

Evaluating the Effect of Improvement of Democracy Index on Economic Growth: A study of a selected sample of developing countries.

- **Author(s):** Najah Hawar Saeed Bazzaz ,Salam Anwar Ahmed ,Yasir Jihad Saeed
- **Abstract:** This study aimed at measuring the effect of improvement in democracy index on economic growth in a selected sample of 56 developing countries. It included studying such variables as: education, investment in human and physical capital, and labor offers. It used the cross-section data of 2017 for the dependent variable (the economic growth) and the data of 2016 for the independent variables with a slowdown period of one year. The study found that the improvement in democracy index leads to a positive effect on the economic growth at (%5) significance value, and that the investment in human capital showed that there is a positive effect on the economic growth at statistically significant levels. At the same time, there was no significant effect of physical capital and labor opportunities in relation to economic growth. The researchers concluded with important recommendations including the necessity to care about the educational system to equip individuals with the necessary skills to increase production and productivity as modern economy considers knowledge as an important factor in the development and progress of individuals and nations. The researchers also recommend to enhance political and economic freedom and improve the quality of institutions to accelerate long-term economic growth in the developing countries.
- **Keywords:** democracy index, democracy index, democracy