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Why democracies stick together: The theory and empirics behind alliance formation

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The Freedom and Prosperity Center aims to increase the well-being of people everywhere and especially that of the poor and marginalized in developing countries through unbiased, data-based research on the relationship between prosperity and economic, political, and legal freedoms, in support of sound policy choices.

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Executive summary

Democratic peace theory holds that democracies do not go to war with other democracies. What can be called the democratic alliance hypothesis posits that democracies are more likely to form alliances or coalitions with other democracies, while democracies rarely join alliances or coalitions led by nondemocratic powers. The Freedom and Prosperity Indexes suggests that the more prosperous and democratic a country is, the less likely it is to ally with any major (or minor) nondemocratic power. If both democratic peace theory and the democratic alliance hypothesis are true, this will have important implications for US foreign policy. The last section lays out the rationale for US foreign policy lending support to democratization.

Introduction

Intensifying geopolitical competition in the context of Russian-Ukrainian war has led to the emergence of opposing coalitions. On one side are Russia and countries such as North Korea and Belarus that effectively lend support to Russia's war effort. One might also include Iran in this group because it supplied dual-use goods and weapons to Russia. Meanwhile, China remains officially neutral but has deepened diplomatic, economic, military, and technological cooperation with Russia in the context of a policy of comprehensive strategic coordination. On the other side are the United States, the European Union (EU), and select US allies, all of which provide military or financial support to Ukraine while significantly curtailing their economic ties with Russia. This coalition supporting Ukraine consists exclusively of democracies, while the Russian coalition consists only of nondemocracies.

Varieties of liberal thought have long held that democracy, economic freedom, and prosperity are interconnected. Modernization theory, for example, argues that countries become more democratic as they become more prosperous. Classic liberals like John Stuart Mill argued that economic freedom is conducive to economic prosperity.[1] Liberals also view democratic institutions as acting as a check on overbearing governments and, hence, being conducive to economic growth and prosperity. Moreover, many international political economists view economic interdependence as reducing the likelihood of inter-state war, and many international relations theorists believe that liberal democracies do not go to war with one another. The former concept is sometimes referred to as "capitalist peace" and the latter as "democratic peace theory." Yet other scholars see the causality as running from peace to democracy. In short, liberal thinkers see democracy, prosperity, and peace as related, even if they disagree about exactly how they are related and which way causality runs.

This paper reviews the scholarly literature on the effects of democracy (and prosperity) on peace and alliance formation and analyses its implications for US foreign policy and international politics more broadly. First, the paper will provide a critical overview of the literature on democratic peace theory. Second, it will review the literature on alliance formation and evaluate the democratic alliance hypothesis. Third, it will assess to what extent the data collected by the Atlantic Council's Freedom and Prosperity Indexes (FPI) lend support to the democratic alliance hypothesis. Fourth, the paper will discuss the implications of democratic peace and democratic alliance theory for US foreign policy. Finally, it will assess what the potential democratization of China and Russia might mean for geopolitical competition and international conflict.

I. Democratic peace theory

Democratic peace theory posits that democratic states do not go to war with one another, or at least that war between them is rare. Democratic peace theory attributes the relative absence of war between democracies to the existence of domestic liberal institutions and democratic norms, which constrain governments and their foreign policies and instill a culture of nonviolent conflict and compromise—at least vis-à-vis other democracies. Although democracies often engage in armed conflict, they rarely go to war with other democracies.[2] (Some research also suggests that countries with nondemocratic regimes are less likely to engage in armed conflict with one another.[3]) Foreign policy decision-making in democratic countries also tends to be more transparent than in nondemocratic countries. This can help generate greater trust and credibility—again, particularly in interactions with other democracies. Some democratic peace theory research also emphasizes the importance of economic freedom, which makes "marketplace democracies" more likely to share common foreign policy interests with other democracies, including with respect to international law and economic cooperation. This makes them less likely to fight each other.

Democratic peace theory has its critics. Some scholars challenge the causal logic underpinning the theory; others contest its empirical validity. Conceptually, there is also disagreement over how best to define (and code) democracy and war. Such disagreements have led researchers to different conclusions about the validity of democratic peace theory. At a minimum, democracy is thought to require the holding of free and fair elections. But there is disagreement about how extensive the voter franchise and the legislature's ability to hold the executive to account need to be for a country to qualify as a democracy. Yet other researchers define democracy even more extensively, namely as a liberal regime with a market-based economy and private property as constitutive elements.[4]

1. Markus Jaeger, "Pathways to Economic Prosperity: Theoretical, Methodological, and Evidential Considerations," Atlantic Council, September 18, 2023, https://www.atlanticcouncil.org/in-depth-research-reports/books/pathways-to-economic-prosperity-theoretical-methodological-and-evidential-considerations/.
2. Jack S. Levy, "The Democratic Peace Hypothesis: From Description to Explanations," *Mershon International Studies Review* 38, 2 (1994), https://www.jstor.org/stable/222744.
3. Zeev Maoz and Nasrin Abdolali, "Regime Types and International Conflict 1816–1976," *Journal of Conflict Resolution* 33, 1 (1989), https://www.jstor.org/stable/174231.
4. Michael W. Doyle, "Kant, Liberal Legacies, and Foreign Affairs," *Philosophy and Public Affairs* 12, 3 (1983), https://philpapers.org/rec/DOYKLL.

Another complicating factor is that many things that a make a country a democracy come in degrees. Imperial Germany (1871–1918) is today often seen as a nondemocracy by virtue of its parliament's inability to appoint or dismiss the head of government. But national elections were fair and free, parliament controlled the budget and legislation, the press was free, citizens were allowed to freely organize, and the economy was market oriented. Maybe it was a democracy, or maybe it was not. The point is that conceptual differences often lead to different empirical findings. By comparison, there is less disagreement about how to define war. It is generally taken to mean inter-state conflict that causes at least one thousand battle deaths per year, but some researchers have defined war as militarized inter-state disputes regardless of the number of casualties.

This is not the place to assess or critique the various statistical studies, but rather to understand the grounds on which critics reject democratic peace theory. Some research suggests that the evidence prior to World War II supports democratic peace theory, but also argues that there were too few democracies for this conclusion to be statistically significant.[5] As John Mearsheimer has said, "Democracies have been few in number over the past two centuries, and thus there have been few opportunities where democracies were in a position to fight one another."[6]

International relations theorists—particularly those of a realist persuasion, such as Mearsheimer—do not necessarily contest that democracies rarely go to war with one another. Instead, they attribute this fact to system-level causes and the emergence of military alliances that happen to have brought democracies together in view of a common threat, such as NATO during the Cold War.[7] Along similar lines, the absence of hegemonic war between the United Kingdom and the United States and the transition from Pax Britannica to Pax Americana in the late nineteenth century are explained by the geopolitical constraints the United Kingdom faced in the face of an intensifying German threat, rather than the fact that both it and the United States were democracies.

Other scholars also accept that democracies tend not to go to war with one another but argue that causality runs from peace to democracy. This so-called "territorial peace theory" posits that peace leads to democracy, rather than the other way around. Some research argues that once political similarity, geographic distance, and economic interdependence are controlled for, the remaining causal effect of democracy is negligible to nonexistent.[8] Other research similarly attributes the absence of war between democracies to other omitted variables, such as prosperity, economic interdependence, security alliances, or US geopolitical dominance.

Although its empirical and theoretical validity is contested, democratic peace theory has been called the "closest thing we have to an empirical law in the study of international relations."[9] There are, of course, (arguable) examples of democracies going to war with one another—from the War of 1812 that pitted the United Kingdom against the United States to the Sicilian Expedition launched by democratic Athens against democratic Syracuse during the Peloponnesian War. But empirical laws in the social sciences are invariably statistical in nature. A small number of exceptions does not invalidate the fact that instances of prosperous, liberal democracies engaging in armed conflict with one another are rare.

On balance, the empirical evidence suggests that democracies only rarely, if ever go to war with one another, even if the underlying causal relationship remains contested. Leaving scholarly arguments aside, it seems difficult to envision a scenario in which a liberal European democracy goes to war with another European democracy, or in which the liberal-democratic United States and Canada engage in a military conflict with one another (recent statements by the US president notwithstanding). When there is disagreement—even significant disagreement—between democratic states, they tend to resort to diplomatic or economic pressure to resolve conflict, but they rarely resort to military force to settle disputes.

II. Democratic alliance theory

Systemic theories of international relations posit that states form alliances or coalitions to ensure their security or to prevail in armed conflict.[10] Defensive alliances typically commit their members to lend each other support in case of an attack by a third party. Less formal and more ad hoc, coalitions emerge in the context of armed conflict and lead members to coordinate their efforts in an attempt to achieve military and political objectives. As a case in point, the French Revolutionary or

5. Joanne Gowa, Ballots and Bullets: *The Elusive Democratic Peace* (Princeton, NJ: Princeton University Press, 1999).
6. Quoted in David E. Spiro, "The Insignificance of the Liberal Peace," *International Security* 19, 2 (1994), https://www.jstor.org/stable/i323307.
7. Henry S. Farber and Joanne Gowa, "Polities and Peace," *International Security* 20, 2 (1995), https://www.jstor.org/stable/2539231.
8. For example, see: Dan Reiter, "Is Democracy a Cause of Peace?" Oxford Encyclopedia of Politics, 2017, https://oxfordre.com/politics/display/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-287.
9. Jack S. Levy, "Domestic Politics and War," *Journal of Interdisciplinary History* 18, 4 (1988), https://www.jstor.org/stable/204819.
10. Kenneth Waltz, *Theory of International Politics* (Long Grove, IL: Waveland Press, 1979).

Napoleonic Wars (1792–1815) are divided into seven different "wars of coalition."

To the extent that anarchy is a system-level theory, it has no use for state-level variables such as regime type, including in explaining alliance formation patterns.[11] International relations theorists see anarchy as forcing states to resort to external balancing (forming alliances with other states), especially if internal balancing (relying exclusively on one's own resources) proves insufficient to provide states with their desired level of security. Domestic regime type plays no role in systemic-realist theories of alliance formation. Alliance theory is closely related to balance of power theory, according to which states form alliances with the goal of establishing an equal distribution of power among groups of antagonists. Less centered on capability or power, balance of threat theory posits that threat perception—which is affected by geographic proximity, offensive capabilities, and perceived intentions—is the main driver of balancing behavior and alliance formation.[12]

But if democracies are less likely go to war with one another, should they not also be expected to be more likely to join other democracies to form alliances or coalitions? Research suggests that states with similar political regimes are indeed more likely to ally with one other.[13] It also finds that while two democracies are not more likely to form an alliance than two autocracies, democracies appear more likely to form alliances with one another than with nondemocracies.[14] Finally, there is evidence that countries tend to switch their alliance membership and reorient their geopolitical alignment in the wake of domestic regime change, which points to the causal relevance of domestic regime type for alliance formation.[15]

This is not the place to propose a theoretical synthesis or outline the detailed causal mechanism that underpins alliance formation based on regime type, but one might hypothesize that liberal democracies perceive other liberal democracies as less threatening or more trustworthy (perhaps due to the generally greater transparency of their domestic political processes) than autocracies. Or perhaps their foreign policy goals are generally more aligned compared to those of nondemocracies. Or the greater ideological distance, embodied in different regime types, translates into increasing fear of subversion, an increasing belief in the inevitability of conflict, and an increasing inability to communicate effectively.[16]

Anecdotal examples such as World War II (1939–1945) and the Cold War (1947–1989/1991), if not necessarily World War I (1914–1918), appear to be consistent with the democratic alliance (and coalition) hypothesis—namely that democracies are more likely to form alliances and coalitions with other democracies than with nondemocratic states. World War II saw the emergence of an alliance and coalition largely, but not exclusively, dominated by democracies pitted against an alliance and coalition consisting almost exclusively of nondemocracies. The allied coalition that emerged during World War II comprised the leading democracies, such as the United Kingdom, the United States, and, initially, France. But it also included several nondemocracies, such as the Soviet Union and China. However, none of the major Axis powers—Germany, Italy, and Japan—nor the minor axis powers were democracies. Finland was not formally allied with the Axis but was a co-belligerent waging war against the Soviet Union. The same pattern characterized the two coalitions (or blocs) during the Cold War. At various points, the US-led Western alliance included nondemocracies, such as Spain or South Korea, though democracies dominated its membership. By contrast, the Soviet-led alliance did not include any democracies. Alliance stratification along these lines of democracy and nondemocracy seems to contradict the notion that geopolitical expediency is the primary driver of alliance formation.

World War I is a more debatable example. The Triple Entente, the loose alliance in existence leading up to the Great War, comprised democratic France, the democratic-leaning constitutional monarchy of the United Kingdom, and the non-democratic monarchy of Russia. The war-fighting coalition that emerged from the Triple Alliance included (later) the democratic United States (technically an "associated power" and coalition partner rather than a formal alliance member), as well as the constitutional monarchies of Italy and Japan. As the war dragged on, many countries joined the entente as associated allies and co-belligerents. Some of them were democracies, others not so much. By contrast, the Central Powers consisted of the constitutional monarchies of Austria-Hungary, Germany,

11. Glenn H. Snyder, *Alliance Politics* (Ithaca, NY: Cornell University Press, 1997).
12. Stephen M. Walt, "Alliance Formation and the Balance of World Power," *International Security* 9, 4 (1985), https://www.jstor.org/stable/2538540.
13. Brian Lai and Dan Reiter, "Democracy, Political Similarity, and International Alliances, 1816–1992," *Journal of Conflict Resolution* 44, 2 (2000), https://www.jstor.org/stable/174663; Suzanne Werner and Douglas Lemke, "Opposites Do Not Attract: The Impact of Domestic Institutions, Power, and Prior Commitments on Alignment Choices," *International Studies Quarterly* 41, 3 (1997), https://www.jstor.org/stable/2600795; Randolph Siverson and Juliann Emmons, "Birds of a Feather: Democratic Political Systems and Alliance Choices in the Twentieth Century," *Journal of Conflict Resolution* 35, 2 (1991), https://www.jstor.org/stable/174148.
14. Ibid.
15. Randolph Siverson and Harvey Starr, "Regime Change and the Restructuring of Alliances," *American Journal of Political Science* 38, 1 (1994), https://www.jstor.org/stable/2111339.
16. Mark Haas, *The Ideological Origins of Great Power Politics*, 1789–1989 (Ithaca NY: Cornell University Press, 2005).

and Bulgaria, as well as the absolute monarchy that was the Ottoman Empire. Leaving aside whether the United Kingdom should be considered a democracy in 1914–1918, once again no democracy allied with the Central Powers, unless one classifies Imperial Germany as a democracy (see above). While the Triple Entente may not have been all democratic, all major democracies were part of it.

The present war in Ukraine lends unambiguous support to the democratic alliance hypothesis. The US-European-led coalition in support of Ukraine consists exclusively of democracies. By contrast, Russia's coalition comprises North Korea, Belarus, and Iran. Meanwhile, the members of the Collective Security Treaty Organization (CSTO)—a military alliance for post-Soviet countries, of which Russia is a member along with Armenia, Belarus, Kazakhstan, Tajikistan, and Kyrgyzstan—have remained neutral, except for Belarus. Incidentally, Armenia, which is democratic, has frozen its participation in CSTO and in 2024 announced its intention to withdraw from the alliance at an unspecified later date. Russia's other coalition partners are all nondemocracies.

The three mentioned strategic conflicts and the Ukraine conflict hardly make for a large enough sample, let alone an unbiased one, to reach robust, overarching conclusions. Nevertheless, the tendency of coalitions to be stratified along liberal-illiberal lines is interesting to note. At the time of World War I, few republican democracies existed, but no republican democracy was aligned with the Central Powers. During World War II, no democracy (Finland excepted) was aligned with the Axis. This was also true during the Cold War. In all three cases, the (predominantly) democratic alliance had nondemocratic members, but the undemocratic alliance had no democratic members (again, with the possible exception of democratic Finland's membership in the Axis-led coalition). Anecdotal evidence suggests that democracies have a greater tendency to align with other democracies, even if not all democracies align with one another, and even if predominantly democratic alliances have some nondemocratic members. Crucially, democracies are unlikely to join nondemocratic coalitions or coalitions led by a nondemocratic great power if these coalitions face a predominantly democratic coalition.

III. Freedom, prosperity, and alliances—empirics

Perusing the Atlantic Council's Freedom and Prosperity Indexes, this section analyses the propensity of democratic countries (or "free" countries in the Freedom and Prosperity Indexes' terminology) to form alliances or engage in substantial security cooperation with other democratic countries.[17] This section will also analyze to what extent economic development (or "prosperity" in the Freedom and Prosperity Indexes' terminology) affects a country's propensity to form alliances with other prosperous countries.

The Freedom and Prosperity Indexes measures countries' levels of freedom and prosperity. The concepts of freedom and prosperity underpinning the index are more multifaceted than basic definitions of democracy (e.g., free and fair elections) and economic well-being (e.g., per capita income). "A distinctive aspect of the Freedom and Prosperity Indexes is their root in and reflection of an expansive understanding of what constitutes a free and prosperous society. The Freedom Indexes measures the economic, political, and legal dimensions of freedom. This broader definition of freedom differentiates the index from other measures focused on specific institutional (electoral, corruption, economic openness, and so on). Likewise, the Prosperity Index is more exhaustive than previous measurement projects such as the United Nations Human Development Index or various poverty indexes."[18] But both freedom and prosperity can be seen as proxies for democracy and economic well-being.

Analyzing Freedom and Prosperity Indexes data, it is helpful to distinguish between formal alliances and broader security cooperation. The democratic alliance, broadly conceived, comprises NATO, Rio Treaty members, US bilateral treaty allies, and the European Union. The nondemocratic alliance led by Russia consists of the members of the CSTO and Russia's bilateral treaty ally, North Korea. For China, the other major nondemocratic great power, North Korea is the only formal treaty ally. China and Russia are not allied with one another, but they maintain close security cooperation.

Admittedly, security cooperation varies in intensity and one can legitimately disagree about which countries should be classified as close security partners. In Russia, this group arguably comprises Iran, China, Syria, and Vietnam, as well as various sub-Saharan countries (though Syria will likely cease being a Russian security partner following the fall of

17. For methodology and underlying data, see: "Freedom and Prosperity Indexes," Atlantic Council, 2024, https://freedom-and-prosperity-indexes.atlanticcouncil.org/about.

18. "About," Atlantic Council Freedom and Prosperity Center, last visited January 31, 2025, https://freedom-and-prosperity-indexes.atlanticcouncil.org/about.

the Bashar al-Assad regime). Whether countries that maintain close diplomatic ties with Russia—such as Cuba, Nicaragua, or Venezuela—should be included is debatable. In the case of China, Cambodia and Laos should probably be classified as close security partners. But this, too, is arguable. In the case of the United States, one can rely on Washington's major non-NATO ally (MNNA) designation to decide which countries should qualify as close security partners. But whether Saudi Arabia, Singapore, and the United Arab Emirates—none of which are MNNAs—should qualify can also be debated. The same might be true for whether China and Russia should be seen as "close" security partners in light of their increasing military cooperation. One can always quibble about the classification of individual countries, but the overall picture does not change much: alliance membership is strongly stratified along democratic and nondemocratic lines. Table 1 and the annex show which countries were included in the alliance and security partner category with respect to the United States and European Union, Russia, and China.

Table 1: Alliances led by nondemocracies tend not to have any democratic members

Russia		China	United States			European Union (EU)
Collective Security Treaty Organization (CSTO)	Bilateral alliances	Bilateral alliances	North Atlantic Treaty Organization (NATO)	US bilateral alliances	Inter-American Treaty of Reciprocal Assistance (Rio Treaty)	EU (Mutual Defense Clause)
Armenia*, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Russia	North Korea (2024)	North Korea (1961)	Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, United Kingdom, United States (all 1949); Greece, Turkey, Germany, Spain, Czech Republic, Hungary, Poland (1999); Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia (2004); Albania, Croatia (2009); Montenegro (2017); North Macedonia (2020); Finland (2023); Sweden (2024)	Philippines (1951); Thailand (1954/ 1962); Australia, New Zealand, Korea (1953); Japan (1960)	United States, Argentina, Bahamas, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

* Armenia has frozen its CSTO membership and announced its intention to leave the alliance

Source: Author's compilation.

The democratic alliance comprises NATO, US bilateral security partners, Rio Treaty members, and—due to the mutual defense clause it adopted in 2009—the European Union (even though Austria and Ireland are, strictly speaking, neutral countries). Using this classification, 83 percent of the countries in the Freedom and Prosperity Indexes' "High Freedom" category (that is, highly developed democracies) are allies. Of the forty-one countries in this category, only Switzerland, the Seychelles, Barbados, Cape Verde, Singapore, Taiwan, and Israel are not formally part of the democratic alliance. (However, Singapore is a close US security partner, and the United States is committed to lending support to Taiwan in case of an attack.)

By comparison, none of the "High Freedom" countries are formally allied with any of the major or minor nondemocratic powers—China, Russia, Iran, and North Korea. Of the "Moderate Freedom" countries, 49 percent are members of the democratic alliance and only 5 percent belong to a nondemocratic alliance. In the "Low Freedom" category, 37 percent of countries are members of the democratic alliance, while only 5 percent are allied with the major nondemocratic countries. Only in the "Lowest Freedom" category do members of nondemocratic alliances outweigh members of the democratic alliance (29 percent to 10 percent).

If one broadens the definition of alliance to include close security partners (as defined above), the picture is not much different. Adding MNNAs to the democratic alliance, a full 90 percent of "High Freedom" countries and 44 percent of "Moderate Freedom" countries are part of the democratic alliance. If one adds close security partners in the case of China and Russia, their share among "High Freedom" and "Moderate Freedom" countries remains unchanged at zero and 5 percent, respectively. But their share of security partners among "Low Freedom" and "Lowest Freedom" countries increases from 5 percent to 17 percent and from 12 percent to 43 percent, respectively.

Table 2: The vast majority of high freedom countries are allied with one another

	High Freedom	Moderate Freedom	Low Freedom	Lowest Freedom
Total	**41**	**41**	**41**	**42**
US treaty allies*	34	16	6	1
- Percent of total	83%	39%	15%	2%
US treaty allies and formal security partners**	37	18	11	3
- Percent of total	90%	44%	27%	7%
Russian and China treaty allies***	0	2	2	5
- Percent of total	0%	5%	5%	12%
Russia and China, allies and security partners****	0	2	7	18
- Percent of total	0%	5%	17%	43%

* US treaty allies, NATO, Inter-American Treaty of Reciprocal Assistance (Rio Treaty), EU
** In addition to US treaty allies, major US non-NATO allies and other security partners (including Singapore)
*** Chinese and Russian treaty allies, CSTO
**** In addition to Chinese and Russian formal treaty allies, Chinese and Russian security partners

Source: "Freedom and Prosperity Indexes," Atlantic Council, 2024.

The pattern is similar in terms of prosperity, due to the strong correlation between freedom and prosperity in the Freedom and Prosperity Indexes. Most prosperous countries are members of the democratic alliance. Using the narrower alliance definition, 88 percent of "High Prosperity" countries (effectively, highly developed economies) are members of the democratic alliance. Using the more expansive definition, which includes close security partners, the share increases to 98 percent. On the other hand, none of the "High Prosperity" countries are members of nondemocratic alliances. Using both the narrow alliance and the broader security partner definitions, the "Moderate Prosperity" and "Low Prosperity" categories include more democratic than nondemocratic allies and security partners. It is only in the "Lowest Prosperity" category that China and Russia have significantly more allies and security partners than the democratic alliance.

Table 3: The overwhelming majority of wealthy countries are allied with one another

	High Prosperity	Moderate Prosperity	Low Prosperity	Lowest Prosperity
Total	**41**	**41**	**41**	**42**
US treaty allies (including EU)*	36	7	7	1
- Percent of total	88%	17%	17%	2%
US allies and formal security partners**	40	13	13	1
- Percent of total	98%	32%	32%	2%
Russian and China treaty allies***	0	5	3	1
- Percent of total	0%	12%	7%	2%
Russia and China, allies and security partners****	0	6	12	8
- Percent of total	0%	15%	29%	19%

* US treaty allies, NATO, Inter-American Treaty of Reciprocal Assistance (Rio Treaty), EU
** In addition to US treaty allies, major US non-NATO allies and other security partners (including Singapore)
*** Chinese and Russian treaty allies, CSTO
**** In addition to Chinese and Russian formal treaty allies, Chinese and Russian security partners

Source: "Freedom and Prosperity Indexes," Atlantic Council, 2024.

Correlation is not causation. The United States' global military power and its greater prosperity might make it a more desirable alliance partner than China or Russia. Nondemocratic Russia and China have far fewer alliance and security partners, while Iran has no formal ally and North Korea has only two bilateral security allies in China (1961) and Russia (2024). On the demand side, the United States is evidently also more willing to form alliances and security partnerships than China or Russia. Or, on the supply side, perhaps countries are simply more eager to cooperate closely with the United States than with nondemocratic powers.

Moreover, greater economic interdependence might lead liberal, market-oriented democracies to share similar foreign policy goals that, hence, make them more likely to enter alliances with one another. Or maybe—as would be consistent with the democratic alliance hypothesis—the United States and the major European powers offer more liberal leadership than nondemocracies. In this case, domestic institutions translate into strategic restraint and democratic alliance leadership is more predictable and transparent, making it a more attractive alliance partner overall, and particularly among free and prosperous countries.[19] The United States has security partnerships, if not treaty relationships, with countries that are less than liberal democracies, particularly in the Middle East and the Gulf. But all US allies are relatively democratic and prosperous. Among US allies, only the Philippines, Thailand, and Turkey do not qualify as at least both "Moderate Freedom" and "Moderate Prosperity" countries per the Freedom and Prosperity Indexes.

The data show that the freer and more prosperous a country is, the more likely it is a member of the democratic alliance. The probability of a country being allied with nondemocratic China and Russia increases as its prosperity and freedom decrease. Naturally, the higher percentages of democratic alliance partners in the "High Freedom," "Moderate Freedom," "High Prosperity," and "Moderate Prosperity" categories compared to nondemocratic alliance partners are also partly a reflection of the higher overall number of countries that are members of the democratic alliance. Moreover, it is possible that the causality runs from prosperity to alliance membership rather than democracy, or that omitted variables such as economic interdependence underpin the observed correlation. Yet, the fact remains that prosperous and free countries effectively form a broad democratic alliance and that such countries are not allied with nondemocratic, less prosperous states such as China or Russia.

Conversely, not a single "High Freedom" or "High Prosperity" country is allied with China or Russia—let alone Iran or North Korea—or a close security partner of either country. Maybe this is because "High Freedom" and "High Prosperity" countries are geographically concentrated in North America, Europe, East Asia, and Australasia, and today's geographically concentrated alliances are simply a legacy of the Cold War. But the Cold War ended more than thirty years ago. Moreover, formerly nondemocratic Warsaw Pact countries, which would likely have qualified as "Low Prosperity" if the Freedom and Prosperity

19. G. John Ikenberry, After Victory (Princeton, NJ: Princeton University Press, 2001).

Indexes extended that far back, have joined the democratic alliance since the end of the Cold War and transformed into "Moderate Prosperity," "Moderate Freedom" to "High Prosperity" and "High Freedom" countries. Eastern European countries joined NATO only after they became freer and more prosperous, lending further support to the democratic alliance theory, at least as far as Eastern Europe is concerned.

Whatever the underlying causal mechanism, the Freedom and Prosperity Indexes lend support to the democratic alliance hypothesis and what might be termed the democratic-prosperity alliance hypothesis, which posits a close relationship between freedom, prosperity, and geopolitical alignment. That is, the freer and more prosperous a country is, the more likely it is allied with other prosperous democracies—and prosperous democracies do not form alliances, and rarely, if ever form security partnerships, with major nondemocratic powers.

IV. Implications for US foreign policy and strategy

Liberal thought and theories have long posited a connection between democracy and prosperity, as well as between democracy and peaceful international relations. Democratic peace theory posits that democracies do not go to war with one another and attributes this empirical fact to the democratic nature of their domestic political regimes. Democratic alliance theory posits that democracies are more likely to form alliances and collations with each other rather than with nondemocracies. A corollary is that democracies rarely join alliances led by nondemocracies. If both theories are true, this has important implications for US foreign policy.

If democratic peace theory and democratic alliance theory are correct, the larger the number of democracies, the less likely military conflict should become, all things being equal. And the larger the number of prosperous democracies, the larger the pool of potential alliance and coalition members for democratic states and the smaller the pool of potential allies for nondemocracies. Again, democratic states do not necessarily join security alliances led by a liberal power, though "High Freedom" and "High Prosperity" countries seem to do so in overwhelming numbers and are highly unlikely to join alliances led by or dominated by illiberal states.

If this is so, the United States and Europe should support economic development and democratization. Undoubtedly, if North Korea were to become democratic, this would lead to unification with South Korea. Similarly, a democratic Belarus would seek closer ties with the West, over time cumulating in NATO and European Union membership, just like a democratic Ukraine has been seeking to do. A democratic Iran would likely take a far less antagonistic position vis-à-vis the United States and might (again) become a major US security partner. Beijing and Moscow understand this, and the very prospect of their nondemocratic allies turning democratic represents a threat to their geopolitical interests. This is why so-called color revolutions tend to trigger strong reactions from both Russia and China.

Supporting democratic and economic development and widening the pool of potential allies is imperative in light of China's continued economic ascendance, which requires a forward-looking, alliance-based foreign policy strategy and extensive external balancing to maintain the balance of power in the future. It is also imperative for another reason. According to the nonpartisan Freedom House, political rights and civil liberties worsened in fifty-two countries in 2023 and improved in only twenty-one, representing a democratic decline for the eighteenth consecutive year.[20] If this trend is not halted and reversed, it might negatively affect the propensity of countries with weakening democratic institutions to join democratic alliances. They might even become potential members of nondemocratic alliances.

However, the evidence supporting democratic peace and democratic alliance theory must not be regarded as a license for a foreign policy of assertive regime change and democratization. How best to promote democracy and prosperity sustainably is a separate question that cannot be dealt with here, except to say that establishing democracy by force has, at best, a mixed record.[21] Moreover, policymakers should be aware that Russia and China will see democracy promotion as a double threat and will likely ramp up countermeasures, as it threatens both their geopolitical position and the legitimacy of their own political systems.[22] A strategically less confrontational approach would be to deprive China and Russia of potential allies by supporting democratization, particularly in countries that are somewhat out of reach geographically for China and Russia or where their geopolitical interests are less intensive and extensive, such as in Latin America and Africa.

20. "Freedom in the World 2024," Freedom House, 2024, https://freedomhouse.org/sites/default/files/2024-02/FIW_2024_Digital-Booklet.pdf.
21. Patrick Quirk, "Advancing Freedom, Defeating Authoritarianism: A Democracy Agenda for 2025–2029," Atlantic Council, July 3, 2024, https://www.atlanticcouncil.org/in-depth-research-reports/report/advancing-freedom-defeating-authoritarianism-a-democracy-agenda-for-2025-2029/.
22. Herfried Münkler, Welt in Aufruhr (Hamburg: Rowohlt, 2023).

But what if it were possible to transform China and Russia into democracies? Democratic peace theory suggests that the risk of armed conflict would decline and relations might improve. A caveat that needs to be kept in mind, however, is that research suggests that countries transitioning toward democracy become more militarily aggressive, at least temporarily. This is attributed to the lack of accepted democratic norms or to political entrepreneurs seeking to gain votes by playing the nationalist card.[23]

These are not particularly novel ideas. The "China as responsible stakeholder" theory was, in part, premised on the expectation that China's increasing prosperity would transform it into a liberal polity, while a high level of international economic interdependence would lead China to accept the international status quo.[24] Similarly, liberals hoped that political and economic liberalization in Russia would end geopolitical competition in Europe. Neither was an unreasonable expectation from a liberal and a historical point of view, and China and Russia might yet become more democratic. For now, however, China has not moved toward a more liberal-democratic form of government, and it is challenging the international status quo in a variety of ways. Similarly, Russia remains a nondemocracy quite willing to pursue its interests by force. Nevertheless, US and European foreign policymakers should support democratization and prosperity in order to reduce the likelihood of armed conflict and limit the pool of potential alliance members of nondemocratic powers. However, they should bear in mind that the more such a policy's focus moves from strategically peripheral countries to countries of greater strategic importance in the geographic vicinity of the major nondemocratic powers themselves, the stronger the geopolitical pushback of the latter will be.

V. Policy recommendations

- **Washington should broadly lend support to democratization, from strategically peripheral countries to nondemocratic great powers, to help reduce the risk of inter-state armed conflict over the longer term.** If democratic peace theory is correct, then the larger the number of democracies, the less frequent inter-state military conflict becomes, all things being equal. A caveat here is that a larger number of democracies diminishes the overall likelihood of war but might do little to prevent great-power war between democracies and nondemocracies. It could even make war more likely if nondemocracies come to view their geopolitical position as deteriorating because of a lack of allies and coalition partners.
- **Washington should continue to support democratization to reduce the number of countries inclined to align with nondemocratic powers and to increase the number of potential US allies and security partners.** If the democratic alliance hypothesis is correct, then geopolitical competition with Russia and China is the United States' (and its democratic allies') to lose—provided the world does not regress in terms of democracy. The more countries become democratic, the fewer potential alliance partners nondemocracies like Russia, North Korea, Iran, and China will have. One implication of democratic alliance theory for US foreign policy is that lending support for democratization and economic prosperity would reduce the pool of countries willing to align with nondemocratic alliances and coalitions, while increasing the number and propensity of countries to align themselves security-wise with democratic alliances.
- **Washington might also want to consider supporting democratization in China and Russia, bearing in mind that Beijing and Moscow will consider this a direct threat, and staying cognizant of the concomitant risk of a further deterioration of relations.** If democratic peace theory is correct, and if China and Russia were to become democracies, the risk of great-power war should recede once democratic norms and culture are consolidated in the previously nondemocratic countries. A caveat here is that countries in the early stages of democratization might behave more belligerently. Another caveat is that a policy aimed at democratizing the major nondemocratic powers themselves will likely make them more antagonistic, as they view such efforts as a direct threat to their regimes' survival. This should be taken into account when designing foreign policy and strategy.

23. Edward D. Mansfield and Jack Snyder, "Democratization and the Danger of War," *International Security* 20, 1 (1995), https://www.jstor.org/stable/2539213.
24. "Whither China: From Membership to Responsibility?" US Department of State, September 21, 2005, https://2001-2009.state.gov/s/d/former/zoellick/rem/53682.htm. Levy, "The Democratic Peace Hypothesis."

Conclusion

The empirical support for democratic peace theory is strong, and the hypothesis that democracies do not go to war with other democracies can be considered a well-confirmed empirical generalization, even if there are disagreements as to its underlying causal logic. The evidence in favor of democratic alliance theory is also solid. Both theories provide a sound intellectual basis for a US foreign policy and strategy that support democratization and prosperity. If democratic peace theory is correct, then the larger the number of democracies, the less frequent inter-state military conflict becomes, all other things being equal. If democratic alliance theory is correct, then the larger the number of democracies, the larger the potential pool of US allies and the smaller the pool of actual and potential allies of nondemocratic great powers. If democratic peace theory is correct, successful and sustainable democratization of China and Russia holds the prospect of a more peaceful future—perhaps even the sort of perpetual peace Immanuel Kant envisioned.

As Jack Levy, a prominent political scientist and leading scholar of international conflict, wrote shortly after the end of the Cold War, "[Democratic peace theory] also provides additional hope to those who believe that world politics is undergoing a fundamental transformation in which war will play a more limited role, and that activist state policies to encourage the spread of democratic institutions and attitudes on a world scale can contribute to this transformation."[25]

25. Levy, "The Democratic Peace Hypothesis."

Data annex

Most prosperous democracies are members of interlocking security alliances

United States				EU
North Atlantic Treaty Organization (NATO)	US bilateral alliances	Inter-American Treaty of Reciprocal Assistance (Rio Treaty)	Security partners	EU (Mutual Defense Clause)
Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, United Kingdom, United States (all 1949); Greece, Turkey, Germany, Spain, Czech Republic, Hungary, Poland (1999); Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia (2004); Albania and Croatia (2009); Montenegro (2017); North Macedonia (2020); Finland (2023); Sweden (2024)	Philippines (1951); Thailand (1954/1962); Australia, New Zealand, Korea (1953); Japan (1960)	United States, Argentina, Bahamas, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela	Major non-NATO allies: Argentina, Australia, Bahrain, Brazil, Colombia, Egypt, Israel, Japan, Jordan, Kenya, Kuwait, Morocco, New Zealand, Pakistan, Philippines, Qatar, South Korea, Thailand, Tunisia, Taiwan* Other: Singapore, Saudi Arabia, India, Vietnam, United Arab Emirates	Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden

*With respect to the Arms Export Control and Foreign Assistance Acts, Taiwan is treated as though it were a major non-NATO ally

Source: Author's compilation.

Allies of Russia and China consist of less prosperous and less democratic countries

Russia		China/ Russia	China
Collective Security Organisation Treaty	Bilateral alliances	Security partners	Bilateral alliances
Armenia*, Belarus, Kazakhstan, Kyrgysztan, Tajikistan, Russia	North Korea (2024)	Armenia*, Burkina Faso, Cambodia, Eritrea, Iran, Laos, Mali, Mongolia, Niger, Myanmar, Syria**, Venezuela, Vietnam, Yemen, Zimbabwe	North Korea (1961)

*Armenia has frozen its CSTO membership and announced its intention to leave the alliance
**Following the fall of the Assad regime, Syria's status as a Russian security is in doubt

Source: Author's compilation.

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