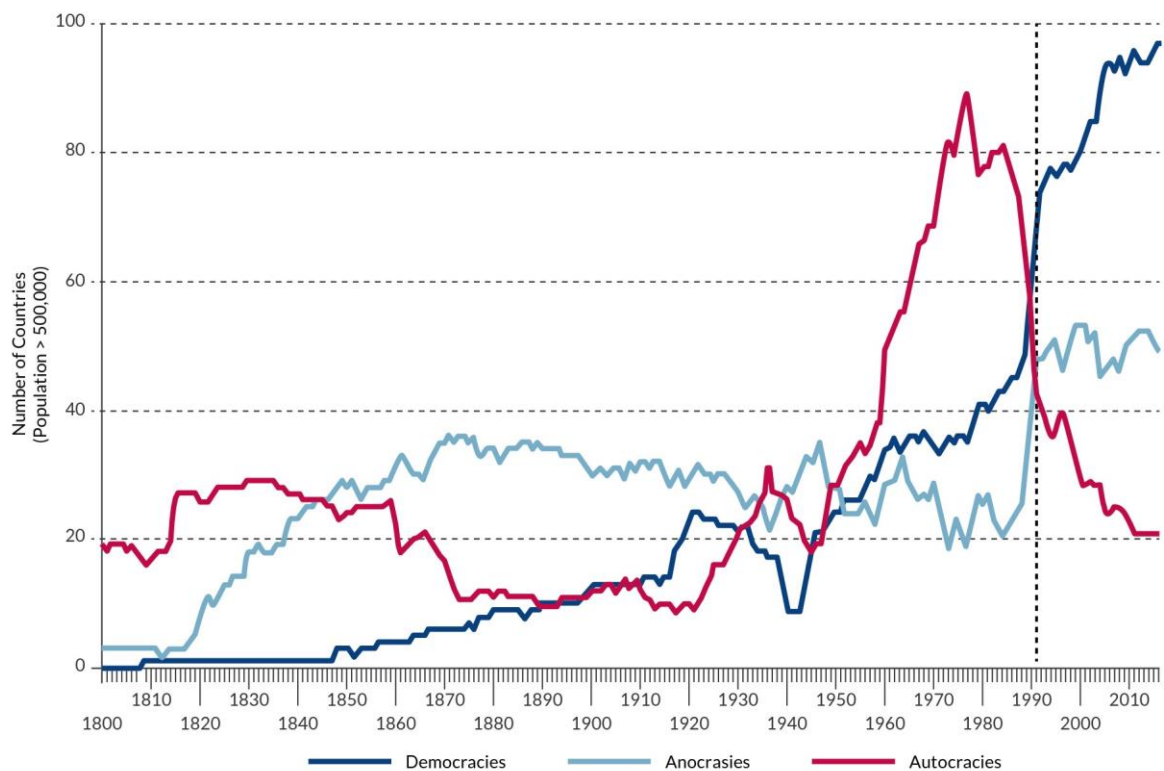## Taking Stock of Democracy – Still a Success Story or not Competitive Anymore?

Jörg Habich | Verena Nowotny | Christina Tillmann

I Introduction

Taking stock of democracy seems to be easy. Democracy doubtlessly was the most successful idea of the 20th century, in spite of its flaws and problems. Democracy is able to adapt to changing environments and has been able to cope with challenges and problems in most cases. As a consequence, the number of democracies has increased and many countries have moved from a non-democratic government to a democratic one over the years. The number has risen from 69 in 1989/1990 to 125 electoral democracies in 2016.[1] Nowadays, the majority of countries are governed by democratic regimes.

Global Trends in Governance, 1800-2016

Source: Center for Systemic Peace. | BertelsmannStiftung

Democratic systems are characterized by a variety of criteria, such as an electoral process and pluralism, political participation, civil liberties, the functioning of government, constraints on the power of the executive, and political culture with a guarantee of civil liberties. The victory of the liberal democracies as the end point of mankind's ideological evolution and the final form of human government as predicted by Fukuyama seemed theirs for the taking.[2]

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[1] Freedom House. Freedom in the World 2018 – Democracy in Crisis; https://freedomhouse.org/report/freedom-world/freedom-world-2018, retrieved July 16, 2018.

[2] Francis Fukuyama. The end of history?. In: The National Interest. Summer 1989.

But the right to vote, political participation, freedom of press and media, and the rule of law are under pressure and in retreat globally.

Nowadays, authoritarian countries are potentially challenging liberal democracies by proving that authoritarian regimes might be better at creating economic growth, at least in the short run.[3] Competition is created by these autocratic systems, whose decision-making processes are often faster and more effective than those in traditional democracies. Especially developing countries are studying with interest nations governed by autocratic rule, such as China or Singapore, since these countries have been extremely successful economically and able to cope well with global crises and current challenges.

The developments within both established and young democracies, and the competition from countries that lead and shape their state according to autocratic ideas, are increasingly putting pressure on liberal democracies. Suddenly, autocratic systems are gaining popularity. At the same time, or as a result, there is a growing disinterest in – or a renouncing of – democratic institutions, both nationally and supranationally (e.g. the European Union).

These worrying trends are also confirmed by the results of the latest edition of Bertelsmann Stiftung's Sustainable Governance Indicators (SGI).[4] Overall, even in the highly developed industrial nations of the OECD and the EU, the quality of democracy has declined over the past few years. Although this is mainly due to particularly negative developments in countries such as Hungary, Poland, Mexico and Turkey, many other countries are also showing some signs of deterioration. This applies not least to the USA. The fact that more than half of the OECD and EU countries have deteriorated to a certain degree compared to the 2014 SGI is in itself worrying. It shows that even within the OECD and the EU the model of liberal democracy is coming under pressure – in some countries to such an extent that central democratic and constitutional standards such as freedom of the media are already severely damaged or undermined. With regard to countries such as Hungary or Turkey, we can no longer speak of consolidated democracies.[5]

Democracy is also under pressure because it is challenging itself. Some are calling for more public participation and new opportunities for citizens' empowerment as a vital part of democratic governance in order to make democratic processes more democratic. Others are highlighting democracy's inconsistencies, paradoxes and limits by contrasting it with other forms of government. Liberal democracies that were considered the undisputed role models in the 1990s obviously have a credibility problem.

The rise of populism on the Left and Right in Europe and (US)-America has shown that today's threats to democracy take place within the very institutions of democracy – via elections, via changes to the constitution and/or via the party system. Those populist politicians share contempt for elites and institutions, depicting checks and balances as suppression of the popular will.

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[3]   Carl Henrik Knutsen argues that democracy enhances technological change, the most important determinant of long-term economic growth. Carl Henrik Knutsen. Why democracies outgrow autocracies in the long run: Civil liberties, information flows and technological change. Kyklos, Vol. 68, Issue 3, pp. 357–384, 2015.

[4]   To be published in October 2018 (www.sgi-network.org).

[5]   Thanks to Dr. Daniel Schraad-Tischler and the team of Bertelsmann Stiftung's Sustainable Governance Indicators for valuable comments.

A century after the end of World War I we are confronted with the question of whether democracy is still a success story and if it is no longer competitive. Is the democratic model antiquated?

Winston Churchill's famous claim seems a bit outdated:

> "Many forms of Government have been tried, and will be tried in this world of sin and woe. No one pretends that democracy is perfect or all-wise. Indeed it has been said that democracy is the worst form of Government except for all those other forms that have been tried from time to time."[6]

II   What Makes a Democracy

1.   Definition of Democracy

In general, democracy refers to legal equality, political freedom and rule of law as well as a viable state where all citizens are equal before the law and have equal access to legislative processes. Even when there is no generally accepted definition, there is a widespread consensus that democracy is a dichotomy, or a scalar property displayed by political systems to different degrees. Dahl argues that citizens' participation in the political process, including effective participation, voting equality, enlightened understanding, control of the agenda and inclusion, as well as competition among political groups, are the key aspects of democracy.[7] The figure "Dimensions of Democracy" shows what is and what is not an essential ingredient of democracy.

Dimensions of Democracy

Democracy *is* a Political System in which	Democracy *is* not	Democracy's *necessary Preconditions* are
• The Government is Held Accountable to Citizens • By Means of Free and Fair Elections	• Socioeconomic Equality • Capitalism • Small Government • Property Rights • Economic Efficiency and Growth • Political or Administrative Efficiency • Freedom of Religion • Stability • Peace	• The Right to Vote for Virtually all Adults • The Right to Run for Public Office for Virtually all Adults • Freedom of Association • Freedom of Expression • Freedom of the Press

Source: Patrick Bernhagen. Measuring Democracy and Democratization, in: Christian W. Haerpfer et al. Democratization. New York 2009. | Bertelsmann**Stiftung**

These dimensions lead to different kinds of accountable democracies in which democratic systems differ in their electoral mechanisms and their (political) institutions, and it seems an over-simplification to divide regimes into democratic and autocratic.[8]

2.   A Very Short History of Democracy

As mentioned, the number of democracies has risen over the centuries and waves or major long-term trends and briefer bouts of turmoil can be seen during that time. The **first long wave** (1776–1914) was kick-started by ideas in the US with "no taxation without representation" and the French Revolution's "liberté, égalité, fraternité." During this period, labor movement, newly founded trade unions and socialist or social-democratic parties as well as women's movements and nationalistic

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[6]   Winston Churchill. Churchill by Himself: The Definitive Collection of Quotations. PublicAffairs 2008, p. 574.

[7]   Robert A. Dahl. Polyarchy: Participation and Opposition. New Haven 1971.

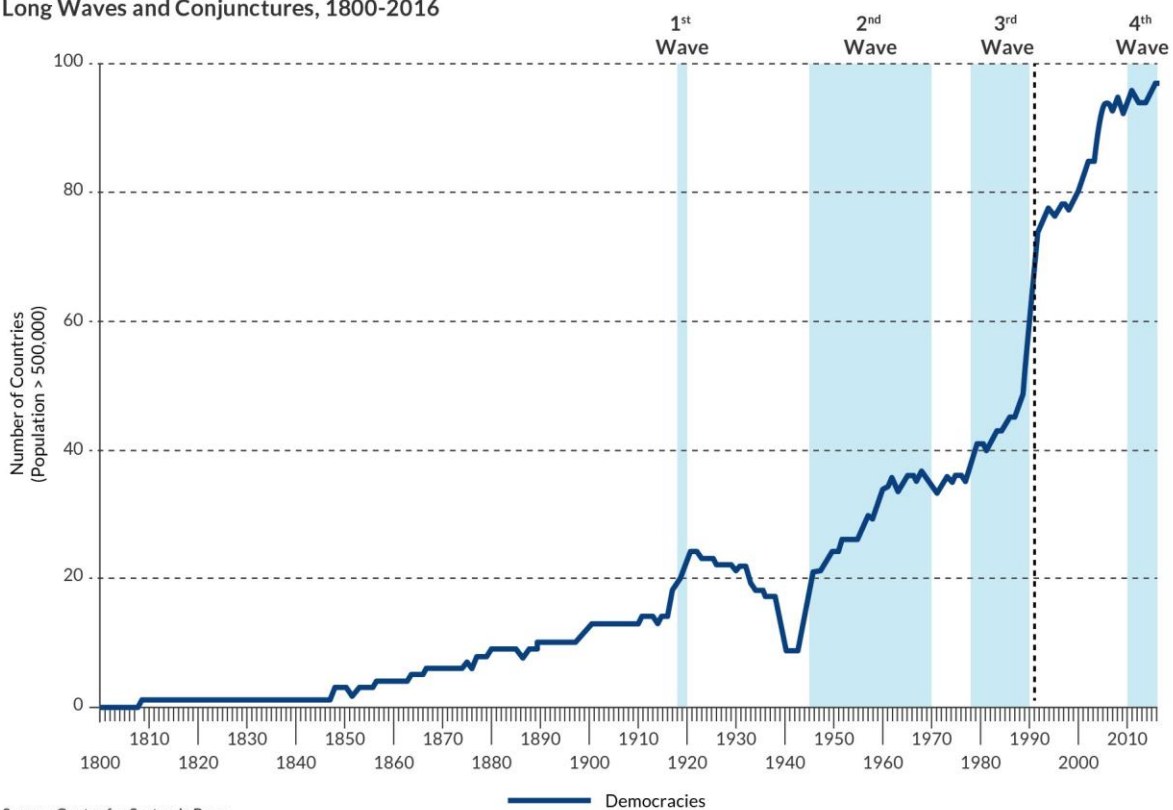[8]   Richard Rose. Democratic and Undemocratic States. New York 2019, p. 21.

ideas, like literacy, urbanization and technological progress, played a crucial role in establishing democracy on a national level.[9]

The end of World War I opened a new shift to more democracy and created a new political landscape, leading to the **first positive conjuncture** (1918–1919) of political forces, actors and events. While the pre-war democracies had mostly favorable conditions and remained stable, the impact of the Great Depression led to a negative conjuncture or reverse wave of democratization, especially for the new democracies like the Weimar Republic. The Weimar Republic faced numerous problems:

- Hyperinflation
- Constitutional weaknesses, e.g. the constitution gave the President, the states and the army great power
- Proportional voting, weakening and dividing the Reichstag
- Political extremism from the left and right
- Numerous rebellions

The **second long wave** (1945–1970) began following the Allied victory in World War II and led to a renewed attempt to introduce a system of collective security with the funding of the UN and an agreement on universal human and democratic rights. De-colonization and newly gained independence led to steady growth in the number of democracies.

Long Waves and Conjunctures, 1800-2016

Source: Center for Systemic Peace.
Number of Countries Scoring for Higher on Polity IV Scale.

| BertelsmannStiftung

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9   For the following, see Dirk Berg-Schlosser. Long Waves and Conjunctures of Democratization. New York 2009, pp. 41–54.

The **third long wave** (1970–1990) began with the revolution in Portugal and included the transitions in Latin America in the 1980s and Asia Pacific in the late 1980s. It ended with the downfall of practically all the communist regimes in Central and Eastern Europe within a number of months. The break-up of the Soviet Union led to a variety of new regimes, including new democracies, merely "electoral" or façade democracies and autocratic regimes. From a historical point of view, it was the beginning of an illusion,[10] since after the Great Recession of 2008 a number of countries threatened essential components of democracy by undermining fair and free elections, curbing the liberal rights of freedom of speech and association, and weakening the rule of law, e.g. judicial independence.

A **fourth wave** ensued with the Arab Spring, which resulted in a collapse of several autocratic systems in the Middle East and North Africa. The Arab Spring began with the Tunisian Revolution in 2010 and spread forcefully to five other countries: Libya, Egypt, Yemen, Syria and Bahrain. Demonstrations also took place in Morocco, Iraq, Algeria, Iranian Khuzestan, Lebanon, Jordan, Kuwait, Oman and Sudan along with minor protests in Djibouti, Mauritania, the Palestinian territories, Saudi Arabia and the Western Sahara.

Only eight years later democracy is facing its most serious crisis in decades. Political rights and civil liberties have deteriorated to their lowest point in more than a decade and democratic success stories are sliding into authoritarian rule. The challenges within democratic states have fueled the rise of populist leaders who appeal to anti-immigrant sentiment and give short shrift to fundamental civil and political liberties. Moreover, young people are losing faith and interest in the idea of democracy.[11]

3. Types of Democracy

Many authors categorize governmental structures as a multi-dimensional phenomenon that makes it possible to distinguish between democracies and autocracies and hybrid systems like anocracies in between.[12] Depending on the degree of sovereignty of the people and sovereignty of the state, the following models are distinguished:[13]

- **Presidential democracy**, head of government is head of state and leads an executive branch that is separate from the legislative branch
- **Parliamentary democracy,** derives its democratic legitimacy from its ability to command the confidence of the legislative branch
- **Democratic party system,** two or more political party systems, where only one party can realistically become the government
- **Representative democracy,** type of democracy founded on the principle of elected officials representing a group of people, as opposed to direct democracy
- **Consensus democracy,** application of consensus decision-making to the process of legislation in a democracy

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[10] Dirk Schönpflug. Decoding the Writings on the Wall: Analyzing Democracy from a Historical Point of View. Gütersloh 2018.

[11] Michael J. Abramowitz. Democracy in Crisis, see: https://freedomhouse.org/sites/default/files/FH_FITW_Report_2018_Final_SinglePage.pdf, retrieved August 5, 2018.

[12] Patrick Bernhagen. Measuring Democracy and Democratization. New York 2009, p. 37.

[13] Samuel Salzborn. Demokratie – Theorien, Formen, Entwicklung. Baden-Baden 2012, pp. 78–93.

- **Identitary democracy,** hypothetical system with complete identity of sovereign and voters which is based on the finding and building of a "general will"

It was taken for granted in the past that there is a correlation between economic well-being and the democratic system. But when market economies have been successful over a period of time, this has often led to the erosion of traditional political institutions and citizens becoming dissatisfied with paternalistic political authority and demanding popular sovereignty.[14]

To reduce citizens' dissatisfaction with the democratic system, various options are discussed:[15]

- **Increasing active involvement** in the democratic project
- **Enhancing the voice** of citizens through formal democratic processes to make substantive contributions to decision-making and to make their opinions heard
- **Bolstering legitimacy and trust** in the democratic process where skepticism of traditional institutions and mechanisms is on the rise, accountability and authority are being questioned, or the political leadership seems to ignore citizens
- **Safeguarding institutions and ensuring the rule of law** in order to maintain a balance between security and liberty, majority and minority rule, and other tensions that are innate to democracies while preventing or at least limiting backsliding and the hollowing out of democratic principles.

III   Erosive Forces that Threaten Democracy

"This was not supposed to happen." This statement, accompanied by a deep sigh, was frequently heard in 2016, the year that brought the world US President Donald Trump, the vote of the British people to leave the European Union, terrorist attacks in the heart of Europe (Brussels, Munich, Berlin, Nice), a failed military coup in Turkey – to mention only some of that turbulent year's most outstanding events.

It is the same incredulous amazement that is apparent as a response to the current state of liberal democracy. The historian and author Philipp Blom articulated this disbelief in his opening speech at the Salzburg Festival this year – and offered an answer as well:

> "But why is this happening right now? At a time when less people suffer hunger; less people die in violent conflicts; and we enjoy more wealth and security in our countries than ever? Because more and more people are becoming scared."[16]

Ivan Krastev describes the current mood in Europe as a "diffuse concern, not fear."[17] According to his observation, fearful people tend to be extremely cautious because they are aware that a wrong move will entail dire consequences. Concern, on the contrary, leads to hate speech and ruthless behavior as nobody is afraid of severe consequences.

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[14] Patrick Bernhagen. Democracy, Business, and Economy. New York 2009, p. 109.

[15] Helmut K. Anheier, Sonja Kaufmann, and Regina A. List. Innovations at a Glance 2017, p. 166.

[16] Phillipp Blom. Wir sind alle Kinder der Aufklärung. Opening Speech Salzburg Festival 2018, https://www.salzburgerfestspiele.at/Portals/0/Festrede_2018_PhilippBlom.pdf, retrieved August 5, 2018.

[17] Ivan Krastev. Interview: Politik ist wie Jazz. Wiener Zeitung. July 28, 2018.

1. The World in Flux

What has changed so fundamentally that people do not believe in liberal democracy anymore or at least have developed serious doubts with regard to its capability to make their lives better? Yascha Mounk cites three constants that have characterized democracy since its founding but that are no longer true today.[18] First, during a period of democratic stability, most citizens enjoyed a rapid increase in their living standards. In the US, for example, the income of a typical household doubled from 1935 to 1960, and again from 1960 to 1985. Since then, it has been flat. And it seems rather likely that the downward pressure on the incomes of the West's middle class will not let up.

Second, all through democracy's history of stability, one ethnic group has been dominant. Decades of mass migration have radically transformed societies around the world. One hundred years ago, Western Europe was ethnically homogenous whereas Eastern Europe had multicultural societies. Nowadays, the situation is quite the opposite. Only 4 percent of people in Poland and Hungary were not born in these countries; on the other hand, in France, the number of residents of foreign origin reached 20 percent last year. The functioning of democracy may well depend to a certain extent on the homogeneity of the electorate, or on how the power and influence of ethnic majorities and minorities are perceived by the citizens.

Third, mass communication is no longer the preserve of political and financial elites. The rise of the internet, and in particular of social media, has shifted the power balance between political insiders and political outsiders. Manners and respect within the political arena have dramatically deteriorated. As Michael Ignatieff wrote a few years ago, "Politicians need to respect the difference between an enemy and an adversary. An adversary is someone you want to defeat. An enemy is someone you want to destroy." Presidential candidate John McCain gave a clear example of this distinction when he defended Barack Obama during town hall meetings as a "decent man and citizen." However, as early as 2008, his efforts to cooperate with the newly elected president were greeted with outright rejection and contempt by the audience when he delivered his conciliatory concession speech.[19]

Furthermore, citizens' alienation from democratic procedures partly has its roots in an increasingly complex legal system that has become a jungle of rules that is almost impossible to navigate without professional help. As Philip K. Howard stated as early as 1994, "We seem to have achieved the worst of both worlds: a system of regulation that goes too far while it also does too little. This paradox is explained by the absence of the one indispensable ingredient of any successful human endeavour: use of judgement."[20] In recent years, the very institutions that are meant to serve as safeguards of democratic procedures have come to seem outdated and dysfunctional. Consequently, public approval of democratic norms and procedures has dropped dramatically; actually, according to the BTI this democracy indicator has deteriorated the most since 2006.[21]

Finally, our democracy has trusted too long in the legitimating power of elections alone as the cornerstone of our representative democracy. However, trends such as increasing individualism and pluralism have affected our political culture and citizens expect to be involved in decision-

[18]   Yascha Mounk. The People vs. Democracy. Why Our Freedom is in Danger and How to Save It. Cambridge 2018.

[19]   Steven Levitsky, and Daniel Ziblatt. How Democracies Die. What History Reveals About Our Future. New York 2018.

[20]   Philip K. Howard. The Death of Common Sense. New York 1994.

[21]   Hauke Hartmann. The Erosion of Democracy in Developing and Transition Countries. Gütersloh 2018.

making processes in between elections as well. Deliberative and direct democracy enjoy broad support in the public. The local level has already reacted to this and offers countless forms of structured dialogues between citizens and politicians. The national level however is still reluctant, even though there are compelling and well-researched examples of citizens' dialogues on the national level. For example, the British Columbia Citizens' Assembly on Electoral Reform convening 160 citizens was established by parliament and tasked with designing a new election law, which was then presented to the broad public in a referendum. Dialogues such as this are too rare and their power of increasing democratic legitimacy and giving citizens a structured way to make their voice heard is too often underestimated by political leaders.

2. Corollary Challenges

Democracy is a complex fabric; its resilience depends on many different threads that need to be woven together in order to ensure stability. However, several threads have currently become loose or torn, causing challenges in various areas.

Eat the rich. For decades, liberal democracy has served as a warrant for economic growth and increasing wealth. Increasing competition because of globalization, the financial crisis of 2008/2009 and stagnating income for the middle class have all cast doubt on this seemingly natural pairing. As a consequence, the rift between the haves and those who have less or who fear losing out has widened; entrepreneurs and (big) business are regarded as exploiters and corrupting politics for their interests only.

Twitter politics. In the past, two ingredients were considered essential for politics: predictability and reliability. Apart from Twitter's most prominent user, the bad habit of reducing complex issues to catchy headlines or bumper sticker messages has found numerous followers of all political parties around the world. Offering simple solutions to complex issues befouls every meaningful debate and makes consensus-building, a necessity, almost impossible.

Politics of fear and foes. Authoritarian leaders tend to love crises. A severe crisis justifies extraordinary means (e.g. military rule) and offers a perfect stage for a politician to present himself/herself as a strong leader who is willing to do what it takes. Eventually, the crisis serves to justify tightening the grip on power, allowing autocrats to expand their room to maneuver and protect themselves from perceived enemies.[22]

Politics of division. Changing configurations of a nation's society make it necessary to rethink what citizenship and belonging mean in a modern nation-state. The noble experiment of multi-ethnic democracy can only succeed if all its adherents start to emphasize what unites rather than what divides them. Populist rhetoric that focuses on the "us versus them" theme and establishes scapegoats not only threatens the peaceful coexistence of different ethnic or religious groups within one nation but also make a constructive approach towards future immigration impossible.

More than one fish in the ocean. The Chinese Communist Party has broken the democratic world's monopoly on economic progress. The Chinese elite argue that their model – tight control by the Communist Party, coupled with a relentless effort to recruit talented people into its upper ranks – is more efficient than democracy and less susceptible to gridlock. The tight control exerted by the

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[22] Steven Levitsky, and Daniel Ziblatt. How Democracies Die. What History Reveals About Our Future. New York 2018.

Chinese regime and condemned by China's critics is not necessarily regarded as problem by the country's citizens. As the independent Beijing-based writer Lijia Zhang stated, "Now, while still confined in a cage, it is one that has grown so big for many of us that we can go about our daily lives unaware of its limitations."[23]

IV   Recommendations

Given the considerable number of challenges and threats to liberal democracy, a hard-headed approach seems most promising. Founders of modern democracy such as James Madison or John Stuart Mill regarded democracy as a powerful but imperfect mechanism: something that needed to be designed carefully, in order to foster human merit but also to check human viciousness, and then kept in good working condition, constantly adjusted and worked upon. In this spirit, the following recommendations for members and bodies of the European Union shall serve as a starting point, not necessarily a final destination.

- **Return of common sense**. The European Union and its member states rightly consider themselves a beacon of rule of law. However, Europe's citizens cannot appreciate this fundamental ingredient of any democracy if it is buried in obscure bureaucracy, incomprehensible rules and regulations, and complex decision-making. Less regulation that better coordinates how we work and live together, based on common sense and good judgement, would require an honest and sober review of our legal frameworks.

- **Diversifying our democracy.** Elections are at the heart of our representative democracy. However, casting a vote every few years at the ballot box is no longer enough: Citizens expect to be continually involved in political debates and decision-making. This can take the form of "citizen dialogues" in which citizens deliberate and discuss a specific policy question and come up with a recommendation for politics. Or it can be via referendums, in which citizens make the final decision on one very specific policy question themselves. Deliberative and direct democracy can and should enhance our representative democracy. It will increase democratic responsiveness, lead to better results and, hence, increase democratic legitimacy.

- **Establishing effective red lines**. So far, the EU has no effective toolbox for dealing with undemocratic behavior in one of its member states. Article 7 of the EU treaty – invoked once to date, against Poland – will not provide useful and deterrent means to handle the complex situation of a deteriorating democracy in an EU member state.

- **Inclusive patriotism**. Torn between the far right that wants to exclude minorities from membership in a nation and parts of the left that emphasize the differences between citizens of different races and religions to such an extent that the bonds between them seem to dissolve, we need an open discussion of citizens' rights and responsibilities based on the non-negotiable condition that the state protects the rights of all individuals.

- **Civic education**. Since Plato and Confucius, every philosopher thinking about politics and governance has put particular emphasis on civic education. Curricula at schools and

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[23]   Jeffrey Wasserstrom. Illuminating and Misleading Takes on China 20 Years Since Tiananmen. Huffington Post, July 5, 2009.
https://www.huffingtonpost.com/jeffrey-wasserstrom/illuminating-and-misleadi_b_211610.html, retrieved August 7, 2018.

universities are ill-prepared to instill democratic virtue in young students. Education has become increasingly utilitarian, with the result that citizens are alarmingly ill-informed about democratic processes and politics in general.

- **Imagining democracy**. Benedict Anderson coined the famous phrase "imagined community" when he described the nature of a nation. Democracy provides citizens the freedom to rule themselves, to choose their political representatives in a deliberate way and to influence the rules and regulations that determine our way of life. We need to imagine democracy, to rethink its foundations that – for too long – have been reduced to economic success and prosperity.

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