

## Introduction

One of the greatest challenges in the twenty-first century is to address large, deep, and historic deficits in human development. A crucial question we explore in this book is how democracy – with all of its messy, contested, and time-consuming features – works to advance well-being and improve citizens’ lives. Broad evidence demonstrates that democracies provide more public goods and higher standards of living, on average, for citizens than authoritarian countries (Przeworski et al. 1999: 264–265; Lake and Baum 2001; Besley and Kudamatsu 2006; Brown and Mobarak 2009; Acemoglu et al. 2013; Harding and Stasavage 2014; Hodgson 2017; Gerring et al. 2015). We move beyond the conventional explanations – elections, political competition, and partisanship – to develop theory connecting core dimensions of democracy – participation, citizenship, and an inclusive state – to improvements in well-being. In doing so, we illuminate how these dimensions form “pathways” that help citizens and governments achieve better human development outcomes. We argue that differences in the robustness of three democratic pathways – participatory institutions, rights-based social programs, and inclusive state capacity – best explain variation in how democratic governments improve well-being.

Our “pathways” approach uses a much thicker concept of democracy than many previous studies that focus on national elections. The mechanisms we uncover in this analysis link democracy to human development outcomes in novel ways. Participatory institutions permit citizens to express their voice and exercise their vote, which shift basic governance patterns and contribute to well-being. Inclusive social programs based on citizenship rights promote access to public resources that contribute to

well-being. More capable local states, which use public resources according to democratic principles of rights protections and equal access, also contribute to well-being. Finally, we argue that each of these factors has independent *and interactive* effects on well-being. These three pathways create virtuous circles that promote well-being where they are jointly present, but vicious circles that undermine well-being where they are not. The book's argument thus moves beyond elections to show how the ongoing practices associated with democracy provide the most thorough explanation for local variation in well-being.

We provide a detailed account of how the everyday practices of governing and political contestation are crucial for well-being across four areas integral to human development – poverty, health, gender empowerment, and education. The expansion of citizenship rights is a central feature of political struggles across democracies; there is a long, rich history of citizens organizing to secure rights that constitutions formally guarantee as well as demanding to expand those rights (Marshall 1950; Thompson 1964; Dagnino 1998; Yashar 2005; Somers 2008). Citizenship rights are also a central feature of democratic theory as scholars explore how democratic regimes restrict, expand, or guarantee the rights that citizens are able to formally exercise (Marshall 1950; Dahl 1971; Somers 2008). Our understanding of democratic citizenship rights draws upon Marshall's three complementary dimensions: civil, political, and social rights.<sup>1</sup> Democratic regimes provide the foundational ecosystem that protects citizens as they exercise available rights and struggle to secure additional rights. Gaining access to basic citizenship rights then also promotes the expansion of human capabilities, including increased access to income, employment, health, and education (Sen 1999; Nussbaum 2011). Expanding capabilities leads to greater individual and collective agency, which then permits citizens to take advantage more fully of the rights afforded by the democratic regime. Accessing capabilities, agency, and democratic citizenship rights is not a linear, even process. Rather, it is an iterative progression that is marked by expansion and contraction. Advances across capabilities, agency, and democratic citizenship rights occur at different paces, and short-term backsliding and stagnation are common in pursuit of long-term gains.

The stakes are high for getting democracy to work for human development. Hundreds of millions of people living in democracies around the

<sup>1</sup> A minimal conceptualization of rights comes from the liberal citizenship tradition whereas a broader civic conceptualization emphasizes citizenship as rights *and* responsibilities.

world struggle to live a decent life. Will their babies live past their first year of life? Will poor women survive childbirth to see their infants thrive and become capable adults? Beyond mere survival, we know that millions languish in destitution, unable to meet their most basic needs, experiencing hunger and homelessness. Additional millions are vulnerable to market changes, lack adequate housing or access to basic health services, and are unable to send their children to decent schools. Those living in poverty need their democracies to lift them out of deprivation and provide them with the tools to live a capable life. Yet, many poor citizens cannot access public goods that will enable them to develop and exercise basic capabilities. Their wealthier counterparts enjoy access to both public goods and private markets. For example, poor citizens lack access to health care or rely on underfunded health clinics where wait times are long and the quality of service is lower than those found at private facilities that cater to the wealthy. Similarly, poor children attending public schools face overcrowding, a limited supply of textbooks, and unprepared teachers, making their prospects for future economic agency through labor markets harder to achieve. All this is to say that poor citizens around the world struggle to gain access to key, basic services, even though democratic regimes offer the promise of rights protection and the creation of opportunities for all citizens.

In this book, we explain how specific democratic practices contribute to well-being. We identify practices, programs, and institutions that help governments to improve the quality of life of their citizens. We find that, at the most extreme, the presence of democratic programs saves lives. Municipalities that adopt more robust participatory democratic institutions and inclusive rights-based social programs have significantly lower levels of infant and maternal mortality. The benefits of democracy are thus not abstract ideals; concrete, democratic practices have meaningful impacts on survival. Although improvements related to infant and maternal mortality offer the starkest life-and-death benefit, we also find that rights-based practices advance other areas crucial to human development; they empower women, encourage school attendance, and raise income. We provide readers with a theoretical framework for how democracy can advance well-being and help to build the necessary capabilities so that individuals can better engage markets, communities, and governments.

The analysis we present draws on a combination of quantitative and qualitative evidence to illuminate how governments, civil servants, and citizens can work together to improve well-being. These processes cannot be taken for granted. Many municipalities are unable to develop the

necessary pathways that permit them to significantly improve the lives of their citizens. In the best-case scenario, captured in this book in the Brazilian city of Camaragibe (see Chapter 8), we see the development of a complex participatory system in which citizens and government officials meet in more than twenty-five participatory venues to deliberate over public policies; these cogovernance venues permit the expansion of public debate of public policies and public goods. Government officials also lead efforts to deliver inclusive social policies that enable their residents to exercise the rights formally guaranteed by Brazil's constitution; elected officials and their political appointees support the development of a capable local state that can deliver public services and public goods to poor residents. However, a wealthier city in the same region, Jabotão dos Guararapes, struggles to provide basic social services and public goods to its citizens. Citizens there lack access to constitutionally guaranteed rights, such as health care, social assistance, and education. Citizens' access to rights and to well-being thus depends greatly on the local configuration of three democratic pathways.

#### WHAT IS AT STAKE

Brazil is one of the most unequal countries in the world. At the start of the twenty-first century, tens of millions of families had limited income and could only access low-quality public services (e.g., health, education, public safety). Millions of people faced hunger and lived in neighborhoods marred by poor sanitation, substandard housing, and police violence. In sharp contrast, the living standards of a relatively large middle class have been much higher. Brazil's upper-middle class and elite travel internationally on vacations, send children to private primary and secondary schools, use private medical services, and employ private security firms to guard against urban violence. While Brazil made worldwide headlines for its socioeconomic improvements in the early 2000s, much of the inequality described here persists today. Brazil is a rich country overall (the eighth largest economy in world with a population of 210 million), but the benefits of this wealth have not reached many on the lower social rungs.

Social and economic inequality is even starker in Brazil's poor and arid northeast. This region has fared badly when compared to the industrialized south and southeast. Living in poverty in the northeast is simply much worse than being poor elsewhere in the country. Incomes for the poor are lower, the entrenched economic elite are relatively wealthier, and

public services are poorly delivered. For example, residents of the metropolitan region around the capital city of Recife, in the state of Pernambuco, experience some of the worst urban poverty in Brazil. There are many preventable infant deaths, mothers die from postnatal complications, and poor young men are victims of waves of homicides. Many children suffer from malnutrition and can only access a low quality of public education as they grow up. Quite simply, lives are not fully developed because millions of residents in the metropolitan region are mired in deep intergenerational poverty. Rural areas are often even worse off, with poor residents unable to travel long distances to access employment, hospitals, and tertiary education which are concentrated in urban centers. While Brazil has made important strides in ameliorating poverty and improving access to social services in recent years, the historical legacies of social exclusion and uneven development remain central problems for equity and human development today.

#### THEORETICAL AND EMPIRICAL CONTRIBUTIONS

This book makes four important theoretical contributions and three significant empirical and methodological contributions. First, the book demonstrates how key dimensions of democracy – participation, citizenship rights, and an inclusionary state – permit us to conceptualize the multiple venues, strategies, and policy-making processes within democratic environments that influence well-being on a regular basis. We find that there is a “democracy advantage”: those places with thicker democracy are more likely to improve well-being than those places with less robust democratic practices. Second, we link debates on citizenship (Marshall 1950; Somers 2008) and human capabilities (Sen 1999; Crocker 2008; Nussbaum 2011) to build a more complete explanation for how the development of agency helps citizens better utilize basic citizenship rights. Our third theoretical contribution is to illuminate how subnational governance units (e.g., municipalities, counties, cities, states) are crucial actors that account for the ability of citizens to exercise rights and improve well-being (Tendler 1997; Grindle 2007; Heller 2017; Snyder 2001).

Our fourth theoretical contribution is to show how the pathways identified above – participatory institutions, inclusive social programs, and state capacity – operate both independently and interactively to influence well-being. Some existing research identifies how participatory institutions (Gonçalves 2014; Touchton and Wampler 2014; Heller

2017), inclusive social programs (Macinko et al. 2006; Rasella et al. 2013; Garay 2017; Touchton et al. 2017; Gibson 2017), or inclusive state capacity (Centeno et al. 2017) generate independent improvements in well-being. However, those studies do not simultaneously incorporate all three components. Our theoretical approach thus includes a fine-grained analysis that incorporates multiple pathways: the importance of participatory institutions, inclusive social policies, and a local state capable of implementing elected governments' policies.

We also make three empirical and methodological contributions to the study of democracy, human development, and, more narrowly, to Brazilian politics. First, we developed one of the largest subnational databases on democracy in the developing world to provide the first broad, deep empirical test of our arguments. This dataset covers 5,570 Brazilian municipalities from 2000 to 2013 across local political institutions, social program delivery, and local state capacity. It also includes extensive indicators for well-being covering income-based poverty, health, women's empowerment, and education. We use this dataset to build quantitative models of well-being and test our hypotheses while controlling for many other potentially relevant factors such as economic conditions, political competition, and local partisanship. The results of our quantitative analysis showcase clear, strong connections between participatory institutions, rights-based social programs, and inclusive state capacity across twelve different indicators for well-being. These results highlight the importance of local democratic governance for well-being over time and across space in a way that had been impossible to evaluate until now.

Our second contribution is to use fieldwork in Brazil to identify causal mechanisms that influence well-being within each pathway and across them. We interviewed more than forty people to better understand how the pathways independently and interactively generated significant variation in outcomes. Finally, we integrate the quantitative and qualitative approaches into a rich mixed-methods approach. Our qualitative analysis thus complements our quantitative models to provide a comprehensive explanation for variation in well-being across all of Brazil's municipalities, while also providing direct illustrations of how these trends operate in individual settings.

### *Well-Being and Development*

Nobel Prize-winning economist Amartya Sen paved the way for research on well-being, by providing the theoretical imperative to

move beyond gross domestic product to evaluate the extent to which countries are able to meet their citizens' basic needs (Sen 1999; Drèze and Sen 2013). Sen placed individual-level quality of life at the center of the outcome (well-being) and then argued that enhancing individual-level capabilities helps individuals to develop agency, which would then improve these individuals' ability to engage the market, government, and their communities.

Development, conceived through a human capabilities approach, emphasizes “the crucial role of social opportunities to expand the realm of human agency and freedom, both as an end in itself and as a means of further expansion of freedom” (Drèze and Sen 2002: 8). We use well-being and human development interchangeably in this book because these concepts address similar phenomena, namely, individuals' and communities' ability to harness social and political opportunities to improve their lives. We cover four broad areas of well-being – poverty, health, gender empowerment, and education – to capture the different ways that people's lives may or may not be changing. We assess very specific features of well-being such as infant and maternal mortality, access to basic income, school attendance, etc. We recognize, of course, that these are not the only ways to measure well-being. However, our approach captures essential components, including whether individuals survive birth, live healthy lives, survive childbirth, attend school, and overcome gender discrimination. The breadth of our outcome variables allows us to better identify relationships between inputs, processes, and outcomes as well as when and how different types of outcomes are likely to change.

Democratic regimes provide a broader ecosystem that allows citizens to build capabilities, use agency to place additional claims on governments, and exercise their constitutionally guaranteed civil, political, and social rights (Marshall 1950; Ostrom 1996; Sen 1999; Crocker 2008; Somers 2008). We do not assume that people in democracies can universally develop these capabilities or easily access these rights, but we follow Sen's lead that the full development of capabilities and agency is more likely to take place under democratic regimes because they facilitate exercising agency across a broader range of venues than under authoritarian regimes. These democratic venues provide opportunities to express political voice in formal policy-making venues, to organize protests against policies, to mobilize against the interests of private companies, and to engage markets. Democratic regimes, thus, provide a broader breadth of opportunities for individuals to pursue their individual and collective interests.

***Three Pathways to Improving Well-Being***

This book focuses on the inner workings of democracy due to our interest in showing how differences in democratic practices lead to variation in levels of well-being. Our focus is on the additional institutions, programs, and policies that are built into democracy as a means to increase opportunities for citizens to participate in public life, to expand citizens' access to a wider range of social policies, and to reorient the state to deliver these policies. A thicker definition of democracy moves beyond elections to better capture the ongoing practice of democracy: citizens exercise political rights to access constitutionally guaranteed social and civil rights; governments implement social programs designed to fulfill social rights; and bureaucrats deliver the services that help to accomplish these goals. Democracy is thus not reducible to biannual elections but is part of the daily lives of elected governments, civil society activists, civil servants, and citizens. We briefly introduce the three pathways here, but they are more fully developed in Chapter 1.

Direct citizen participation within participatory institutions represents one pathway to expanding citizenship rights and improving well-being. Participatory institutions serve as an important mechanism for advancing well-being, as these state-sanctioned institutional processes devolve decision-making authority to venues that incorporate both citizen and government officials (Avritzer 2002; Font 2003; Fung and Wright 2003; Fung 2006; Cornwall and Coelho 2007; Ansell and Gash 2008; Nabatchi 2012; Baiocchi et al. 2011; Pateman 2012; Abers and Keck 2013; Wampler 2015; Heller 2017). These democratic institutions (e.g., participatory budgeting programs, policy councils, town hall meetings, etc.) serve as deliberative decision-making venues that forge new relationships – among citizens, civil society organizations (CSOs), and public officials – and create new policy-making processes. The proliferation of these types of incremental policy-making bodies allows citizens to focus more broadly on public goods provisioning and more narrowly on policy implementation. The adoption of participatory institutions leads to a shift in democratic governance as citizens and government officials are induced to engage each other differently.

Citizenship, which is advanced through the extension of rights-based social policies as part of the state's social rights obligations, constitutes our second pathway to well-being. For many middle-income and developing democratic countries, the extension of social provisioning for the poor has been difficult because of significant and longstanding needs along with limited resources (Huber 1996; Kaufman and Nelson 2004).



In much of Latin America, reformers have also had to overcome political obstacles that result from a corporatist welfare state, where social insurance has primarily benefited the privileged few (e.g., formal sector workers, military, government officials, etc.) while excluding the informal sector and poor (Kaufman and Nelson 2004; Mesa-Lago 1978; Weyland 1996; Hochstetler 2000). In order for countries to fulfill constitutional aspirations to deliver social rights under democracy, governments need to commit to equal treatment for members of the polity and enforce universal citizenship rights. In recent years, governments around the developing world focused on targeting public resources toward the most vulnerable individuals and groups by emphasizing bureaucratic decision-making and well-designed social policies (Fiszbein and Schady 2009; Garay 2017; Rasella et al. 2013; Sugiyama 2012; Teichman 2008). Nondemocratic countries can also pursue social programs that enhance welfare, but often do so to prop up a dominant party or government (e.g., in Diaz-Cayeros, Estévez, and Magaloni 2016). Our focus here is the establishment of social policies that further democratic principles of inclusive citizenship, such as the right to education, health, and social assistance. In practice, this means the government's fulfillment of its citizens' rights as part of its obligation to do so. From the point of view of poor people, this means social programs treat everyone equally and all those who qualify can receive them.

Inclusive state capacity in democracies is our third pathway to well-being. Much contemporary scholarship on the developmental state is rooted in Sen's work on fostering human capabilities as a means to promote productivity, the foundation for economic growth (Evans and Heller 2015; Centeno et al. 2017). A human capabilities approach highlights the state's ability to deliver public goods to a broader range of citizens (Sen 1999). Delivering public goods to the broader citizenry requires states with a competent, trained staff and resources to implement policies. States also benefit from administrative continuity across elected administrations to deliver public goods without elected officials' direct, ongoing influence. Local states embedded in local territorial units (e.g., cities, municipalities, panchayats, etc.) are often charged with implementing policies that national and provincial governments mandate. Low levels of state capacity (e.g., poorly trained personnel, poor access to telecommunications and equipment) can make it difficult to execute even well-designed national public policy. Crucially, local states in the developing world also need to avoid clientelistic practices that undermine local service delivery and performance. The state's capacity to engage citizens and

deliver policy reforms is therefore intricately tied to a larger democratic process of inclusion and participation.

In sum, these three pathways offer the opportunity for local governments to initiate a virtuous circle of well-being. There are no guarantees that local governments will support these pathways. Many government officials are unwilling or unable to support reform efforts that expand individual-level capabilities and agency, citizenship rights, and democratic governance. In this book, we develop theory and provide evidence for what happens when municipalities do support these reform efforts.

### *Brazil: Evaluating Innovation and Well-Being*

We turn to Brazil, a middle-income country known for its internal diversity, to test our argument. Brazil offers amazing internal contrasts, whether we consider its historical patterns of colonization, industrial development, internal migration, ecological diversity, or well-being. Profound social differences along gender, race and ethnicity, region, and class now mean that basic access to well-being is unevenly distributed often along these lines. Extreme poverty is highly gendered and racialized, which means that well-being is considerably lower among Afro-Brazilian women. Infant and maternal mortality, for example, are much worse for Afro-Brazilian women (Caldwell 2017). When Afro-Brazilian women live in Brazil's northeast, their problems are compounded. This stark regional, social, and economic inequality found in Brazil is one of the reasons the country is commonly referred to as "Belindia," a term coined by Brazilian economist Edmar Bacha in 1974, to highlight that some parts of the country are similar to modern wealthy Belgium, while other parts are closer to portions of poor underdeveloped India.

Political and policy reformers in Brazil implemented an astounding array of reforms during the 1990s and 2000s, many of which were designed to mitigate the worst effects of Brazil's highly unequal society: universal health programs, local participatory budgeting programs, public policy councils, and conditional cash transfer programs flourished. The international community recognized multiple Brazilian governments for creating innovative policy and institutional solutions to address a wide range of social and political problems such as extreme poverty, poor health, poor education, and a disengaged citizenry (United Nations 1996; Tendler 1997; Macinko et al. 2006; Lindert et al. 2007; Wampler 2007; Fiszbein and Schady 2009; Sugiyama 2012; Hunter and Sugiyama 2014; Fenwick 2015; Hagopian 2016; Arretche 2018). These reform efforts, many of which are operated locally, had to overcome historical