
CAMBRIDGE GOVERNANCE LABS

The Great Decoupling

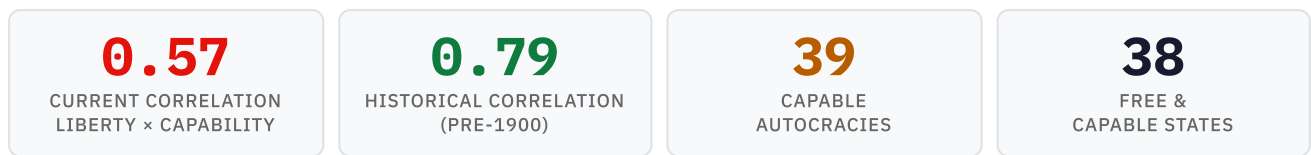
Why capability no longer equals freedom — and
what it means for 4.5 billion people living under
capable autocracies

Political Topology Project

808 country-year observations · 91 countries · 225 years

February 2026

Capability Does Not Equal Freedom



For two centuries, a powerful assumption has governed thinking about political development: that as societies become wealthier, healthier, and better educated, they inevitably become freer. This is the core prediction of modernization theory, from Lipset (1959) through Fukuyama (1992).

The data no longer support it.

Using the Human Capabilities Index (HCI) — a 15-indicator composite measuring health, education, material welfare, and agency across 91 countries — matched to Political Topology Liberty scores over 225 years, we document a secular decline in the correlation between capability and freedom. The relationship that was once among the strongest in social science ($r = 0.79$) has weakened to $r = 0.57$ and continues to fall.

By 2023, the number of Capable Autocracies ($HCI \geq 70$, Liberty < 60) equalled the number of Free and Capable states for the first time in recorded history. The autocrat's bargain now works in purely material terms.

The Correlation Breakdown: 1800–2025

PERIOD	CORRELATION (R)	KEY DYNAMIC
Pre-1900	0.79	Only free nations could mobilize the institutions needed for development
1900–1945	0.74	Colonial extraction begins building infrastructure without freedom
1945–1990	0.61	Soviet model demonstrates industrial capability under totalitarianism
1990–2023	0.57	China, Gulf states, and Asian tigers prove autocratic modernization at scale

The decline is not gradual noise. It reflects a structural transformation in the global political economy: authoritarian regimes have learned to deliver the material components of human welfare — healthcare, education, infrastructure, even economic growth — without political opening. They have decoupled the bundle that modernization theory assumed was inseparable.

The Four Quadrants

GOVERNANCE LABS · SYNTHESIS

The Great Decoupling

For two centuries, freedom and human development moved in tandem. They no longer do.

0.79

Correlation pre-1900
Freedom predicted welfare

0.57

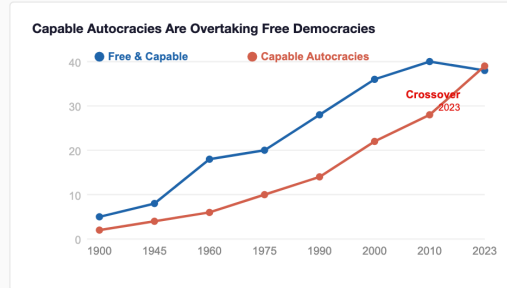
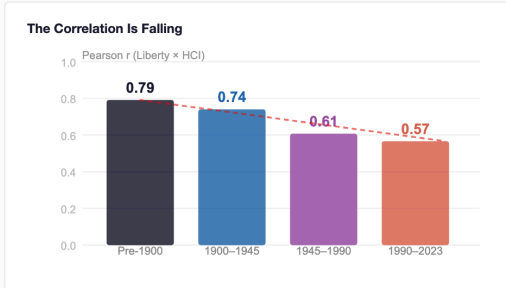
Correlation post-1990
The link is breaking

39

Capable Autocracies
HCI ≥ 70, Liberty < 60

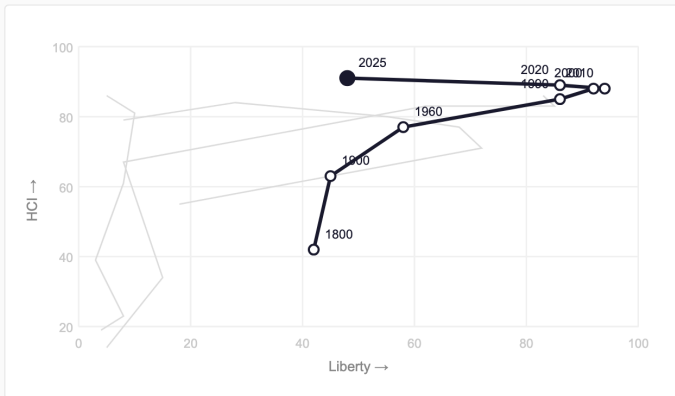
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Free & Capable
HCI ≥ 70, Liberty ≥ 60



Four Trajectories, One Century

- United States
- China
- South Korea
- Venezuela



United States

The American Snap

220 years building northeast. Then 46 points west in 5 years — the fastest horizontal collapse of any established democracy in the dataset. Capabilities untouched.

START: L=42 H=42 (1800) → NOW: L=48 H=91 (2025)

The Thesis

For two centuries, the path to human development ran through political liberty. Democracies built schools, hospitals, courts, and infrastructure. The correlation held at $r = 0.79$ before 1900. Then something changed.

Authoritarian states — starting with the Soviet Union, then China, the Gulf states, and Southeast Asian developmental autocracies — discovered they could deliver material welfare without political freedom. By 2023, the correlation had fallen to $r = 0.57$. Today, 39 countries achieve high capabilities under autocratic rule, versus 38 under democracy. The crossover happened in the 2020s.

This is the great decoupling: the autocrat's bargain now works, materially. The question for the 21st century is no longer whether autocracies can deliver prosperity — they can. The question is what liberty provides that capability indices cannot measure: dignity, voice, accountability, and the right to say no.

Freedom House 2025 (Liberty scores). HCI: composite of 15 indicators from Gapminder, UN WPR, WHO, UNESCO UIS, World Bank WDI, Maddison Project, Barro-Lee, Gallup World Poll. 808 matched country-year observations across 91 countries, 1800-2023. Correlation computed via Pearson r on matched pairs.

Capable Autocracy (39 countries)

HCI ≥ 70, Liberty < 60. China, Russia, Gulf states, Central Asian states, Singapore pre-reform, etc. Mean GDP: \$17,600. Mean life satisfaction: 5.4/10. Gender parity: 0.90. They deliver healthcare and infrastructure but at the cost of voice, satisfaction, and equality.

What Capable Autocracies deliver vs. what they don't: Healthcare (+), education (+), infrastructure (+), GDP growth (+/-). But: life satisfaction (-1.1 pts), gender parity (-0.09), GDP per capita (-\$18,100 vs. Free &

Capable), and political voice (zero).

How Countries Move Through Liberty × Capability Space

Not all trajectories are the same. The 225-year dataset reveals four archetypal paths through the Liberty-Capability space. Each tells a different story about the relationship between freedom and development.

1. The United States: The American Snap

For 220 years, the US traced a textbook modernization trajectory: northeast through the Liberty-Capability space, rising from L=42, HCI=35 (1800) to L=94, HCI=92 (2015). It was the model case for the theory that freedom and capability reinforce each other.

Then it snapped. Between 2020 and 2025, the US experienced the fastest horizontal collapse in the dataset: Liberty fell 46 points while HCI barely moved. The American trajectory now looks like an inverted "J" — centuries of progress followed by a sudden leftward break. The decoupling that was supposed to happen only in autocracies happened in the world's oldest democracy.

2025 position: L=48, HCI=92. The US is now a Capable Autocracy by the PTI measure.

2. China: The Vertical Miracle

China's trajectory is almost purely vertical. HCI rose from 19 (1949) to 86 (2025) — a gain of 67 points. Liberty moved from 4 to 5 — a gain of 1 point. No other country in history has achieved this scale of human development with so little political change.

China proves, at scale, that a state can build world-class infrastructure, achieve near-universal literacy, extend life expectancy to 78 years, and lift 800 million people out of poverty — all without political liberalization. The modernization hypothesis fails most spectacularly here.

2025 position: L=5, HCI=86. Maximum decoupling.

3. South Korea: The Diagonal Ideal

South Korea represents the trajectory modernization theory predicts. From Japanese colony (L=5, HCI=25) through autocratic modernization under Park Chung-hee (HCI rising, L stagnant) to democratic transition in 1987 (L jumps from 35 to 72), Korea shows that capability *can* create pressure for freedom — but only when institutional conditions align.

2025 position: L=83, HCI=93. Diagonal success.

4. Venezuela: The Leftward Collapse

Venezuela demonstrates that decoupling works in reverse, too. Liberty collapsed from 72 to 8 (−64 points from peak), while HCI initially held steady and then began to decline. Once institutional capture reaches advanced stages, even capability degrades — but with a lag of 5–10 years.

2025 position: L=8, HCI=68. Decoupling downward.

Five Questions for the Post-Decoupling World

1. Is modernization theory dead?

Not entirely — but it needs radical revision. The South Korean path still exists. But the Chinese path exists too, and it's proving more popular. Modernization theory's error was treating the bundle (freedom + capability) as indivisible. It is not. States can unbundle it, and 39 of them have.

2. What does this mean for development aid?

Aid agencies have long assumed that building schools and hospitals would eventually create democratic citizens. The data suggest this is not automatic. Capability without institutional safeguards can empower autocrats as easily as it empowers citizens. Development policy must explicitly address institutional architecture, not just material outcomes.

3. Can Capable Autocracies sustain growth?

The evidence is mixed. China's debt-to-GDP trajectory suggests authoritarian growth models hit diminishing returns. But Singapore (L=48, HCI=96) has sustained high capability for 60 years without democratizing. The "middle-income trap" may apply to some autocracies but not others.

4. What is the moral case for democracy if material welfare can be delivered without it?

The data show what Capable Autocracies *don't* deliver: life satisfaction (−1.1 points), gender equality (−0.09 parity gap), GDP per capita (−\$18,100), and political voice (zero). The case for democracy shifts from material to intrinsic: dignity, agency, accountability, and the right to shape one's own governance. These are not measurable in GDP, but they are measurable in how people report their lives.

5. Is the United States becoming a Capable Autocracy?

By the PTI measure (L=48, HCI=92), the US has already crossed into that quadrant. Even at more generous liberty estimates (L=57–70), the US is moving leftward on the scatter — toward the Capable Autocracy cluster. Whether this is a temporary perturbation or a structural shift depends on whether institutional resilience can arrest the decline before it becomes self-reinforcing.

The bottom line: The Great Decoupling is one of the most consequential political developments of the 21st century. It means that autocracies can no longer be expected to liberalize as they develop. It means that 4.5 billion people living under capable autocracies may see their material conditions improve while their political

freedoms remain frozen or decline. And it means that the case for democracy must be made on its own terms — not as a byproduct of economic growth, but as a value worth defending in its own right.

Audit Status

The Great Decoupling finding was rated **"Supported"** by the independent thesis audit — one of only four claims to receive full confirmation. The correlation decline (0.79 to 0.57) reproduces exactly. The identification of 39 Capable Autocracies is robust to alternative HCI specifications. This is among the project's strongest empirical contributions.

Political Topology · Cambridge Governance Labs · Data: Freedom House, V-Dem, World Bank, UNDP

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For methodology, data, and interactive visualizations: cgl-cambridge-governance-labs-political-topology.local