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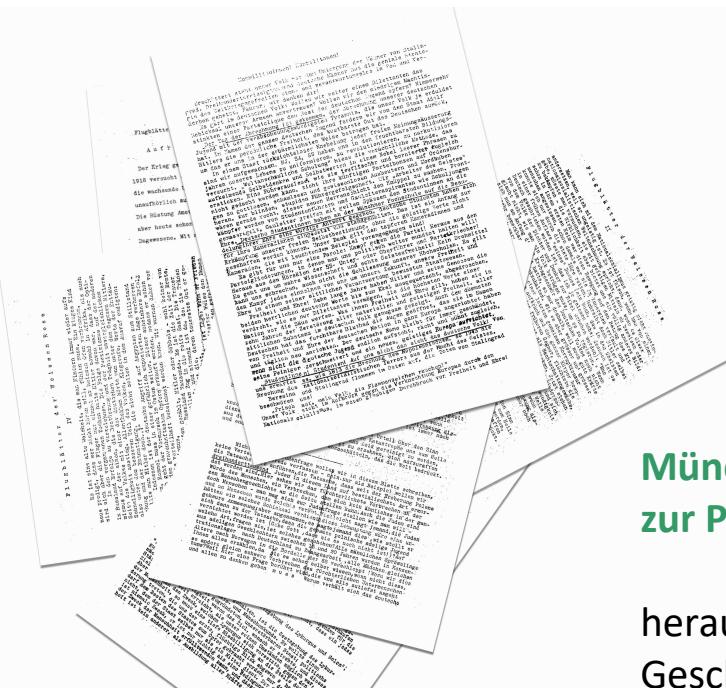
The Impact of Democracies on Environmentally Sustainable Performance: The Case of Latin America.

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**The Impact of Democracies on
Environmentally Sustainable
Performance: The Case of Latin
America.**

Bachelorarbeit bei
Dr. Michael Neureiter
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“If working apart we’re a force powerful enough to destabilize our planet, surely working together we are powerful enough to save it”

Sir David Attenborough, Glasgow 2021

1. Introduction

In the last few years, there has been an increase in the number of movements in favor of environmental protection and environmental awareness. Movements, that demand governments and industries to take action regarding the care of planet earth. A very popular example, is the student movement “Fridays for Future”, led by Greta Thunberg, which became an international movement, spreading across the globe in matter of months. This movement aims to demand action for climate change.

The reason why these movements have become increasingly popular in our society, especially on the last century, is probably because we have reached a point where climate change has become quite evident. In recent years, we have been able to perceive how global warming has begun to affect our planet. As two great examples, we can remember the forest fires that took place in Australia between the years 2019 and 2020, and the floods that subdued Germany on the present year 2021. These catastrophic events are directly related to global warming, which ended the lives of hundreds of people and animals.

According to the World-Wide Fund of Nature (WWF), the environmental damage that we have been able to perceive so far, has been seen in the form of an increase in the number of extreme weather events, rising of the sea levels, increase in natural disasters, melting of glaciers, among many others. As stated by the Umwelt Bundesamt, the extraction of raw materials and its processing, has always an impact on the environment, like water shortage and global warming exacerbation, which can cause several health problems on the population, like toxic emissions and also many illnesses. According to climate.gov, the year 2020 was considered to be the second-warmest year on record, and, in accordance with visionofhumanity.org, the global number of natural disasters has increased ten times on the past few years. The World Economic Forum firmly believes that our planet could cross the global warming threshold in only five to six years from now, until it becomes irreversible. According

to the evidence presented by various environmental institutions, it has become more and more evident that our planet is heating faster than any other point in history. This means, that the future of our planet is at stake.

As political scientists, it is our duty to understand and explain possible problems that affect our society. As it has become evident, global warming is currently a problem that has been affecting the lives of many people. For this reason, global warming can be considered as a problem that should be addressed through many fields, including politics. It is imperative that we take into account that our future is in danger if we do not take the necessary measures in the present. For that matter, it is critical to determine which political systems are more environmentally friendly, how they work, and what principles are they based on.

Since the year 1989, democracy has been the political system model for most countries in the world. It was propagated as the solution to many wars and conflicts of the past, and as the solution to hopefully find universal peace. Nowadays, most countries in the globe enjoy having a democratic political system, leaving very few authoritarian regimes left. It is important to emphasize, that not all countries that are democracies, are considered as “perfect democracies”. This is because the term “democracy”, turns out to be a very ambiguous term and really difficult to define, since it has had various meanings to different people, at several times and places, all at the same time.

To determine exactly what a democracy is considered to be nowadays, since it is an ambiguous term, the definition of the term developed by the author Robert Dahl, will be used. Robert Dahl, in his book *Polyarchy*, written in the year 1971, considers that in order to have a democratic legitimated regime, the following procedures must be complied: elected officials, free and fair elections, universal suffrage, freedom of expression and media, and freedom of association (Dahl, 1971).

Dahl also acknowledges that no modern nation is able to meet the ideal of a democracy, since the democratic procedures established by him, are considered to be a theoretical utopia. It is also important to mention, that there are several definitions created by different authors to determine what a democracy is. But for the understanding of this work, Dahl’s democratic procedures are the ones that will be used. With the passage of time, democracy has been developing and as a consequence, different varieties of democracy have been created, causing that nowadays, a great number of democratic variations exist.

As mentioned above, since democracy is currently the most used political system in the world, it is necessary to determine what type of democracy is the one that will provide its best environmental result.

The following bachelor's thesis will draw on two types of democracy that have been very popular in recent decades. These are egalitarian democracies and liberal democracies.

The reason why these variants of democracy have been selected, is because they can be considered as modern versions of what was the struggle between capitalism and communism.

On the one hand, egalitarian democracy, according to the V-Dem Institute, is a democracy that is based on the premise that inequalities do not allow the proper use and development of the rights and principles of each citizen, so it is established on seeking social equality among its members (V-Dem, 2021). On the other hand, liberal democracy is a type of democracy that is strongly focused on providing individual freedoms to its citizens, as well as rights before the law, which limit the power of the state. The idea of providing freedoms to its people, is also strongly linked to the freedom of the economy. This means that the state should not interfere, especially when it comes to private economic issues. This democratic type has been developed based on the ideology of liberalism (V-Dem, 2021).

It is important to acknowledge, that an egalitarian democracy can at the same time also be a liberal democracy, and vice versa. The existence and principles of one do not cancel out the other.

It is also worth mentioning, that democracy and its varieties have been developing and being perceived in distinct ways in different regions of the planet. For example, democracy has different levels and perceptions in Latin America, than in the industrialized world. For this reason, it has also been decided that this thesis will have a specific focus on the Latin American region, since due to its different development in historical, political and social terms, its results could be expected to be different to those in other regions of the planet.

This thesis proposes an analysis similar to many that have been done in the past, but with a different focus, which is that of Latin America. By focusing on the Latin

American continent, it is expected to find results different to those of other regions previously studied.

After stressing the importance that this problem generates, and the significance that this issue has with respect to our future, the consecutive research question has emerged: does the type of democracy (egalitarian or liberal) have an impact on environmental outcomes in Latin America?

The following bachelors' thesis will be structured as subsequent: the first chapter will begin by analyzing the various authors who have previously made a literary contribution regarding the aforementioned topic. Based on the inputs presented by the different scholars, two hypotheses have been developed, with a prognosis that (1) the more egalitarian a democracy, the better environmental performance, and (2) the more liberal a democracy, the worse its environmental performance. Both hypotheses will have as a final objective, to be corroborated as true or false, through the conduction of a most similar systems design (MSSD) method, with the selection of the countries of Bolivia, Costa Rica, Ecuador and Uruguay as case studies, based on their good and poor environmental performances. Chapter 4 will define the meaning and the measurement of the dependent variable "Environmentally Sustainable Performance" and the two independent variables "Egalitarian Democracy" and "Liberal Democracy". Chapter 5 carries out the empirical analysis on each of the mentioned countries, with the use of the MSSD method.

The results found in chapter 6 provide support for the first hypothesis, and also support for the denial of the second hypothesis, followed by chapter 7, in which the discussion, and the interpretation of the results will take place, in combination with the alternative explanations and the limitations that this thesis has found. Chapter 8 will end with a conclusion.

2. Literature Review

This bachelor's thesis will focus mainly on defining whether liberal democracies or egalitarian democracies have an impact on the environment in Latin America. To

answer the research question, the first step will be to do an analysis of the existing contributions of the authors regarding this topic.

The goal of the following literature review, is to inform the reader about the current state of research on the topic of interest that this thesis is referring to, and also, to determine the information gap that exists and thus, mention how my work will fill that gap and how will it differ from other researches.

The literature review will be divided into two sections: the first section will analyze the equality factor as a determinant element of a democracy's environmental performance, while the second will take the liberal market as its main explanation. These claims will then be carefully analyzed and discussed.

The debate of which type of political system is more environmentally friendly, is really nothing new for the community of authors in the field of political and environmental sciences.

When it comes to the debate between autocracies and democracies, democracies seem to have an undoubtedly better outcome, according to the vast majority of authors that have made a contribution on the topic. For example, Wurster (2011) analyzed the different areas in which democracies have an advantage over autocracies, like the greater level of institutional stability that democracies enjoy, in contrast with autocracies, which are more prone to dysfunctionality. Institutional stability is considered an advantage to achieve environmental sustainability. Institutional governance response is another characteristic really latent in democracies, reviewed to be absolutely necessary for the achievement of environmental sustainability and also environmental development (Scoones, 2016). It is likewise believed that democracies have the capacity to reduce human activities that cause a direct damage to the environment, like carbon dioxide emissions, deforestation and organic pollution in water (Li & Reuveny 2006). Studies also show that authoritarian rulers do not have the motivation to adjust to sustainable policies, because their first concern is to have a fast and effective economic development in order to achieve political legitimacy (Ward, 2008). It is conceivable to say that stable autocracies have a worse performance on environmental sustainability.

It can be noted that in reality, there is no debate per se, since the results are quite clear: democracies have a better environmental performance in comparison with autocracies

and therefore, are more sustainable. For this reason, it seems plausible to make the comparison *between* democracies. As I have already mentioned in the introduction, the types of democracies that have been selected for the analysis, are egalitarian democracies and liberal democracies.

As it was previously mentioned, there is a wide group of scholars who rely on the idea that the main factor that leads to a better environmental outcome, lies on the social equality aspect.

The first author that will be mentioned, is the economist James Boyce. The scholar, in his paper “Inequality as a Cause of Environmental Degradation” (1994), tests that greater inequalities, mostly when they are in a form of power and wealth, are a guide towards environmental degradation. The reason for this, is that activities that degrade the environment commonly produce winners and losers, which is a situation in which inequality will raise the valuation of the winners’ preferences. The issue that the author mentions, is that the people which he calls “losers”, may not exist because they belong in future generations, may not be aware of the environmental crisis because of shortage of information, or simply may not be able to do anything because of their lack of power. This is an analysis that he calls *power-weighted social decision rule*, in which he states that the equality factor on a democracy, is directly correlated with the environmental performance of a country (Boyce, 1994).

Another appealing paper, is the one called “Power distribution, the environment, and public health: A state-level analysis” (1999), also written by James K. Boyce, in collaboration with Andrew R. Klemet, Paul H. Templet, and Cleve E. Willis. Their main hypothesis is, that greater inequalities of power tend to result in bigger environmental degradation. Their findings are similar to the ones written by Boyce, meaning that they mention that unequal distribution of power will bring environmental degradation, because agents with power will be able to enforce higher external costs on those with less power. They conclude with strong empirical support for their main hypothesis, and also by observing that by strengthening democratic measures that close the inequality gap, such as public participation, accountability, and the right-to-know laws, can produce environmental benefits both on the short and the long-run (Boyce et al., 1999).

In addition to this category of scholars, Daniel Bailey has also made an important contribution to the topic in his paper “The Environmental Paradox of the Welfare

State: The Dynamics of Sustainability" (2015). Bailey addresses the topic by taking into consideration the importance of the welfare state of a country, when talking about reducing environmental damage. The paper concludes by stating that the transition towards an environmentally sustainable future, strongly depends on the government's capability of reducing inequalities. The author also emphasizes that the welfare state is considered to be a precondition for any development towards a successfully environmental performance (Bailey, 2015).

Following the line of arguments, the predominant idea of Wilkinson and Pickett's "The Spirit Level" (2009), and "Income Inequality and Social Dysfunction" (2009), is that societies that are more equal, tend to do better in many aspects of life, aspects that are directly related to the environmental footprint of a society. A very similar analysis has been made by the scholars Robert D. Putnam (2000) and Göran Thernborn (2014), in which they also conclude that societies that are more equal and reciprocal, tend to be more efficient and can enjoy from a lot more benefits than unequal societies, which often suffer from negative effects, like exclusion from knowledge and exclusion of opportunities. Such benefits can be directly translated into better environmental conducts of a society. Finally, empirical evidence shows that if we turn the world into a more equal place, global-scale problems, like global warming, will become easier to solve, as the author Andrew Simms mentions in his book "Cancel the apocalypse: the new path to prosperity" (2013).

On the other hand, there are also a significant number of contributors to the idea that the equality factor, that is mostly predominant in egalitarian democracies, is not the deciding factor that determines whether a democracy has a good environmental performance or not. For many scholars, the deciding factor lies on how liberal is the economy and the market of a country.

The first authors that will be entering this category, are M. Povitkina and S.C. Jagers, with their paper "Environmental Commitments in Different Types of Democracies: The role of Liberal, Social-liberal, and Deliberative Politics" (2021). The authors made a very interesting investigation, by testing the different characteristics that define different types of democracies, to eventually determine which one is more beneficial for environmental bettering. They define liberal democracies, as democracies that are "addicted to economic growth", because if the growth desists, the unequalness of its

society will become more evident. Povitkina and Jagers call this a “fear of economic downturn”, that makes liberal democracies “imprisoned by the market’s growth”, and therefore, do anything in order to keep the market growing. This imprisonment will not lead to the development of environmental policies, since the growth of the market is closely linked to consumerism, which is therefore unsustainable (Povitkina & Jagers, 2021).

To continue with this argument, the author M. de Geus also has made relevant inputs on the subject. De Geus, in his investigation “The Environment versus individual freedom and convenience” (2004), also blames the growth-addicted welfare state to the poor performance of a country in terms of its environmental performance. De Geus believes that a society that is market-oriented, ecologically friendly behaviors and policies are easily rejected by its society, because of the “right to live by their own preferences, wants, and consumption desires” mantra. Governments in liberal democracies seem to be more worried about the possible aftereffect of the limitation of consumerism, a market collapse or a capital devaluation, than the ecological risks that their capitalist behaviors may bring to the front (De Geus, 2004). A similar approach is founded on Gough and Meadowcroft’s “Decarbonizing the welfare state” (2010). Both authors believe that in order to address climate change, a conversion on the production/consumption methods that generate greenhouse gas emissions are imminent. Evidence found on their paper suggests that the disproportionate economic growth, will eventually damage both our objective and subjective wellbeing, as well as the environments’. It is also discussed by the author John Foster (2002), that the never-ending capital expansion that the liberal system incentives, is risking the stability of our whole biosphere. Scholars such as Jackson (2009), Latouche (2009) and Simms (2013), have also made important examinations and critiques on the growth-centric systems, because of their little importance given to the environment, since economic growth has proven to be unsustainable.

As it has become evident from the analysis above, there are two different characteristics that seem to be decisive in predicting how the democracy of a country will affect the environment. It is important to mention, that the analysis made by the mentioned authors, has been carried out mainly in developed European countries and also in the United States. I consider relevant to emphasize that this is where my work will be breaking new ground, as it will make an exclusive study, a regional approach,

in the Latin American region. I believe that, due to the interesting and very different history of the democratic expansion that Latin American has in comparison with other developed regions on the globe, in combination with its differences in terms of geography, population and economy, we could look forward to very interesting and appealing results, that could contribute to the research on this topic that is relevant for our future.

3. Theory

The following chapter will present the mechanism in which the independent variables “egalitarian democracy” and “liberal democracy” are connected to the dependent variable “environmentally sustainable performance”, and how are they influencing it. After establishing this connection, two hypotheses will be developed.

As mentioned in the previous chapter, there are a number of authors who believe that, at a macro level of analysis, egalitarian democracies will result on a good environmental performance. The reasons behind this claim, through a micro level of analysis, are mainly attributed to the idea that a democracy that has enough measures that close the inequality gap, will result in a society where all voices are heard and taken into account equally. This societies will be more efficient than others who suffer from inequality, and thus will have a better cooperation, participation, and accountability. In this way, problems that affect the society, such as climate change, can be solved much more effectively.

With the support of the mentioned authors and their research contributions, the first hypothesis (H1), will be the following:

- H1: The more egalitarian a democracy, the better its environmental performance.

On the other hand, the second category of authors, from macro level of analysis, consider that liberal democracies will result in poor environmental performance. The reasons for this, from a micro level analysis, are mainly due to the addiction that these democracies have towards economic growth. This addiction creates an imprisonment

by the market, which will make states to do everything possible to allow the market to continue to grow. A society that is market-oriented, will reject ecologically friendly behaviors and policies, since the growth of the market is closely linked to consumerism, and consumerism is considered to be unsustainable. This will cause governments to be more concerned about the consequences of a possible economic downturn, that the consequences of environmental degradation. Also, their liberal philosophy prevents the government from putting a brake on the unbridled consumption of its citizens, since it would be their right to free will on what is consumed.

That said, and with the support of the authors who have reached these conclusions, the second hypothesis (H2) has been developed as follows:

- H2: The more liberal a democracy, the worse its environmental performance.

4. Research Design, Data and Methodology

With the purpose of finding an answer to the research question, the empirical analysis will be conducted as a qualitative comparative analysis. The comparison will be between similar selected case studies, which will be four Latin American countries, Bolivia, Costa Rica, Ecuador and Uruguay. The countries selected as case studies have similarities in terms of their economic development, their political system type, their geographic location, and also in their cultural development.

The design of this examination will be a most similar systems design (MSSD), which is a method that allows to control the factors that could affect the dependent variable, which are the mentioned factors that these countries have similarities in. It also permits the isolation of the dependent variable “environmentally sustainable performance”, which will allow the finding of an explanation for it, on the basis of the independent variables “egalitarian democracy” and “liberal democracy”.

To begin, the dependent and independent variables will be deconstructed, where their meaning will be presented, also in combination with how they will be measured, and the source in which they have been extracted, followed by the justification of the selection of the countries which will be used as case studies.

4.1. Dependent Variable: Environmentally Sustainable Performance

The dependent variable will be called “Environmentally Sustainable Performance”. The word “sustainability” will take the definition established by the *Brundtland Commission*, formerly known as the *UN World Commission on Environment and Development*, founded in 1983. The Brundtland Commission defines sustainability as a “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1983). Therefore, this variable will measure whether the development of the countries to be selected as case studies, takes into account the needs and well-being of future generations, or whether they simply make decisions based on their present demands. In other words, a good environmental performance will be one that tries to satisfy its present needs, generating as little environmental damage as possible, in order to guarantee a future for the next generations to come. On the other hand, a bad environmental performance is one that only takes into account the needs of the present, ignoring the fact that these decisions may cause environmental deterioration and compromise the future of citizens in this planet.

The information of this variable is extracted from the 2021 Latin American Sustainability Ranking, which is a ranking that measures the development of Latin American countries towards environmental sustainability (América Economía, 2021). Countries can score a minimum of 0 points or a maximum of 100 points, in each of the following dimensions: Emissions, energy matrix, biodiversity and forests, agriculture contamination, water resources, air quality, waste management, collection and spending, treaties and commitments, events and disasters, institutionalism and legality, and environmental and social conflicts.

4.2. Independent Variable 1: Egalitarian Democracy

The first independent variable will be called “Egalitarian Democracy”. As mentioned in the introduction of this thesis, according to the V-Dem Institute, an egalitarian democracy is defined as a democracy that strives for egalitarian and communitarian welfare, based on the idea that inequalities inhibit the proper use and development of rights, principles, and political participation of citizens. This variable will be measured

based on the following three preconditions, established by the *Egalitarian Democracy Index 2021*: 1) the protection of rights and freedom of individuals has to be equal across all social groups, 2) resources must be distributed equally across all social groups, and 3) groups and individuals must enjoy equal access to power (V-Dem, 2021).

It is also important to mention that, according to the Egalitarian Democracy Index, egalitarian democracies are measured not only by the mentioned principles, but also by the level of their electoral democracy. The electoral democracy, or as it is also called “procedural democracy”, are the procedural democratic features that were mentioned at the introduction, established by Robert Dahl: elected officials, free and fair elections, universal suffrage, freedom of expression/media, and freedom of association. The reason why the electoral democratic level is also considered for the measurement of egalitarian democracies, is because it is always important to consider the basics of a democracy, in order to call it a democracy. For example, a communist regime that strives for universal welfare (which is the main characteristic of an egalitarian democracy) could not be considered a democracy at all, because it does not have the aforementioned basic characteristics that make up a democracy, such as freedom of expression or freedom of association.

4.3. Independent Variable 2: Liberal Democracy

The second independent variable will be named “Liberal Democracy”. Likewise in accordance with the V-Dem Institute, liberal democracies are defined as democracies that are focused on providing individual freedoms to its citizens, as well as a freedom of the economy. By giving strong importance to the freedom of the economy, the power of the state, vis-à-vis the economy, becomes almost nonexistent. As it was previously mentioned, this democratic variety was developed based on the ideology of liberalism (V-Dem, 2021). As it was specified in the previous variable, the characteristics of a liberal democracy also goes hand in hand with the procedural democratic features established by Dahl.

As could be seen in the literature review chapter, scholars that talk about liberal democracies, always have a strong emphasis on the importance that the market has. Since the V-Dem Index of Liberal Democracy does not take the strength of the market

as an important indicator to measure liberal democracies, the measurement of this independent variable, will be based on how liberal the economy of the countries selected as case studies is. In order to do this, I will also be using the data that is available in the *Index of Economic Freedom 2021* Webpage.

According to the Index of Economic Freedom, Economic Freedom is “the fundamental right of every human to control his or her own labor and property. In an economically free society, individuals are free to work, produce, consume and invest in any way they please” (Index of Economic Freedom, 2021). This means that the government in place does not interfere on the labor, capital or goods of its society, and will do everything to protect liberty itself. According to the information provided by the Index of Economic Freedom, this variable is measured based on the following four categories: rule of law, government size, regulatory efficiency, and open market.

4.4. Case Selection

Latin America is a region that has gone through countless cases of dictatorships and chaos, until finally on the late 20th century, the Latin American democratic transition was made official, with very few exceptions. With this historical background we can note that the political, social and historical development in Latin America is different from the ones of other continents. As it was previously mentioned, Latin America, due to its distinct development, has dissimilar levels of democracy as well as another perception of it, compared to those in the industrialized world. For this reason, it would not be plausible to make a comparison with countries located in other sectors of the world. Saying this, we can also note that the countries in this region, with a couple of exceptions, are countries that have had more or less an equal economic development, equal regime system, similar geographic location, and also similar history and culture. Among the large number of countries on the Latin American continent, the countries that have been selected as case studies are the following: Costa Rica, Bolivia, Ecuador and Uruguay. Costa Rica and Uruguay were selected based on their outstanding environmental performance in Latin America, while Bolivia and Ecuador, because of their poor performance.

The quality of the environmental performance of the mentioned Latin American countries, is based on the 2021 Ranking on Latin American Environmental

Sustainability. As it was previously presented, this ranking measures the general development en route to environmental sustainability on the Latin American region, based on already mentioned twelve dimensions, through different standardized and supported indicators. Countries are scored on each dimension in a scale from 0 to 100. The results in each dimension are finally added in order to obtain a final number, which will determine the position in which the country will be placed in the ranking. Costa Rica has been selected as the country with the best environmental sustainability performance, reaching a high score of 77.5, followed by Uruguay, which scored a total of 74.5 points. On the other end of the ranking, Ecuador, in the second worst position of the ranking, scored 54.2 points, while Bolivia, having the worst environmental outcome, reached a score of 49.8.

It is also important to mention, that this ranking only takes into account countries that are similar in numerous aspects, like in the type of the regime. This is why Latin American countries like Venezuela or Cuba, were not considered for the ranking.

5. Empirical Analysis

In order to answer the research question through each of the presented hypotheses, the empirical analysis will be carried out as follows: each of the selected countries, Bolivia, Ecuador, Costa Rica and Uruguay, will be analyzed under the conditions that form an egalitarian democracy and a liberal democracy. In this way it will be possible to determine how important the equality and the liberal economic factors are, regarding the environmental results of a country.

The aspects in which the countries will be analyzed are divided by sections A and B:

- A) Protection of rights and freedoms, distribution of resources, and access to power

The independent variable “Egalitarian Democracy”, as it was previously said, is measured based on these aspects presented in section A. The mentioned aspects will be deconstructed in order to measure egalitarian democracy in each of the countries.

The aspect of “protection of rights and freedoms”, will be measured based on how efficient the social security of each country is. Statistics of the percentages of people who do not have access to social security will also be taken into account, since social insurance is a great tool to guarantee the security of individuals by the state against possible problems, and also to guarantee the collective and individual welfare of the society. The statistics presented by the nonprofit organization Freedom House 2021, which show the level of freedom and respect for human rights that each country has in a scale that goes from 0 to 100, will also be taken into account for this category. According to the score of each country, Freedom House groups countries into three different categories, ranging from “not free”, “partly free”, and “free”.

The aspect of “distribution of resources”, will be taken from the *“Equal Distribution of Resources Index”*, presented by the V-Dem Institute. This Index scopes the distribution of tangible and intangible resources in a society, measured in an interval scale that goes from 0 to 1, 0 being the lowest and 1 being the highest score. Statistics on aspects such as the percentage of people living in poverty, the percentage of unemployment, access to education, and other percentages that could be considered as important, will also be taken into account.

The final aspect “access to power”, will be determined based on how the current government is constituted, to conclude if all the population has access to political power, or if minorities are excluded from it.

Each country, according to its performance in terms of the categories mentioned in section A, may be classified as countries with “good” or “poor” performances on equalness. A “good” performance in terms of equality, will be a country that shows low statistics of inequality in all or in most of the aspects mentioned, as well as a country that has an access to power that is accessible to all its citizens. On the contrary, a “poor” performance in terms of equality, will be a country that shows high figures of inequality in all or in most of the presented aspects, a lack of access to basic needs, as well as a low accessibility to power.

By analyzing these aspects on each of the selected countries, it will be possible to determine how much importance is given to the aspect of equality in the countries

mentioned, and thus to know if the countries enjoy a high level of egalitarian democracy or not.

B) Rule of law, government size, regulatory efficiency, and open market

The second independent variable “Liberal Democracy”, is measured under the aspects located in section B. The selected countries will be evaluated based on their performance in these categories.

The rule of law performance of countries will be extracted from the *World Justice Project 2021: Rule of Law Index* (WJP). The rule of law is a principle that limits the dictatorial use of power by controlling it through established laws. The WJP measures the performance of each country in the rule of law aspect, on a scale that goes from 0 to 1, 0 being the lowest score, and 1 being the highest.

The information of the three following aspects, government size, regulatory efficiency, and open market, will be extracted from the 2021 Index of Economic Freedom (IEF).

The government size aspect, which is the relationship that exists in a country between public spending and economic production, is measured determined on the tax burden, government spending and fiscal health of a country, on a scale from 0 to 1.

The regulatory efficiency is measured through the restrictions that a government has, regarding its economic activities, like its business freedom, labor freedom, and the monetary freedom of a country. It is also measured on a scale from 0 to 1.

Finally, the market openness is based on the trade freedom, the investment freedom and the financial freedom of a country, also measured in an interval scale from 0 to 1. According to the performance of each country in the aforementioned categories, the IEF groups the economies of the countries into five categories, ranging from “repressed”, “mostly unfree”, “moderately free”, “mostly free”, to “free”.

Depending on how each country performs in the above-mentioned categories, it will be determined whether the overall economic freedom performance can be rated as “good” or as “poor”. A “good” performance will be attributed to countries that meet a good score or percentage in all or most of the categories mentioned. On the other hand,

a “poor” performance will be attributed to countries that meet a low score or percentage below the average, in all or most of the categories mentioned.

By doing this, it will be possible to determine if the liberal democracy of each country could be considered as good or poor, and finally, if the selected countries have a high level of liberal democracy or not.

By analyzing the mentioned elements in each of the selected countries, it is hoped that it will be possible to determine which of these characteristics, and therefore which type of democracy, is essential to cause a positive impact on the environment. Or in the same way, determine if the type of democracy is even relevant at all.

Since the dependent variable shows the results of the countries in terms of their environmental performance for the current year 2021, the most recent statistics on the mentioned aspects in section A and B, will be taken into account.

5.1. Poor Environmental Performance: Bolivia and Ecuador

Bolivia

The country of Bolivia, officially named the Pluri-national State of Bolivia, is nowadays a democratic country founded on the year 1825. Bolivia is currently considered to be one of the poorest countries in the Latin American region.

- A) Protection of rights and freedoms, distribution of resources and access to power

As it is known than Bolivia suffers from being a country regarded as poor, in recent years, a favorable improvement has been perceived regarding this problem. According to Ramos, Ayaviri, Quispe & Escobar (2017), one of the main causes of poverty reduction in Bolivia was through the implementation of social programs and social insurances, such as *Juancito Pinto* in 2006, *Renta Dignidad* in 2008, and *Juana Azurduy* in 2009. Such programs had a favorable impact on the reduction of poverty and also inequality in general. It is also worth mentioning than in the year 2012, 60.04% of Bolivians did not have access to social security, neither public nor private.

But with the implementation of these social programs, in the year 2020, the percentage of people who are not insured dropped drastically to 29.44% (INE, 2021). Despite being a significant reduction, the percentage of people who do not have social security continues to be high at the regional level. For what can be said, that the implementation of the new social insurance programs has been effective in reducing poverty and protecting all citizens, but a great improvement is still needed to be able to consider the Bolivian social security as good. With respect to the freedom in Bolivia, its Freedom House score is 66 points out of 100, which leaves Bolivia in the “partly free” category (Freedom House, 2021), which means that the protection of freedoms and human rights is moderately respected.

When it comes to the distribution of resources, Bolivia shows to have a score of 0.31 out of 1.0 (V-Dem, 2021). This score is the lowest out of the four selected countries. According to the National Institute of Statistics in Bolivia (INE), the year 2012, which is the last year in which censuses were conducted in the population, reported a percentage of 44.9% of citizens who do not have access to basic necessities (INE, 2021). This result shows that, in the last census, almost half of the population in Bolivia is considered to be poor. According to studies made by Vargas (2012), the causes of the tremendous inequality that exists in Bolivia, is mainly caused by the difference on human capital accumulation, gender, and also ethnicity of the leader of the householder, which means that specifically, indigenous women are the group that is affected the most.

It should also be noted, that in the field of education, according to *UNICEF Bolivia*, 18% of adolescents living in rural areas do not finish their studies, compared to urban areas, where the percentage is only 8% (UNICEF, 2013), showing that the difference in access to education between the urban and rural areas, is significant.

It can be noted that the distribution of resources in Bolivia is very unequal, in all the terms mentioned above.

When speaking about the access to power, the political party *Movimiento al Socialismo*, led by the ex-president Evo Morales, was since the year 2005, the dominant party in the Bolivian politics. This shows that Bolivia has a strong support for social movements. According to Freedom House 2021, the Bolivian constitution recognizes a total of 36 indigenous nationalities in the country, making it more evident

that Bolivia is a pluri-national country. The indigenous citizens in Bolivia have a very strong representation in government, as well as women. Nearly 56% of the Senate is constituted by women (Freedom House, 2021). But, despite their good representation in politics, Bolivian women, especially at local levels, continue to suffer from strong sexism and patriarchal attitudes.

It can be seen that access to power is the only aspect in which Bolivia shows a generally positive result, since vulnerable groups, such as indigenous people and women, have access to political power.

After analyzing the country of Bolivia under the categories in section A, we can note that Bolivia, despite the fact that their inequality scores have been decreasing in some areas, like in the previous mentioned aspect of social security, their scores continue to be relatively high even at the regional level. This could show that the improvement of Bolivia may not be very sustainable on the long term.

Based on the previous investigation, it is possible to conclude by saying that Bolivia has a “poor” performance in terms of equality among its citizens.

B) Rule of law, government size, regulatory efficiency, and open market

Bolivia, according to the *World Justice Project 2021*, shows to be one of the courtiers within the Latin American region with the lowest score regarding the rule of law, being ranked in the 29th place of 32 countries, and the lowest score respecting the countries that were selected for this analysis, with a score of 0.39 of 1.0. This is mainly due to the fact that Bolivia elects its judges through popular elections. It is the only country in the world that has this judicial appointment system. This method has facilitated the party *Movimiento al Socialismo* (MAS) to dominate the judiciary for many years (Freedom House, 2021), which has contributed to the country’s political and judicial corruption index to grow.

Regarding the government size in Bolivia, the tax burden score (85.3) and the fiscal health score (13.4), which is also the weakest score out of the four selected countries, show to be on descent. The only score that has been improving, is the government spending score (58.4). This shows overall, that there is a fragile relationship between the public spending and the economic production in Bolivia.

When it comes to the regulatory efficiency, according to the Index of Economic Freedom 2021 (IEF), starting a business is nowadays cheaper than in previous years, which has caused an improvement on the business freedom score (58.4). The labor freedom score (53.4), and the monetary freedom score (71.0), also show to be improving over time (IEF, 2021). However, despite these improvements, the government continues to have a high degree of control over the costs of certain products, such as sugar and bread (IEF, 2021). The government has less control over economic activities in Bolivia, but it has not yet achieved a total freedom from economic restrictions.

As to the open markets in Bolivia, the trade freedom score shows to be descending, going from having a score of 75.5 in the year 2018, to having a 61.6 in the current year 2021, as well as a descent on the investment freedom score (15.0), and the financial freedom score (40.0). This shows to be due to the fact that the state has a clear preference regarding domestic investments, versus foreign investments, having a strong negative impact on the open markets in Bolivia. It can be concluded that the Bolivian market does not show to be very open.

The economy in Bolivia shows to be under the “repressed” category, for almost a full decade now. Its overall scores are also below the average in the Latin American region as well as in the world. Therefore, it can be concluded by mentioning that Bolivia has a “poor” economic freedom.

Ecuador

The Republic of Ecuador, a country located on the equator, is nowadays a democratic and sovereign country, which was founded on May of the year 1830.

A) Protection of rights and freedoms, distribution of resources and access to power

Throughout history, Ecuador has been a country which is often ranked among the most socially unequal countries in Latin America. It can be noted, that since its

independence, it has suffered from a strong social differentiation, especially with its indigenous inhabitants.

Regarding the protection of rights and freedoms, the *Ecuadorian Institute of Social Security* (IESS), is an autonomous entity regulated by law, based on the principles of solidarity, obligatory nature, universality, equity, efficiency, subsidiarity, sufficiency, transparency and participation. These principles are established in the Ecuadorian Constitution. The IESS was implemented in Ecuador in order to promote social justice and advance towards a more equal society, but it has been made clear, that the Ecuadorian welfare state does not really fulfill its function of solidarity. This is because, despite of being a benefit that is present in the constitution, 70.5% of the inhabitants who have a job are not affiliated to any insurance, whether public or private. Only 19.8% of workers are affiliated to the IESS. On the other hand, only 4.6% of the inhabitants who are underemployed are affiliated, while 85.1% work without any affiliation (INEC, 2021). The low number of people affiliated to the social security, means a risk for the population and a factor for the creation of more social inequality, which is contradictory to the main idea of the creation of a social security system.

The Freedom House score, being very similar to the one of Bolivia with 67 points, also leaves Ecuador in the “partly free” category, which also proves that freedoms and human rights are moderately protected and respected.

The Equal Distribution of Resources Index, has granted a score of 0.6 to Ecuador (V-Dem, 2021). Even though this is a relatively high score, according to a 2007 report, 5% of the families in Ecuador owned 90% of the large companies, and the richest 10% accumulated an estimate of 42% of the total income (ENEMDU, 2007). Another report made 10 years later, stipulated that 5% of Ecuador’s most rich population, owned 46 times the income of 5% of the poorest community (Ramírez & Díaz 2017). The years have passed and the social differentiation is not as great as before, but it is still, without a doubt, a huge problem for the Andean country. In the current year 2021, almost a quarter of the population lives in poverty, which is mostly concentrated in rural areas of the country. In relation to the distribution of wealth, it is understood that in the year 2021, 32.2% of the population is considered to be “poor”, while 14.7% is considered under the “extreme poverty” condition. What it is interesting to note, is that almost 50% of the national poverty and 28% of the extreme poverty population, is located in

rural areas of Ecuador, being the region with the highest poverty rate in the whole country (INEC, 2021). The high poverty rate is associated to the following factors: high unemployment and underemployment, low salaries, limited access to productive assets such as land, water, credit and technology, and deficient market linkages (IFAD, 2018).

It can be noted that Ecuador is dealing with a clear problem of poor distribution of resources, but as can be seen in the statistics of the Equal Distribution of Resources Index, Ecuador is in an improvement in this area. Despite this improvement, Ecuador is still considered a country with an unequal level of resource distribution, even at the regional level.

Finally, taking the issue of equal access to power, Ecuador has had some ups and downs on the last decade. The country has gone through many structural and constitutional changes that are pro recognition of the cultural diversity that exists, to finally be able to have a good result regarding the equal access to power, in the last elections of the current year 2021. The indigenous political party *Movimiento de Unidad Plurinacional Pachakuti*, has had the best results in the legislature in its 25 years of consolidation, being the second strongest political force in the current national constituent assembly. Also, for the first time, *Pachakutik* reaches the presidency in the assembly with its representant Guadalupe Llori, which is considered to be a remarkable victory for the indigenous movement. Another important achievement, is the fact that for the first time in Ecuadorian history, three women occupy the leadership of the national assembly. 32% of the legislature are women, which is a number that is still far from the 50/50 goal, but it is certainly an advance compared to previous years, where women were extremely underrepresented in Ecuadorian politics. That said, it can be said that vulnerable groups such as indigenous people and women, are starting to gain more representation in the Ecuadorian politics.

After analyzing Ecuador based on the categories that constitute an egalitarian democracy, it can be said that in general, Ecuador shows negative results in almost every category. Therefore, it is plausible to say that Ecuador is a country with a great problem of inequality among its citizens, and, as well as Bolivia, will be considered as a country with a “poor” performance in terms of its equality.

B) Rule of law, government size, regulatory efficiency, and open market

Ecuador suffers from a bad rule of law, mainly due to its corrupt leaders. The WJP has given Ecuador a score of 0.48, which places the country at the lower end of the spectrum. Corruption is the main cause of the undermining of property rights and enforcement contracts (IEF, 2021), but shows to have a significant improvement since the year 2019.

When it comes to the government size of the country, the scores regarding the tax burden (77.1), the government spending (58.5), and the fiscal health (75.9), show to be much higher than the ones in Bolivia. The scores show that overall, there is not a negative relationship between the public spending and the economic production, but also not an outstanding one.

Regarding the regulatory efficiency, the IEF mentions that it has become even more expensive to start a business in Ecuador, which makes the business freedom score to be on descent (50.4), reaching the level of repressed economies, and also being the lowest score out of the selected countries. The labor freedom score (47.9) also shows to be on descent. The only aspect which shows an improvement on the last few years, is the monetary freedom score (81.7).

Lastly, markets in Ecuador are considered to be underdeveloped. Markets are also being strongly controlled by the state, as well as the financial sector. These aspects are reflected in the scores of trade freedom (59.8), which is the weakest score out of the four countries, its investment freedom score (35.0) and its financial freedom score (40.0).

Ecuador's economic freedom seems to have an improvement, specially within the last two years. Still the country remains at the lower end of the countries in Latin America when it comes to the freedom of the economy, establishing itself in the "mostly unfree" category. Having said this, it is also concluded that Ecuador has a "poor" outcome on its liberal economy.

5.2. Good Environmental Performance: Costa Rica and Uruguay

Costa Rica

The Republic of Costa Rica, founded on September 1821, is a country located in central America. Costa Rica is today a country which enjoys having one of the most stable democracies in the world, as well as being the second most prosperous country in Latin America, followed by Chile, according to the *Legatum Prosperity Index 2020*.

- A) Protection of rights and freedoms, distribution of resources and access to power

When it comes to social security for the inhabitants of Costa Rica, under the legal framework, social protection is universal and mandatory. According to the International Labor Organization (ILO), Costa Rica has had great growth in its per capita income in the last 30 years. This growth was highly invested in social development, making its social security an example of good practice in social protection. It marked a milestone in the history of the country's national health. The Costa Rican Security Social Fund (CCSS), being an autonomous institution, has a strong investment in security and social programs, which provide its population with good living conditions, low mortality rate, and a high health equality percentage rate. The percentage of people who do not have a social security, is 15.9%, which means a relatively low percentage, compared to its neighboring countries. On the side of freedom and human rights, Costa Rica is one of the countries with the highest scores in Freedom House, not only in the Latin American region, but in the whole world. Its score borders on perfection, having 91 points out of 100, reaching the “free” country status. This shows that freedoms and human rights of citizens in Costa Rica are justly protected.

When referring to the distribution of resources, Costa Rica has been granted with a high score of 0.93 out of 1.0, on the Equal Distribution of Resources Index. This shows that resources are almost perfectly distributed in Costa Rica, without the exclusion of any social or economic class. According to the V-Dem Institute, Costa Rica shows to

have an equal access to education and also healthcare, which has enabled the Costa Rican citizens to exercise their basic rights (Andersson, Mechkova & Lindberg, 2016). It is also reported by the V-Dem Institute, that Costa Rica demonstrates a gradual and stable distribution of resources, that has been improving with great strength over the last decade, especially since the beginning of the century.

Regarding the access to power, on the year 2015, Costa Rica amended its constitution to declare Costa Rica a multi-ethnic and multi-cultural country. According to Freedom House, this was carried out despite the fact that indigenous rights have not been highly prioritize by politicians, and also despite the fact that there is no indigenous representation in the Costa Rican legislature. In order to improve this, Costa Rica has made big initiative to increase the participation of women in politics. On their last general elections of 2018, the legislative assembly had 46% of the total seats occupied by women (Freedom House, 2020). The 2018 general elections were important for the representation of women in politics, also for the election of the first Afro-Costa Rican female vice president, which shows that the distribution of power by gender and also by ethnicity keeps improving over time.

The statistics presented prove that Costa Rica is a country with a high level of equality in all the aforementioned aspects. It is still not a country that has achieved a perfect level of equality, but it is certainly on the way of being so. That said, Costa Rica's result, in terms of its egalitarianism, will be considered as "good".

B) Rule of law, government size, regulatory efficiency, and open market

Costa Rica's rule of law is overall good. Its courts are independent and impartial, the law against corruption is well implemented and also well respected. Its rule of law score, according to the WJP is 0.68, showing itself to be stable over the years (WJP, 2021).

Costa Rica shows to not have a very stable relationship between the public spending and the economic production. The fiscal health score is only slightly higher than the score of Bolivia (24.3), and its government spending score, even though is considered to be a relatively high score (87.7), has been on decline on the last years. The only

score that seems to be improving over time, when it comes to the government size, is the tax burden score (79.9) (IEF, 2021).

When it comes to the regulatory efficiency, Costa Rica shows an improvement on its business environment, since in the past years, starting a new business was considered as something of great complexity and bureaucratic (Freedom House, 2021). The score on the business freedom area is 66.2 out of 100 (IEF, 2021), the labor freedom is 55.5, and the monetary freedom is 80.9. The monetary freedom has been on decline on recent years, because the state has great control over some goods, such as hydroelectric energy.

Costa Rica, according to the IEF, is the most prosperous country in Central America regarding the Common Market. It has the highest score among the selected countries when it comes to the trade freedom, with a score of 75.0. The country has also one of the highest levels of foreign direct investment per capita (70.0) in Latin America, and since the year 2015, Costa Rica is on the way of becoming the first Central American member of the *Organization for Economic Co-Operation and Development* (OECD), which has made its financial freedom to also stay stable (50.0) (IEF, 2021).

Despite its recent decline and low quality of fiscal health, and despite the fact that the country has not yet been able to position itself on the “free” economic category, but on the “mostly free” category, Costa Rica continues to show an overall score with an average higher than most Latin American countries and also above average on the world scale. This being said, it is plausible to say that the economic freedom in Costa Rica will be considered as “good”.

Uruguay

The Eastern Republic of Uruguay, is a country located in the eastern part of the Southern Cone. It became independent in the year 1828. Uruguay is nowadays the country with the lowest corruption rate in Latin American (CPI, 2020), and was named by the *Latino barometer 2021*, as the most peaceful country in Latin America, and also the best country to live in the Latin American region.

A) Protection of rights and freedoms, distribution of resources and access to power

Uruguay is considered to be Latin America's first welfare state. It is the pioneer country when it comes to public education, health and social security. The high index of public jobs, its wide network of social security and its strong health system with universal coverage, have been of great help to keep unemployment rates very low, as well as the guarantee of high living standards. The level of social welfare, compared to its neighboring countries, is really favorable. As for its Freedom House score, like Costa Rica, is very close to perfection, with a score of 98 out of 100, also positioning itself in the "free" category.

In the same way, Uruguay shows quite low poverty figures, also compared to the aforementioned countries. Only 0.4% of the population lives in indigence conditions, and 11.6% lives in poverty (INE, 2021). The Equal Distribution of Resources Index has granted Uruguay, as well as Costa Rica, the score of 0.93 out of 1.0, showing that its equal distribution of resources is considered to be almost perfect.

When it comes to equal access to power, the indigenous population and the Afro-Uruguayan population, which constitute 8% of the Uruguayan citizens, are a part of the community with a low representation in the political and professional life, but in order to improve this problem, there is a current "grassroot campaign", which fights for the recognition of the indigenous Charrúa people in Uruguay (Freedom House, 2021). As a historical merit, in the year 2019, Uruguay elected its first women Afro-Uruguayan senator, showing an improvement in the representation of this minority, as well as that of women, who are also heavily underrepresented.

Uruguay is considered the "Switzerland of Latin America" for its good management of many aspects related to equality among its citizens. Uruguay continues to have a particular challenge, which is the inclusion of women in the economic and political life. It also continues to have relevant imbalance in terms of region and ancestry, which were seen in greater depth after the COVID-19 pandemic. However, Uruguay shows to have the best performance in terms of equality, out of all the selected countries, and even manage to position itself as one of the most egalitarian countries in all of Latin

America. That said, just like Costa Rica, Uruguay is considered to be a country with a “good” performance when it comes to social equalness.

B) Rule of law, government size, regulatory efficiency, and open market

Even before the Latin American Democratic Transition became official, Uruguay already enjoyed being one of the countries with a high degree of democratic stability, long before the other countries in the region. Nowadays, this remains persistent.

Uruguay, when it comes to its rule of law, shows itself to be the leading country in Latin America, having the highest WJP score in the entire region. Uruguay has obtained a score of 0.71, on the scale of 0-1 (WJP, 2021).

Regarding the government size in Uruguay, the government spending score (66.9) and the fiscal health score (80.5) of Uruguay, are the highest in comparison with the other analyzed countries. The tax burden score (72.6) is also considered to be high.

On the other hand, the Freedom of Economic Index 2021 shows that the regulatory efficiency scores in Uruguay are on decline, which means that the state does not fully allow businesses to be run completely autonomously. In the last few years, it has become more difficult and more expensive to start new businesses, since the state has control prices in some goods, such as water, electricity, rent, and medicines, as well as a high regulation of the market (IEF, 2021). In spite of having these constrains, the business freedom score in Uruguay is by far the highest of the four countries analyzed in this thesis, with a score of 73.2. The labor freedom score (70.5) and the monetary freedom score (72.5), are also considered to be very high at the regional level.

Finally, the open market figures in Costa Rica, which include trade freedom (70.8), investment freedom (85.0) and financial freedom (30.0), show to have a slight decline over the past years, but still remain higher than the scores of most countries in the Latin American region.

Regardless of the fact that Uruguay has not managed to consolidate itself under the category of “free” economy yet, and still remain under the “mostly free” category, mainly due to its strict regulation of the market and its prices, according to the Index

of Economic Freedom 2021, Uruguay's liberal economy score shows to be above the average in the Latin American region, but also above the average world scores. Which makes it plausible to assume that Uruguay's performance, when it comes to its economic freedom, will be considered as "good".

6. Results

The next chapter will show the results of the four countries regarding the aspects that were analyzed in the previous chapter. The results will be presented in two sections, the first will present the countries with a poor environmental performance, while the second section will present the countries with a good environmental performance.

Table 1.

	Bolivia	Ecuador	Costa Rica	Uruguay
Equality	Poor	Poor	Good	Good
Liberal Economy	Poor	Poor	Good	Good
Environmental Outcome	Poor	Poor	Good	Good

Table 1. shows the results of the four selected Latin American countries, in terms of how their performance has been rated based on their equalness, their liberal economy, and their environmental performance, carried out with the MSSD method.

6.1. The Cases of Bolivia and Ecuador

The results of the countries with poor environmental performance, i.e., Bolivia and Ecuador, show poor performance in both categories, equality and economic freedom. Both countries have shown a very high rate of inequality in many aspects, and a high percentage of people who do not have access to social security, compared with the other two countries, Costa Rica and Uruguay. It is also evident that there is a poor distribution of resources, since there is a trend that shows that poverty in these countries is mostly accumulated in rural areas. The only aspect in which both countries

show a positive improvement, is in the inequality of access to power, as vulnerable groups such as women and indigenous people show an increasing representation in the current government. That said, it can be noted that both countries are far from complying with most of the requirements that characterize an egalitarian democracy, therefore it can be concluded, that these countries have very low levels of egalitarian democracy.

On the other hand, both countries show a low rule of law, which is mostly affected by their high levels of corruption. This seems to be a serious problem for both countries, so much that it has become a problem worth acknowledging. The states, which are considered as corrupt, have the most control over what happens at the economic level, so their economy is considered to be mostly repressed. They have also shown that there is a high complexity regarding the creation of new businesses, due to their low monetary freedom and their markets with very little openness. On this basis, it is plausible to mention that the level of liberal democracy that these countries have, is also very low.

6.2. The Cases of Costa Rica and Uruguay

Subsequently, the results of the countries with good environmental performance will be analyzed.

The countries of Costa Rica and Uruguay, contrary to what was found on the countries of Bolivia and Ecuador, show to have a much better result, in terms of equality among their citizens. These countries have shown that their social security system fulfills the duty to protect society and provide universal access to health and also education. Both countries have a very low rate of people who do not have access to social security compared to the other two countries mentioned. Their freedoms and human rights have also been shown to be well protected. Similarly, it was found that both countries have an equal distribution of resources, with scores surrounding perfection. Finally, their access to power, despite it not being perfect, shows to be accessible to all citizens, as well as an incentive on the part of governments to continue improving in this regard.

Both countries meet in an extraordinary way almost all the prerequisites that consolidate an egalitarian democracy, so both countries will be considered as countries with a high level of egalitarian democracies.

Regarding the second analysis, Costa Rica and Uruguay show to have a great performance regarding the freedom of their economy. Both countries enjoy a low-level of corruption, compared to their neighboring countries on the region. Although the state of these countries still has some control over some economic issues, their economies remain among the most liberal in the Latin American region and even worldwide. That said, it can be concluded that both countries enjoy a high level of liberal economy.

7. Discussion

The next chapter will interpret the results in relation to the developed hypotheses, followed by the possible alternative explanations and finally, limitations and potential suggestions for future studies will be presented.

7.1. Interpretations

Regarding the first hypothesis (H1), it can be mentioned that the expected results were that countries with a good environmental performance, are countries that have high levels of egalitarian democracies, and that, on the contrary, countries that have low levels of egalitarian democracies, will have a poor environmental outcome.

After conducting the empirical analysis, it can be concluded that the results that have been found on this thesis regarding H1, are as expected: Ecuador and Bolivia are countries with a high social and economic inequality, so their environmental performance seems to be affected by this. As mentioned in the literature review, there is empirical support for the claim that greater inequalities and an unequal distribution of power will result in environmental degradation (Boyce, 1994). Also, according to Bailey (2015), in order to ensure a good environmental performance, the welfare state is a necessity. Both countries show a lack of a functional welfare state, so their environmental performance is consequently low. According to Simms (2013),

problems of global scale, such as global warming, will be easily solved in egalitarian democracies, so it can be expected that Bolivia and Ecuador will fail to improve their environmental performance if they do not focus on improving equality among its citizens.

On the other hand, the countries that have a good environmental performance, Uruguay and Costa Rica, are countries that enjoy having a high and stable egalitarian democracy. Therefore, it can be deducted that equality between the society of a country could be considered as an important factor to guarantee a good environmental performance. As previously shown by some authors, if a country has good democratic measures to reduce social differentiation, they will have a good environmental performance (Boyce et.al, 1999). This statement can be directly verified with the cases of Costa Rica and Uruguay, which show that they have very good democratic measures to maintain equality among their citizens, which are also reflected in their good environmental performance. Returning to what has been mentioned by Bailey (2015), in the case of Costa Rica and Uruguay, as they are countries that enjoy a stable welfare state, as a consequence, their environmental results show to be favorable, contrary to those who do not have a functional welfare state. Finally, according to Thernborn (2014), societies with a good level of equality will enjoy benefits which will be reflected in their good environmental performance, which also shows to be correct in the cases of Uruguay and Costa Rica.

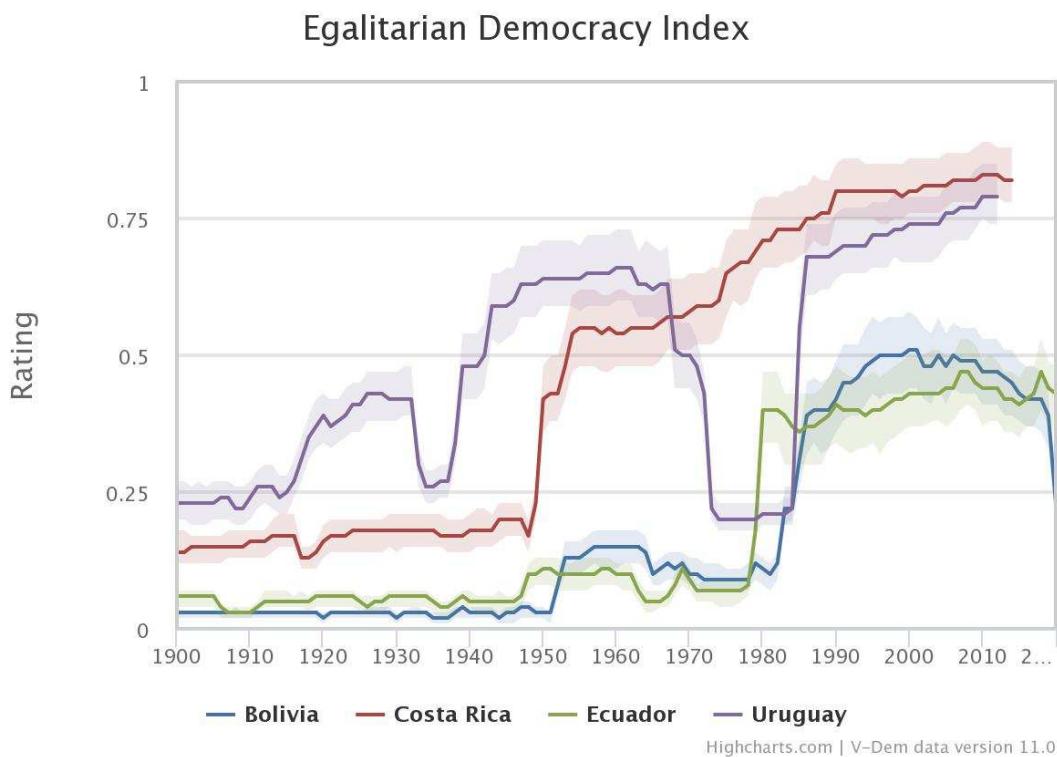
Figure 1.

Figure 1., extracted from the V-Dem Institute's Webpage, shows the level of egalitarian democracy of the countries Uruguay, Costa Rica, Bolivia and Ecuador, from the year 1900 to the year 2020. As can be seen, countries that demonstrate good environmental performances, Uruguay and Costa Rica, also show high levels of egalitarian democracy. On the contrary, countries with a poor environmental performance, Ecuador and Bolivia, show a considerably lower level of egalitarian democracy.

That being mentioned, the results regarding H1 match other findings, making it plausible to say that hypothesis 1 is proven to be correct.

When it comes to the second hypothesis (H2), the expected results were that countries that have high level of liberal democracy, are countries that consequently will have a poor environmental performance, and that, on the contrary, those countries that have a low level of liberal democracy, will have a good environmental performance.

After presenting the results conducted on the empirical analysis chapter, we can see that the results found, are not the ones expected. The two countries that do not have high levels of liberal democracies, Bolivia and Ecuador, do not have a good

environmental outcome, and the two countries that do have high levels of liberal democracies, have a good environmental outcome.

Regarding the theoretical part previously presented, it is said that countries with liberal democracies will have an addiction to economic growth, which will cause states to become prisoners of the liberal market, and they will do anything to not let the economy have a downturn (Povitkina and Jagers, 2021). It is also mentioned, according to De Geus (2004), that states that focus on economic growth will result in rejection of ecological behaviors, due to the little importance given to environmental damage (Jackson, 2009).

As has been shown, countries that have a high level of liberal economy, despite having ideals of expanding their economy, environmental ideals have not been forgotten. It can also be observed that even in market-oriented societies, there is a consciousness about the problem of global warming, since environmental policies seem not to be rejected and applied. It can be said that the government and citizens in liberal democracies have achieved a balance between expanding their economy and continuing to grow economically, with being conscious of the environment and trying to damage it as little as possible. It can be noted that in the case of Costa Rica and Uruguay, this balance is shown to be successful.

On the other hand, it is also possible to say that the liberal economy shows that it is not the cause of environmental damage, as can be seen in the case of Ecuador and Bolivia, which, being countries with a low level of economic freedom, still fail to achieve good environmental performance.

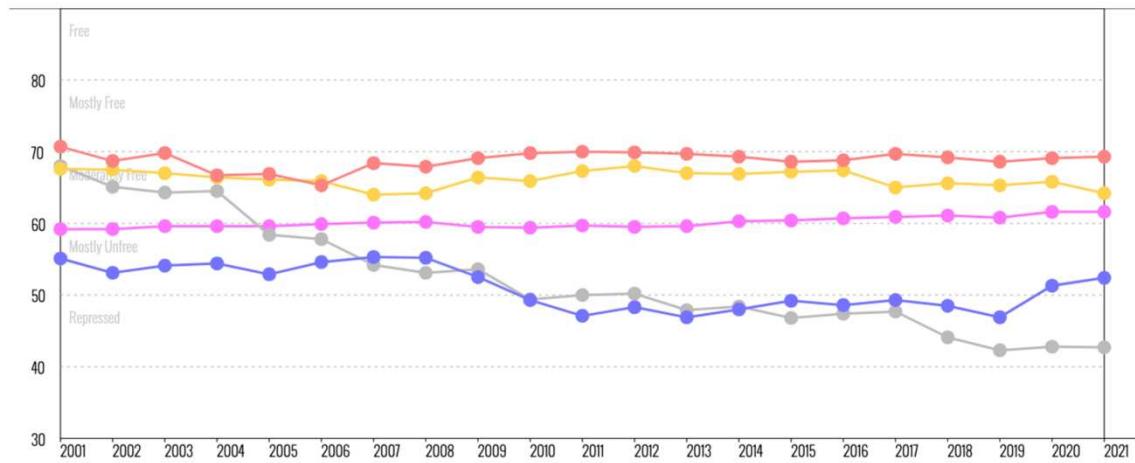
Figure 2.**OVERALL SCORE**


Figure 2., extracted from the 2021 Index of Economic Freedom, displays the level of economic freedom of the countries Uruguay, Ecuador, Costa Rica and Bolivia, from the year 2000 to the present year 2021. The “World” indicator has also been included, to give the reader the idea of what the world average of liberal economy is.

It can be seen that the two countries with good environmental performance, Costa Rica and Uruguay, are above the world average scores, while the countries with poor environmental performance, Ecuador and Bolivia, are below the world average.

The results presented do not coincide with those expected in H2, so it can be concluded that hypothesis 2 has been rejected.

As a conclusion regarding the results found in the present thesis, it can be said that the aspect of equality shows to be a relevant and possibly determining aspect to guarantee a positive environmental result. On the other hand, economic freedom does not show to be a decisive aspect to guarantee either a positive or a negative environmental outcome.

To answer the research question “does the type of democracy (egalitarian or liberal) have an impact on environmental outcomes in Latin America?” the answer is yes, the type of democracy has an impact on the environmental outcomes in Latin America, but only in the case of egalitarian democracies. Liberal democracies, on the other hand, do not prove to have the negative impact that was expected.

7.2. Alternative Explanations and Suggestions

The first alternative explanation could be that, just as a high level of egalitarian democracy is considered a determinant factor in a country for a good environmental performance, perhaps a high level of liberal democracy is also necessary. This could explain why Costa Rica and Uruguay have a good environmental performance, compared to Bolivia and Ecuador. Therefore, it is recommended for further research on the subject, to analyze the positive factors that liberal democracies can contribute to the environment.

As another alternative explanation, it can be said that the environmental performance of countries is rather determined by their domestic preferences and by the decisions made by the individuals or institutions in power. For example, that the government of Uruguay and Costa Rica have as preference in their political agenda, to generate policies that prevent environmental deterioration, which on the contrary, are not in the interests of the governments in Bolivia and Ecuador. In this case, it can be assumed that, contrary to what was expected, the type of democracy turns out to be irrelevant in determining the environmental performance of countries. In order to address this possible alternative explanation, it is suggested for further research, to also take into account the domestic preferences and interests of the governments of each country.

While conducting the empirical research, an additional explanation to the results could be found, on the assumption that corruption plays an important role on the environmental outcome of Latin American countries. Despite the differences that these countries show to have among themselves, it is important to emphasize that one of their greatest distinctions is the level of corruption that these countries handle. This could be seen evident in the analysis of the rule of law of each country, since it is directly affected when there are high levels of corruption. Bolivia and Ecuador suffer from having governments considered as corrupt, which on the other hand, is shown not to be so common in Uruguay and Costa Rica. It can be taken as a substitute explanation, that corruption can be the determining factor in predicting the environmental performance of a country. Meaning, that if a country has a high level of corruption, the environmental damage level will also be high. It is suggested, for further research, to also take into account the factor of corruption.

7.3. Limitations

As an important limitation, it is necessary to mention that the sample of selected countries may be too small to create a generalizable conclusion. Latin America is a continent with more than thirty countries, so it is difficult to consider that with a sample of four countries, a significant relationship between the selected variables could be found.

On the other hand, it is also important to mention that the fact that there is not much literature available on the democracies of Latin American countries may also compromise the results found. As mentioned previously, Latin America is a continent that has different perceptions and levels of democracy compared to other industrialized regions, so it is likely that the literature explaining the relationship between the selected variables would be different if it were based on Latin America.

Finally, as for the last limitation of this bachelor's thesis, it is necessary to mention that the environmental performance of the countries in terms of sustainability and care for the environment, is something really complex to measure. Although the source and the ranking on which this study has been based to determine the performance of the selected countries is a good and reliable source of information, created by experts in the field, environmental deterioration is something that remains relative, since there are still many ways to measure it, and not a single universal way. So it may be that if other parameters are used to measure environmental degradation, the countries that were selected could change. It is also imminent to acknowledge, that environmental deterioration is not instantly visible for us humans to notice, as it is a gradual process that can take many years or even centuries to become evident. For this specific reason, we should not only base our knowledge on facts, because when facts are shown, is because it is probably too late. So, again, the measure of environmental sustainability could be considered as relative and therefore, compromise the reliability of the presented results.

8. Conclusion

This thesis has emphasized the importance that must be given to the fight against climate change, since it is a problem that has been manifesting itself over the years with more force and in an increasingly evident way, as has become clear after the fires in Australia and the floods in Germany, as two examples of extremely recent environmental catastrophes. It has also been mentioned that because it is a problem that affects society, it must be a matter dealt with by many fields, including politics. The goal of this thesis was to try to determine whether egalitarian democracies or liberal democracies have an impact on the environmental performance of countries in Latin America.

The first hypothesis (H1) indicated that countries with high levels of egalitarian democracies would have a better environmental performance than those with low levels. The second hypothesis (H2), on the other hand, predicted that countries with high levels of liberal democracies would have a worst environmental performance than those with low levels.

This bachelor's thesis has shown that Latin American countries with high levels of egalitarian democracies will have a better environmental performance, thus corroborating the first hypothesis. Au contraire, it has also been demonstrated that a high level of liberal democracy is not synonym with environmental deterioration, and that countries that show low levels of liberal democracies will not necessarily show good environmental performance either. That said, the second hypothesis has been rejected.

The results presented have been performed by conducting a qualitative most similar systems design method, with a sample of four Latin American countries, two with a good environmental performance, and two with a poor one.

As mentioned on the previous chapter, this thesis presents some limitations that are important to acknowledge. As the Latin American continent shows many differences to the other continents in terms development, economic level and democratic perception, it is important to mention that the results found are not generalizable at the global level, but that, for now, they are at the regional level.

As for the future of this topic, it can be said that, environmental care is a topic that has been gaining more importance mostly in recent years, which is why more and more

research has been done on the subject. This is a positive thing, as more information will be available in the future regarding how we can help the environment from a political point of view. Research needs to be done not only in industrialized continents, but also in less developed regions such as Latin America and Africa.

For the moment there are still some open questions regarding the topic presented such as whether domestic decisions or corruption are also important factors that determine a good or bad environmental performance, but for now, as a conclusion and as the major contribution of this thesis, it can be mentioned that the focus on human rights, freedoms, and making social differentiation smaller, shows to have a positive impact on the environment, at least in the Latin American region.

Returning to the quote on the beginning by Sir David Attenborough, it can be said that it applies directly to what this thesis has shown. The equality in a society is of the utmost importance in order to guarantee a sustainable and healthy future.

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