) and many other variables, available upon request.

[27] The positive growth effects of economic freedom and state capacity align with relevant literature (e.g., De Haan and Sturm (2000); Sturm and De Haan (2001); De Haan and Sturm (2003); Sturm and De Haan (2005); De Haan et al. (2006); Knutsen (2013); Hanson (2014); Dincecco and Katz (2016); Geloso and Salter (2020)).

counterparts, to perceive their surroundings as hospitable to new business formation and, in turn, to found and manage businesses of higher quality.

We draw our measure of entrepreneurship-related variables from the Global Entrepreneurship Monitor (GEM) database. The first is subjective: GEM's support index, which measures whether respondents perceive their social and cultural environment as supportive of entrepreneurship. Such micro-level perceptions are consistent with the institutional environment in Pro-Liberal Democracies, where stronger property-rights protection, lower corruption, greater state capacity, and more predictable resolution of social conflicts can reduce uncertainty surrounding entrepreneurial activity and strengthen the social legitimacy of business creation. The second is behavioral: established entrepreneurship as a realized occupational choice. Entrepreneurship, however, is inherently heterogeneous — self-employment rates run considerably higher in developing economies, where they largely reflect informal, subsistence-driven activity rather than genuine business creation — so we supplement it with a composite quality index built from GEM's detailed profiles of established owners.[28]

To assess how exposure to each democratic type shapes entrepreneurial outcomes, we estimate $y_{icat} = \bar{\beta}_1 \text{Exposed to Pro-liberal Dem}_{c,s,a} + \bar{\beta}_2 \text{Exposed to Illiberal Dem}_{c,s,a} + \boldsymbol{I}_{icat}\alpha + \tau_{ct} + \lambda_{ca} + \varphi_{at} + \varepsilon_{icat}$, where i, c, a, and t index individuals, countries, ages, and survey years, and y_{icat} denotes the entrepreneurship outcome of interest. The two exposure variables equal one if the individual experienced, respectively, Pro-Liberal or Illiberal Democracy at any point in her lifetime from age six onward, and zero otherwise; $\boldsymbol{I}_{icat}$ collects individual controls including gender and educational attainment. We saturate the model with country-by-year, country-by-age, and age-by-year fixed effects (τ_{ct}, λ_{ca}, φ_{at}) to absorb time-varying country shocks, cohort-specific country traits, and global life-cycle patterns, and cluster standard errors by country throughout.

Table 11 reports the estimates. Column (1) shows that individuals with lifetime exposure to Pro-Liberal Democracy are significantly more likely to perceive their environment as culturally and socially supportive of entrepreneurship, whereas exposure to Illiberal Democracy is not associated with such perceptions. Column (2) shows that this pattern extends to actual entrepreneurial activity: individuals exposed to Pro-Liberal Democracy

[28] The index takes the equally weighted average of seven binary indicators: whether the owner aspires to create at least five jobs within five years; expects more than 25 percent of customers to be located abroad; offers a genuinely new product; uses production technology introduced within the past year; entered the business by opportunity rather than necessity; operates in a medium- or high-technology sector; and faces few competitors offering the same product.

are more likely to found and manage a business, while prior exposure to Illiberal Democracy again has no discernible effect. In column (3), the difference remains when entrepreneurial activity is weighted by the quality index, indicating that the pattern is not driven solely by differences in the number of businesses.

5.5 More Evidence on Mechanisms

The robustness of our findings is confirmed using a series of supplementary methodologies detailed in Appendix J, including the IV approach as described in Section 4.4, a split-sample analysis (Dorsch and Maarek, 2019), and a semi-parametric estimation method (Acemoglu et al., 2019). Appendix K further reveals that Pro-Liberal Democracies significantly reduce various forms of violence, such as election-related and ethnic violence, while Illiberal Democracies show minimal improvements in these aspects and also display weaker institutional quality, especially in protecting disadvantaged groups.

6 Liberal Orientation versus Violence Level in Mobilization

Our analysis of democracy, by focusing on the liberal nature of mobilization during democratization, presents a different perspective from the literature on the violence level at transition time. Even though these two dimensions are correlated, the liberal orientation is overall more salient in predicting growth and institutional quality.

Based on NAVCO 1.3 data (Chenoweth and Shay, 2020), the majority of mobilizations during transition are non-violent in the third-wave democracies, which include 85% of Pro-Liberal Democracy and 67% of Illiberal Democracy. This implies that even though Pro-Liberal Democracy is less likely to exhibit violence than Illiberal Democracy, a significant portion of it (15%) has a violent transition process. Since there is no perfect alignment between these two dimensions, it is useful to find out which one is more salient for future outcomes.

We categorize democratization into two subgroups of Non-violent and Violent Democracy using the NAVCO 1.3 data set for all Third Wave democratization cases.[29] Then

[29] Our approach to identifying the transition scenario differs slightly from prior studies. We utilize campaign data from the transition year and the preceding three years. This extended timeframe captures information from well-known cases, such as the Czech Republic (1993) and Mongolia (1993) in our democracy dataset, which would be omitted with a shorter window (e.g., one or two years around democratization). Additionally, we exclude cases lacking information on violent or nonviolent campaigns during democratization, typically associated with elite-driven democratization.

each subgroup is further divided along the liberal orientation into either Pro-Liberal and Illiberal types. This allows us to run a "horse race" across the four subgroups in Table 10, identifying which combination yields the best performance.

Results of the growth regression in Column (1) show clearly that Pro-Liberal Democracy, regardless of its violence level, shows similar coefficients as in the benchmark case, while those of Illiberal Democracy, even in the non-violent group, are not different from zero. The distinction between Pro-Liberal and Illiberal Democracy is thus more impactful than that the violent dimension for future economic growth.

A similar pattern applies to Columns (2) – (6), where both violent and non-violent Pro-Liberal Democracy groups improve the effectiveness in conflict resolution consistently and significantly; and in most cases, the violent subgroup has stronger effects. The only exception is in Column (7), where the Violence Index drops significantly in non-violent Pro-Liberal Democracy, but increases in violent Illiberal Democracy, and experiences no change in the other two subgroups.

The impact on the institutional quality variables is covered in Columns (8) – (12). The best performing subgroup is Violent Pro-Liberal Democracy for four out of five variables, including the HRV transparency level, Property Rights, Economic Freedom Index, and State Capacity. The only exception is Political Corruption, which declines significantly in non-violent Illiberal Democracy but increases in violent Illiberal Democracy, with no significant changes in Pro-Liberal Democracy.

These findings reveal that the liberal orientation of mobilization during transitional periods constitutes a more reliable predictor of long-term economic and institutional outcomes than the intensity of violence, which, counter-intuitively, does not invariably impede institutional development. A possible interpretation may follow the logic of "no pain, no gain": The *pain* of violence typically signals the existence of more profound social cleavages and structural frailties; if such a society is still able to preserve a preponderance of pro-democratic mobilization and consummate a successful democratic transition, it is a strong evidence for a particularly robust and cooperative civil society, capable to deliver the *gain* of superior performance across economic and institutional dimensions.[30]

[30] Appendix F.13.9 shows that appropriate economic development (Sima and Huang, 2023) is still a necessary condition for positive growth effects of democracy.

7 Concluding Remarks

Democratization represents a profound societal transformation that extends beyond superficial changes in formal institutions and procedures. To ensure liberty, peace, and prosperity, civil society—encompassing individuals, families, organizations, and mass movements—must embrace democratic values and norms. This study demonstrates that the dominance of pro-democratic mobilization over pro-autocratic mobilization during the transition period is critical for fostering robust informal institutions and driving economic growth. In contrast, when pro-autocratic mobilization prevails, democratization yields negligible economic benefits compared to non-transition scenarios. Approximately 25% of Third Wave democratization cases (1960–2020) fall into this latter category.

Our empirical analysis reveals that a permanent transition to Pro-Liberal Democracy increases the long-run economic growth rate by approximately 32%, whereas Illiberal Democracy has a near-zero growth effect. This substantial growth disparity is accompanied by marked differences in cultural norms and institutional quality. For instance, Pro-Liberal Democracies exhibit higher economic freedom, lower corruption, stronger property rights, greater government transparency, reduced conflict, and less social unrest compared to Illiberal Democracies or autocratic regimes.

Among the multifaceted characteristics of mass mobilization during political transitions, the liberal orientation of mobilization proves more significant for long-term economic growth than the level of violence. Notably, 15% of Pro-Liberal Democracy cases involve violent mobilization yet achieve growth outcomes comparable to (or in many dimensions even better than) nonviolent cases. Conversely, Illiberal Democracies, even when nonviolent, fail to enhance growth.

These novel findings offer profound insights into the heterogeneous impacts of democratization along multiple dimensions. Beyond advocating for nonviolent transitions, stakeholders should prioritize promoting democratic values, fostering an environment conducive to pro-democratic civil society and movements, and developing effective strategies to counter pro-autocratic beliefs. Achieving the tipping point where pro-democratic mobilization predominates requires collective efforts at the societal level, underscoring the necessity of cultural transformation preceding political change to establish deep roots for liberty and prosperity.

Future research should investigate the evolution of mobilization dynamics over time and across contexts, develop practical criteria for assessing and enhancing a country's readiness

for Pro-Liberal Democracy, and explore ways to help Illiberal Democracies make progress toward more robust democratic systems.

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Table 1. Summary Statistics of Key Variables

	Pro-Liberal Democracy			Illiberal Democracy			Autocracy			Pro-Liberal – Illiberal	
Variable	**Mean**	(Std.)	Obs.	**Mean**	(Std.)	Obs.	**Mean**	(Std.)	Obs.	**Mean**	p-value
Main Variables											
GDP per capita Growth (%)	**2.202**	4.619	1,785	**1.605**	3.766	370	**1.508**	7.455	3,867	**0.60**	0.01
GDP per Capita (in 2020 US$)	**6,445**	6,490	1,793	**4,451**	4,652	372	**5,058**	10,414	3,958	**1993.86**	0.00
Pro-democratic Mobilization	**-0.0275**	1.158	1,805	**0.295**	0.962	386	**-0.599**	1.455	4,721	**-0.32**	0.00
Pro-autocratic Mobilization	**-1.252**	0.809	1,805	**0.540**	0.977	386	**0.352**	1.329	4,723	**-1.79**	0.00
Institutional Quality Variables											
Economic Freedom Index	**6.548**	0.981	1,648	**5.934**	1.100	350	**5.313**	1.112	3,252	**0.61**	0.00
State Capacity	**0.519**	0.717	1,493	**0.261**	0.846	341	**-0.207**	0.648	4,257	**0.26**	0.00
Transparency (HRV Index)	**2.230**	2.106	899	**1.458**	2.678	220	**-0.0139**	1.518	1,795	**0.77**	0.00
Property Rights Security	**0.802**	0.145	1,805	**0.687**	0.205	386	**0.475**	0.257	4,761	**0.12**	0.00
Political Corruption	**0.510**	0.269	1,796	**0.598**	0.220	386	**0.614**	0.239	4,489	**-0.09**	0.00
Societal Behavior Variables											
Political Violence	**-0.659**	1.424	1,805	**0.0408**	1.542	386	**-0.0597**	1.461	4,729	**-0.70**	0.00
Political Polarization	**-0.162**	1.174	1,805	**0.278**	1.216	386	**0.276**	1.383	4,729	**-0.44**	0.00
Violence Index	**0.120**	1.485	519	**0.767**	1.773	127	**0.181**	1.544	3,201	**-0.65**	0.00
Regime Instability Index	**0.108**	1.206	521	**0.510**	1.449	128	**0.0663**	1.636	3,255	**-0.40**	0.00
Social Unrest	**0.236**	0.425	1,125	**0.372**	0.484	261	**0.291**	0.454	3,724	**-0.14**	0.00

Note: See the text and Appendix for the description of variables and their corresponding sources. T-tests are used to compare whether the differences between Pro-Liberal and Illiberal Democracy groups are significantly different from 0.

Table 2. Effects of Pro-Liberal vs Illiberal Democracy on Growth: Benchmark Results

Dependent Variable: Growth Rate	(1)	(2)	(3)	(4)	(5)
	Baseline	Controlling Lagged Level Nature of Mobilization	Controlling Lagged Dummy Nature of Mobilization	Horse-race with Fake Grouping in a Fixed Year	Alternative Indicator using Nature of Civil Society
Pro-Liberal Democracy (β_P)	0.994***	1.199***	1.114***		0.941***
	(0.319)	(0.394)	(0.350)		(0.321)
Illiberal Democracy (β_I)	0.100	0.099	0.098		0.383
	(0.344)	(0.341)	(0.340)		(0.322)
Nature of Mob. Level (Lagged Year)		-0.222*			
		(0.120)			
Nature of Mob. Dummy (Lagged Year)			-0.381		
			(0.245)		
True Pro-Liberal but Fake Illiberal				0.995**	
				(0.386)	
True Illiberal but Fake Pro-Liberal				-0.079	
				(0.398)	
Pro-Liberal in Both Cases				0.798**	
				(0.342)	
Illiberal in Both Cases				0.190	
				(0.344)	
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.00787	0.00936		0.0777
Countries	133	130	130	108	133
Observations	5,697	5,558	5,558	4,965	5,697
Adjusted R^2	0.191	0.189	0.189	0.151	0.190

Note: A full set of country and year fixed effects are controlled in all specifications, as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 3. Effects of Pro-Liberal and Illiberal Democracy on Growth: Controlling Democratic Stock and Formats

Dependent Variable: Growth Rate	(1)	(2)	(3)	(4)
Pro-Liberal Democracy (β_P)	1.165***	1.475***	1.395**	1.430**
	(0.353)	(0.517)	(0.619)	(0.634)
Illiberal Democracy (β_I)	0.110	0.319	0.319	0.271
	(0.322)	(0.492)	(0.502)	(0.472)
Democratic Stock	-0.003			-0.002
	(0.003)			(0.004)
Majoritarian		-1.145**	-1.380**	-1.345**
		(0.528)	(0.550)	(0.553)
Proportional		-0.898*	-0.935*	-0.858*
		(0.486)	(0.475)	(0.481)
Mixed Election System		0.011	-0.107	-0.042
		(0.748)	(0.759)	(0.776)
Parliamentary			0.999	1.025
			(0.649)	(0.659)
Presidential			-0.449	-0.395
			(0.340)	(0.343)
Semi-Presidential			-0.051	-0.066
			(0.250)	(0.252)
Coef. Test (p-value): $\beta_P = \beta_I$	0.00738	0.0495	0.0997	0.0873
Countries	124	130	130	121
Observations	5,378	4,052	4,052	3,876
Adjusted R^2	0.188	0.188	0.188	0.188

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 4. Effects of Pro-Liberal and Illiberal Democracy on Growth: Alternative Democracy Indicators

Dependent Variable: Growth	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Democracy Indicators Used to Construct the Democracy Dummy in Acemoglu et al. (2019)					Interacted with Democracy Quality Specified in Each Column			
	BMR	CGV	PS	Normalized Polity2	Normalized Freedom House	Machine Learning Index	Normalized Lexical Index	V-Dem Electoral Democracy	V-Dem Liberal Democracy
Pro-Liberal Democracy (β_P)	0.607*	0.821***	0.928**						
	(0.312)	(0.305)	(0.395)						
Illiberal Democracy (β_I)	-0.610*	0.098	0.248						
	(0.365)	(0.304)	(0.553)						
Pro-Liberal Democracy Interacted with Democracy Quality (β_P)				1.195***	1.510***	0.830**	1.181***	1.303**	1.487**
				(0.414)	(0.524)	(0.350)	(0.376)	(0.548)	(0.665)
Illiberal Democracy Interacted with Democracy Quality (β_I)				0.000	-0.244	-0.097	-0.006	-0.051	-0.396
				(0.487)	(0.636)	(0.323)	(0.555)	(0.805)	(1.110)
Coef. Test (p-value): $\beta_P = \beta_I$	0.00437	0.0585	0.285	0.0197	0.00927	0.0206	0.0422	0.0896	0.0742
Countries	125	134	163	127	130	127	122	124	124
Observations	5,479	5,910	6,622	5,179	5,039	4,165	4,033	4,109	4,089
Adjusted R^2	0.181	0.188	0.180	0.178	0.196	0.238	0.225	0.229	0.230

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 5. Impact of Pro-Liberal and Illiberal Democracy on Economic Growth – IV Regression Results

	Panel A:	Panel B: First-Stage Estimates		
Dependent Variable: Growth	2SLS Estimates	Dependent Variable:	Democracy	Pro-Liberal Democracy
Pro-Liberal Democracy (β_P)	1.470***	Regional Democracy Index (one year before transition)	-0.207	-0.113
	(0.494)		(0.149)	(0.126)
Illiberal Democracy (β_I)	-1.953	Regional Democracy Index (two years before transition)	-0.331**	-0.148
	(1.415)		(0.151)	(0.132)
Difference ($\beta_P - \beta_I$)	3.423**	Shared IGO Membership with Old Dem (one year before transition)	12.882***	19.132***
	(1.650)		(3.193)	(6.885)
Hansen Test (p-value)	0.261	Shared IGO Membership with Old Dem (two years before transition)	-6.398**	-14.245**
F-stat. in the First Stage:			(3.209)	(7.107)
IV for Democracy	156.6	Partial R^2	0.637	0.513
IV for Interaction	67.84			
Countries	125		125	125
Observations	5,442		5,442	5,442

Note: Results are based on the 2SLS method. A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, $p < 0.05$, * $p < 0.01$.

Table 6. Potential Mechanisms: Societal Behaviors

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent Variable:	Political Polarization	Pro-Liberal Mobilization	Illiberal Mobilization	Political Violence	Violence Index	Regime Instability Index	Social Unrest
Pro-Liberal Democracy (β_P)	-0.090***	-0.231***	-0.134***	-0.114***	-0.234***	-0.461***	-0.154***
	(0.020)	(0.041)	(0.029)	(0.029)	(0.075)	(0.153)	(0.029)
Illiberal Democracy (β_I)	0.007	-0.060	-0.058	0.029	0.131	-0.135	0.044
	(0.033)	(0.061)	(0.050)	(0.047)	(0.121)	(0.271)	(0.061)
Coef. Test (p-value): $\beta_P = \beta_I$	0.00744	0.00990	0.168	0.00500	0.00393	0.238	0.00218
Countries	130	130	130	130	114	115	126
Observations	5,543	5,543	5,543	5,543	2,621	2,660	3,852
Adjusted R^2	0.191	0.191	0.191	0.191	0.191	0.191	0.191

Note: Four lags of dependent variables and GDP per capita are controlled in each regression. A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 7. Potential Mechanisms: Institutional Quality

	(1)	(2)	(3)	(4)	(5)
Dependent Variable:	Transparency (HRV Index)	Economic Freedom Index	Property Rights	Political Corruption	State Capacity
Pro-Liberal Democracy (β_P)	0.070**	0.042***	0.006**	-0.007**	0.046***
	(0.032)	(0.010)	(0.003)	(0.003)	(0.009)
Illiberal Democracy (β_I)	-0.007	0.011	0.001	-0.003	0.026**
	(0.034)	(0.016)	(0.003)	(0.004)	(0.010)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0999	0.0794	0.159	0.454	0.110
Countries	94	116	130	129	126
Observations	2,362	4,459	5,543	5,369	4,787
Adjusted R^2	0.191	0.191	0.191	0.191	0.191

Note: Four lags of dependent variables and GDP per capita are controlled in each regression. A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 8. Effects of Pro-Liberal and Illiberal Democracy on GDP Growth: Controlling for Behavior Channel

Dependent Variable: Growth	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Pro-Liberal Democracy (β_P)	0.594	0.772**	0.566	0.734**	0.540	0.525	0.812**
	(0.376)	(0.346)	(0.406)	(0.341)	(0.516)	(0.509)	(0.363)
Illiberal Democracy (β_I)	0.103	-0.049	-0.033	0.151	0.134	0.082	0.275
	(0.366)	(0.339)	(0.359)	(0.344)	(0.722)	(0.560)	(0.496)
Political Polarization	-0.614***						
	(0.172)						
Pro-democratic Mobilization		-0.780***					
		(0.139)					
Pro-autocratic Mobilization			-0.525***				
			(0.188)				
Political Violence				-0.567***			
				(0.162)			
Violence Index					-1.070***		
					(0.221)		
Regime Instability Index						-0.709***	
						(0.114)	
Social Unrest							-1.634***
							(0.302)
Coef. Test (p-value): $\beta_P = \beta_I$	0.245	0.0434	0.176	0.125	0.617	0.525	0.317
Countries	130	130	130	130	115	115	127
Observations	5,567	5,567	5,567	5,567	2,748	2,770	4,003
Adjusted R^2	0.196	0.201	0.194	0.196	0.198	0.201	0.197

Note: A full set of country and year fixed effects are controlled, as well as three lags of growth rates and the fourth lag of GDP per capita in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 9. Effects of Pro-Liberal and Illiberal Democracy on GDP Growth: Controlling for Institutional Quality

Dependent Variable: GDP Growth	(1)	(2)	(3)	(4)	(5)
Pro-Liberal Democracy (β_P)	1.228***	0.957***	0.654*	1.022**	0.515*
	(0.385)	(0.321)	(0.368)	(0.391)	(0.268)
Illiberal Democracy (β_I)	-0.203	0.041	-0.080	0.087	0.176
	(0.620)	(0.349)	(0.379)	(0.351)	(0.351)
Transparency (HRV Index)	0.602***				
	(0.202)				
Political Corruption		-0.337			
		(1.185)			
State Capacity			1.691***		
			(0.473)		
Property Rights				0.346	
				(1.202)	
Economic Freedom Index					0.941***
					(0.226)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0526	0.0153	0.0830	0.0218	0.384
Countries	94	129	126	130	122
Observations	2,649	5,477	4,858	5,567	4,684
Adjusted R^2	0.157	0.190	0.176	0.191	0.198

Note: A full set of country and year fixed effects are controlled, as well as three lags of growth rates and the fourth lag of GDP per capita in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 10. GDP Growth and Main Mechanisms: Pro-Liberal/Illiberal versus Violent/Non-Violent Mobilization

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Panel A:	Panel B: Societal Behaviors						Panel C: Institutional Quality				
Dependent Variable:	Growth	Political Polarization	Illiberal Mobilization	Political Violence	Regime Instability Index	Social Unrest	Violence Index	State Capacity	Property Rights	HRV Index	Economic Freedom Index	Political Corruption
Pro-Liberal												
1. Non-violent	0.902**	-0.096***	-0.142***	-0.106***	-0.430**	-0.150***	-0.244***	0.040***	0.002	0.051	0.040***	-0.008
	(0.407)	(0.026)	(0.040)	(0.038)	(0.199)	(0.033)	(0.062)	(0.013)	(0.003)	(0.051)	(0.013)	(0.005)
2. Violent	0.812*	-0.198***	-0.180***	-0.159*	-0.708*	-0.147**	-0.335	0.061***	0.015***	0.193***	0.094***	-0.001
	(0.440)	(0.051)	(0.060)	(0.092)	(0.396)	(0.059)	(0.321)	(0.008)	(0.006)	(0.061)	(0.018)	(0.003)
Illiberal												
3. Non-violent	-0.228	0.013	-0.041	0.060	-0.297	0.123*	-0.066	0.019	-0.000	-0.041	-0.009	-0.009**
	(0.424)	(0.044)	(0.067)	(0.059)	(0.460)	(0.073)	(0.236)	(0.016)	(0.003)	(0.044)	(0.028)	(0.004)
4. Violent	0.502	-0.013	-0.039	0.046	0.314	-0.057	0.382***	0.032	0.008	0.107	0.061***	0.019*
	(1.330)	(0.048)	(0.120)	(0.039)	(0.873)	(0.185)	(0.122)	(0.024)	(0.006)	(0.078)	(0.019)	(0.011)
Countries	104	101	101	101	89	99	88	99	101	76	90	100
Observations	4,370	4,242	4,242	4,242	2,049	2,980	2,021	3,693	4,242	1,869	3,445	4,091
Adjusted R^2	0.173	0.952	0.941	0.945	0.143	0.310	0.788	0.978	0.986	0.975	0.988	0.980

Note: A full set of country and year fixed effects are controlled in all specifications. Column (1) includes three lags of growth rates and the fourth lag of GDP per capita. Four lags of dependent variables and GDP per capita are controlled in each regression reported in columns (2)–(12). Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table 11. The Impact of Exposure to Pro-Liberal vs. Illiberal Democracy on Entrepreneurship: Evidence from the GEM Dataset

	(1) Societal & Cultural Support Index	(2) Established Entrepreneur	(3) Quality of Established Entrepreneur
Pro-Liberal Democracy (β_P)	0.444***	0.056***	0.008***
	(0.035)	(0.009)	(0.001)
Illiberal Democracy (β_I)	-0.075***	0.006	-0.001
	(0.014)	(0.021)	(0.002)
Coef. Test (p-value): $\beta_P = \beta_I$	0.000	0.016	0.001
Countries	62	70	70
Observations	532,059	1,062,058	1,057,072
R^2	0.125	0.069	0.037
Mean of dependent variable	1.921	0.0913	0.0145

Note: This table investigates the effect of at least exposure to Pro-Liberal vs Illiberal Democracy on entrepreneurship using individual-level regressions. The regressions control for country × survey year fixed effects, country × age fixed effects, survey year × age fixed effects. Additionally, basic individual-level covariates (including gender and education fixed effects) are also incorporated. The outcome indicators are specified in the top row of the table. Due to space limitations, only the coefficient of Pro-Liberal Democracy and Illiberal Democracy are reported. Robust standard errors clustered at the country level are presented in parentheses, with asterisks indicating significance levels (* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$).

Online Appendix for

"How Democracies Are Born Matters: The Ideological Orientation of Mobilization and Long-Run Growth"

by Di Sima and Fali Huang

November, 2026

A Argument **3**
A.1 Nature of Civil Society Matters . . . 3
A.2 Nature of Mobilization During Democratization and Post-transition Performance . . . 5
A.3 Possible Mechanisms: Institutions and Behavioral Patterns . . . 6
A.4 Beyond Violence: Pro-liberal/Illiberal Mobilization . . . 7

B Global Map and Country Table of Initial Mobilization in Third-Wave Democracies **8**

C Trends of Pro-democratic vs. Pro-autocratic Mobilization in Democratizing Countries **10**

D Summary Statistics: Conditions During Democratization **13**

E Comparative Democratization: Divergent Paths in Mexico and Chile **13**

F Further Growth Regressions and Robustness **17**
F.1 Using Different Values of Nature of Mobilization to Categorize Democracy 17
F.2 Alternative Indicators as Grouping Indicator . . . 17
F.3 Alternative Democracy Indicators and A Longer Time Period . . . 19
F.4 The Economic Implications of Pro-democratic Mobilization During Democratic Transitions . . . 21
F.5 Beyond Binary Classifications . . . 23
F.6 Mitigating the Impact of Outliers . . . 24
F.7 Controlling for Economic and Demographic Factors . . . 25

F.8 Ex-colonial/Non-colonial Democracy vs Pro-Liberal/Illiberal Democracy on Growth . . . 26
F.9 Consider Nature of Mobilization During Democratic Breakdown . . . 27
F.10 Structural Shifts Around 1990 and Heterogeneous Effects on Growth . . . 27
F.11 Distinguishing Democratization and Reversals . . . 28
F.12 Alternative Grouping Strategies for Pro-Liberal and Illiberal Democracy . 29
F.13 Further Scrutiny: Examining Specific Scenarios and Alternative Specifications 29

G Alternative Techniques to Estimate Growth Effects 36
G.1 Using Method from Eberhardt (2022): A Factor-augmented DID . . . 36
G.2 Using Recent DID techniques to Explore the Growth Effects . . . 38

H Calculating Long-Run Growth Impact 39

I IVs for Growth Regressions and Alternative IV Results 41

J Strengthening the Mechanism Analysis: Further Robustness Checks 43
J.1 IV Method: Behavioral and Institutional Channels . . . 43
J.2 Split-Sample Analysis . . . 43
J.3 Semiparametric Estimates on Mechanisms . . . 43

K Additional Effects on Violence and Institutional Outcomes 45

L Data Sources 45

A Argument

A.1 Nature of Civil Society Matters

While the positive association between civil society and democracy is well-established (De Tocqueville, 1835; Putnam, 1995, 2000; Grugel and Bishop, 2014), the nature of this influence remains a subject of intricate debate.[31] Recent scholarship suggests that beyond mere size and presence, the type of civil society mobilization during and after transitions shapes distinct democratic trajectories (Berman, 1997; Chambers and Kopstein, 2001; Kopecký and Mudde, 2003; Way, 2014; Satyanath et al., 2017; Sombatpoonsiri, 2020; Grahn and Lührmann, 2021; Lorch, 2021; Hellmeier and Bernhard, 2023; Bisin and Verdier, 2024). For instance, the National Socialist German Workers' Party's exploitation of pre-existing civil society networks to mobilize citizens for their anti-democratic agenda (Berman, 1997; Satyanath et al., 2017). This starkly illustrates the capacity of non-democratic actors to manipulate civil society and jeopardize democratic foundations. Riley (2010) also argues that the development of civil society abetted the rise of fascism in Italy, Spain and Romania.

Moreover, the negative role of civil society and mobilization is not confined to the pre-World War II era. In recent decades, Venezuela's democratic regression was fueled by mass mobilization that supported constitutional changes expanding executive power under President Chávez (Briceno-Leon, 2005; Hawkins and Hansen, 2006; León and Smilde, 2009). In Turkey, Erdoğan's mass appeal to conservative and nationalist values has galvanized public support, enabling the erosion of democracy and centralization of power (Çaylak, 2008; Doyle, 2017; Yabanci, 2019; Esen and Gumuscu, 2021). The collapse of Thai democracy illustrates how mass mobilization driven by partisan interests can destabilize democratic institutions and lead to repeated military coups and political instability (Sombatpoonsiri, 2020; Lorch, 2021; Sinpeng, 2021; Wise, 2024). The collapse of Egyptian democracy demonstrates the dual nature of mass mobilization, which can both support and undermine democracy, as seen in the 2011 protests that led to Mubarak's overthrow and the 2013 demonstrations that justified the military's re-establishment of dictatorship

[31] Tocqueville (Encarnacion, 2000) argued that civil society functions as a training ground for democracy. Here, citizens develop and internalize democratic norms like trust, tolerance, and compromise. These "large schools" also nurture democratic leadership. Cohen and Arato (1992) posit that democratic principles practiced at the micro-level in civil society translate to social skills and trust at the macro-state level, essentially reproducing democracy. Further, civil society fosters democratic customs and social capital (Putnam, 2000; Wolfgang, 2004). Social capital, in turn, provides the moral and cultural foundation necessary for a functioning democracy.

under Sisi (Ibrahim, 2015; Ketchley, 2017). In addition, Hungary's democratic regression under Orbán has been fueled by strategic mass mobilization using nationalist rhetoric and media control, enabling the systematic erosion of democratic institutions while maintaining popular support (Herman, 2016; Fesnic, 2016; Susanszky et al., 2016; Bogaards, 2018).

Therefore, the nature of civil society and the types of mobilization involved are of paramount importance, although strength is still a crucial factor. We contend that the development of economics and democratic institutions depends on recognizing the diverse trajectories that Pro-liberal and Illiberal actors can initiate.

Democratization is often seen as a critical juncture because it represents a moment of profound institutional transformation that can fundamentally alter a country's political, social, and economic trajectory.[32] Democratization involves a shift from non-democratic systems to more inclusive and competitive political institutions. Once this shift occurs, new democratic institutions (e.g., free elections, rule of law, separation of powers) can set a country on a distinct path. After democratization, subsequent decisions tend to follow this new institutional framework, making it difficult to revert to the previous system due to path dependence. In other words, the initial choices made during democratization can create self-reinforcing patterns that are difficult to change later, influencing future political developments.

Furthermore, democratization establishes norms of political competition, civil liberties, and citizen participation. These norms shape the behavior of political elites and the public. As these become embedded in society, they help lock in the democratic system, making a return to authoritarianism harder. The long-lasting effects of such changes underscore the critical juncture framework. Equal important, democratization can also mark a shift in economic policies. As political power becomes more widely distributed, it leads to demands for more inclusive economic institutions, which may have long-term effects on economic development, creating a new path that influences human capital, and economic growth.

As Capoccia (2015) aptly note, the heightened probability of consequential choices during political transitions renders such junctures fertile ground for examining long-term implications, particularly on economic performance. This critical lens resonates with sem-

[32] An example of democratization as a critical juncture is the transition from apartheid to democracy in South Africa in the early 1990s. This period involved intense negotiations, the crafting of a new constitution, and decisions about how to address past injustices. These choices have had profound and lasting effects on South African politics and society (Klug, 2000; Sisk, 2017).

inal work by Moore (1966), highlighting how key historical moments influence a nation's trajectory. Formal theories (Cervellati et al., 2012, 2014; Besley and Persson, 2019; Rivas, 2023; Bisin and Verdier, 2024) illuminate how seemingly small differences in initial conditions or pivotal events can nudge outcomes towards greater inclusivity or extractiveness. Empirical studies (Sunde and Cervellati, 2013; Albertus and Menaldo, 2014; Cervellati and Sunde, 2014; Cervellati et al., 2014; Albertus and Menaldo, 2018; Sima and Huang, 2023) further solidify this critical juncture perspective.

Therefore, democratization represents a critical juncture, a moment of extraordinary fluidity and potential. The choices made during this period resonate far beyond the immediate transition, shaping not only institutions and culture, but also long-term economic performance (Bisin and Verdier, 2024). Understanding the complex dynamics of civil society mobilization within this critical window holds the key to unlocking a future of inclusive and prosperous democracies.

A.2 Nature of Mobilization During Democratization and Post-transition Performance

While the presence of civil society is often lauded as a pillar of thriving democracies, a deeper understanding hinges on recognizing the dynamic nature of mobilization during and after democratization. Mere institutional structures fail to capture the nuanced ways civil society shapes regime change. Scholars like Granovetter (1978); Oliver (1993); Diani and Della Porta (2005); DeNardo (2014) highlight how protests and dissent not only expose hidden discontent and ignite collective action under authoritarian rule, but also reveal widespread opposition and moral commitment (Kuran, 1991; Lohmann, 1994; Hellmeier and Bernhard, 2023). A diverse protest landscape brimming with various actors and tactics indicates a robust foundation of social opposition and collective agency.

However, our focus extends beyond mere presence. We argue that the qualitative nature of young democracies lies not only in establishing formal institutions, but also in the initial character of their civil society and the dynamics of mobilization during the transition. It is during this critical juncture that the trajectories of Pro-liberal and Illiberal Mobilization diverge, leaving distinct and enduring legacies that shape post-transition institutions, behavioral patterns, and cultural norms.

As Besley and Persson (2019); Bisin and Verdier (2024) argue, a society's initial values influence the institutions it creates, while these institutions, in turn, shape the evolution of

future culture and values. This feedback loop manifests distinctly in contrasting contexts. Democracies born of Pro-liberal Mobilization foster a culture of cooperation, compromise, and respect for opponents, nurturing Pro-liberal values that reinforce the democratic order. Conversely, those born of Illiberal Mobilization tend to cultivate a culture of exclusion, conflict, and authoritarianism, characterized by Illiberal values that ultimately lead to institutional decay and the erosion of democratic gains.

By shifting our focus to the dynamic qualities of mobilization, we unveil a richer understanding of civil society's influence. In young democracies, the seeds of future prosperity or peril are sown not just in formal structures, but also in the nature of civil society's engagement during the pivotal moments of transition.

A.3 Possible Mechanisms: Institutions and Behavioral Patterns

The very nature of the mobilization that births a new democracy holds the key to its future trajectory. These early movements cast long shadows, shaping its path through two interlinked mechanisms: institutional and behavioral. On the institutional front, formal arrangements like property rights, and economic freedom pave the way for inclusive development. These legacies, stemming from the initial nature of mobilization, determine how resources are allocated and opportunities distributed.[33] In particular, Illiberal Mobilization is likely to create exclusionary institutions immediately after democratization, reflecting their zero-sum nature. For example, they may favor resource allocation towards their own group, undermining broader economic growth. Conversely, Pro-liberal Mobilization, by their very nature, foster inclusive institutions that benefit diverse societal groups.

While the formal institutions established at a democracy's birth are important, behavioral legacies, as explored by Acharya et al. (2017) and García-Ponce and Wantchekon (2017), hold equal weight in shaping its future. These legacies refer to the enduring influence of the founding nature of mobilization on political attitudes, collective behavior, and community norms, particularly those surrounding political expression, social movements, and tolerance. These norms, shaped by the initial nature of movement's dynamics, ultimately determine whether the young democracy leans towards inclusivity and collaboration or succumbs to the allure of autocracy. For example, Illiberal Mobilization, marked by intolerance and violence, can sow the seeds of instability and unrest, while Pro-liberal

[33] Emerging scholarship highlights the profound influence of early civil society mobilization on the subsequent opportunities and resource landscape for ordinary citizens within nascent democracies (Fernandes, 2015; Fishman, 2017).

Mobilization, fostering tolerance and peaceful participation, paves the way for social cohesion and stability, conditions necessary for economic development. In essence, the seeds of a democracy's future are sown in the very act of its birth, with the type of mobilization acting as a crucial predictor of its success or failure.

As Bisin and Verdier (2024) argue, a successful transition requires more than elite turnover; it necessitates a supportive cultural and institutional landscape. Illiberal pathways hinder this fertile ground by prioritizing power consolidation over inclusive engagement, casting a long shadow on the civic opportunities available to citizens in new democracies.

A.4 Beyond Violence: Pro-liberal/Illiberal Mobilization

Traditional analyses of social movements in democratization often categorize them solely as "violent" or "nonviolent," potentially overlooking crucial nuances. Instead, we propose that the underlying orientation of the mobilization – Pro-liberal or Illiberal – offers a more powerful lens for understanding economic and political outcomes.

While Pro-liberal movements are often nonviolent (85% in our data), and Illiberal movements more likely to involve violence (33%), violence itself is not the key determinant. As Yabanci (2019); Lorch (2021) argue, even nonviolent movements embracing autocratic principles can erode democracy. Sombatpoonsiri (2020) further highlights the concept of "authoritarian civil society," where peaceful mobilization can undermine democracy by promoting strongman leadership and suppressing dissent. These movements, despite their methods, prioritize order over democratic ideals, ultimately dismantling existing institutions (Kopecký and Mudde, 2003; Hadiz, 2018).

Conversely, Huntington (1993) acknowledges the potential benefits of violent pro-democratic movements.[34] Our findings support this view, suggesting that Pro-liberal movements, even those employing violence, can contribute positively to development.

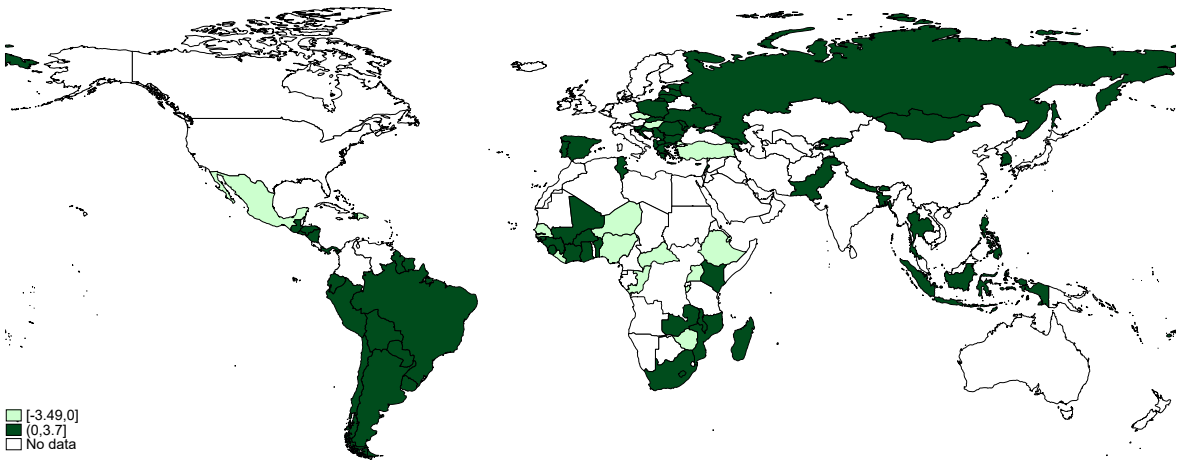
By shifting our focus beyond the simplistic "violent vs. nonviolent" dichotomy, we gain a richer understanding of the drivers of economic and political change. The nature of mobilization, its orientation towards Pro-liberal or Illiberal, emerges as a crucial factor in shaping the trajectory of democratization.

[34] While advocating for peaceful transitions, Huntington (1993) recognized the potential of violent pro-democratic movements as catalysts for dismantling entrenched authoritarian regimes and laying the groundwork for democracy.

B Global Map and Country Table of Initial Mobilization in Third-Wave Democracies

Figure A1 maps the nature of mobilization indicator around the time of democratization for third-wave democracies. It illustrates the data coverage and variation between countries with Pro-autocratic Mobilization dominates the democratization process (light green) and those with Pro-democratic Mobilization dominates the democratization process (dark green). For countries with multiple democratic transitions, the average initial nature of mobilization is used. The country list and corresponding initial values of nature of mobilization are provided in Table A1.

Figure A1. Values of the Initial Nature of Mobilization in Third Wave Democratizing Countries Worldwide



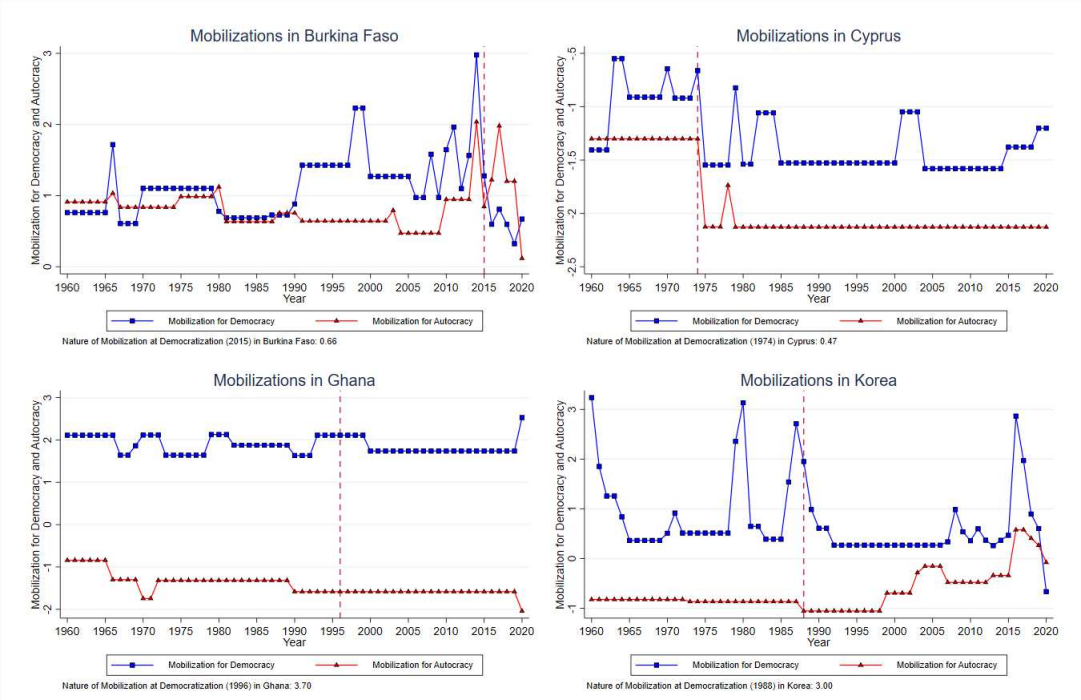
Note: This world map illustrates the nature of mobilization around the time of democratization for countries undergoing democratic transitions during the third wave of democratization. The map depicts the variation across countries, with light green shading representing countries that experienced Pro-autocratic Mobilization dominates the democratization process (a nature of mobilization indicator between -3.49 and 0), and dark green shading indicating countries with Pro-democratic Mobilization dominates the democratization process (a nature of mobilization indicator between 0 and 3.7). For countries with multiple democratic transitions, the average initial nature of mobilization is used. Gray areas represent countries that did not democratize during the third wave or those with unavailable data.

Table A1. The List of Countries Ranked by Nature of Mobilization during Democratic Transition in 1960–2020

Country	Dem. Period	Nature of Mob. at Transition	Percentile (%)	Country	Dem. Period	Nature of Mob. at Transition	Percentile (%)	Country	Dem. Period	Nature Mob. at Transition	Percentile (%)
Uganda	1980-1984	-3.486	1	Armenia	1998-2020	0.460	35	Albania	1997-2020	1.490	70
Burundi	2003-2013	-1.472	1	Cyprus	1974-2020	0.468	36	Pakistan	1972-1976	1.494	71
Turkey	1983-2015	-1.380	2	Slovak Republic	1993-2020	0.528	37	Slovenia	1992-2020	1.555	72
Thailand	2008-2013	-1.238	3	Mali	2013-2019	0.533	38	Zambia	1991-2020	1.582	73
Dominican Republic	1978-2020	-1.153	4	Sierra Leone	2001-2020	0.539	39	Pakistan	2008-2020	1.610	74
Liberia	2004-2020	-1.063	5	Fiji	1990-2005	0.556	40	Bolivia	1982-2020	1.767	75
Congo, Rep	1992-1996	-0.961	6	Solomon Islands	2004-2020	0.563	41	Haiti	1994-1999	1.790	76
Niger	2010-2020	-0.829	7	Tunisia	2011-2020	0.587	42	Lebanon	2005-2018	1.827	77
Comoros	1990-1994	-0.804	8	Latvia	1993-2020	0.659	43	South Africa	1994-2020	1.893	78
Senegal	2000-2020	-0.794	9	Burkina Faso	2015-2020	0.664	44	Argentina	1983-2020	1.963	79
Central African Republic	1993-2002	-0.766	10	Indonesia	1999-2020	0.669	45	Malawi	1994-2020	1.992	80
Hungary	1990-2020	-0.714	11	Mozambique	1994-2018	0.688	46	Benin	1991-2020	2.080	81
Lesotho	1993-1997	-0.621	12	Pakistan	1988-1998	0.727	47	Madagascar	1993-2008	2.099	82
Djibouti	1999-2009	-0.587	13	Poland	1990-2020	0.732	48	Mongolia	1993-2020	2.107	83
Niger	1999-2008	-0.481	14	Cote d'Ivoire	2012-2018	0.760	49	Peru	1980-1991	2.171	84
Guinea-Bissau	2005-2011	-0.471	15	Nicaragua	1990-2017	0.781	50	Lithuania	1993-2020	2.140	84
Turkey	1973-1979	-0.400	16	Estonia	1992-2020	0.786	51	Madagascar	2011-2020	2.172	85
	1997-2020	-0.342	17	Ukraine	1994-2020	0.790	51	Nepal	2006-2020	2.241	86
Niger	1991-1995	-0.338	17	Ecuador	1979-2020	0.810	52	Kyrgyz Republic	2010-2019	2.308	87
Lesotho	1999-2020	-0.276	18	Croatia	2000-2020	0.843	53	Thailand	1992-2005	2.414	88
Ethiopia	1995-2009	-0.219	19	Cabo Verde	1991-2020	0.875	54	Bulgaria	1991-2020	2.482	89
Guatemala	1966-1973	-0.210	20	Peru	1963-1967	0.879	55	Brazil	1985-2020	2.488	90
Nigeria	1979-1983	-0.184	21	Nepal	1991-2001	0.898	56	Honduras	1982-2018	2.573	91
Zimbabwe	1978-1986	-0.183	22	North Macedonia	1991-2020	0.930	57	Spain	1978-2020	2.625	92
Nigeria	1999-2020	-0.158	23	Guyana	1992-2020	0.954	58	Armenia	1991-1995	2.736	93
Turkey	1961-1970	-0.109	24	Greece	1975-2020	0.983	59	Russian Federation	1993-2003	2.947	94
Czech Republic	1993-2020	-0.084	25	Uruguay	1985-2020	1.042	60	Mali	1992-2011	2.984	95
Peru	1993-2020	0.070	26	Thailand	1978-1990	1.045	61	Korea, Rep	1988-2020	2.998	96
Comoros	2002-2017	0.145	27	Panama	1994-2020	1.118	62	Philippines	1987-2020	3.609	97
Bhutan	2008-2020	0.188	28	Seychelles	2016-2020	1.151	63	Portugal	1976-2020	3.645	98
Chile	1990-2020	0.195	29	Guinea	2010-2020	1.153	64	El Salvador	1982-2020	3.680	99
Georgia	1995-2020	0.199	30	Guatemala	1986-2020	1.172	65	Ghana	1996-2020	3.696	100
Fiji	2014-2020	0.237	31	Serbia	2000-2020	1.180	66				
Bangladesh	2009-2017	0.277	32	Kenya	2002-2020	1.234	67				
Bangladesh	1991-2006	0.288	33	Guinea-Bissau	2014-2020	1.234	67				
Romania	1990-2020	0.404	34	Moldova	1994-2020	1.234	67				
Suriname	1991-2020	0.405	34	Paraguay	1993-2020	1.472	69				

Note: Nature of mobilization constructed by Pro-democratic Mobilization and Pro-autocratic Mobilization, which are from V-Dem.

Figure A2. Consistently Dominant Pro-democratic Mobilization in Democratizing Countries



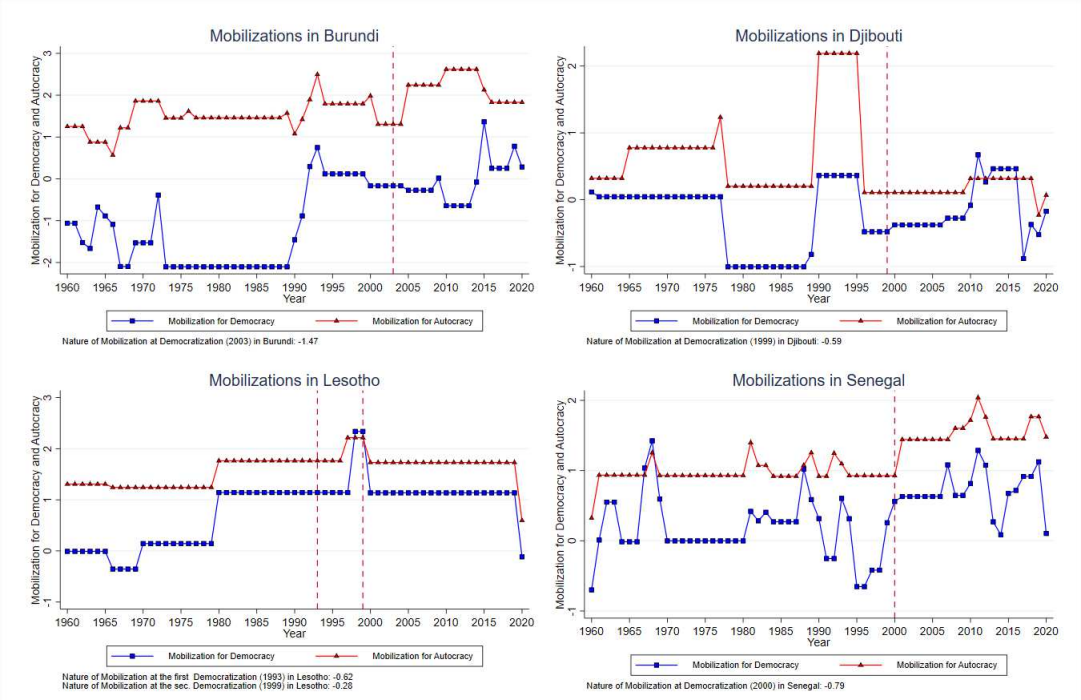
Note: This figure illustrates the trends of Pro-democratic and Pro-autocratic Mobilization in democratizing countries during the Third Wave, highlighting a consistent dominance of Pro-democratic Mobilization throughout the entire sample period. The blue line with squares indicates the scale of Pro-democratic Mobilization over time, with higher values reflecting larger scales. In contrast, the red line with triangles represents Pro-autocratic Mobilization, where higher values also signify greater scales. The vertical dashed line marks the year of democratization, with the corresponding value indicating the nature of mobilization during transition (the difference between Pro-democratic and Pro-autocratic Mobilization).

C Trends of Pro-democratic vs. Pro-autocratic Mobilization in Democratizing Countries

The analysis reveals distinct patterns of Pro-democratic and Pro-autocratic Mobilization during the Third Wave of democratization. In certain cases, such as Burkina Faso, Cyprus, Ghana, and South Korea, Pro-democratic Mobilization consistently dominates throughout the sample period, including the democratization phase (see Figure A2).

Conversely, Pro-autocratic Mobilization prevails in some countries like Burundi, Dji-

Figure A3. Consistently Dominant Pro-autocratic Mobilization in Democratizing Countries

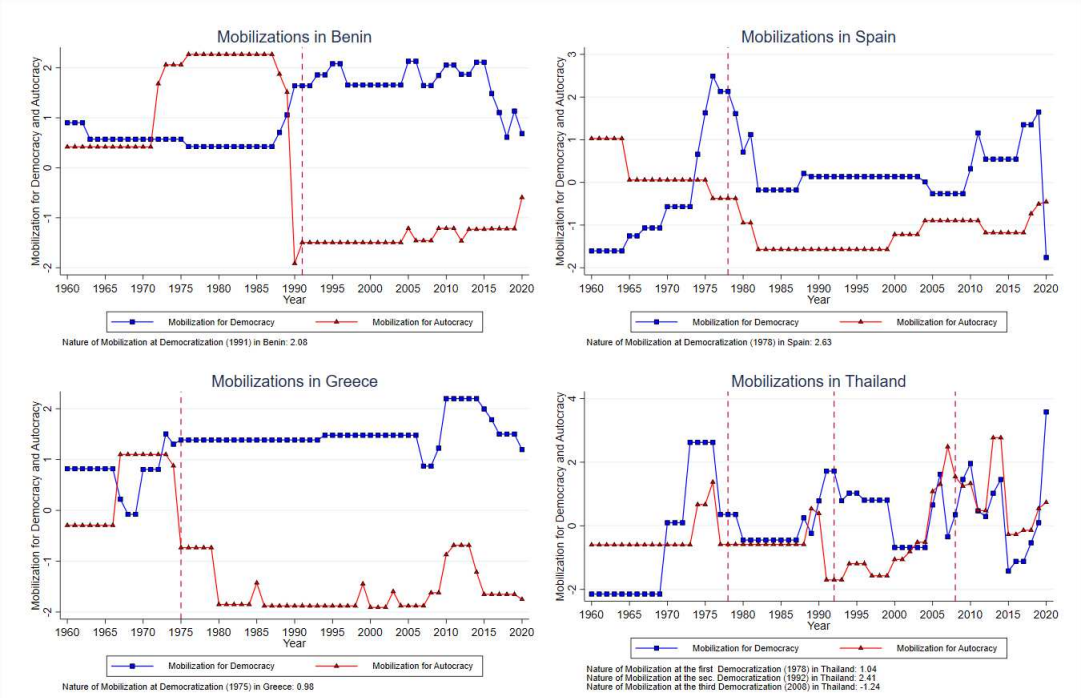


Note: This figure depicts the trends of Pro-democratic and Pro-autocratic Mobilization in democratizing countries during the Third Wave, showing a consistent dominance of Pro-autocratic Mobilization throughout the sample period. The blue line with squares represents the scale of Pro-democratic Mobilization over time, where higher values indicate larger scales. Conversely, the red line with triangles illustrates Pro-autocratic Mobilization, with greater values reflecting increased scales. The vertical dashed line denotes the year of democratization, and the corresponding value represents the nature of mobilization during transition (the difference between Pro-democratic and Pro-autocratic Mobilization).

bouti, Lesotho, and Senegal during the same time frame (see Figure A3).

The most common scenario involves fluctuating levels of mobilizations, where either Pro-democratic or Pro-autocratic forces can dominate at different time, as observed in Benin, Spain, Greece, and Thailand (see Figure A4).

Figure A4. Democratizing Countries with Fluctuating Levels



Note: This figure presents the trends of Pro-democratic and Pro-autocratic Mobilization in democratizing countries during the Third Wave, revealing periods of dominance by both types of mobilization. Pro-democratic mobilization prevails at certain times, while Pro-autocratic Mobilization is dominant at others. The blue line with squares indicates the scale of Pro-democratic Mobilization over time, with higher values denoting larger scales. The red line with triangles represents the scale of Pro-autocratic Mobilization, where increased values also reflect greater scales. The vertical dashed line marks the year of democratization, along with the corresponding value indicating the nature of mobilization during transition (the difference between Pro-democratic and Pro-autocratic Mobilization).

D Summary Statistics: Conditions During Democratization

The nature of mobilization during democratization is closely linked to a country's economic structure at that time. Our examination of key structural variables, detailed in Table A2, reveals significant differences between cases of positive and negative nature of mobilization during transition. Notably, countries exhibiting positive mobilization during democratization have higher levels of human capital, as indicated by enrollment rates, human capital stock from PWT, average years of schooling, and the percentage of the population with secondary education. These countries also show lower inequality in human capital, measured by the educational Gini index and accessibility to quality basic education.

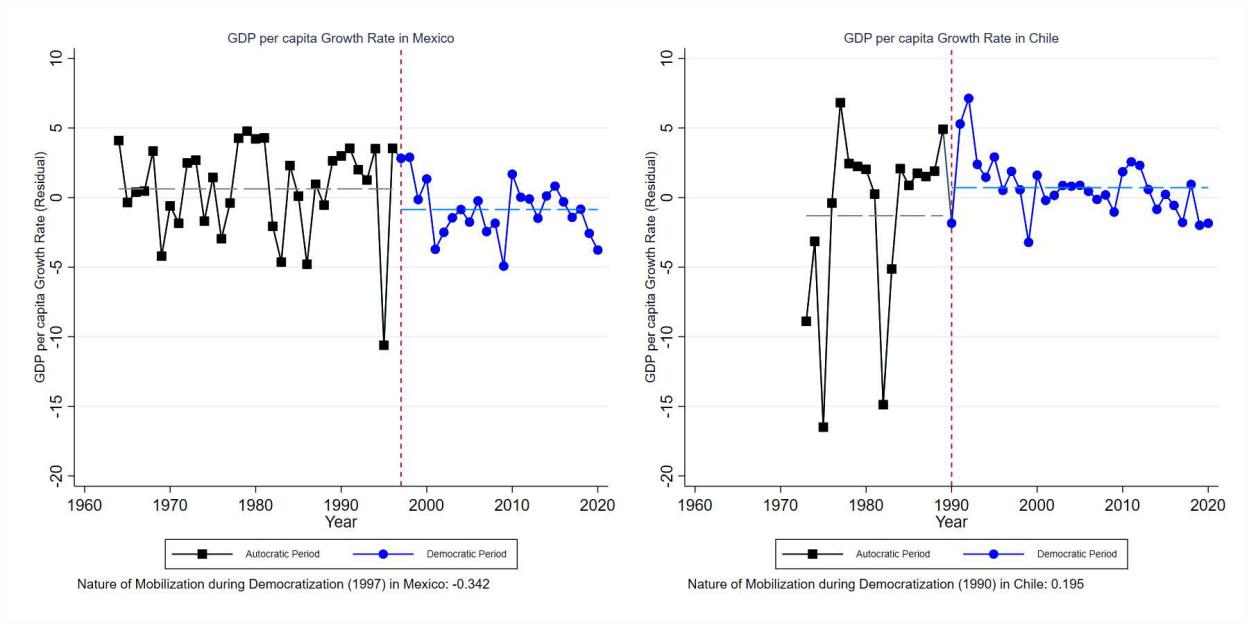
E Comparative Democratization: Divergent Paths in Mexico and Chile

The contrasting democratic trajectories of Mexico and Chile offer compelling empirical evidence supporting our theoretical framework. Both nations underwent democratic transitions and shared comparable levels of economic development in the 1990s, and both have maintained a Polity IV score of 7 or higher since 2005. However, their transition processes featured distinct mobilization dynamics: Chile's democratization exhibited marginally stronger pro-democracy coalition influence, whereas Mexico's transition was characterized by relatively greater dominance of actors with autocratic affiliations.

Post-transition economic outcomes diverged markedly between these cases. As Figure A5 demonstrates, Chile experienced accelerated economic growth following democratization, while Mexico entered protracted stagnation. This divergence aligns systematically with variations in mobilization patterns during regime change. The Chilean experience illustrates how pro-democratic mobilization facilitated institutional reforms conducive to sustained growth, whereas Mexico's trajectory highlights how residual autocratic influences constrained economic development. These findings underscore the explanatory power of mobilization typologies in connecting political transitions to long-term development outcomes.

Chile's democratic reconstruction emerged from the 1988 plebiscite that terminated Pinochet's authoritarian regime, characterized by extensive cross-ideological democratic ac-

Figure A5. GDP Growth in Mexico (Left) and Chile (Right)



tivism. Our dataset reveals that democratically-oriented mobilization slightly outweighed autocratic mobilization during this transitional period, yielding a positive nature of mobilization score (0.195). This progressive coalition united civil society organizations, labor movements, and diverse political factions through the "Concertación" alliance to advocate for comprehensive democratic reforms. Such coordinated pro-democratic engagement established robust normative foundations for Chile's subsequent democratic consolidation (Posner, 2008; Oxhorn, 2010; Garretón, 2019).[35]

In contrast, Mexico experienced democratization through incremental, elite-negotiated processes predominantly controlled by the entrenched Institutional Revolutionary Party (PRI). Despite opposition advances culminating in Fox's presidential victory in 2000, political participation remained characterized by clientelist networks, corporatist arrangements, and embedded patronage systems (Olvera, 2001; Langston, 2002; Dresser, 2003; Greene,

[35]Chile's cross-ideological pro-democratic mobilization and its institutionalization through the Concertación coalition are well-documented. Oxhorn (2010) details the coordination of labor unions and civil society groups, while Garretón (2019) analyzes the coalition's strategic integration of democratic principles into constitutional reforms. Posner (2008) links this mobilization to the establishment of durable democratic norms, including elite accountability and participatory governance.

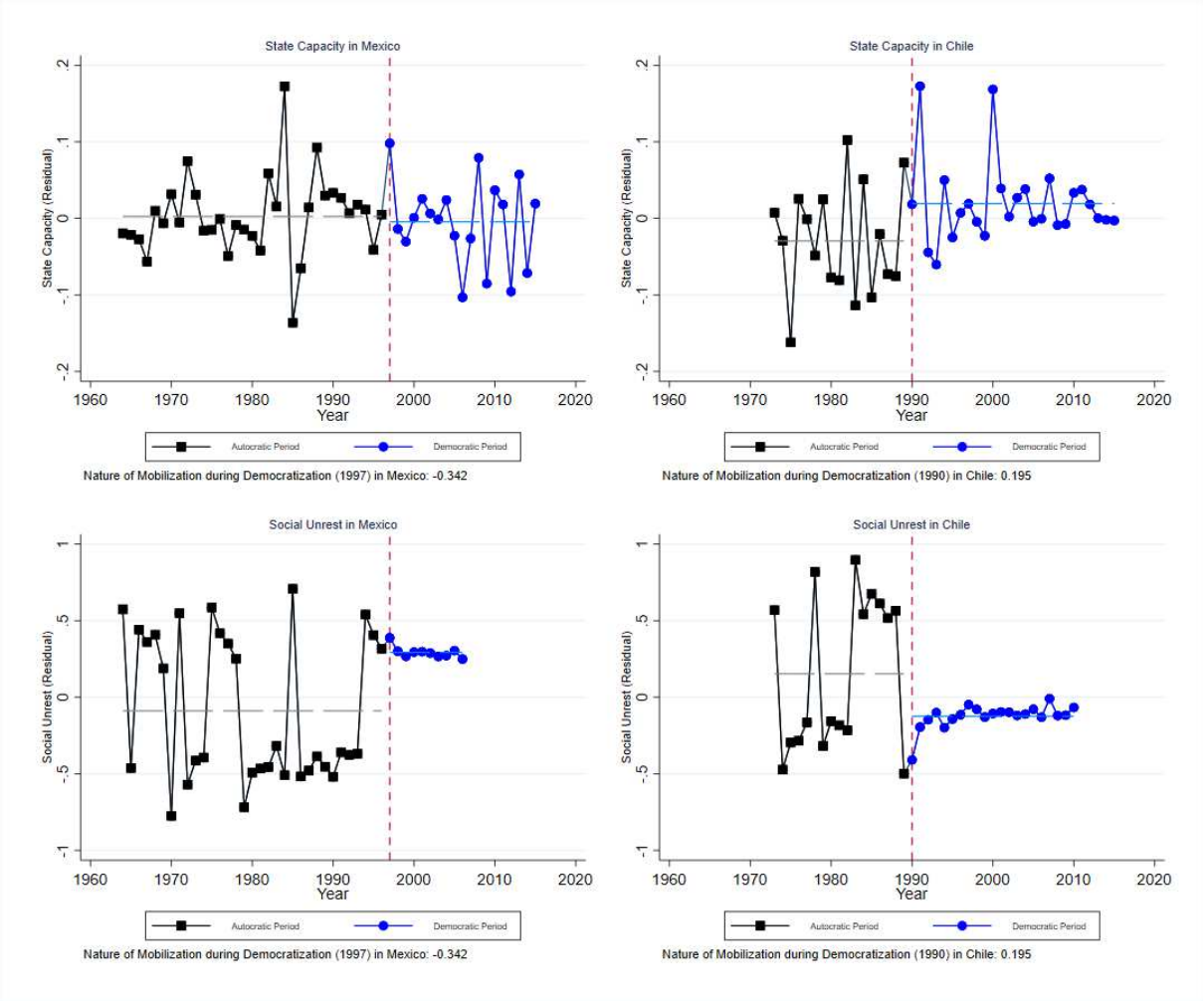
2007; Hilgers, 2011).[36] Our dataset indicates that autocratic mobilization slightly exceeded democratic mobilization during this period, resulting in a negative nature of mobilization score (-0.342). These illiberal elements persisted throughout the transition, undermining the development of substantive democratic norms.

Based on our classification criteria, Mexico's transition exemplifies Pro-autocratic Mobilization, categorizing it as an Illiberal Democracy, while Chile's Pro-democratic Mobilization establishes it as a Pro-Liberal Democracy. The institutional consequences of these divergent mobilization patterns are evident in subsequent governance outcomes. Chile has demonstrated substantial advancements in political governance and institutional quality post-transition, characterized by enhanced state capacity and reduced social instability. Mexico, despite establishing comparable formal democratic frameworks, continues to face persistent governance challenges, showing minimal improvement in state capacity while experiencing deteriorating social cohesion, as Figure A5 clearly illustrates.[37] The divergent trajectories observed between Chile and Mexico remain consistent across multiple institutional and stability measures (available upon request), suggesting a systematic relationship between the nature of democratic mobilization and subsequent institutional development.

[36]Mexico's elite-dominated transition and persistent illiberal practices are widely analyzed. Greene (2007) details the PRI's retention of corporatist controls, while Dresser (2003) and Hilgers (2011) demonstrate the adaptation of clientelism under electoral competition. Langston (2002) links the PRI's organizational legacy to constrained opposition strategies, and Olvera (2001) contrasts Mexico's weak civil society with more participatory transitions.

[37]To isolate the specific effects of political transition on these institutional indicators, our analysis controls for lagged values of each indicator, income levels, and time trends. This methodological approach distinguishes transition-specific effects from broader developmental patterns.

Figure A6. State Capacity and Social Unrest in Mexico (Left) and Chile (Right)



This comparative analysis reinforces our theoretical framework: mobilization characteristics during democratic transitions significantly influence subsequent democratic quality and performance. Pro-democratic Mobilization establishes normative foundations conducive to Pro-Liberal democratic development and institutional effectiveness, while Pro-autocratic Mobilization patterns undermine these foundations despite the formal establishment of democratic procedures.

F Further Growth Regressions and Robustness

F.1 Using Different Values of Nature of Mobilization to Categorize Democracy

Estimation results based on Equation (1) are shown in Table A3, using average nature of mobilization over the transition and prior two years with different cutoffs to categorize Pro-Liberal versus Illiberal Democracies. In Column (4), setting the threshold at the 25th percentile (where the nature of mobilization approaches zero) results in the exact same classification of countries into Pro-liberal and Illiberal democracies. Consequently, this yields results identical to the baseline specification in Column (1). Results are similar with the 20th or 15th percentile thresholds in the Columns (2)–(3). As the cutoff increases, the difference diminishes and loses significance. At the limit using a single democracy indicator as in Acemoglu et al. (2019) in the last column, the estimates converge to the average effect.

F.2 Alternative Indicators as Grouping Indicator

We define the nature of mobilization in the main paper as the difference between Pro-democratic Mobilization and Pro-autocratic Mobilization. We use each of these indicators with different cutoffs separately to categorize Pro-Liberal and Illiberal Democracy, and display the results in Panel A and B in Table A4.[38] These results suggest that Pro-democratic Mobilization is not a good criterion to distinguish Pro-Liberal and Illiberal Democracy, as it does not imply that more Pro-democratic Mobilization during the transition period leads to higher economic growth. On the other hand, the difference in growth between Pro-Liberal and Illiberal Democracy is more evident when we use Pro-autocratic Mobilization during democratization to classify democracy, indicating that lower Pro-autocratic Mobilization (or higher of this reversed indicator) during democratization fosters growth, although this difference is less clear than the one based on the nature of mobilization. Therefore, the results in Panel A and B support our grouping strategy. That is, it is not the Pro-democratic Mobilization and Pro-autocratic Mobilization per se, but rather the relative strength of Pro-democratic Mobilization and Pro-autocratic Mobilization, or the nature of mobilization, that has a lasting impact on growth in the post-transition period.

[38] For clarity, we now measure Pro-autocratic Mobilization on a reversed scale, where higher values signify lower levels of Pro-autocratic Mobilization. This aligns with our interpretation of the indicator and simplifies comparisons.

Furthermore, instead of using the standardized scale of mobilization to construct the nature of mobilization in the main paper, we also use the original scale of Pro-democratic Mobilization and Pro-autocratic Mobilization with 5 levels, where 0 indicates no events and 4 indicates many large-scale and small-scale events, to construct the nature of mobilization.[39] Panel C uses this alternative form of the nature of mobilization as the grouping indicator, and shows that the effects of Pro-Liberal Democracy are consistently positive and significant, while the effects of Illiberal Democracy are insignificant when the threshold is low, although the differences are not significant for all thresholds. This suggests that the standardized scale of the indicator can better capture the nature of mobilization.

In addition, to construct a new indicator that captures the nature of civil society, we use the characteristics of CSO anti-system movements from V-Dem. We focus on two characteristics: democratic and anti-democratic. A CSO anti-system movement is democratic if most disinterested observers regard it as willing to abide by the rules of the democratic game, respect constitutional provisions or electoral outcomes, and relinquish power (under democratic auspices). Conversely, a CSO anti-system movement is anti-democratic if most disinterested observers regard it as unwilling to abide by the rules of the democratic game, disrespect constitutional provisions or electoral outcomes, and/or retain power (under democratic auspices). The nature of civil society is then defined by the difference between democratic CSO movement and anti-democratic CSO movement, similar to how we construct the nature of mobilization. Panel D displays the results, showing that the pattern exists for almost all cutoff levels from the 15th to the 40th percentile, where the coefficients of Pro-Liberal Democracy are always positive and significant (from 0.860 in Column (1) to 0.982 in Column (7)), while those of Illiberal Democracy are not statistically different from 0 when the thresholds are lower than the 45th percentile. These empirical estimates suggest that democracies without an adequate spirit of democracy among the masses are unlikely to improve economic growth. Moreover, in line with the results using the nature of mobilization, the divergent effects on growth by the nature of civil society are mainly driven by pro-autocratic civil society. Panel E shows the results.

[39]The V-Dem dataset employs a linear transformation to convert its underlying measurement model estimates back to an ordinal scale, providing interval-level data.

F.3 Alternative Democracy Indicators and A Longer Time Period

To enhance robustness, we utilize real GDP per capita data from Fariss et al. (2022), covering the years 1789 to 2019. Separate measures of Pro-Liberal and Illiberal Democracy are constructed from established dichotomous indices: CGV (1945-2020), Polity V (1789-2020), Machine Learning Dichotomous Democracy Index (1919-2019), ERT (1789-2020), and the V-Dem project's Electoral and Liberal Democracy indices (1789-2020)[40]. The results, presented in Table A5, reveal a significantly positive association between Pro-Liberal Democracy and economic growth, while the impact of Illiberal Democracy is insignificantly positive, with occasional estimation imprecision. The difference in growth effects between these two democracy types is statistically insignificant in most cases.

This finding is not surprising, since we employ a GDP per capita measure derived from a latent variable model that integrates multiple sources and adjusts for purchasing power parity (PPP) across time and countries. As Johnson et al. (2013) and Acemoglu et al. (2019) caution, such adjustments may introduce non-trivial measurement errors, necessitating careful interpretation of the results.

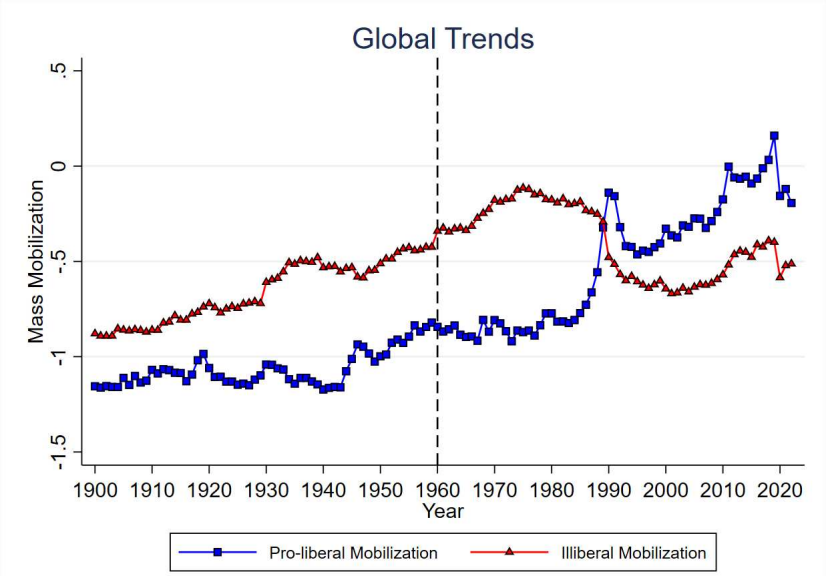
In addition to potential errors arising from the use of PPP-adjusted GDP per capita, there are further explanations for the relatively disappointing long-term regression results. Notably, liberalism was not widely recognized internationally before World War II, and if Pro-democratic Mobilization serves as a proxy for liberalism, it remained relatively marginal globally compared to the Third Wave of democratization, as illustrated in Figure A7. The global dominance of the U.S. facilitated the acceptance of liberal values after World War II, with countries embracing these ideals receiving more favorable treatment from the U.S. and international organizations, potentially aiding their growth—channels that were largely absent before World War II. This argument aligns with the recent literature (Park, 2024).[41]

Furthermore, since our analysis focuses on the dynamics between Pro-democratic and

[40] We employ the dichotomous versions of V-Dem's original continuous measures of electoral and liberal democracy.

[41] The central thesis of Park's paper is that the positive effects of democracy observed in cross-country analyses may stem not from democracy itself, but rather from the preferential treatment afforded to democracies by powerful democratic nations and international organizations. This "democratic favor channel" encompasses various forms of support, including economic and military aid, sanctions, and interventions that favor democratic regimes over autocracies.

Figure A7. Global Trends of Mass Mobilizations Since 1900



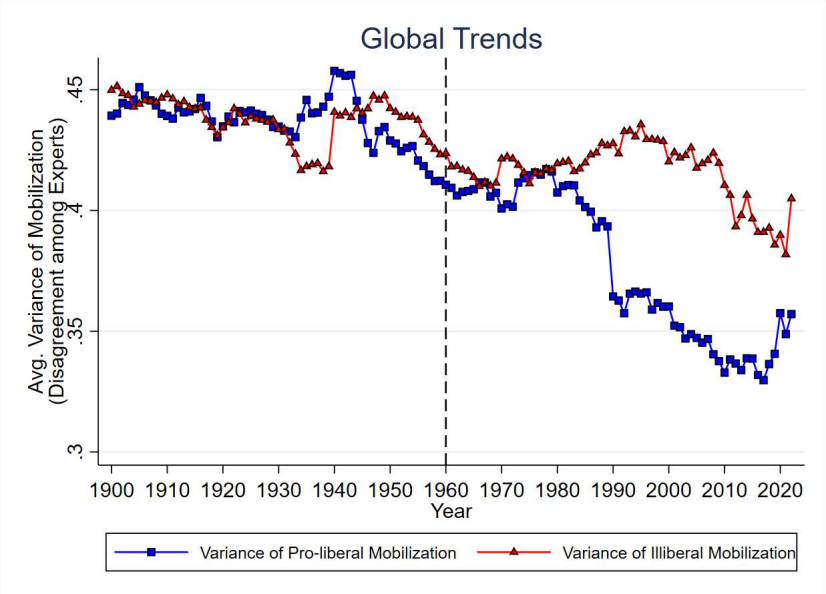
Note: This figure illustrates the global trends in Pro-democratic and Pro-autocratic Mobilization from 1900 onwards. The blue line with squares represents the scale of Pro-democratic Mobilization over time, with higher values indicating larger scales. The red line with triangles depicts Pro-autocratic Mobilization, where greater values also denote larger scales. The vertical dashed line marks the year 1960.

Pro-autocratic Mobilization during democratization, we find that when one type outweighs the other—either marginal positive or negative mobilization—it results in distinct democratic regimes and corresponding economic outcomes, as shown in Table 2. This underscores the necessity for highly accurate data on mobilization to make credible assessments of democratic transitions. However, as Hellmeier and Bernhard (2023) acknowledge, historical V-Dem data have inherent limitations; experts generally have more detailed knowledge about recent events compared to distant historical periods. Thus, the reliability of data on political mobilizations before 1960 may be compromised, limiting the applicability of our theory and yielding undesirable results. As Figure A7 indicates, the global scale of both Pro-democratic and Pro-autocratic Mobilizations was much smaller and more stable prior to World War II, with smaller and less dynamic movements attracting less attention and media coverage, exacerbating estimation errors. More importantly, as illustrated in Figure A8, expert disagreements regarding political movements were notably high globally before 1960, but such disagreements significantly decreased as the timeline approached the present, particularly concerning Pro-democratic Mobilization.

F.4 The Economic Implications of Pro-democratic Mobilization During Democratic Transitions

A compelling question in political economy concerns the efficacy of pro-democratic mobilization even during illiberal transitions. This inquiry illuminates a broader dilemma: when confronted with hostile opposition, is adherence to liberal principles advantageous, or does retaliation yield superior outcomes? This investigation offers a nuanced perspective on how pro-democratic mobilization influences economic performance across varied democratic transition contexts. To examine whether heightened pro-democracy activism generates positive effects during illiberal transitions, we construct a dichotomous variable identifying illiberal transitions characterized by above-median pro-democratic mobilization among all illiberal transition cases. Our econometric framework incorporates an "Illiberal Democracy with High Level of Pro-democratic Mobilization in Transition" indicator to quantify the incremental growth impact relative to illiberal democracies with subdued pro-democracy activism. The findings, presented in column (1) of Table A6, suggest that robust pro-democratic mobilization during illiberal transitions correlates with enhanced growth outcomes in post-transition periods, although this coefficient lacks statistical significance.

Figure A8. Global Trends of Disagreements Among Experts on Mass Mobilizations Since 1900



Note: This figure presents global trends in expert disagreements regarding mass mobilizations since 1900, using the average variance of country-year mobilization as a proxy for these disagreements. The blue line with squares represents disagreements among experts concerning Pro-democratic Mobilization over time, with higher values reflecting larger disagreements. The red line with triangles indicates disagreements on Pro-autocratic Mobilization, where increased values signify greater disagreements. The vertical dashed line marks the year 1960.

To further explore this phenomenon, we investigate whether analogous patterns emerge in Pro-Liberal transitions. We develop a parallel binary indicator identifying Pro-Liberal transitions with above-median pro-democratic mobilization levels among all Pro-Liberal transition cases. The specification includes a "Pro-Liberal Democracy with High Level of Pro-democratic Mobilization in Transition" variable to assess the differential growth impact compared to Pro-Liberal democracies with modest pro-democracy activism. Notably, as demonstrated in column (2) of Table A6, intensified pro-democratic mobilization during Pro-Liberal transitions is associated with a modest yet statistically significant adverse effect on growth. This finding aligns with previous evidence illustrated in Figure 4 in our main paper, which demonstrates that elevated pro-democracy activism during Pro-Liberal transitions fails to generate substantially enhanced growth outcomes. In column (3), we simultaneously incorporate both "Illiberal Democracy with High Level of Pro-democratic Mobilization in Transition" and "Pro-Liberal Democracy with High Level of Pro-democratic Mobilization in Transition" indicators, confirming the robustness of these observed patterns. These empirical results highlight the complex and context-dependent relationship between pro-democratic mobilization and economic performance across different types of democratic transitions.

F.5 Beyond Binary Classifications

Instead of employing separate dummy variables for Pro-Liberal and Illiberal Democracies, we explore an alternative approach by interacting the "Democracy" indicator with the nature of mobilization at the time of democratization. This generates two coefficients: one for "Democracy" itself and another for its interaction term.

Table A7 presents the results in column (1). Both coefficients are positive, but only the "Democracy" coefficient is statistically significant. This implies a positive effect close to 0 value of the nature of mobilization (corresponding to the 25th percentile), aligning with our baseline findings. The insignificant interaction term suggests a non-linear relationship, where higher initial nature of mobilization levels do not necessarily translate to stronger economic performance.

Column (2) introduces the interaction term squared, but again, only the "Democracy" coefficient remains significant. While the interaction squared term is negative, it lacks statistical significance. This hints at a potentially larger democratic effect for intermediate levels of initial nature of mobilization.

To further explore this non-linearity, we construct three democracy dummies: Illiberal Democracy, Medium Pro-Liberal Democracy (defined by the values of initial nature of mobilization between 0 and the cutoff of P70), and High Pro-Liberal Democracy (defined by values of initial nature of mobilization beyond the cutoff of P70). Column (3) displays the corresponding growth regression results, reaffirming the previous observations. Medium Pro-Liberal Democracy exhibits a larger and significant effect than High Pro-Liberal Democracy. Notably, this non-linear and significant relationship is exclusive to Pro-Liberal Democracies.

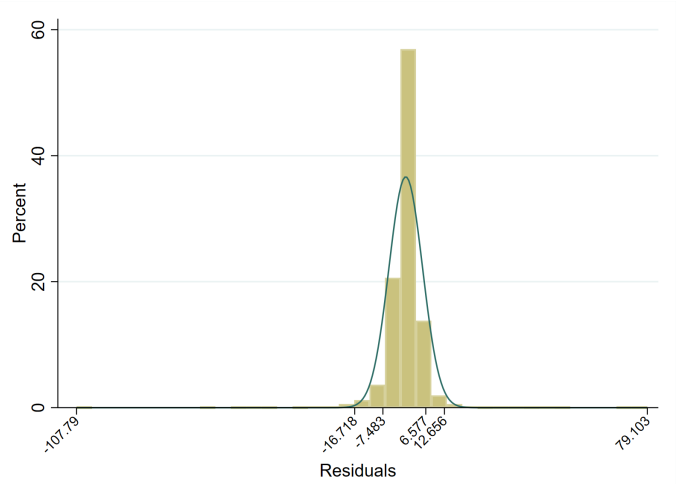
These analyses reveal crucial non-linear relationships between the nature of mobilization, democracy types, and subsequent economic growth. Our findings suggest that the positive impact of Pro-Liberal Democracy is not uniform across all nature of mobilization levels, with intermediate levels potentially yielding the strongest growth benefits. This underscores the importance of considering non-linear effects in understanding the complex interplay between mobilization dynamics and democratic consolidation.

F.6 Mitigating the Impact of Outliers

Figure A9 reveals the presence of outlier observations in the growth residual distribution from our baseline regression. The lowest value (-107.79) falls far below the 1st percentile (-16.718), while the highest (79.103) significantly exceeds the 99th percentile (12.656). The 5th and 95th percentiles sit at -7.483 and 6.577, respectively. To assess the influence of these extremes, we re-run the baseline regression using subsets of observations with standardized residuals falling within different percentile ranges, from the 1st (P1) to the 99th (P99). Table A8 presents the results.

Dropping a small number of outliers (column (1)) yields patterns similar to the baseline, and this consistency persists as we remove more extreme observations (columns (2)–(6)). This robustness to outlier removal strengthens our confidence in the baseline findings.

Figure A9. Growth Residual Distribution



Note: This figure presents the distribution of residuals from our baseline regression analysis. The horizontal axis depicts the residuals, while the vertical axis shows the percentage of cases observed at each level of the residual. The distribution reveals the presence of potential outliers. The lowest residual (-107.79) falls well below the 1st percentile (-16.718), and the highest residual (79.103) considerably exceeds the 99th percentile (12.656). The 5th and 95th percentiles are located at -7.483 and 6.577, respectively.

F.7 Controlling for Economic and Demographic Factors

Although incorporating additional controls is often useful for enhancing robustness, introducing extraneous covariates risks biasing and obfuscating the true causal impact (Angrist and Pischke, 2008). Therefore, while expanded models may not fully capture the entire growth impact of democracy, comparing them to our baseline specification can shed light on potential mediating mechanisms.

Table A9 presents results incorporating standard growth covariates (Papaioannou and Siourounis, 2008a; Barro, 2013; Acemoglu et al., 2019), including trade share, investment rate, inflation, government spending, and enrollment rates across various education levels. Additionally, fertility rate and life expectancy are included. Four lags of each covariate are used to capture dynamic processes.

The overall patterns and coefficient magnitudes remain largely consistent with the baseline across all columns, except when controlling for secondary school enrollment rates. In Column (6), the coefficient for Pro-Liberal Democracy weakens and becomes less significant, indicating that human capital — particularly at the mid-skill level — is a key channel

through which democracy influences growth, consistent with the findings of Acemoglu et al. (2019). The effect of Illiberal Democracy becomes significant after controlling for government spending, as shown in Column (4), though its magnitude remains smaller than that of Pro-Liberal Democracy. This suggests that government spending is a key channel through which Illiberal Democracy impairs economic performance. The Pro-Liberal Democracy coefficient varies from 0.646 (in column (6) with secondary enrollment control) to 1.371 (in column (2) with investment control), all statistically significant. Illiberal Democracy coefficients range from -0.882 (column (7), tertiary enrollment control) to 0.617 (column (4), government spending control).

These findings underscore the robustness of the distinct growth effects associated with Pro-Liberal versus Illiberal Democracy, further suggesting that these effects cannot be fully explained by standard economic and demographic conditions.

F.8 Ex-colonial/Non-colonial Democracy vs Pro-Liberal/Illiberal Democracy on Growth

Research has consistently shown that extractive institutions perform worse than inclusive ones. Cervellati et al. (2014) highlight the heterogeneous effects of income on democracy, distinguishing between former colonies and non-colonies.[42] It would be valuable to examine the growth effects of democratizing ex-colonies compared to non-colonies, as well as to compare the impacts of ex-colonial and non-colonial democracies with Pro-Liberal and Illiberal Democracies.

To analyze these growth effects, we categorize democratizing countries as ex-colonial or non-colonial using data set from QOG, Cervellati et al. (2014), and Acemoglu et al. (2008).[43] The results, reported in columns (1)–(3) of Table A10, indicate that non-colonial democracies exhibit significantly larger growth effects, echoing Cervellati's findings that countries with colonial histories tend to have less inclusive institutions.

Furthermore, we incorporate both the colonial status and the nature of mobilization during democratization to classify democracies into four types. The results, shown in the last column, reveal significant positive growth effects for Pro-Liberal Democracy, regardless of whether it is ex-colonial or non-colonial, with a larger effect observed for Pro-Liberal and non-colonial democracies. This finding supports the robustness of our grouping strategy,

[42] We thank Saeed Khodaverdian for raising this important point.

[43] Interestingly, the proportion of countries with a colonial history is similar in both Pro-Liberal and Illiberal Democracies, with approximately one-quarter of these countries lacking a colonial past.

even when considering the colonial factor.

F.9 Consider Nature of Mobilization During Democratic Breakdown

If the nature of mobilization during democratization is indeed pivotal, it raises the question of how this aspect influences the economic performance of autocracies emerging from democratic breakdowns.[44] To investigate this, we categorized these democratic breakdowns into two types based on key thresholds: democracies exhibiting low versus high levels of mobilization during the breakdown (results are shown in Table A11). Our analysis, using 0 as the threshold, reveals that autocracies formed after a democratic breakdown characterized by a positive nature of mobilization tend to experience significantly worse economic outcomes, while those arising from a negative nature of mobilization do not (column (1)).

One possible explanation for this trend is that a positive nature of mobilization reflects a strong societal preference for democracy, even if the democratic system is ultimately overthrown—potentially through a coup by a small elite. This preference likely contributes to heightened instability within the new autocratic regime, undermining economic performance. Conversely, when Pro-autocratic Mobilization predominates (indicated by a negative nature of mobilization), it suggests a societal inclination toward accepting autocratic principles, thereby minimizing or eliminating instability arising from mass mobilization. This pattern remains consistent when non-negative values for the nature of mobilization are employed as thresholds (as demonstrated in columns (5)–(7)).

F.10 Structural Shifts Around 1990 and Heterogeneous Effects on Growth

Figure A7 documents a pronounced structural shift circa 1990, characterized by a global surge in democratic activism relative to autocratic mobilization. While our baseline specifications incorporate year fixed effects to account for temporal variations, we conduct more targeted analyses in Table A17. These robustness exercises systematically exclude consecutive decade-long intervals from the estimation sample. The stability of our principal findings across these alternative specifications suggests that the documented relationships are not artifacts of particular temporal epochs. To investigate potential heterogeneity in the growth implications of democratic transitions across distinct historical periods, we implement interaction models that permit temporal variation in effects. Specifically, we

[44] We thank Madhav Aney for raising this important point.

augment our baseline specification with interaction terms: Pro-Liberal Democracy × Post-1990 and Illiberal Democracy × Post-1990. Column (1) of Table A12 presents these estimates. Although the interaction coefficients lack statistical significance at conventional thresholds, they indicate a convergence in the economic consequences of Pro-Liberal and illiberal transitions in the post-1990 era. This observed pattern aligns with our broader empirical narrative—specifically, that the favorable relationship between democratic mobilization and economic performance persists even within illiberal transitions (as documented in Table A6). Following 1990, democratic activism emerged as the predominant mode of political contention globally, suggesting that countries undergoing illiberal transitions nonetheless experienced substantial pro-democratic mobilization. Conversely, Table A6 also demonstrates that heightened intensity of democratic activism within Pro-Liberal transitions does not necessarily enhance growth outcomes, indicating diminishing marginal returns to mobilization in such contexts.

F.11 Distinguishing Democratization and Reversals

Our baseline regression implicitly assumes equal magnitudes, albeit opposite signs, for the effects of democratization and its reversal. To validate this assumption, we consider a generalized model:

$$g_{it} = \beta_P Pro-liberalDem_{it} + \gamma_P Pro-liberal_Reversal_{it} + \beta_I IlliberalDem_{it} + \gamma_I Illiberal_Reversal_{it} + \sum_{j=1}^{3} \alpha_j g_{it-j} + \varphi y_{it-4} + \lambda_i + \delta_t + \varepsilon_{it},$$

where $Pro-liberalDem$, $IlliberalDem$, $Pro-liberal_Reversal$, $Illiberal_Reversal$ denote the cumulative counts of Pro-Liberal democratization, Illiberal democratization, and their respective reversals for country i at time t. Assessing whether $\beta_P + \gamma_P = 0$ and $\beta_I + \gamma_I = 0$ helps us determine if their effects indeed possess the same magnitude but opposite signs.

Column (2) in Table A12, presenting results from this generalized model, confirms that both conditions hold. This finding supports the validity of our initial assumption and enhances the reliability of our estimates.

F.12 Alternative Grouping Strategies for Pro-Liberal and Illiberal Democracy

Column (3) in Table A12 offers additional robustness checks on our baseline result using an alternative grouping strategy. We utilize the original democracy data from Acemoglu et al. (2019) (updated to 2020) without applying a five-year smoothing window. The resulting patterns align with those presented in the baseline table.

F.13 Further Scrutiny: Examining Specific Scenarios and Alternative Specifications

F.13.1 Special-Case Robustness Checks

Table A13 presents various robustness checks commonly employed in the literature. Excluding countries with fewer than 20 observations (column (1)) yields nearly identical results, mitigating concerns about Nickell bias.[45] Column (2) incorporates region-year fixed effects, while column (3) controls for country-specific time trends. Column (4) includes interactions between a "Soviet-related countries" dummy and year dummies for 1989 –1992 (the period of transition for these countries). In all cases, the estimated coefficients remain stable.

Dropping outliers in growth rates (defined as observations below the 5th or above the 95th percentile of standardized residuals) in column (5) renders the Illiberal Democracy effect insignificant (0.102) while preserving the positive and significant effect of Pro-Liberal Democracy (0.626). The final column includes all controls from previous columns, with similar results persisting.

F.13.2 Regional and Temporal Sensitivity

Recent studies (Colagrossi et al., 2020) suggest that the democracy-growth nexus hinges on specific regions and time periods. To address this concern, we first examine whether our findings are driven by democratization in particular regions. Table A14 presents results obtained by excluding regions one at a time. The conditional results remain consistent in magnitude in almost all cases, suggesting that the relationship represents a broad general pattern across democratization episodes.

[45]The Nickell bias, arising from a lack of strict exogeneity in dynamic panel models (Nickell, 1981; Alvarez and Arellano, 2003), diminishes significantly when the time horizon exceeds 20 periods (Judson and Owen, 1999). This robustness check adheres to this requirement, mitigating concerns about this bias.

Excluding Sub-Saharan African countries diminishes the distinction between Pro-Liberal and Illiberal Democracies, likely due to the reduced sample size. As indicated in Table A14, this exclusion lowers the sample to 91 countries, whereas omitting countries from other regions does not substantially affect the sample size. Further analysis reveals that Sub-Saharan Africa accounts for approximately two-thirds of all Illiberal Democracies (see Table A15). Excluding these countries significantly increases the standard deviation of the Illiberal Democracy coefficient. Similarly, Sub-Saharan African nations classified as Pro-Liberal Democracies represent one-quarter of all such democracies, contributing to a higher standard deviation and reducing its statistical significance. The resulting increased standard deviations render the difference between the two coefficients statistically insignificant.

Table A16 further illustrates this concerning outcome (column (2)), primarily driven by the exclusion of democratizing countries from this region (column (3)), particularly Illiberal Democracies (column (6)), rather than autocratic countries (column (4)).

Table A17 further assesses robustness to specific time periods by excluding 10-year segments at a time. The results again hold.

F.13.3 Varying Transition Frequency

Table A18 explores robustness to different numbers of transitions. Column (2) focuses on countries experiencing multiple transitions and remaining autocratic throughout, finding insignificant coefficients for both Pro-Liberal and Illiberal Democracy. This is unsurprising, as repeated transitions imply regime instability which can hinder economic growth. It also suggests that our baseline findings are primarily driven by countries undergoing a single transition. Column (3) confirms this by considering only countries with a single transition and remaining autocratic, and the pattern persists. Column (4) further restricts the analysis to single-transition cases, again yielding consistent results.

F.13.4 Lag Structure of Growth

The baseline regression employs three lags of the growth rate. Table A19 explores robustness by incorporating additional lags (6, 9, 12, and 15). The results remain qualitatively similar. Notably, the Illiberal Democracy effect becomes negative with more lags.

F.13.5 Alternative Transition Year Measurement

Our baseline regression uses the average nature of mobilization in the democratization year and the preceding two years to categorize Pro-Liberal and Illiberal Democracy. Table A20 employs the average nature of mobilization within different time ranges around the transition point (specified in each column) for categorization. The results closely resemble the benchmark.

F.13.6 Changes in the Sample: Number of Time Series Observations or End Year

Following Eberhardt (2022) recommendations, we conduct robustness checks by altering the sample size, including the number of time series observations and the sample's end year. This ensures our findings are not overly sensitive to minor changes in the dataset.

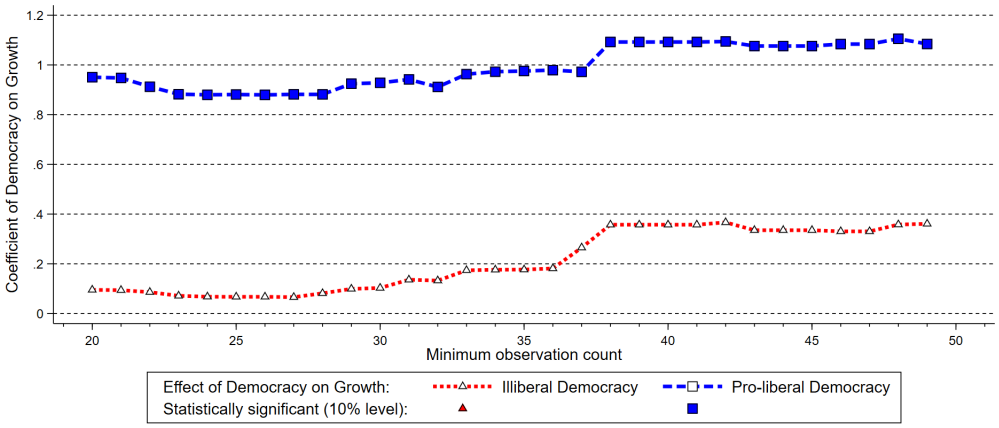
Initially, we exclude countries based on their observation counts, T_i, as fewer observations might amplify individual economic shocks. This is crucial because fewer observations often correspond to fewer observations in democratic contexts. Although we use a dynamic model to capture economic performance dips before and after democratization, incorrect model specifications might bias the estimations. Analyzing the evolution of estimates as we limit the sample to countries with increasing minimum observation counts helps mitigate these issues.

Figure A10 shows the baseline model results for the sample reduction by observation counts. In the plot, filled (hollow) squares/triangles indicate statistically significant (insignificant) differences from 0 at the 10% level for Pro-Liberal/Illiberal Democracy effects. The x-axis represents the minimum observation count T_i required for inclusion, while the y-axis shows the estimated Pro-Liberal/Illiberal Democracy coefficient (in percent). Our results exhibit robustness, as Pro-Liberal Democracy effects remain significant and Illiberal Democracy effects remain insignificant despite the exclusion of some observations.

Our data spans 1960-2020, including the global financial crisis, a potentially influential shock.[46] To assess its impact, we conduct a robustness check by progressively excluding

[46]Recent work by Broderick et al. (2020); Eberhardt (2022); Young (2022) has underscored the fragility of statistical inference in numerous applications, which frequently rely on a limited number of observations.

Figure A10. Effects of Pro-Liberal and Illiberal Democracies on Growth: Change in the Number of Time Series Observations



Note: This figure explores the impact of sample size on the estimated effects of Pro-Liberal and Illiberal Democracies on growth. Filled (white) squares/triangles denote statistically significant (insignificant) coefficients at the 10% level. The x-axis shows the minimum number of observations required for inclusion.

later years (Figure A11). The estimated effects of Pro-Liberal Democracy remain remarkably stable and statistically significant throughout, with the sole exception of 1997. This suggests the financial crisis and post-crisis dynamics do not significantly influence our findings.

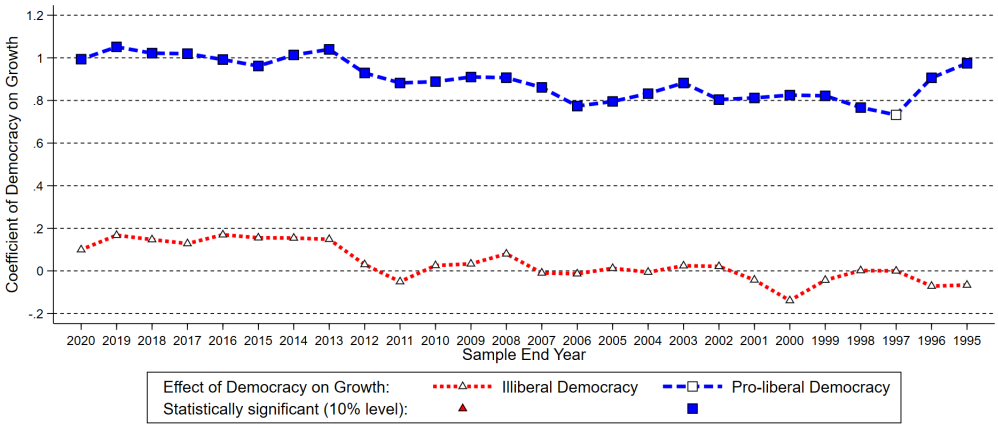
F.13.7 Explore the Quality of Indicators Measuring Mobilizations

Our study relies on data from V-Dem, which offers core metrics on mobilizations. A key concern with this dataset is whether it accurately measures mobilizations, given its reliance on expert assessments that may be subjective.[47] Hellmeier and Bernhard (2023) address this issue comprehensively, arguing that it effectively captures mobilization through a multi-faceted approach.[48] Their findings indicate that experts successfully distinguish between mobilization for democracy and mobilization for autocracy. The validity of dataset

[47] We thank Zihan Hu for raising this point.

[48] This includes expert surveys, data comparisons, and internal consistency analyses. They leverage expert knowledge via a V-Dem survey to assess the frequency and scale of mass mobilization. To ensure data quality, the dataset is benchmarked against existing datasets, revealing strong correlations. Potential biases are further addressed through expert agreement analysis and comparisons with revolution and protest data.

Figure A11. Effects of Pro-Liberal and Illiberal Democracies on Growth: Change in the End Year of the Sample



Note: This figure examines the sensitivity of growth effects of Pro-Liberal and Illiberal Democracies to the sample end year. Filled (white) squares/triangles indicate statistically significant (insignificant) coefficients at the 10% level. The leftmost estimates replicate Table 2, column (1). The x-axis shows the end year of the sample period..

is further confirmed through regional and temporal analyses that align well with historical records.

Our research further focuses on mobilization for democracy and mobilization for autocracy (conceptualized in our study as Pro-Liberal and Pro-autocratic Mobilization) during periods of democratization. A potential concern is that assessments of these indicators may lack accuracy during such periods of political turbulence. Since multiple experts evaluate each indicator for each country-year, we can compare the variance in these assessments (assuming independence, the variance of the nature of mobilization is the sum of the variances of the two indicators) during the transition period against other periods. Surprisingly, we find that expert assessments of these two indicators are more precise during democratization compared to the entire sample and other periods in democratizing countries (as shown in the Table A21).[49] This finding helps alleviate some concerns regarding data accuracy.

[49]Several factors may contribute to this phenomenon: Political transitions often involve widespread mobilizations, making it easier for experts to gauge their scale. This, in turn, may reduce variation in their assessments. Furthermore, during pivotal moments of political transformation, media coverage and academic scrutiny tend to intensify, providing experts with more robust information for evaluation. Finally, Hellmeier and Bernhard (2023) found that expert ratings of Pro-democratic Mobilization do not significantly differ across political regimes. In contrast, disagreement over Pro-autocratic Mobilization rises as countries become more democratic, making it easier to identify Pro-autocratic Mobilization under authoritarian regimes. This finding further supports the argument that expert assessments of political mobilization are

We conducted additional checks to show that the estimation error of the data is negligible in our study, where the results are provided in Table A22. For most countries, the mobilization data is assessed by at least five experts; however, in some instances, fewer than five experts were involved, potentially leading to inaccuracies. We excluded democratizing countries with fewer than five expert assessments, and our conclusions remained unchanged (Column (2)). In another robustness check, we removed countries with high levels of expert disagreement (i.e., high variance of nature of mobilization during the transition period) and continued to find robust results (Column (3)).[50] Another concern is that if the levels of Pro-democratic Mobilization and Pro-autocratic Mobilization are roughly equivalent, the positive and negative of the nature of mobilization (defined as Pro-democratic Mobilization minus Pro-autocratic Mobilization) may appear random due to measurement errors. Consequently, we excluded democratizing countries where the nature of mobilization during democratization is close to 0; the results continued to support our conclusions (Column (4)).[51] In the final two columns, we directly controlled for the variance of the nature of mobilization (Column (5)) and the variance of Pro-democratic/Pro-autocratic Mobilization for each country-year (Column (6)), with results remaining robust.

Another potential bias is that, given that these assessments in V-Dem were conducted post-2010, experts may have been predisposed to more favorable evaluations (both economic and political) of democratic countries, including during their transition periods, which could result in higher values for the nature of mobilization. However, this hypothesis is not supported by our regression analysis. Generally, a higher nature of mobilization indicates greater instability (globally, Pro-democratic Mobilization frequently exceeds Pro-autocratic Mobilization, resulting in a positive nature of mobilization in most cases), which negatively impacts economic growth (as shown in Columns (2)–(5) of Table 2 in the main text). This would suggest weaker economic performance.

Nevertheless, experts might still assign higher values of nature of mobilization during transitions to countries with strong economic and political performance. If this were the case, stronger economic growth in democratizing countries would correlate with higher nature of mobilization during democratization; however, this is not supported by our regression results. As demonstrated in Figure 4 in the main text and Table A7 in the

generally more accurate during democratization periods.

[50] In particular, expert disagreements above the 90th percentile are classified as high levels of disagreement.

[51] In particular, we exclude democratizing countries with mobilization values between -0.2 and 0.2 during the transition. Similar results are observed when alternative ranges near 0 are excluded.

appendix, the countries with the strongest economic performance during democratization actually show relatively small positive values for the nature of mobilization. In contrast, those with relatively high values exhibit more moderate economic growth.

F.13.8 Robustness to Initial Conditions

A potential concern is that societies characterized by high levels of initial distrust or social fragmentation may be systematically more likely to experience illiberal democratic transitions. While our baseline specifications include country and year fixed effects, these may not fully account for nonlinear or interactive effects of such initial conditions. To address this, we implement a series of robustness checks that explicitly account for differential trends across countries and regions. In particular, we control for country-specific linear time trends and region-by-year fixed effects. As reported in Columns (2) and (3) of Table A13, our main results remain robust, suggesting that gradual or regionally correlated evolution in initial conditions is unlikely to account for the observed patterns.

We also emphasize that the nature of mobilization during the democratization process plays a central explanatory role. Although it is plausible that historical levels of distrust or fragmentation influence patterns of political mobilization, such initial conditions would likely affect mobilization more broadly, including outside the transition window. However, we find that mobilization indicators measured outside the democratization period do not differentiate between Pro-Liberal and illiberal outcomes, as shown in Column (2) of Table A23. To further address concerns about endogeneity, we exploit quasi-random variation near the classification threshold. In observations where pro-democratic and pro-autocratic mobilizations are nearly balanced (i.e., within ± 0.2 of the threshold), our results remain consistent, as reported in Column (3) of Table A23. This approach follows the logic of regression discontinuity designs, where outcomes near the cutoff can be interpreted as locally random.

To directly evaluate whether ethnic fragmentation moderates the effect of democratization on growth, we interact democratic transitions with the ethnic fractionalization index from Acemoglu et al. (2019). Table A24 reports these results. Column (1) uses a continuous measure of fragmentation, while Columns (2) and (3) apply binary indicators based on whether a country is above the median or within the top quartile of fragmentation, respectively—thresholds aligned with our categorization of illiberal democracies. In all cases, Pro-Liberal democracies continue to yield significant growth benefits, while illib-

eral transitions do not. The interaction terms are negative but statistically insignificant, suggesting that high fragmentation may dampen, but does not reverse, the positive effects of liberal democratization. These findings are consistent across alternative fragmentation measures reported in Columns (4)–(6).

F.13.9 Further Democracy Categorizations

Sima and Huang (2023) categorize democracies as "Strong" or "Weak" based on their economic development level at the time of political transition, which subsequently influences their ability to foster growth post-transition. They find that democracy facilitates growth only in countries that have already attained adequate development at the time of transition (labeled as "Strong Democracy"). Without appropriate development, democracy does not improve growth (labeled as "Weak Democracy"). We replicate their results using an updated dataset, as shown in column (1) of Table A25.

Furthermore, we find that economic prosperity following political transition manifests only when economic development and the nature of mobilization are aligned during democratization, as evidenced in column (4) of Table A25. Notably, countries with adequate development during democratization but with dominant Pro-autocratic Mobilization (Strong but Illiberal Democracy), such as Mexico, and countries lacking adequate development during democratization despite dominant Pro-democratic Mobilization (Weak but Pro-Liberal Democracy), like Benin, do not exhibit significant economic improvements.

G Alternative Techniques to Estimate Growth Effects

G.1 Using Method from Eberhardt (2022): A Factor-augmented DID

We explore the method of Eberhardt (2022), which leverages the idea of the principal component DID to account for unobserved heterogeneity and heterogeneous treatment effects. This approach captures strong cross-sectional dependence through common factors with country-specific loading (Eberhardt, 2022). We implement a factor-augmented DID, including common factors estimated from the control group in regressions for treated countries to address potential selection bias.[52]

[52]This approach is flexible and can model unobserved heterogeneity effectively. The implementation is straightforward: each "treated" country regression is augmented with common factor proxies estimated from the control group of countries that never transitioned into democracy. These factors, in combination with country-specific parameters, provide a great deal of flexibility in modeling unobserved heterogeneity.

We slightly modify the models in Eberhardt (2022) for countries experiencing regime change (Pro-Liberal Democracy to autocracy or vice versa). We estimate a static regression model with country and year fixed effects (captured by cross-sectional averages) and common factors to control for unobserved heterogeneity:

$y_{it} = \alpha_i + \theta_i Pro - liberal_dem_{it} + \boldsymbol{\beta}_i' X_{it} + \delta_i^y \bar{y}_t + \delta_i^{X'} \bar{X}_t + \varepsilon_{it},$

where y is per capita GDP (in logs and multiplied by 100), $Pro - liberal_dem$ is the Pro-Liberal Democracy dummy, and X is a set of additional controls (gross investment share of GDP and trade openness). $\bar{y}$ and $\bar{X}$ are the cross-section averages of the observed variables but for those countries which never experienced Pro-Liberal Democracy during the sample period (the control group).

The dynamic version of the above Equation is specified as follows:

$$y_{it} = \alpha_i + \theta_i^* Pro - liberal_dem_{it} + \boldsymbol{\beta}_i^{*'} X_{it} + \sum_{\ell=0}^{p-1} \omega_{i\ell}^D \Delta \text{ Pro-liberal_dem}_{i,t-\ell} + \sum_{\ell=0}^{p-1} \omega_{i\ell}^{X'} \Delta X_{i,t-\ell}$$
$$+ \sum_{\ell=0}^{p_{\bar{y}}} \delta_{i\ell}^{*y} \bar{y}_{t-\ell} + \sum_{\ell=0}^{p_{\bar{X}}} \delta_{i\ell}^{*X'} \bar{X}_{t-\ell} + \varepsilon_{it},$$

where the terms involving sums capture the short-run effects, while θ_i^* and β_i^* represent the long-run coefficients for Pro-Liberal Democracy and additional controls on income per capita, respectively. These long-run estimates, indicated with stars, differ in interpretation from those in the Equation describing the static regression model.

The sums in the second line account for the multi-factor error structure using cross-sectional averages from countries that never experienced democracy during the sample period. This "CS-DL" approach, adapted from Chan and Kwok (2022), is convenient as it allows the estimation of the long-run democracy coefficient, θ_i^*, in a single step, unlike the two-step error-correction specification.

Following Chudik and Pesaran (2015), we set $p_{\bar{y}} = 0$ and $p = p_{\bar{X}} = int\left(T^{1/3}\right) = 3$, where T is the time dimension of the panel. We focus on average estimates of $\widehat{\theta}_i^*$ in the dynamic model, interpreted as ATET estimates, and use robust regression (Hamilton, 1992) to compute outlier-resistant means. Country-specific ITET estimates $\widehat{\theta}_i^*$ are employed. Inference for all 'Mean Group' estimates is based on non-parametric standard errors (Pesaran and Smith, 1995).

Observed covariates X are not included in the 'plain vanilla' implementation of Chan and Kwok (2022); however, the covariate cross-sectional averages from the control sample, $\bar{y}$ and $\bar{X}$, are always included. For comparison, we also estimate simple Mean Group models

(Pesaran and Smith, 1995) excluding the cross-sectional averages in the dynamic version of the Equation.

Similarly, we conducted regressions for another type of democracy using the following models:

$$y_{it} = \alpha_i + \theta_i Illiberal_dem_{it} + \boldsymbol{\beta}_i' X_{it} + \delta_i^y \bar{y}_t + \delta_i^{X'} \bar{X}_t + \varepsilon_{it},$$

$$y_{it} = \alpha_i + \theta_i^* Illiberal_dem_{it} + \boldsymbol{\beta}_i^{*'} X_{it} + \sum_{\ell=0}^{p-1} \omega_{i\ell}^D \Delta \text{ Illiberal_dem}_{i,t-\ell} + \sum_{\ell=0}^{p-1} \omega_{i\ell}^{X'} \Delta X_{i,t-\ell}$$
$$+ \sum_{\ell=0}^{p_{\bar{y}}} \delta_{i\ell}^{*y} \bar{y}_{t-\ell} + \sum_{\ell=0}^{p_{\bar{X}}} \delta_{i\ell}^{*X'} \bar{X}_{t-\ell} + \varepsilon_{it},$$

Using these regression models, we replicated Table 1 from Eberhardt (2022), and the results are reported in Table A26. These results align with our baseline model estimates. Specifically, we present robust mean estimates (ATET) for two specifications of two heterogeneous estimators. The first two columns display the 'plain vanilla' models, which do not include the observed values for gross investment share of GDP and trade openness. The final two columns include these variables. The MG estimator is a simple 'mean group' estimator that excludes cross-sectional averages, while the C&K MG estimator follows Chan and Kwok (2022), which is the preferred approach. All results are long-run estimates derived from the dynamic specification.

G.2 Using Recent DID techniques to Explore the Growth Effects

We primarily rely on single coefficient estimates from a two-way fixed effects (TWFE) specification in the main analysis. Although TWFE regressions are widely used for panel data, they have been shown to deliver consistent estimates only under relatively strong assumptions about homogeneity in treatment effects (De Chaisemartin and d'Haultfoeuille, 2020; Borusyak et al., 2021; Callaway and Sant' Anna, 2021; Goodman-Bacon, 2021; Sun and Abraham, 2021). Specifically, as demonstrated by Goodman-Bacon (2021), the treatment effect estimate obtained from a TWFE model is a weighted average of all possible 2×2 DID comparisons between groups of units treated at different points in time. If treatment effects are homogeneous across treated groups and over time, the TWFE estimator is consistent for the ATT. Conversely, if treatment effects are heterogeneous across groups or time, the TWFE estimator does not deliver consistent estimates for the ATT. The TWFE specification tends to estimate an average of treatment effects that over-weights short-run effects and under-weights long-run effects (Borusyak et al., 2021).

To allow for heterogeneity in treatment effects across time and treated units, we present estimations generated by a set of recently proposed estimators that are robust to treatment effect heterogeneity, including Cengiz et al. (2019); Freyaldenhoven et al. (2019); Borusyak et al. (2021); Callaway and Sant' Anna (2021); Sun and Abraham (2021); Butts and Gardner (2021); Dube et al. (2023). We report the single DID estimators using these methods, displayed in Figure A12. In particular, we show estimates from the two-way fixed effects single coefficient model, Cengiz et al. (2019); De Chaisemartin and d'Haultfoeuille (2020); Borusyak et al. (2021); Callaway and Sant' Anna (2021); Sun and Abraham (2021); Butts and Gardner (2021); Freyaldenhoven et al. (2019). Note that the methods except "ols" and "fect" can only be used in a staggered treatment setting. We use a subsample where only always autocratic countries (control group) and countries that were once democratized without reversal (treated group) are included. For comparison, OLS result using this subsample is also reported. These results demonstrate a consistent pattern: Pro-Liberal Democracy promotes growth, while Illiberal Democracy has little positive impact.

H Calculating Long-Run Growth Impact

Our study employs the following growth regression model:

$$g_{it} = \beta_P Pro{-}liberal_dem_{it} + \beta_I Illiberal_dem_{it} + \alpha_1 g_{it-1} + \alpha_2 g_{it-2} + \alpha_3 g_{it-3} + \varphi y_{it-4} + \lambda_i + \delta_t + \varepsilon_{it}.$$

To quantify the long-run growth impact of democracy, we substitute $g_{it} = 100(y_{it} - y_{it-1})$ into the above equation and re-arrange:

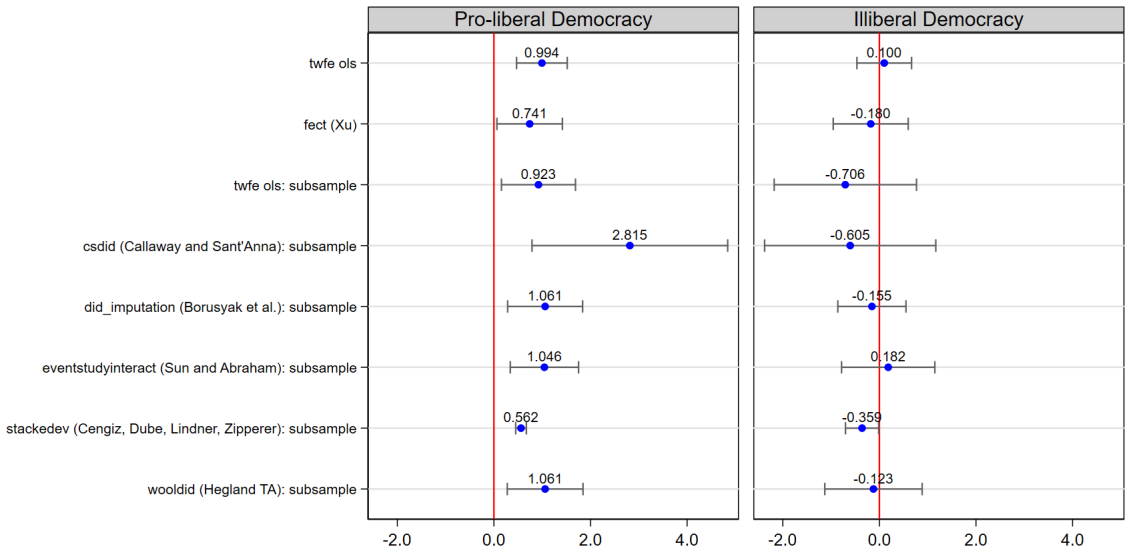
$100y_{it} = \beta_P Pro - liberal_dem_{it} + \beta_I Illiberal_dem_{it} + 100(1+\alpha_1)y_{it-1} + 100(\alpha_2 - \alpha_1)y_{it-2} + 100(\alpha_3 - \alpha_2)y_{it-3} + (\varphi - 100\alpha_3)y_{it-4} + \lambda_i + \delta_t + \varepsilon_{it}$.

Assuming convergence to long-run equilibrium income levels (y_P^* for Pro-Liberal Democracy and y_I^* for Illiberal Democracy) as t approaches infinity, the long-run growth effect of Pro-Liberal Democracy is:

$LongEffect_{Pro-liberal_dem} = 100(y_P^* - y_0) = \frac{100\hat{\beta}_P}{100-100(1+\hat{\alpha_1}+\hat{\alpha_2}-\hat{\alpha_1}+\hat{\alpha_3}-\hat{\alpha_2}+0.01\hat{\varphi}-\hat{\alpha_3})} = \frac{100\hat{\beta}_P}{-\hat{\varphi}} = \frac{100\hat{\beta}_P}{|\hat{\varphi}|}$,

where $\hat{\beta}_P$ is the estimated coefficient for Pro-Liberal Democracy and $\hat{\varphi}$ is the estimated coefficient for the fourth-lagged GDP per capita (always negative). Similarly, the long-run

Figure A12. Effects of Pro-Liberal and Illiberal Democracies on Growth: Alternative DID Estimators



Note: This figure presents the estimated effects of Pro-Liberal and Illiberal Democracy on subsequent economic growth using various estimators: Two-Way Fixed Effects with OLS ("twfe") and alternative methods from the literature, including Liu et al. (2024) ("fect"); Callaway and Sant' Anna (2021) ("csdid"); Borusyak et al. (2021) ("did_imputation"); Sun and Abraham (2021) ("eventstudyinteract"); Cengiz et al. (2019) ("stackedev"); and Hegland (2023) ("wooldid"). Note that methods beyond "twfe" and "fect" require a staggered treatment setting. To accommodate this, the analysis also use a subsample of countries: those consistently autocratic (control) and those that underwent a single, irreversible democratization (treated). OLS results with this subsample are included for comparison. The dependent variable is the growth rate. The figure displays the estimated coefficients for Pro-Liberal and Illiberal Democracy, along with their 90% confidence intervals. All models control for three lagged growth rates, the fourth lag of log GDP per capita, country fixed effects, and year fixed effects. Standard errors are clustered at the country level.

growth effect of Illiberal Democracy is:

$$LongEffect_{Illiberal_dem} = 100(y_I^* - y_0) = \frac{100\hat{\beta}_I}{-\hat{\varphi}} = \frac{100\hat{\beta}_I}{\mid \hat{\varphi} \mid}.$$

These expressions reveal that the long-run growth impacts of both types of democracy are directly proportional to their estimated coefficients and inversely proportional to the absolute value of the coefficient for the fourth-lagged GDP per capita.

I IVs for Growth Regressions and Alternative IV Results

To address potential endogeneity concerns in our growth regressions, we construct IVs based on regional democratization waves. For each country i belonging to region r, we mathematically define $Democracy_{it}^{F,IV}$, which is the average level of democracy among other countries in the same region at time t (excluding country i), normalized by the number of countries in the region minus 1, and $Interaction_{it}^{F,IV}$, which is the product of $Democracy_{it}^{F,IV}$ and IV for $Dem_Mob_Dominant_{it_0}$. $Dem_Mob_Dominant_{it_0}$ is a binary indicator that equals one when pro-democratic mobilization surpasses pro-autocratic mobilization during democratization (t_0) and zero otherwise. As discussed in the main paper, the character of social mobilization during democratization processes ($Dem_Mob_Dominant_{it_0}$) can be predicted by the intensity of the old democratic countries such as countries in West Europe, and United States political and economic engagement during transitional periods ($Link_OldDem_{it_0}$). To measure the multidimensional influence of the old democratic countries on other nations, we utilize the FBIC dataset, which quantifies various dimensions of bilateral relationships, including political, economic, and cultural connections. In particular,

:

$$Democracy_{it}^{F,IV} = \frac{1}{N_{rt} - 1} \sum_{j \neq i, i \in R, j \in R} Democracy_{jt},$$

$$Dem_Mob_Dominant_{it_0}^{IV} = Link_OldDem_{it_0},$$

$$Interaction_{it}^{F,IV} = Democracy_{it}^{F,IV} * Dem_Mob_Dominant_{it_0}^{IV}.$$

These instruments capture the regional context of democratization while being plausibly uncorrelated with country-specific shocks that might affect growth.

To address concerns that the chosen FBIC variables as IVs might exert a persistent influence on subsequent economic growth, we incorporate the time-varying FBIC indicator directly into our regressions as the robustness check. If that indicator truly affects growth beyond the transition period, its influence should remain detectable over longer time horizons. As evidenced in column (2) in Table A27, the result validates our IV strategy.

Columns (3)–(9) further explore the robustness of our results to potential violations of the exclusion restriction using time-varying covariates. The primary concern about regional democratization wave as IVs involves correlated regional economic shocks that might simultaneously influence democratization and GDP per capita. We follow Acemoglu et al. (2019) and address this by further incorporating initial development level controls in column (3)[53], post-socialist transition controls in column (4)[54], unobserved regional heterogeneity in column (5)[55], observable regional shocks in columns (6)–(7)[56], and spatially correlated GDP per capita and shocks in columns (8)–(9)[57].[58]

These specifications corroborate the baseline finding: Pro-Liberal Democracy exhibits positive, significant growth effects, whereas Illiberal Democracy impacts remain negligible and statistically insignificant across most models. This concordance indicates that our dynamic panel framework reliably estimates regime-type effects on economic performance, with minimal endogeneity bias. However, several caveats merit attention. F-statistics for interaction term instruments typically fall below the conventional 10.0 threshold. Additionally, while second-stage two-stage least squares estimates demonstrate robustness, first-stage regressions (with interaction terms as dependent variables) generally lack statistical significance.

[53]Interactions between GDP quintiles in 1960 (as the proxies of initial development level) and year dummies account for common shocks related to initial development across regions.

[54]Interactions with a Soviet/satellite country dummy and year dummies for 1989-1992 ensure results are not driven by geographically concentrated transitions from socialism.

[55]Region-specific trends control for unobserved regional variations, supporting the lack of correlation between regional democratization waves and other regional trends.

[56]Average GDP per capita and trade share within each initial regime cell are included.

[57]Column (6) models spatially correlated GDP per capita based on inter-country distance. Column (7) incorporates inverse-distance-weighted GDP per capita and democracy in other countries.

[58]For a more comprehensive discussion of these issues, please refer to Section V of Acemoglu et al. (2019).

J Strengthening the Mechanism Analysis: Further Robustness Checks

J.1 IV Method: Behavioral and Institutional Channels

To bolster our mechanism analysis, we leverage the IV approach outlined in Section 4.4. Applying the IV method with behavioral and institutional channel indicators yields results broadly consistent with those OLS ones (Table A28). However, support for institutional channels weakens somewhat (Table A29).

J.2 Split-Sample Analysis

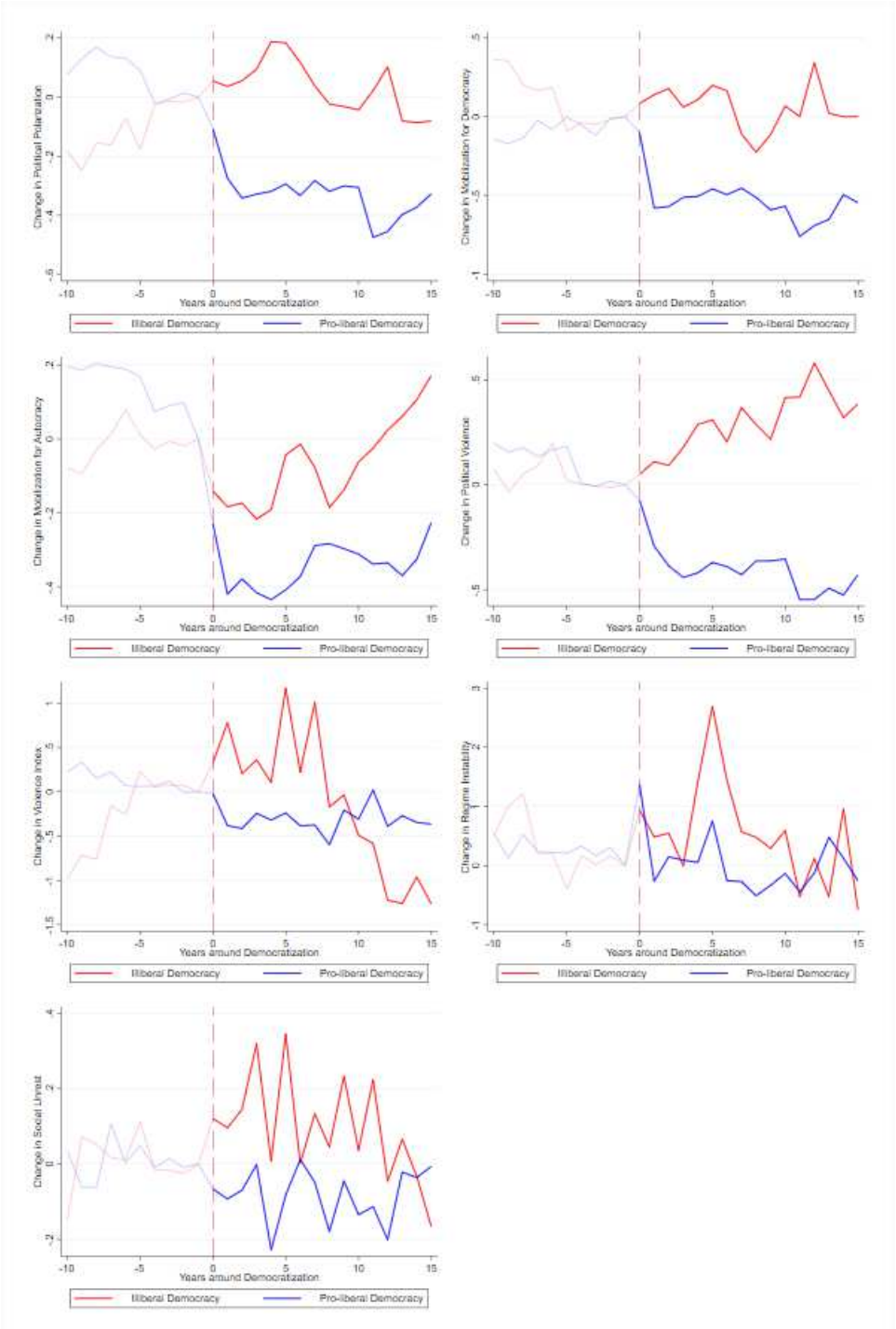
Further corroborating our findings, we adopt the split-sample regression approach used by Dorsch and Maarek (2019) for both Pro-Liberal and Illiberal Democracy. This analysis utilizes behavior and institution indicators from the main paper (Table A30 and Table A31). We find similar results where various instability institutions, state capacity, and economic freedom are key mechanisms underlying the effect of Pro-Liberal Democracy on growth.

J.3 Semiparametric Estimates on Mechanisms

Figure A13 illustrates the estimated effects of Pro-Liberal and Illiberal Democracy on behaviors, employing the inverse-propensity-score reweighting method from Acemoglu et al. (2019) for values of s ranging from -10 to 15, with $s = 0$ indicating the year of democratization. The blue line represents the estimated effects of Pro-Liberal democratization, while the red line depicts the effects of Illiberal democratization. Notably, the impacts approach 0 for both types before democratization, especially as the transition period nears. Following this, there is a dramatic decline in violent behaviors in Pro-Liberal Democracies, while Illiberal Democracies show no significant decline in most cases.

Figure A14 plots the estimated effects of pro-liberal and illiberal democracy on institutions, employing the same empirical strategy. The x-axis (s) represents the relative time to democratization, with $s = 0$ marking the year of transition. The blue line shows a gradual improvement in institutions following Pro-Liberal Democracy, while the red line shows no

Figure A13. Semiparametric Estimates of the over-time Effects of Pro-Liberal (Blue) and Illiberal (Red) Democracy on Mechanism: Behaviors



Note: Semiparametric estimates of the over-time effects of Pro-Liberal/Illiberal Democracy on behaviors (Political Polarization, Mass Pro-democratic Mobilization, Mass Pro-autocratic Mobilization, Political Violence, Violence Index, Regime Instability Index, and Social Unrest), obtained using a regression model to estimate counterfactuals. This figure plots semiparametric estimates of the effect of Pro-Liberal (blue)/Illiberal (red) democratization on behaviors. The blue (red) line plots the estimated average effect on behaviors in countries that Pro-Liberal (Illiberal) democratized. Time (in years) relative to the year of democratization runs on the horizontal axis. We normalize each behavior variable to 0 in the year preceding the democratization. The estimates are obtained by assuming and estimating a linear model for counterfactual outcomes, which we use to control for the influence of behaviors dynamics, as explained in full detail by Acemoglu et al. (2019).

noticeable improvement after Illiberal Democracy. This suggests a positive causal effect of Pro-Liberal Democracy on institutional development.

Table A32 summarizes the above estimates by reporting the average effect over different time horizons using the inverse-propensity-score reweighting approach from Acemoglu et al. (2019), where columns (1)–(4) present the effects of Pro-Liberal Democracy on mechanisms, including behaviors and institutions, and columns (5)–(8) report the effects of Illiberal Democracy. The estimates confirm the lack of significant effects before Pro-Liberal/Illiberal democratization on almost all indicators measuring mechanisms, such as behaviors and institutions, providing reassurance. Additionally, they show that after Pro-Liberal democratization, peaceful behaviors and institutions significantly improve, whereas after Illiberal democratization, there is no or weak improvement in peaceful behaviors and institutions.

K Additional Effects on Violence and Institutional Outcomes

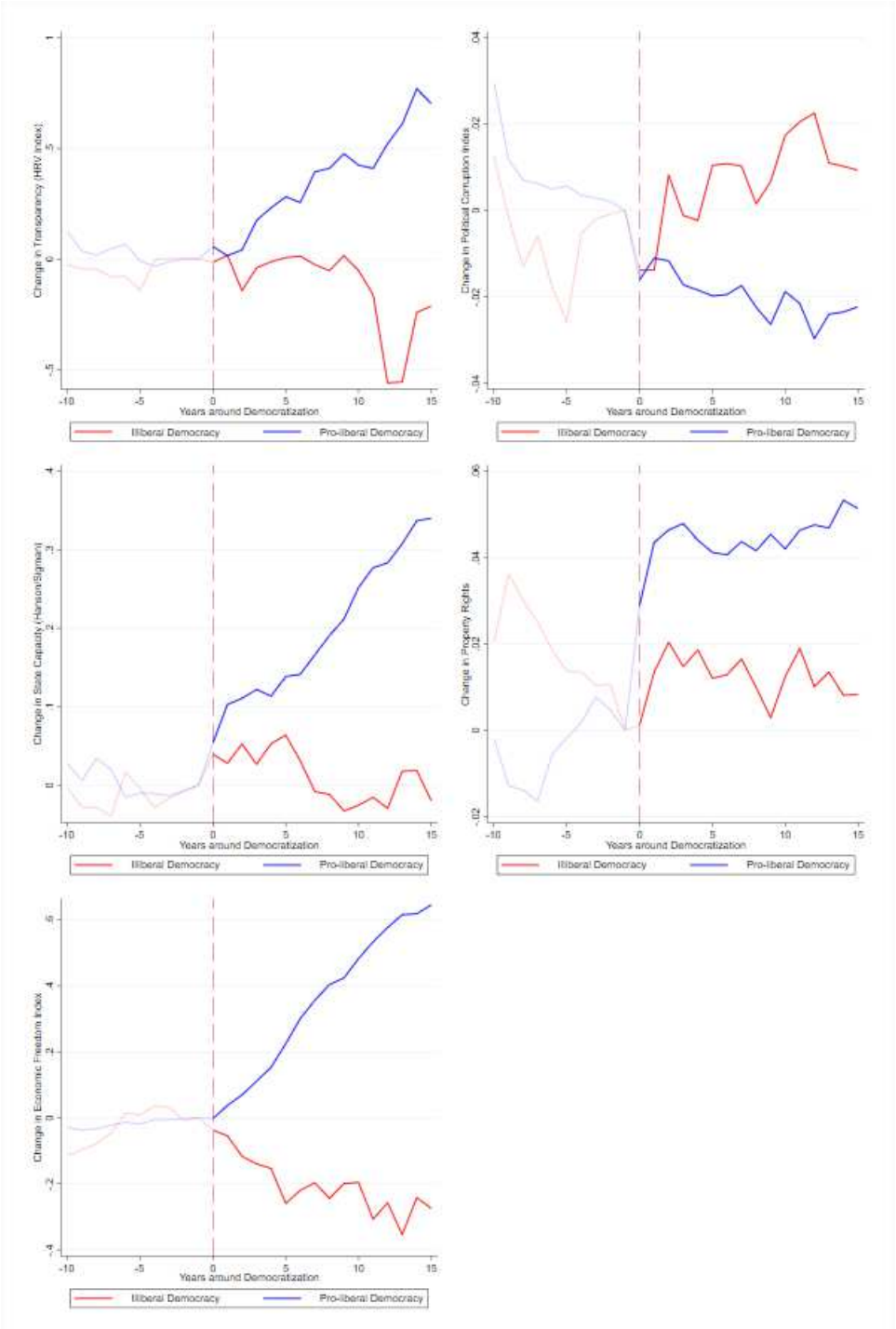
In this section, we analyze the effects of Pro-Liberal and Illiberal Democracies on more violence and institutional quality using various indicators, as shown in Table A33. Most data come from V-Dem, except for the civil or ethnic violence risk, which is sourced from the Center for Systemic Peace.

Column (1) shows that Pro-Liberal Democracies experience significant reductions in election-related violence, unlike illiberal ones. Additionally, Pro-Liberal Democracies witness decreased mass mobilizations for anti-system movements, revolutions, and revolutionary wars (columns (2)–(4)). Consequently, these regimes declare states of emergency less frequently (column (5)). Ethnic violence, civil wars, and broader societal violence also decline in Pro-Liberal Democracies (columns (6)–(7)), suggesting that democracy promotes peace primarily in Pro-Liberal regimes.

L Data Sources

Our empirical analysis draws upon a rich dataset encompassing diverse sources:

Figure A14. Semiparametric Estimates of the over-time Effects of Pro-Liberal (Blue) and Illiberal (Red) Democracy on Mechanism: Institutions



Note: Semiparametric estimates of the over-time effects of Pro-Liberal/Illiberal Democracy on institutions (Transparency [HRV Index], Political Corruption, State Capacity, Property Rights, and Economic Freedom Index), obtained using a regression model to estimate counterfactuals. This figure plots semiparametric estimates of the effect of Pro-Liberal (blue)/Illiberal (red) democratization on institutions. The blue (red) line plots the estimated average effect on institutions in countries that Pro-Liberal (Illiberal) democratized. Time (in years) relative to the year of democratization runs on the horizontal axis. We normalize each institution variable to 0 in the year preceding the democratization. The estimates are obtained by assuming and estimating a linear model for counterfactual outcomes, which we use to control for the influence of institutions dynamics, as explained in full detail by Acemoglu et al. (2019).

Indicators from V-Dem: Pro-democratic Mobilization, Pro-autocratic Mobilization, CSO anti-system Movement Character (Democratic, Anti-democratic), Political Polarization, Political Violence, Political Corruption, Property Rights, Electoral Democracy Index, Liberal Democracy Index, Participatory Democracy Index, Deliberative Democracy Index, Egalitarian Democracy Index, the Alternative Sources of Information Index, Clean Elections Index, Judicial Constraints on the Executive Index, Legislative Constraints on the Executive Index, State Ownership of Economy, Educational Equality, Education 15+ (Average Year of Education, above 15 age), Gini Educational Inequality, Petroleum/Coal/Natural Gas Production per Capita, Petroleum/Coal/Natural Gas/Metals Production per Capita, Electoral Violence, CSO Anti-system Movements, Revolutionary, Revolutions War, State of Emergency, Ethnic Wars, Gender Equality in Civil Liberties, Social Class Equality in Civil Liberties, Ethnic Wars, and Region (Politico-Geographic, 10 levels).

Indicators from World Development Indicators (2020 Edition): Enrollment Rates, Fertility Rate, GDP per capita, Government Spending (Share of GDP), Inflation Rate, Investment Rate, Life Expectancy, Mortality Rate, Regional Area (WDI), Trade Share of GDP, Urban Population (% of Total Population), Petroleum Production per Capita, Total natural Resources Rents (% of GDP), Manufacturing (Value Added, % of GDP), Industry (Value Added, % of GDP).

Indicators from Quality of Government (QOG) Dataset: HRV (Transparency) Index, Economic Freedom, Forms of Democracy[59], Regional Area (QOG), Social Globalization, Economic Globalization, Political Globalization.

Indicators from PWT 9.0: Human Capital, Human Capital Index, Physical Capital, Population, TFP.

The Indicator from Fariss et al. (2022): Real GDP per capita.

State Capacity is extracted from Hanson and Sigman (2021).

Indicators from Acemoglu et al. (2019): Democracy, Market Reform Index, Social Unrest, Tax Revenue, Regional Area.

Indicators from Aisen and Veiga (2013): Human Capital per capita, Physical Capital per capita, Regime Instability Index2, Violence Index2.

[59]We combine Regime Institutions (Cheibub et al., 2010), Political System (The Database of Political Institutions), and Institution (Bormann and Golder, 2013) to construct dummy variables of Parliamentary Democracy, Mixed (semi-presidential) democracy and Presidential democracy. Electoral System (Bormann and Golder, 2013) and Electoral Family (Norris, 2009) are used to generate three dummy variables to represent Majoritarian Election System, Proportional Election System, and Mixed System.

Alternative Democracy indicators are from Boix et al. (2013), Cheibub et al. (2010); Bjørnskov and Rode (2020), Papaioannou and Siourounis (2008b), Polity V, Machine Learning Democracy Index (Gründler and Krieger, 2021), Episodes of Regime Transformation (ERT) dataset (Maerz et al., 2023), and Lexical Index (Skaaning et al., 2015).

Democratic Capital (Democratic Stock) is extracted from Gerring et al. (2005).

Indicators from NAVCO 1.3 dataset (Chenoweth and Shay, 2020): Violent and Nonviolent Movement.

Indicators from Barro and Lee (2013): Average Schooling Years, Percentage with Secondary Schooling.

Indicators from Solt (2016): Gini Income (post-tax), Gini Income (pre-tax).

Colony indicators are from QOG, Cervellati et al. (2014), and Acemoglu et al. (2008).

Indicators from the Center for Systemic Peace: Civil or Ethnic Violence Risk.

Indicators from GEM: Established Entrepreneur, High-growth Aspiration, High-export Behavior, Product Innovativeness, Process Innovativeness, Opportunity Motivation, Advanced Technology Level, Few Competitors, All Stages of Quality of Entrepreneurship, High Status to Successful Entrepreneurs, Entrepreneurship as a Good Career Choice, Often See Stories in the Media about Successful New Businesses, Gender, Age, Education, and Personal Weight.

Indicators from Foreign Bilateral Influence Capacity (FBIC): Normalized Trade Agreement Index between the United States and Other Countries, Normalized Shared International Governmental Organization (IGO) Membership with the United States, Economic and Political Bandwidth.

Table A2. Summary Statistics: Conditions During Democratization

	Pro-Liberal democratization						Illiberal democratization						Mean Diff.
Variable	Obs.	Mean	P50	Sd	Min	Max	Obs.	Mean	P50	Sd	Min	Max	(p-value)
Economic Indicators													
GDP per Capita	208	3,191	1,647	3,353	203.9	15,447	69	2,214	1,400	2,494	235.4	10,301	**0.027**
Urban Population (% of Total Population)	233	46.98	45.13	18.39	8.541	87.19	78	36.09	35.61	20.28	7.276	76.48	**0.000**
Educational Equality	228	0.113	-0.147	1.583	-3.098	3.645	78	-0.229	-0.348	0.916	-1.815	2.284	**0.072**
Education 15+: Average Year of Edu.	187	6.099	6.118	2.769	0.960	10.59	63	3.973	3.609	2.732	0.723	10.45	**0.000**
Educational Inequality, Gini	174	37.25	31.25	19.08	14.04	89.93	60	54.74	58.41	20.53	12.80	89.68	**0.000**
School Enrollment, Secondary (% Gross)	165	58.45	59.17	27.57	6.798	104.7	61	30.56	22.50	27.13	4.718	89.58	**0.000**
School Enrollment, Tertiary (% Gross)	167	15.12	10.90	12.54	0.384	52.46	50	7.420	2.210	11.55	0.257	49.03	**0.000**
Average Schooling Years	161	5.940	6.028	2.625	0.951	10.95	57	3.989	3.638	2.360	1.032	9.475	**0.000**
Percentage with Secondary Schooling	161	32.04	27.71	20.20	2.013	78.36	57	17.19	12.60	13.13	3.186	42.56	**0.000**
Petroleum Production per Capita	185	43.57	0	132.5	0	950.4	74	79.29	0	209.5	0	1,060	0.102
Human Capital (PWT)	127	1.724	1.706	0.421	1.086	2.854	53	1.490	1.336	0.400	1.058	2.686	**0.001**
Human capital index (PWT)	196	2.054	2.026	0.589	1.102	3.168	69	1.615	1.384	0.571	1.053	3.269	**0.000**
Total natural Resources Rents (% of GDP)	209	5.769	2.862	8.872	0	70.36	70	10.45	4.481	11.82	0.391	44.66	**0.001**
Petroleum, Coal, and Natural Gas Production per Capita	184	89.94	3.295	199.5	0	1,452	74	108.5	0.475	219.1	0	1,062	0.511
Petroleum, Coal, Natural Gas, and Metals Production per Capita	183	154.6	37.96	247.3	0	1,611	74	124.8	1.394	220.0	0	1,064	0.367
Gini Income (post-tax)	178	38.46	38.50	8.791	17.40	60.40	40	40.68	41.40	9.737	20.40	54.30	0.158
Gini income (pre-tax)	178	45.01	44.30	7.286	31	66.80	40	45.52	43.50	6.593	36.20	59.30	0.684
Manufacturing, Value Added (% of GDP)	160	15.32	14.15	7.852	2.967	44.60	57	13.49	12.78	7.067	1.873	30.59	0.123
Industry, Value Added (% of GDP)	179	26.62	24.31	10.31	8.020	59.39	63	22.82	23.71	10.08	3.243	40.64	**0.012**

Note: Refer to the text and Appendix for a description of the variables and their corresponding sources. T-tests are employed to assess whether the differences between the Pro-Liberal and Illiberal Democracy groups are significantly different from 0.

Table A3. Effects of Pro-Liberal and Illiberal Democracy on Growth: Using Initial Nature of Mobilization with Different Cutoffs

	Different Value of Nature of Mobilization in Political Transition Period as Cutoffs							No Grouping
Dependent Variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Growth Rate	Baseline 0	p15	p20	p25	p30	p35	p40	
Pro-Liberal Democracy (β_P)	0.994***	0.827***	0.925***	0.994***	0.859***	0.886***	0.881***	
	(0.319)	(0.308)	(0.313)	(0.319)	(0.296)	(0.301)	(0.309)	
Illiberal Democracy (β_I)	0.100	0.534	0.181	0.100	0.637	0.601	0.637	
	(0.344)	(0.426)	(0.345)	(0.344)	(0.459)	(0.422)	(0.395)	
Democracy								0.797***
								(0.291)
GDP Growth First Lag	0.135*	0.136*	0.135*	0.135*	0.136*	0.136*	0.136*	0.136*
	(0.072)	(0.072)	(0.072)	(0.072)	(0.072)	(0.072)	(0.072)	(0.072)
GDP Growth Second Lag	0.047***	0.047***	0.047***	0.047***	0.047***	0.047***	0.047***	0.047***
	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)	(0.017)
GDP Growth Third Lag	0.042**	0.042**	0.042**	0.042**	0.042**	0.042**	0.042**	0.042**
	(0.018)	(0.018)	(0.018)	(0.018)	(0.018)	(0.018)	(0.018)	(0.018)
GDP Fourth Lag	-3.104***	-3.097***	-3.100***	-3.104***	-3.097***	-3.096***	-3.099***	-3.093***
	(0.587)	(0.585)	(0.585)	(0.587)	(0.585)	(0.585)	(0.586)	(0.584)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.516	0.0411	0.0144	0.607	0.469	0.514	-
Countries	133	133	133	133	133	133	133	133
Observations	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697
Adjusted R^2	0.191	0.190	0.190	0.191	0.190	0.190	0.190	0.190
Cutoff to Group	0	-0.471	-0.210	-0.0837	0.199	0.460	0.556	-

Note: A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A4. Effects of Pro-Liberal and Illiberal Democracy on Growth: Alternative Nature of Mobilization Indicators

Dependent Variable: Growth Rate	(1) p15	(2) p20	(3) p25	(4) p30	(5) p35	(6) p40	(7) p45	(8) p50
	Panel A: Pro-democratic Mobilization							
Pro-Liberal Democracy (β_P)	0.626**	0.574**	0.585**	0.666**	0.682**	0.701**	0.660**	0.657**
	(0.278)	(0.278)	(0.282)	(0.290)	(0.294)	(0.298)	(0.303)	(0.315)
Illiberal Democracy (β_I)	1.950***	2.107***	1.752***	1.245**	1.148**	1.031**	1.091**	1.024***
	(0.640)	(0.560)	(0.511)	(0.515)	(0.500)	(0.462)	(0.431)	(0.390)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0267	0.00228	0.00930	0.232	0.328	0.458	0.301	0.346
Countries	133	133	133	133	133	133	133	133
Observations	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697
	Panel B: Reversed Pro-autocratic Mobilization							
Pro-Liberal Democracy (β_P)	0.802***	0.846***	0.938***	0.907***	0.964***	0.978***	1.047***	1.056***
	(0.305)	(0.312)	(0.319)	(0.322)	(0.326)	(0.339)	(0.355)	(0.374)
Illiberal Democracy (β_I)	0.774	0.622	0.400	0.538	0.487	0.522	0.489	0.556*
	(0.482)	(0.414)	(0.365)	(0.362)	(0.341)	(0.322)	(0.308)	(0.307)
Coef. Test (p-value): $\beta_P = \beta_I$	0.954	0.586	0.144	0.309	0.160	0.167	0.0959	0.161
Countries	133	133	133	133	133	133	133	133
Observations	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697
	Panel C: Nature Mobilization, Alternative Variable Form							
Pro-Liberal Democracy (β_P)	0.813***	0.813***	0.844***	0.729**	0.729**	0.719**	0.719**	0.719**
	(0.305)	(0.305)	(0.310)	(0.291)	(0.291)	(0.307)	(0.307)	(0.307)
Illiberal Democracy (β_I)	0.738	0.738	0.663	0.943**	0.943**	0.893**	0.893**	0.893**
	(0.478)	(0.478)	(0.424)	(0.441)	(0.441)	(0.379)	(0.379)	(0.379)
Coef. Test (p-value): $\beta_P = \beta_I$	0.873	0.873	0.662	0.596	0.596	0.624	0.624	0.624
Countries	133	133	133	133	133	133	133	133
Obs.	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697
	Panel D: Nature of Civil Society							
Pro-Liberal Democracy (β_P)	0.860***	0.941***	0.941***	0.936***	0.939***	0.978***	0.982***	0.889***
	(0.302)	(0.321)	(0.321)	(0.319)	(0.327)	(0.334)	(0.346)	(0.332)
Illiberal Democracy (β_I)	0.321	0.383	0.383	0.403	0.510	0.480	0.517*	0.688*
	(0.481)	(0.322)	(0.322)	(0.320)	(0.319)	(0.308)	(0.302)	(0.350)
Coef. Test (p-value): $\beta_P = \beta_I$	0.240	0.0777	0.0777	0.0822	0.165	0.103	0.148	0.570
Countries	133	133	133	133	133	133	133	133
Observations	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697
	Panel E: Reversed Pro-autocratic Civil Society							
Pro-Liberal Democracy (β_P)	0.893***	0.924***	1.007***	1.007***	0.994***	0.993***	0.923**	0.986***
	(0.307)	(0.320)	(0.334)	(0.334)	(0.339)	(0.358)	(0.370)	(0.371)
Illiberal Democracy (β_I)	0.224	0.323	0.330	0.330	0.427	0.523*	0.666**	0.613**
	(0.405)	(0.334)	(0.327)	(0.327)	(0.321)	(0.303)	(0.297)	(0.296)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0830	0.0773	0.0521	0.0521	0.0995	0.176	0.449	0.271
Countries	133	133	133	133	133	133	133	133
Observations	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A5. Effects of Pro-Liberal and Illiberal Democracy on Growth Over a Longer Time: Various Democracy Indicators

Dependent Variable: Growth	(1) CGV	(2) Polity IV	(3) Machine Learning Index	(4) ERT	(5) Electoral Democracy	(6) Liberal Democracy
Pro-Liberal Democracy (β_P)	0.450***	0.279*	0.328***	0.199**	0.278***	0.232**
	(0.138)	(0.165)	(0.116)	(0.098)	(0.100)	(0.101)
Illiberal Democracy (β_I)	0.023	0.248	0.118	0.065	0.140	0.318
	(0.133)	(0.174)	(0.186)	(0.146)	(0.201)	(0.267)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0226	0.836	0.313	0.325	0.464	0.725
Countries	139	127	139	159	162	165
Observations	8,980	7,320	9,184	13,396	13,617	13,876
Adjusted R^2	0.638	0.655	0.628	0.631	0.632	0.629

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A6. Effects of Pro-Liberal vs Illiberal Democracy on Growth: Considering the Absolute Level of Pro-democratic Mobilization in Illiberal and Pro-Liberal Transition

Dependent Variable: Growth	(1)	(2)	(3)
Pro-Liberal Democracy (β_P)	0.993***	2.253***	2.254***
	(0.319)	(0.702)	(0.702)
Illiberal Democracy (β_I)	-0.029	0.078	-0.066
	(0.611)	(0.341)	(0.604)
Illiberal Democracy with High Level of	0.205		0.229
Pro-democratic Mobilization in Transition	(0.845)		(0.840)
Pro-Liberal Democracy with High Level of		-1.462**	-1.464**
Pro-democratic Mobilization in Transition		(0.635)	(0.635)
Coef. Test (p-value): $\beta_P = \beta_I$	0.120	0.00227	0.00948
Countries	133	133	133
Observations	5,697	5,697	5,697
Adjusted R^2	0.190	0.191	0.191

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, $p < 0.05$, * $p < 0.01$.

Table A7. Effect of Democracy on GDP Growth: Interaction with Initial Nature of Mobilization

Dependent Variable: Growth Rate	(1)	(2)	(3)	(4)
	Full Sample			Only Pro-Liberal Democracy and Autocracy
Democracy	0.745**	0.750**		1.356***
	(0.321)	(0.321)		(0.496)
Interaction	0.048	0.104		-0.260
	(0.125)	(0.245)		(0.192)
$Interaction^2$		-0.024		
		(0.085)		
Middle Pro-Liberal Democracy			1.311***	
			(0.384)	
High Pro-Liberal Democracy			0.648*	
			(0.335)	
Illiberal Democracy			0.112	
			(0.347)	
Countries	133	133	133	112
Observations	5,697	5,697	5,697	4,732
Adjusted R^2	0.190	0.190	0.191	0.199

Note: Nature of mobilization at democratization time is used to construct the interaction term for the third-wave democratic countries. In the third column, two cutoffs, 0 and $P70$ of nature of mobilization during democratization, are used to built these three democracy dummies. A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A8. Effects of Pro-Liberal and Illiberal Democracies on GDP Growth: No Extreme Observations

	(1)	(2)	(3)	(4)	(5)	(6)
	Dropping Extreme Observations with Residuals outside Specified Ranges					
Dependent Variable: Growth	P1-P99	P5-P95	P10-P90	P15-P85	P20-P80	P25-P75
Pro-Liberal Democracy (β_P)	0.621***	0.626***	0.503***	0.527***	0.591***	0.582***
	(0.221)	(0.190)	(0.143)	(0.101)	(0.094)	(0.074)
Illiberal Democracy (β_I)	-0.102	0.102	0.109	0.117	0.134	0.057
	(0.274)	(0.246)	(0.280)	(0.216)	(0.225)	(0.179)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0105	0.0510	0.162	0.0757	0.0488	0.00526
Countries	133	133	133	133	133	133
Observations	5,585	5,129	4,559	3,989	3,419	2,849
Adjusted R^2	0.323	0.476	0.597	0.688	0.770	0.834

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A9. Effects of Pro-Liberal and Illiberal Democracies on GDP Growth: Controlling Economic and Demographic Variables

Dependent Variable: Growth	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Adding Covariates:	Log of Trade Share	Log of Investment Rate	Log of Inflation Rate	Log of Gov Spending	Log of Primary Enrollment	Log of Secondary Enrollment	Log of Tertiary enrollment	Fertility Rate	Log of Life Expectancy
Pro-Liberal Democracy (β_P)	1.318***	1.371***	0.752**	1.370***	1.018***	0.646*	0.978**	0.956***	0.994***
	(0.403)	(0.358)	(0.288)	(0.374)	(0.281)	(0.331)	(0.383)	(0.323)	(0.316)
Illiberal Democracy (β_I)	0.358	0.374	-0.166	0.617*	-0.218	-0.478	-0.882	0.145	0.087
	(0.399)	(0.348)	(0.390)	(0.342)	(0.427)	(0.507)	(0.641)	(0.348)	(0.346)
Covariate First Lag	3.023***	1.371**	-0.255	0.083	-1.309	1.717	-0.061	1.058	-13.116
	(0.649)	(0.578)	(0.155)	(1.270)	(1.921)	(1.740)	(1.185)	(1.490)	(10.382)
Covariate Second Lag	-1.845	-1.269*	-0.042	-0.401	0.441	-3.318	-0.558	1.078	17.456***
	(1.235)	(0.664)	(0.144)	(1.371)	(2.560)	(2.333)	(1.288)	(2.018)	(5.542)
Covariate Third Lag	-0.031	0.713	-0.007	-0.240	-0.630	1.366	-0.770	-1.365	-0.040
	(0.695)	(0.735)	(0.118)	(0.937)	(2.844)	(2.490)	(1.429)	(1.156)	(3.921)
Covariate Fourth Lag	-0.353	-0.328	0.151	-0.290	1.305	0.021	1.401*	-1.021	-2.169
	(0.395)	(0.465)	(0.101)	(0.525)	(2.615)	(1.638)	(0.758)	(0.682)	(3.517)
Sum of Covariate Coefficients	0.794	0.487	-0.153	-0.848	-0.193	-0.216	0.0126	-0.249	2.132
p-value (Covariate)	0.325	0.223	0.368	0.0572	0.727	0.657	0.978	0.129	0.241
Coef. Test (p-value): $\beta_P = \beta_I$	0.0446	0.0190	0.0325	0.0674	0.00491	0.0384	0.00712	0.0255	0.0160
Countries	129	127	132	129	128	122	117	133	133
Observations	5,110	4,858	4,008	4,949	3,828	2,774	2,505	5,672	5,689
Adjusted R^2	0.188	0.213	0.237	0.177	0.288	0.281	0.332	0.193	0.195

Note: In each column, four lags of the covariate specified in each column label are controlled, and the sum of their coefficients is reported as well as the p-value for joint significance. A full set of country and year fixed effects are controlled, as well as three lags of growth rates and the fourth lag of GDP per capita in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A10. Effects of Ex-colonial and Non-colonial Democracy on Growth: Baseline and Robustness

	(1)	(2)	(3)	(4)
	Categorize Democracy by ...			Two Strategies to Categorize Democracy (Colony from QOG)
Dependent Variable: Growth	Colony Dummy from QOG	Colony Dummy from Cervellati et al. (2014)	Colony Dummy from Acemoglu et al. (2008)	
Ex-colonial Democracy (β_C)	0.585***	0.581***	0.682***	
	(0.217)	(0.222)	(0.221)	
Non-colonial Democracy (β_N)	1.777***	1.576***	1.336**	
	(0.559)	(0.519)	(0.565)	
Pro-Liberal and Non-colonial Democracy				2.177***
				(0.588)
Illiberal and Ex-colonial Democracy				0.185
				(0.383)
Pro-Liberal and Ex-colonial Democracy				0.725**
				(0.309)
Illiberal and Non-colonial Democracy				-0.190
				(0.637)
Coef. Test (p-value): $\beta_C = \beta_N$	0.0340	0.0618	0.259	
Countries	169	169	148	127
Observations	7,598	7,611	7,012	5,489
Adjusted R^2	0.211	0.211	0.183	0.193

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A11. Effects of Autocracy on Growth: Consider Nature of Mobilization During Democratic Breakdown

Dependent Variable: Growth Rate	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Using Diff. Thresholds of Nature of Mobilization During Democratic Breakdown						
	0	p20	p30	p40	p50	p60	p70
Autocracy with Low Nature of Mobilization	-0.346	-1.074*	-0.975*	-0.626	-0.445	-0.395	-0.433
During Democratic Breakdown (β_{AL})	(0.404)	(0.544)	(0.496)	(0.467)	(0.381)	(0.331)	(0.303)
Autocracy with High Nature of Mobilization	-0.748**	-0.390	-0.369	-0.494	-0.672**	-0.825**	-0.859*
During Democratic Breakdown (β_{AH})	(0.306)	(0.305)	(0.318)	(0.341)	(0.317)	(0.398)	(0.460)
Coef. Test (p-value): $\beta_{AL} = \beta_{AH}$	0.421	0.290	0.324	0.834	0.641	0.400	0.430
Countries	132	132	132	132	132	132	132
Observations	4,912	4,912	4,912	4,912	4,912	4,912	4,912
Adjusted R^2	0.319	0.319	0.319	0.319	0.319	0.319	0.319
Cutoff to Group	0	-0.632	-0.389	-0.146	0.0840	0.207	0.523

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A12. Effect of Pro-Liberal Democracy vs Illiberal Democracy on Growth: Miscellaneous

Dependent Variable: Growth	(1)	(2) Consider Reversals	(3) Use Dem. without 5-yr Stability to Categorize
Pro-Liberal Democracy (β_P)	1.053***		0.971***
	(0.362)		(0.310)
Illiberal Democracy (β_I)	-0.550		0.095
	(0.910)		(0.360)
Pro-Liberal Democracy×Post-1990	-0.040		
	(0.485)		
Illiberal Democracy×Post-1990	0.796		
	(0.920)		
$Pro-liberalDem$: β_P		1.024***	
		(0.342)	
$Pro-liberal_Reversal$: γ_P		-0.703*	
		(0.399)	
$IlliberalDem$: β_I		0.100	
		(0.334)	
$Illiberal_Reversal$: γ_I		-0.186	
		(0.641)	
Coef.Test (p-value): $\beta_P = \beta_I$	0.0966	0.0119	0.0237
Coef.Test (p-value): $\beta_P + \gamma_P = 0$		0.454	
Coef.Test (p-value): $\beta_I + \gamma_I = 0$		0.870	
Countries	133	133	133
Observations	5,697	5,697	5,703
Adjusted R^2	0.190	0.190	0.191

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A13. Effects of Pro-Liberal and Illiberal Democracies on GDP Growth: Special Cases

Dependent Variable: Growth Rate	(1) At Least 20 Obs.	(2) Region× Year FE	(3) Country Linear Trends	(4) Soviet Dummies	(5) Outlier Excluded	(6) Consider All Situations in (1)–(5)
Pro-Liberal Democracy (β_P)	0.990***	1.024***	1.131***	0.896***	0.626***	0.766***
	(0.319)	(0.325)	(0.373)	(0.305)	(0.190)	(0.256)
Illiberal Democracy (β_I)	0.099	0.418	-0.266	0.136	0.102	0.173
	(0.344)	(0.395)	(0.383)	(0.328)	(0.246)	(0.244)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0147	0.139	0.00711	0.0275	0.0510	0.0660
Countries	129	133	133	133	133	129
Observations	5,658	5,697	5,697	5,697	5,129	5,095
Adjusted R^2	0.192	0.222	0.234	0.193	0.476	0.526

Note: Column (1) excludes countries with less than 20 observations of the dependent variable. Column (2) adds Region× Year FE. Column (3) adds country linear trends. Column (4) adds interactions between a dummy for Soviet-related countries and dummies for the years 1989, 1990, 1991, and post-1992. Column (5) removes observations with a standardized residual estimated below percentile 5 or above percentile 95. In Column (6), all factors are controlled. A full set of country and year fixed effects are controlled, as well as three lags of growth rates and the fourth lag of GDP per capita in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A14. Effects of Pro-Liberal and Illiberal Democracy on GDP Growth: Different Regions

Dependent Variable: Growth	(1) All Regions	(2) No East Asia & Pacific	(3) No Europe & Central Asia	(4) No Latin America & Caribbean	(5) No Middle East & North Africa	(6) No North America	(7) No South Asia	(8) No Sub-Saharan Africa	(9) No Ex-soviet
Pro-Liberal Democracy (β_P)	0.994***	1.207***	0.966***	1.009***	0.836***	0.994***	1.028***	0.992**	0.956***
	(0.319)	(0.344)	(0.327)	(0.359)	(0.308)	(0.319)	(0.334)	(0.419)	(0.311)
Illiberal Democracy (β_I)	0.100	0.259	0.196	-0.041	0.017	0.100	0.131	0.230	0.183
	(0.344)	(0.429)	(0.336)	(0.359)	(0.331)	(0.344)	(0.348)	(0.737)	(0.314)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.0411	0.0320	0.00884	0.0136	0.0144	0.0150	0.291	0.0224
Countries	133	116	101	114	116	133	127	91	118
Observations	5,697	4,955	4,679	4,668	5,003	5,697	5,464	3,716	5,268
Adjusted R^2	0.191	0.178	0.148	0.186	0.266	0.191	0.191	0.212	0.156

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A15. Pro-Liberal and Illiberal Democracy in Each Region

Region	# Countries that Have Ever Pro-Liberal Democracy	# Countries that Have Ever Illiberal Democracy
Sub-Saharan Africa	17	13
East Asia and Pacific	7	1
Europe and Central Asia	21	3
Latin America and Caribbean	16	3
Middle East and North Africa	2	1
South Asia	4	0
Total	68	21

Table A16. Effects of Pro-Liberal vs Illiberal Democracy on Growth: Explore the Countries in Sub-Saharan Africa

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent Variable:	Baseline	Drop Countries in Sub-Saharan Africa	Only Drop Democratic Countries in Sub-Saharan Africa	Only Drop Autocratic Countries in Sub-Saharan Africa	Only Drop Pro-Liberal Democratic Countries in Sub-Saharan Africa	Only Drop Illiberal Democratic Countries in Sub-Saharan Africa
Pro-Liberal Democracy (β_P)	0.994***	0.992**	1.000**	1.054***	1.138***	0.894***
	(0.319)	(0.419)	(0.395)	(0.334)	(0.389)	(0.331)
Illiberal Democracy (β_I)	0.100	0.230	0.288	0.146	-0.027	0.303
	(0.344)	(0.737)	(0.765)	(0.333)	(0.391)	(0.718)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.291	0.345	0.0111	0.00939	0.401
Countries	133	91	105	119	116	120
Observations	5,697	3,716	4,307	5,106	4,846	5,074
Adjusted R^2	0.191	0.212	0.203	0.197	0.195	0.200

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A17. Effects of Pro-Liberal and Illiberal Democracy on GDP Growth: Different Time Periods

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent Variable: Growth	All Time Periods	No 1960–1970	No 1970–1980	No 1980–1990	No 1990–2000	No 2000–2010	No 2010–2020
Pro-Liberal Democracy (β_P)	0.994***	1.097***	1.186***	0.994**	0.859***	0.993***	0.910**
	(0.319)	(0.325)	(0.348)	(0.400)	(0.328)	(0.353)	(0.355)
Illiberal Democracy (β_I)	0.100	-0.170	0.295	0.184	0.198	0.164	0.033
	(0.344)	(0.345)	(0.392)	(0.392)	(0.409)	(0.393)	(0.443)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.000751	0.0443	0.0552	0.0955	0.0498	0.0565
Countries	133	133	133	133	133	133	131
Observations	5,697	5,372	5,007	4,846	4,593	4,404	4,263
Adjusted R^2	0.191	0.195	0.204	0.191	0.207	0.164	0.191

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A18. Effects of Pro-Liberal/Illiberal Democracy on GDP Growth: Different Transition Scenario

Dependent Variable: Growth Rate	(1) Baseline	(2) Only Always Autocratic Countries and Countries with Transition Time$\geq$ 2	(3) Only Always Autocratic Countries and Countries with 1 Transition Time	(4) Only Countries with 1 Transition Time
Pro-Liberal Democracy (β_P)	0.994***	0.249	1.187***	1.793***
	(0.319)	(0.433)	(0.388)	(0.359)
Illiberal Democracy (β_I)	0.100	-0.083	-0.034	0.508
	(0.344)	(0.459)	(0.555)	(0.483)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.517	0.0387	0.0198
Countries	133	64	117	69
Observations	5,697	2,710	4,889	2,987
Adjusted R^2	0.191	0.150	0.191	0.293

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A19. Effects of Pro-Liberal and Illiberal Democracy on Growth: Controlling Different Lags of Growth

	(1)	(2)	(3)	(4)	(5)
	Controlling for Different Lags of Growth ...				
Dependent Variable: Growth Rate	3 lags	6 lags	9 lags	12 lags	15 lags
Pro-Liberal Democracy (β_P)	0.994***	1.053***	1.295***	1.186***	1.322***
	(0.319)	(0.347)	(0.365)	(0.386)	(0.409)
Illiberal Democracy (β_I)	0.100	0.026	-0.101	-0.159	-0.190
	(0.344)	(0.335)	(0.351)	(0.436)	(0.486)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.00511	0.000603	0.00661	0.00703
Countries	133	131	131	131	131
Observations	5,697	5,341	4,976	4,606	4,229
Adjusted R^2	0.191	0.193	0.194	0.200	0.222

Note: A full set of country and year fixed effects are controlled in all specifications. Different lags of growth rates specified in each column are controlled in regressions. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A20. Effects of Pro-Liberal and Illiberal Democracy on Growth: Average Nature of Mobilization around Transition in Different Windows

Dependent Variable: Growth	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Average Nature of Mobilization around Democratization								
	Only At Transition Year	[-1, 0]	Baseline [-2,0]	[-3,0]	[-4,0]	[-5,0]	[-6,0]	[-7,0]	[-8,0]
Pro-Liberal Democracy (β_P)	0.855***	0.987***	0.994***	0.994***	1.014***	1.038***	0.942***	0.942***	0.986***
	(0.316)	(0.318)	(0.319)	(0.319)	(0.320)	(0.325)	(0.320)	(0.320)	(0.325)
Illiberal Democracy (β_I)	0.570	0.004	0.100	0.100	0.079	0.146	0.458	0.458	0.416
	(0.412)	(0.398)	(0.344)	(0.344)	(0.329)	(0.332)	(0.349)	(0.349)	(0.332)
Coef. Test (p-value): $\beta_P = \beta_I$	0.505	0.0222	0.0144	0.0144	0.00709	0.0115	0.160	0.160	0.0892
Countries	133	133	133	133	133	133	133	133	133
Observations	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697	5,697
Adjusted R^2	0.190	0.191	0.191	0.191	0.191	0.191	0.190	0.190	0.190

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A21. Compare Variances of Mobilizations During Democratization vs. Other Time

	Obs.	Mean	Sd	Min	Max	Mean Diff.: p-value	
Panel A: During Democratization						Panel A vs Panel B1	Panel A vs Panel B2
Variance of Nature of Mobilization	312	0.741	0.235	0.236	1.360	0.000	0.064
Variance of Pro-democratic Mobilization	312	0.355	0.150	0.0882	0.834	0.008	0.054
Variance of Pro-autocratic Mobilization	312	0.387	0.147	0.0847	0.734	0.001	0.265
Without Info. During Democratization							
Panel B1: All Countries							
Variance of Nature of Mobilization	9,116	0.794	0.249	0.160	1.535		
Variance of Pro-democratic Mobilization	9,116	0.377	0.148	0.0506	0.904		
Variance of Pro-autocratic Mobilization	9,127	0.417	0.158	0.0404	0.918		
Panel B2: Only Democratizing Countries							
Variance of Nature of Mobilization	4,498	0.768	0.247	0.191	1.535		
Variance of Pro-democratic Mobilization	4,498	0.371	0.145	0.0912	0.904		
Variance of Pro-autocratic Mobilization	4,498	0.397	0.159	0.0762	0.846		

Note: Refer to the main text for a detailed description of the variables and their respective sources. T-tests are employed to assess whether the differences between variables in Panel A and their counterparts in Panel B1 or Panel B2 are statistically significant from 0.

Table A22. Effects of Pro-Liberal vs Illiberal Democracy on Growth: Explore the Quality of Indicators Measuring Mobilizations

	(1)	(2) Keep Only ≧5 Experts Estimate Mobilizations During	(3) Drop Great Dif. Estimations Among Experts. on Mobilizations During	(4) Drop Countries with Nature of Mobilizations close to 0 During	(5) Control Variance of Nature of	(6) Control Variances of Pro-Liberal Mobilization and Illiberal
Dependent Variable:	Baseline	Democratization	Democratization	Democratization	Mobilization	Mobilization
Pro-Liberal Democracy (β_P)	0.994***	0.991***	1.012***	0.808***	1.148***	1.216***
	(0.319)	(0.361)	(0.334)	(0.300)	(0.345)	(0.366)
Illiberal Democracy (β_I)	0.100	-0.172	0.048	-0.004	0.041	0.040
	(0.344)	(0.392)	(0.367)	(0.339)	(0.347)	(0.349)
Variance of Nature of Mobilization					-1.029	
					(0.858)	
Variance of Pro-Liberal Mobilization						-0.531
						(1.295)
Variance of Illiberal Mobilization						-1.561
						(1.164)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.00540	0.0180	0.0244	0.00445	0.00493
Countries	133	117	124	127	130	130
Observations	5,697	4,882	5,257	5,422	5,567	5,567
Adjusted R^2	0.191	0.193	0.190	0.182	0.192	0.192

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A23. Effects of Pro-Liberal vs Illiberal Democracy on Growth: Robustness to Initial Mobilization Conditions

Dependent Variable: Growth Rate	(1) Baseline	(2) Placebo Test: Info. of Earlier Years Before Transition to Group Dem.	(3) Only Auto. and Dem. with Initial Nature of Mob. Close to 0
Pro-Liberal Democracy (β_P)	0.994***	0.935***	2.628**
	(0.319)	(0.335)	(1.100)
Illiberal Democracy (β_I)	0.100	0.653**	-0.083
	(0.344)	(0.328)	(1.348)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0144	0.380	0.117
Countries	133	133	54
Observations	5,697	5,697	2,177
Adjusted R^2	0.191	0.190	0.163

Note: A full set of country and year fixed effects are controlled in all specifications, as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A24. Pro-Liberal vs. Illiberal Democratic Transitions and Growth: Interaction with Ethnic Fragmentation

	(1)	(2)	(3)	(4)	(5)	(6)
				Alternative Ethnic Fragmentation		
Dependent Variable: Growth		High Level if Ethnic Fragmentation above P50	High Level if Ethnic Fragmentation above P75		High Level if Ethnic Fragmentation above P50	High Level if Ethnic Fragmentation above P75
Pro-Liberal Democracy (β_P)	1.361**	1.051**	1.260***	1.376**	1.065**	1.276***
	(0.565)	(0.417)	(0.391)	(0.568)	(0.419)	(0.395)
Illiberal Democracy (β_I)	0.499	0.153	0.351	0.508	0.161	0.360
	(0.595)	(0.457)	(0.406)	(0.594)	(0.455)	(0.406)
Democracy*Ethnic_Fragmentation	-0.664			-0.666		
	(0.808)			(0.808)		
Democracy*High_Ethnic_Fragmentation		-0.032	-0.573		-0.032	-0.577
		(0.415)	(0.391)		(0.414)	(0.390)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0199	0.0171	0.0151	0.0186	0.0161	0.0142
Countries	125	125	125	125	125	125
Observations	5,455	5,455	5,455	5,425	5,425	5,425
Adjusted R^2	0.193	0.193	0.194	0.194	0.194	0.195

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, $p < 0.05$, * $p < 0.01$.

Table A25. Effects of Democracy on Growth: Pro-Liberal/Illiberal Democracy vs Strong/Weak Democracy

Dependent Variable: Growth Rate	(1)	(2)	(3)	(4)
		Same Sample Size		
Strong Democracy (β_S)	0.981***	0.979***		
	(0.335)	(0.335)		
Weak Democracy (β_W)	0.240	0.231		
	(0.353)	(0.352)		
Pro-Liberal Democracy (β_P)			0.989***	
			(0.321)	
Illiberal Democracy (β_I)			0.083	
			(0.347)	
Pro-Liberal and Strong Democracy				1.121***
				(0.354)
Illiberal and Weak Democracy				-0.246
				(0.456)
Strong but Illiberal Democracy				0.309
				(0.462)
Weak but Pro-Liberal Democracy				0.492
				(0.419)
Coef. Test (p-value): $\beta_{P(S)} = \beta_{I(W)}$	0.0619	0.0593	0.0138	
Countries	125	124	124	124
Observations	5,520	5,480	5,480	5,480

Note: A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A26. Effects of Pro-Liberal/Illiberal Democracies on log GDP per capita—Dynamic Specification (Long-run Estimates, Percentage)

Dependent Variable: GDP per capita	(1) Plain vanilla: MG	(2) Plain vanilla: C&K MG	(3) With covariates: MG	(4) With covariates: C&K MG
	Panel A: Effect of Pro-Liberal Democracy on log GDP per capita			
Pro-Liberal Democracy	30.359***	9.695***	16.357***	10.943***
	(4.042)	(2.566)	(3.482)	(2.548)
Observations	2464	2464	2464	2464
Countries	56	56	56	56
Democratization	67	67	67	67
Reversals	27	27	27	27
Avg Years in Dem	25.9	25.9	25.9	25.9
RMSE	23.466	8.674	11.971	5.259
Parameters estimated	4	13	12	21
Minimum T	23	23	23	23
	Panel B: Effect of Illiberal Democracy on log GDP per capita			
Illiberal Democracy	3.488	-0.353	0.779	-3.562
	(11.475)	(4.227)	(10.086)	(4.315)
Observations	601	601	601	601
Countries	12	12	12	12
Democratization	14	14	14	14
Reversals	11	11	11	11
Avg Years in Dem	20.8	20.8	20.8	20.8
RMSE	22.407	9.678	11.070	5.800
Parameters estimated	4	13	12	21
Minimum T	28	28	28	28

Note: The table presents robust mean estimates from heterogeneous panel estimators for the role of Pro-Liberal (Panel A) and Illiberal (Panel B) democracy on GDP per capita: (1) and (3) simple Mean Group estimator, (2) and (4) Chan and Kwok (C&K) DID Mean Group estimator — all are estimated using least squares. We hold the sample fixed across the four specifications. All estimates presented are long-run (ATET) estimates for the causal effect of Pro-Liberal and Illiberal Democracy on income per capita (in percent), derived from a CS-DL model (Chudik and Pesaran, 2015). The models in (3) and (4) include gross investment ratio and trade/GDP as additional covariates. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A27. Impact of Democracy on Economic Growth: Regional Wave as IVs for Democracy and the Normalized Shared IGO Membership with Old Democratic Countries as IVs for Initial Democratic Mobilization Dominant

Dependent Variable: Growth	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Using the Normalized Shared IGO membership during Transition as IVs of $\overline{Dem_Mob_Dominant}$								
			Robustness Checks by Controlling for *Shared IGO membership* and ...						
	Baseline	Control Shared IGO	GDPper in 1960 Quintiles × Year Effect	Soviet Dummies	Regional Trends	Regional GDPper	Regional Trade Share	Spatial Lag of GDP per	Spatial Lags of GDP per and Democracy
	Panel A. 2SLS Estimates with Fixed Effects								
Pro-Liberal Democracy	1.470***	1.455***	2.094***	1.325***	1.515***	1.480***	1.611***	1.408***	1.477**
p-value:	0.494	0.514	0.672	0.467	0.544	0.548	0.485	0.501	0.605
sd:	0.00291	0.00469	0.00182	0.00452	0.00533	0.00692	0.000894	0.00493	0.0147
(Illiberal) Democracy	-1.953	-1.730	-0.813	-1.050	-1.429	-2.526	-0.905	-1.456	-1.441
	(1.415)	(1.260)	(1.579)	(1.085)	(1.536)	(1.689)	(1.192)	(1.165)	(1.263)
Difference	3.423**	3.185**	2.907	2.375*	2.943	4.007**	2.516*	2.864**	2.918*
	(1.650)	(1.510)	(2.099)	(1.316)	(1.878)	(1.997)	(1.438)	(1.394)	(1.657)
Hansen Test (p-value)	0.261	0.319	0.458	0.413	0.274	0.530	0.363	0.311	0.465
F-stat. in the First Stage:									
IV for Democracy	156.6	153.6	116.3	153.8	145.1	153	157.7	113.2	86.45
IV for Interaction	67.84	64.41	43.73	64.37	68.11	62.85	64.30	45.09	40.44
Partial R^2 for Dem. (p-value)	0.637	0.632	0.640	0.632	0.627	0.632	0.633	0.632	0.632
Partial R^2 for Interaction (p-value)	0.513	0.503	0.471	0.503	0.475	0.502	0.508	0.503	0.505
Countries	125	125	61	125	125	125	122	125	125
Observations	5,442	5,409	3,335	5,409	5,409	5,409	4,970	5,409	5,409
	Panel B1. First-Stage Estimates for Democracy								
L.$DemIV^F$	-0.207	-0.215	-0.341	-0.212	-0.302**	-0.222	-0.205	-0.223	-0.251
	(0.149)	(0.148)	(0.219)	(0.148)	(0.136)	(0.144)	(0.164)	(0.147)	(0.155)
L2.$DemIV^F$	-0.331**	-0.334**	-0.281	-0.340**	-0.223*	-0.328**	-0.327**	-0.328**	-0.290*
	(0.151)	(0.151)	(0.221)	(0.152)	(0.131)	(0.148)	(0.161)	(0.150)	(0.154)
L.$InteractionIV$	12.882***	12.938***	13.246***	12.938***	12.669***	12.864***	13.383***	12.853***	12.863***
	(3.193)	(3.177)	(3.429)	(3.170)	(3.196)	(3.213)	(2.944)	(3.156)	(3.171)
L2.$InteractionIV$	-6.398**	-6.437**	-6.457*	-6.432**	-5.932*	-6.354*	-6.920**	-6.351**	-6.362**
	(3.209)	(3.187)	(3.444)	(3.181)	(3.252)	(3.225)	(2.943)	(3.165)	(3.180)
	Panel B2. First-Stage Estimates for Difference								
L.$DemIV^F$	-0.113	-0.120	-0.217	-0.117	-0.173	-0.102	-0.087	-0.119	-0.164
	(0.126)	(0.125)	(0.195)	(0.126)	(0.125)	(0.123)	(0.141)	(0.124)	(0.130)
L2.$DemIV^F$	-0.148	-0.152	-0.001	-0.157	-0.070	-0.167	-0.162	-0.153	-0.175
	(0.132)	(0.132)	(0.206)	(0.133)	(0.116)	(0.131)	(0.141)	(0.131)	(0.129)
L.$InteractionIV$	19.132***	18.997***	20.048***	18.997***	19.767***	19.173***	19.586***	19.033***	18.876***
	(6.885)	(6.971)	(7.024)	(6.963)	(6.794)	(6.871)	(6.689)	(6.975)	(6.954)
L2.$InteractionIV$	-14.245**	-14.117*	-15.383**	-14.113*	-14.837**	-14.316**	-14.730**	-14.153*	-13.990*
	(7.107)	(7.187)	(7.224)	(7.179)	(7.032)	(7.085)	(6.901)	(7.192)	(7.170)

Note: All columns present results using the 2SLS method. A full set of country and year fixed effects are controlled in all specifications as well as three lags of growth rates and the fourth lag of GDP per capita. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, $p < 0.05$, * $p < 0.01$.

Table A28. Potential Mechanisms Using the IV Method: Behaviors

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent Variable:	Political Polarization	Pro-Liberal Mobilization	Mass Illiberal Mobilization	Political Violence	Violence Index	Regime Instability Index	Social Unrest
Pro-Liberal Democracy	-0.117***	-0.296***	-0.0487	-0.227***	-0.210*	-0.644***	-0.182***
p-value:	0.00717	0.000131	0.333	0.000895	0.0615	0.000379	0.00328
sd:	0.0436	0.0774	0.0503	0.0683	0.112	0.181	0.0621
(Illiberal) Democracy	0.165	-0.039	-0.285**	0.254	-0.437	0.410	0.321*
	(0.159)	(0.334)	(0.135)	(0.264)	(1.029)	(1.214)	(0.190)
Difference	-0.282	-0.258	0.236	-0.481	0.227	-1.053	-0.504**
	(0.191)	(0.398)	(0.168)	(0.321)	(1.104)	(1.303)	(0.236)
Hansen Test (p-value)	0.130	0.299	0.0176	0.228	0.753	0.604	0.274
F-stat. in the First Stage:							
IV for Democracy	131.3	147.3	112.2	146.1	143.6	85.16	103.5
IV for Interaction	52.68	65.51	43.75	60.02	95.25	67.06	60.21
Partial R^2 for Dem. (p-value)	0.617	0.639	0.587	0.625	0.526	0.517	0.588
Partial R^2 for Interaction (p-value)	0.475	0.510	0.440	0.488	0.561	0.530	0.487
Countries	122	122	122	122	110	111	119
Observations	5,293	5,293	5,293	5,293	2,581	2,617	3,728

Note: Four lags of dependent variables and GDP per capita are controlled in each regression. A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A29. Potential Mechanisms Using the IV Method: Quality of Institutions

Dependent Variable:	(1) Transparency (HRV Index)	(2) Political Corruption	(3) State Capacity	(4) Property Rights	(5) Economic Freedom Index
Pro-Liberal Democracy	0.247	-0.00567*	0.0615***	0.00435	0.103***
p-value:	0.211	0.0674	0.00119	0.318	0.000551
sd:	0.198	0.00310	0.0190	0.00436	0.0298
(Illiberal) Democracy	-0.330	-0.007	-0.006	-0.014	-0.120
	(0.505)	(0.010)	(0.054)	(0.015)	(0.105)
Difference	0.577	0.001	0.068	0.019	0.223*
	(0.692)	(0.013)	(0.070)	(0.019)	(0.129)
Hansen Test (p-value)	0.0625	0.359	0.135	0.656	0.602
F-stat. in the First Stage:					
IV for Democracy	68.82	122.9	107.1	127.2	124.9
IV for Interaction	32.44	54.54	59.45	49.51	48.99
Partial R^2 for Dem. (p-value)	0.597	0.612	0.590	0.618	0.602
Partial R^2 for Interaction (p-value)	0.416	0.484	0.470	0.474	0.457
Countries	94	121	118	122	108
Observations	2,350	5,158	4,608	5,293	4,274

Note: Four lags of dependent variables and GDP per capita are controlled in each regression. A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A30. Potential Mechanisms on Behavior Indicators Using Method in Dorsch and Maarek (2019)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dependent Variable:	Political Polarization	Pro-Liberal Mobilization	Illiberal Mobilization	Political Violence	Political Corruption	Violence Index	Regime Instability Index	Social Unrest
	Illiberal Democracy							
Democracy	-0.001	-0.031	-0.013	0.015	-0.008	0.128	-0.220	0.026
	(0.037)	(0.052)	(0.039)	(0.049)	(0.005)	(0.144)	(0.225)	(0.062)
Countries	104	104	104	104	103	87	89	91
Observations	2,466	2,466	2,466	2,466	2,387	1,462	1,484	1,789
Adjusted R^2	0.963	0.889	0.951	0.954	0.986	0.761	0.160	0.258
	Pro-Liberal Democracy							
Democracy	-0.092***	-0.352***	-0.186***	-0.120***	-0.008**	-0.271***	-0.780***	-0.196***
	(0.029)	(0.065)	(0.043)	(0.042)	(0.004)	(0.101)	(0.294)	(0.052)
Countries	104	104	104	104	103	76	76	92
Observations	3,075	3,075	3,075	3,075	2,981	1,132	1,149	1,994
Adjusted R^2	0.943	0.739	0.874	0.932	0.978	0.760	0.144	0.296

Note: Four lags of dependent variables as well as four lags of GDP per capita are controlled in each regression. A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A31. Potential Mechanisms on Institution Indicators Using Method in Dorsch and Maarek (2019)

Dependent Variable:	(1) Transparency (HRV Index)	(2) State Capacity	(3) Property Rights	(4) Economic Freedom Index
	Illiberal Democracy			
Democracy	0.023	0.032**	0.003	0.002
	(0.035)	(0.013)	(0.003)	(0.014)
Countries	64	98	104	83
Observations	996	2,193	2,466	1,825
Adjusted R^2	0.978	0.975	0.988	0.989
	Pro-Liberal Democracy			
Democracy	0.017	0.047***	0.007	0.047***
	(0.037)	(0.014)	(0.004)	(0.013)
Countries	71	101	104	95
Observations	1,362	2,592	3,075	2,625
Adjusted R^2	0.973	0.979	0.975	0.985

Note: Four lags of dependent variables as well as four lags of GDP per capita are controlled in each regression. A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A32. Semiparametric Estimates of the Effect of Pro-Liberal/Illiberal Democratization on Mechanisms (Behaviors and Institutions): Using Inverse-Propensity-Score Reweighting

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Pro-Liberal Democracy Average Effects on Mechanisms from				Illiberal Democracy Average Effects on Mechanisms from			
	-5 to -1 Years	0 to 4 Years	5 to 9 Years	10 to 14 Years	-5 to -1 Years	0 to 4 Years	5 to 9 Years	10 to 14 Years
Mechanisms: Behaviors								
Political Polarization	0.010	-0.269**	-0.281**	-0.365***	-0.038	0.138	0.071	-0.074
	[0.029]	[0.105]	[0.120]	[0.138]	[0.047]	[0.115]	[0.115]	[0.161]
Pro-democratic Mobilization	-0.032	-0.425***	-0.442***	-0.558***	-0.031	0.115	0.002	0.056
	[0.052]	[0.123]	[0.134]	[0.178]	[0.113]	[0.162]	[0.176]	[0.188]
Pro-autocratic Mobilization	0.081**	-0.362***	-0.290***	-0.290***	0.010	-0.217	-0.217	-0.163
	[0.041]	[0.082]	[0.086]	[0.111]	[0.035]	[0.181]	[0.215]	[0.189]
Political Violence	0.039	-0.305**	-0.328***	-0.433***	0.059	0.173	0.452*	0.503*
	[0.046]	[0.119]	[0.124]	[0.163]	[0.077]	[0.181]	[0.236]	[0.304]
Violence Index	0.048	-0.296	-0.401	-0.288	0.069	0.486**	0.623*	-0.790
	[0.084]	[0.191]	[0.315]	[0.505]	[0.118]	[0.238]	[0.363]	[1.257]
Regime Instability	0.098	0.155	-0.044	0.026	0.027	0.637	0.834**	-0.195
Index	[0.160]	[0.244]	[0.310]	[0.457]	[0.269]	[0.388]	[0.398]	[0.371]
Social Unrest	0.008	-0.080	-0.037	-0.078	0.034	0.138	0.183	-0.008
	[0.022]	[0.056]	[0.067]	[0.090]	[0.048]	[0.092]	[0.123]	[0.144]
Mechanisms: Institutions								
Transparency (HRV Index)	-0.016	0.121	0.419***	0.637**	-0.026	-0.001	0.030	-0.248
	[0.031]	[0.084]	[0.139]	[0.260]	[0.036]	[0.070]	[0.135]	[0.235]
Political Corruption	0.003	-0.018	-0.024	-0.023	-0.007	-0.011	-0.009	-0.007
	[0.005]	[0.017]	[0.019]	[0.021]	[0.012]	[0.024]	[0.034]	[0.038]
State Capacity	-0.010	0.105***	0.171***	0.275***	-0.008	0.039	0.005	0.011
	[0.013]	[0.037]	[0.054]	[0.067]	[0.015]	[0.077]	[0.114]	[0.109]
Property Rights	0.005	0.042***	0.041**	0.045**	0.011	0.029***	0.042***	0.058***
	[0.014]	[0.014]	[0.018]	[0.019]	[0.016]	[0.010]	[0.014]	[0.017]
Economic Freedom	-0.009	0.073*	0.321***	0.518***	0.028	-0.093	-0.238	-0.061
	[0.011]	[0.041]	[0.089]	[0.128]	[0.038]	[0.067]	[0.166]	[0.246]

Note: This table presents semiparametric estimates of the effect of a Pro-Liberal/Illiberal democratization on mechanisms over different time horizons, indicated in the column label. The estimates obtained via inverse-propensity-score reweighting. We report robust standard errors obtained via bootstrapping. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table A33. Mechanisms: More Violence and Institution Indicators

Dependent Variable:	(1) No Electoral Violence	(2) CSO Anti-system Movements	(3) Revolutions	(4) Revolutionary War	(5) No State of Emergency	(6) Ethnic Wars	(7) Civil Violence/War or Ethnic Violence/War
Pro-Liberal Democracy (β_P)	0.089**	-0.203***	-0.121***	-0.024*	0.064***	-0.032**	-0.040***
	(0.034)	(0.033)	(0.039)	(0.012)	(0.013)	(0.014)	(0.014)
Illiberal Democracy (β_I)	0.013	-0.007	0.005	0.073**	-0.005	0.008	0.028
	(0.041)	(0.048)	(0.050)	(0.031)	(0.009)	(0.027)	(0.025)
Coef. Test (p-value): $\beta_P = \beta_I$	0.0993	0.000314	0.0404	0.00341	0.000	0.130	0.00702
Countries	125	130	129	115	130	115	128
Observations	4,147	5,543	3,525	2,718	5,543	2,718	5,165
Adjusted R^2	0.191	0.191	0.191	0.191	0.191	0.191	0.206

Note: Four lags of dependent variables and GDP per capita are controlled in each regression. A full set of country and year fixed effects are controlled in all specifications. Robust standard errors clustered at the country level are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.