

# When the Levee Bre

aks:

Can Institutions Save Liberal Democracy?

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## When the Levee Breaks: Can Institutions Save Liberal Democracy?

With liberal democracy already mired in a slump, democratic institutions face a massive challenge in mustering a response to the novel coronavirus of 2020. How these institutions perform in the coming months will have long term ramifications for democracy in the 21<sup>st</sup>-century. Is the West's democratic infrastructure, notably battered in recent years, prepared to weather the storm?

Democracy in rich countries was supposed to be indestructible. In 1997, political scientists Adam Przeworski and Fernando Limongi found that no democracy with a per capita GDP above US\$6,055 had ever collapsed.<sup>1</sup>

Some held that the connection between wealth and democracy was endogenous, meaning that it emerges as the final stage of a long march towards development. Others countered that the connection was exogenous, that democracy could emerge in rich or poor countries but is much more likely to survive in the rich ones. Either way, the rule of thumb held: "The more well-to-do a nation, the greater the chances it will sustain democracy."<sup>2</sup> In fact, modernization theory allows that a country need only "grow the pie" enough if it is to consolidate its democracy.<sup>3</sup>

Still, a curious trait of liberal democracy's current slump is its occurrence in wealthier countries. Populism, often of an illiberal bent, has made critical inroads in the United States, the United Kingdom, Italy and France. In the wake of the European sovereign debt crisis, democracy's reputation has been tarnished in Greece, Portugal, Spain, and Poland.<sup>4</sup> Turkey and Hungary have even seen their democracies deteriorate despite per capita incomes surpassing the thresholds observed by Przeworski and Limongi.

As ethnic-populism spreads around the globe, a critical question arises: Are we risking the demise of liberal democracy? Perhaps a more nuanced version of this question, however, would recognize that democratization occurs in waves that historically precede periods of democratic decline.

We currently face a third such reversal of democracy. The extent to which this wave washes out liberal democratic governance ultimately depends on the performance of the formal and informal levees we have built to protect it. This piece focuses on two essential levees: our institutions and our civil societies' commitment to them. Both appear to be buckling.

### I. The Tides of Democracy

Historical insight can help frame the discussion. The rise of democracy has not occurred in an exponential or even linear pattern. Rather, it has been cyclical. Following conventional theory, the modern world has undergone three great waves of democratization. The first and longest occurred from 1820 to 1926, a period during which the US vastly expanded suffrage, and a total of 29 countries joined the ranks of the world's democracies.<sup>5</sup>

The second wave, which spanned the two decades following World War II, saw the number of democracies peak at 36. A third wave began in the 1970s, as a series of Southern European countries emerged from prolonged periods of dictatorship and pursued institutional reforms that gave them entry into the European Community. By 2005, there were 123 democracies among the world's 192 countries<sup>6</sup> — 64% of all national governments.<sup>7</sup>

This third wave, accelerated by the collapse of Western democracy's great competitor, the Soviet Union, appeared tidal in nature. It was poised to wash away the sins of authoritarianism, and entrench liberal markets and the power of the people around the world. Perhaps it would take some countries longer than others, but a paradigm among US policy circles held that the transitional pathway was singular in nature and would lead to democracy even if the speed of democratization varied and setbacks along the way occurred.<sup>8</sup>

Francis Fukuyama's 1989 essay *The End of History* neatly summarized the zeitgeist of the era. "What we may be witnessing is... the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government," he wrote.<sup>9</sup>

Thirty years later, reports of history's demise appear to have been greatly exaggerated.

## II. Democracy's Reverse Waves

The number of democracies has not declined recently — the Pew Research Center holds the percentage as relatively stable since 2006<sup>10</sup> — but the majority of them have not followed a straight transitional pathway to liberal democracy. Many have instead veered off into "gray zones" of "qualified democracy", "weak democracy" or "pseudo-democracy".<sup>11</sup>

Meanwhile, traditional bastions of liberal democracy appear to be vacillating. According to Freedom House, a think tank, "[e]ven longstanding democracies have been shaken by populist political forces that reject basic principles like the separation of powers and target minorities for discriminatory treatment."<sup>12</sup> 2019 marked the 13th consecutive year of declines in the organization's rankings of global freedom.<sup>13</sup>

This apparent reversal is not unique. The first wave of democratization began to recede with Benito Mussolini's ascension to power in Italy in 1922. By 1942 the number of democracies worldwide had fallen to 12.<sup>14</sup> The depths of the Cold War curtailed the second wave, as the US proved willing to prop up autocrats rather than risk its power in the developing world.

What is causing the third wave of democracy to lose momentum? Samuel Huntington, the author of this wave theory of democracy, offered predictions in 1991 that seem prescient today. "As memories of authoritarian failures fade, irritation with democratic failures is likely to increase. More specifically, a general international economic collapse on the 1929–30 model could undermine the legitimacy of democracy in many countries."<sup>15</sup> He also speculated that political polarization and the emergence of a viable non-democratic power could also short circuit democracy's spread.

All these potential pitfalls have recently arisen. For Europeans born after World War II, frustration with bureaucrats in Brussels seems more tangible than the region's unprecedented period of peace. The Great Recession that began in 2007 not only devastated developed-world economies, but it also coincided with the advent of the digital revolution. The gig economy and automation have further destabilized traditional job markets. The impact of new media and social media has created mutually exclusive information silos whereby many people consume news curated to their biases. This has furthered political polarization. Finally, countries such as China and Russia have demonstrated that democracy is not a prerequisite to global relevance in the 21st century.

### III. The Levees of Democracy

Ultimately, the damage done by this third reverse wave will likely depend on the resilience of liberal institutions: the checks and balances among branches of government, the independence of the judiciary and the freedom of the press. These are the systems that can prevent political polarization from vitiating the mechanisms of government.

Yet institutional functionality is perpetually vulnerable, and performance is, in part, contingent on the value imbued by citizens. The rapid politicization of the US Department of Justice, for example, has led to a series of investigations, counter investigations and shadow investigations that serve little purpose beyond short-term partisan gain. Similarly, the aims of the Department of State have been reframed in the pursuit of inflicting partisan aims. The harm done to these institutions is hastened by the indifference of large swaths of the American public.

In the 2012 book *Why Nations Fail*, Daron Acemoglu and James Robinson highlight the importance of liberal institutions for sustainable democracy. They posit that one can expect democracy to flourish where these institutions are inclusive and where pluralistic systems that protect human rights and property rights exist.<sup>16</sup> Institutional strength, they argue, can distinguish a sustainable democracy from one stuck in the “gray zone”, where political participation “extends little beyond voting”, where the bureaucracy decays, and where one political group, movement, family or strongman slowly consolidates power.<sup>17</sup>

This is an argument familiar to US audiences. Following Donald Trump's unexpected victory in 2016, anxious Americans were consoled by their calmer compatriots who assured them that the country's world-class institutions could rein in the inexperienced chief executive.

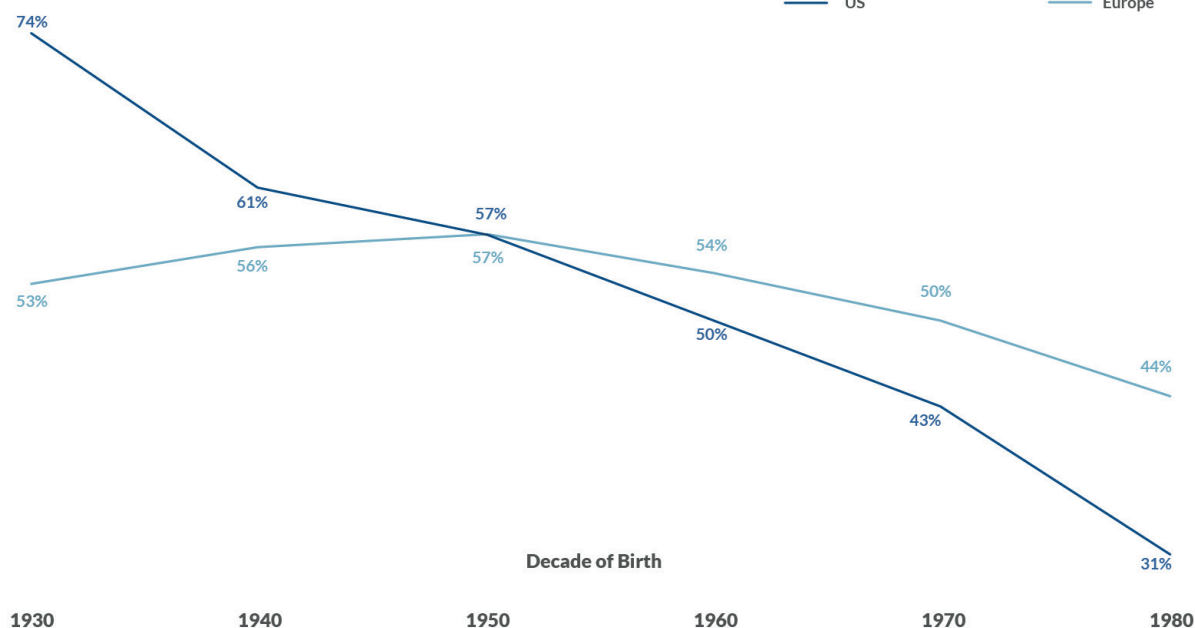
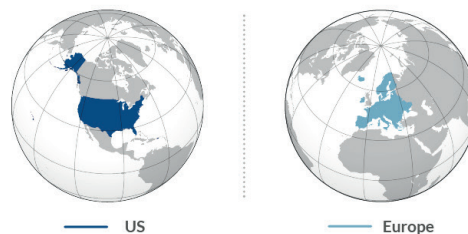
Three years later, many view that argument with a jaundiced eye. President Trump has directly challenged the authority of the judiciary, impugned the integrity of federal law enforcement and defied Congress, to name but a few institutional transgressions.<sup>18</sup>

In a democracy in which people value institutional integrity above party politics, such violations would be swiftly condemned. Yet scholars have observed in the US a decreased level of value placed on institutions,<sup>19</sup> and Republican congressmen and senators have been reluctant to censure the president for apparent institutional abuses. This may be for political reasons: The Republican president remains highly popular within the party<sup>20</sup> as

## AN INCONVENIENT STATUS UPDATE

### Percent of respondents rating it “essential” to “live in a country that is governed democratically.”

Source: Foa and Mounk, 2017



an increasing number of Americans adopt a “win at any cost” approach to politics and show decreasing concern for the niceties of institutional boundaries.

Herein lies the major threat of the third reverse wave of democracy. Institutions can save liberal democracy, but institutions themselves are, in a sense, like cash. They appear to have value and, as long as people treat them as if they are valuable, they maintain this value. Cash, however, is but a piece of paper, and institutional norms, even when explicitly codified, are simply written on another piece of paper. Their value can dissipate quickly.

We are witnessing this devaluation of American democratic institutions in real time.

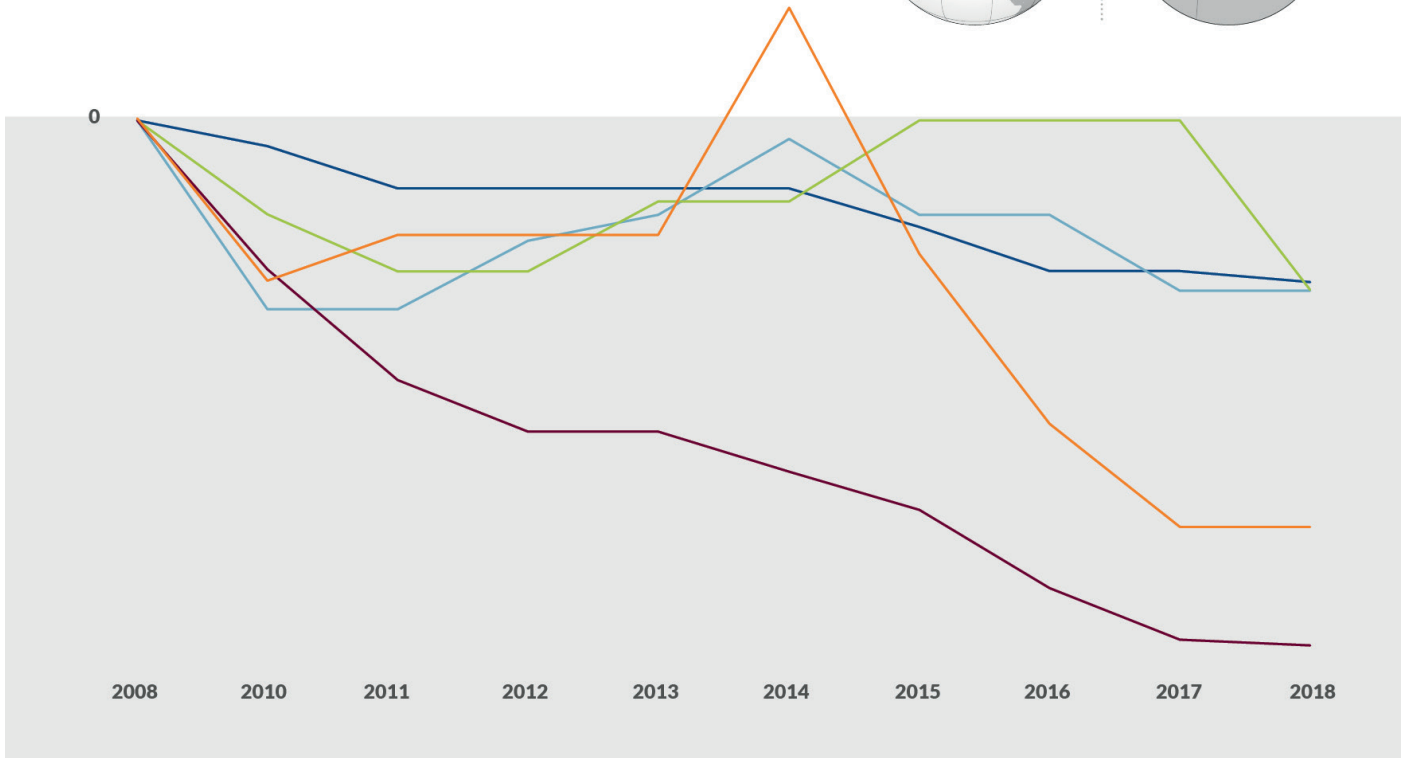
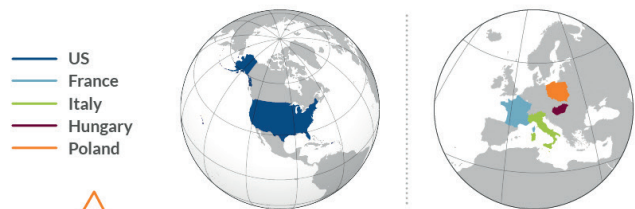
With recent developments in mind, political scientists Erik Jones and Matthias Matthijs have challenged the perceived stabilizing power of quality institutions. “You can have the best political institutions in the world,” they wrote, “but if the people who live within them do not want to use them the way they were designed to function, then those institutions will not work.”<sup>21</sup> If citizens themselves do not care about the integrity of institutions, even the most well-designed ones cannot defend democracy.

What makes the current reverse wave seem so dangerous is that publics are demanding it. Electorates throughout the developed world are voting for less liberal democracy. Elections are still held (even if their legitimacy is increasingly questioned: two of the five 21<sup>st</sup>-century US presidential elections have elevated the loser of the popular vote and, since 1990, Democrats have won more votes than Republicans in 11 of 15 senate elections yet took a majority of seats after just six of them<sup>22</sup>), but liberal democracy is about more than a vote.

## DEMOCRACY IN DECLINE

Year-on-year change in Economist Intelligence Unit index of quality of democracy. 2008 = 0

Source: Economist Intelligence Unit, Democracy Index, 2018



In the West, governing systems have become less representative, participatory, equitable and adaptive. These are, however, the qualities that distinguish a liberal democracy from a flawed democracy that manages to run an election every few years.<sup>23</sup>

## IV. Will the Levee Break?

The key to breaking the reverse wave lies in curtailing this degradation of institutions. Political fissures will of course remain — the historic ones between urban and rural communities, workers and employers, as well as newer splits between globalization’s winners and losers — but the rules of the game must hold fast or we will shortly be playing a different game entirely.

Jones and Matthijs argue that US and EU citizens are not necessarily less inclined towards democratic values than in years past. Rather, “[t]hey hold different perceptions about the legitimacy of protecting these values for different groups within the same political institutions.”<sup>24</sup> Where social values remain and solidarity evaporates, democratic institutions morph into a competitive arena in which winners seek to use the institutions as a vehicle to funnel benefits towards their side.

Withstanding the third reverse wave of democracy is contingent upon a divided society recognizing that our institutions are not necessarily self-sustaining and self-perpetuating. And just as cash must be respected in red and blue states to maintain its value and not just be a piece of paper, the value of our institutions is contingent upon their ability to remain inclusive and accessible to all, rather than becoming blunt tools for only those who happen to manage them at a particular moment.

Perhaps the key to rebuilding our relationships with institutions lies in reinforcing the decaying bonds within civil society. The digital era heralded an opportunity to bring us all closer together, to connect us. But in practice it isolates. We battle strangers online, but we don't know our neighbors. In the 1970s, 72% of Americans socialized with their neighbors more than once a year. Today, only 26% report even *knowing* most of their neighbors.<sup>25</sup>

As daily life becomes increasingly digitized, Americans have fewer interactions with their physical surroundings. From voting to organized sports to PTA membership, participation in civil society has dropped precipitously in recent decades. This is unfortunate since political scientists argue that sustainable democracy strongly correlates with engaged communities.<sup>26</sup>

As Robert Putnam found in his comparison of northern and southern Italy, civil society connections are particularly valuable when they are horizontal in nature, meaning that participants engage on a relatively equal footing.<sup>27</sup> Even if it is just the local choir club, participants learn to cooperate, collaborate and problem solve, perhaps even with — *gasp* — someone from the other political party.

The resulting network of bonds and relationships can help form a notion of “we” rather than “I”<sup>28</sup>. This transition, along with the development of what Putnam calls the “norms of reciprocity”, could prove vital in restoring developed-world perceptions that institutions should serve social, ethnic and regional contingencies beyond one's own.

We are far more likely today to build relationships within digital silos that do not rely on problem solving or cooperation. Instead, those silos reinforce our angers, frustrations and aggrievements. When we encounter online someone with an opposing point of view, the conversation can precipitously devolve into name calling, ad-hominem attacks and trolling.

To the extent that civil society exists online, it is often more hierarchical than one might expect. The relationship between a demagogue and his Twitter followers, or the firebrand blogger and her anonymous commentators, is top down. These vertical relationships lack the positive impacts of horizontal connections.<sup>29</sup>

The most popular and tendentious online blogs and websites rarely offer accurate news reporting. Rather, they rapidly disseminate partisan talking points to guide their followers on how to react to current events. No wonder that, despite the irony, our politics are marked by deep-seated suspicions of foreigners in an era when we can chat in real time with those far away. As tech advances at blinding speeds, people of the democratic world must work harder to maintain the offline bonds that connect us and humanize us. Perhaps the simplest way to save democracy is to log off and go talk to a neighbor. As liberal democracy is curtailed and the resilience of political institutions and civil society falters, a vicious cycle that reinforces both trends ensues. Matthijs notes economic historian Karl Polanyi's observation that “political legitimacy of democratic capitalism needs to be earned every day by upholding its historically crafted and culturally embedded compromise between markets and social protection.”<sup>30</sup> When institutions buckle and civil society disengages, that compromise becomes tenuous.

## V. A Defining Moment: Democratic Institutions in an Era of Coronavirus

By February, 2020, the question of whether institutions can save democracy became almost an afterthought as the world careened into a far more immediate dilemma: can our institutions save *us*?

As a novel coronavirus spread from East Asia, to Europe, to the United States, vast swaths of the global population faced exposure to COVID-19. Meanwhile, governments from small towns to massive countries faced the daunting challenge of developing a comprehensive policy response.

The virus brought many of the arguments and observations presented in this paper into stark relief. For one, citizens of global democracies became increasingly isolated, and increasingly dependent upon digital content. This paper argues for the importance of civil society, be it singing in the local choir or even just having a conversation with a neighbor. Both activities, benign under normal circumstances, portend significant hazard in a time of social distancing.

Left to our own devices, people risk further entrapment in information silos. For some time, Fox News and CNN—two prominent American cable news networks—have broadcast apparently alternate realities. This can be bewildering enough during times of political crises such as the 2019 impeachment of President Donald Trump, but it can be outright dangerous during a global pandemic.

The upcoming months represent a critical stress test for the globe's democratic institutions. As the death toll rises in Italy, Spain and France, citizens of these countries could view the results as further evidence of technocratic governance's incapacity to respond to national challenges. In the US, the more the virus response is reduced to President Trump against a liberal press, or Donald President Trump against democratic governors, the more corrosive the impact will be on the future of the country's democratic infrastructure.

Meanwhile, should the public health crisis continue to spiral into an economic crisis, more and more citizens will find themselves in the domain of losers, which academics have positively correlated with risky political decision.<sup>31</sup> In other words, if people lose their jobs due to the impact of a virus that originated in China, there may be increased appetite for nationalist, illiberal candidates that view institutions as a threat, and not as a feature. The strength of these bodies could be compromised, and the levees might not hold.

Yet, this is not the only potential outcome. Conversely, the crisis could underscore the need and value of strong institutions and democratic stability; it could remind citizens of the world's liberal democracies just why they valued non-partisan expertise to begin with, and that people of all political persuasions need access to their institutions.

COVID-19 offers harsh evidence that ours is not a post-truth world: that there *are* specific ways a virus can spread, and specific ways that that spread can be curtailed. Perhaps it is



no coincidence that Germany, a country that has yet to comprehensively dismiss its establishment politicians in favor of post-truth populists, has managed to keep the fatality rate of the virus notably below the prevailing global figures.<sup>32</sup>

By rising above rank partisanship and by tacking towards a sober minded public policy response, democratic institutions can act as stabilizers under deeply rattling circumstances. If our institutions hold firm and if citizens can withstand the appeal of zero-sum populism — if the levees stand — liberal democracy has the chance to make its case when the stakes are at their highest. Just as the third wave of democracy should not have been viewed as “the end of history”, a third democratic recession need not be the end of the ideal.

- <sup>1</sup> Adam Przeworki and Fernando Limongi. "Modernization: Theories and Facts." *World Politics*, Vol. 19, No. 2, 1997.
- <sup>2</sup> Seymour Martin Lipset. "Some Social Requisites of Democracy: Economic Development and Political Legitimacy." *The American Political Science Review*, Vol. 53, No. 1, March 1959.
- <sup>3</sup> See Przewroksi and Limongi.
- <sup>4</sup> Matthias Matthijs. "Integration at What Price? The Erosion of National Democracy in the Euro Periphery." *Government and Opposition*, Vol. 52, No 2, 2017.
- <sup>5</sup> Matthias Matthijs. "Democracies versus Authoritarian Regimes." Lecture at the Johns Hopkins University School of Advanced International Studies, Washington, DC, September 24, 2019.
- <sup>6</sup> Freedom House.
- <sup>7</sup> Samuel Huntington. "Democracy's Third Wave" in *The Global Resurgence of Democracy*, Larry Diamond and Marc Plattner, eds. (Baltimore: Johns Hopkins University Press, 1991).
- <sup>8</sup> Thomas Carothers. "The End of the Transition Paradigm." *Journal of Democracy*, Vol 13, No. 1, January 2002.
- <sup>9</sup> Francis Fukuyama. "The End of History?" *National Interest*, Summer 1989.
- <sup>10</sup> Drew DeSilver. "Despite global concerns about democracy, more than half of countries are democratic." Pew Research Center, May 14, 2019. <https://www.pewresearch.org/fact-tank/2019/05/14/more-than-half-of-countries-are-democratic/>
- <sup>11</sup> Carothers.
- <sup>12</sup> "Democracy in Retreat: Freedom in the World 2019." Freedom House, 2019. <https://freedomhouse.org/report/freedom-world/freedom-world-2019/democracy-in-retreat>
- <sup>13</sup> Ibid.
- <sup>14</sup> Huntington.
- <sup>15</sup> Huntington.
- <sup>16</sup> Beyond the book, see Jeffrey Sachs. "Government, Geography and Growth: The True Drivers of Economic Development." *Foreign Affairs*, Vol. 91, No. 5, September–October 2012.
- <sup>17</sup> Carothers.
- <sup>18</sup> Robert C. Lieberman, Suzanne Mettler, Thomas B. Pepinsky, Kenneth M. Roberts and Richard Valelly. "The Trump Presidency and American Democracy: A Historical and Comparative Analysis." *Cambridge Perspectives on Politics*, Vol 17, Issue 2, 2018. <https://www.cambridge.org/core/journals/perspectives-on-politics/article/trump-presidency-and-ame->

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<sup>19</sup> Roberto Stefan Foa and Yascha Mounk. “The Signs of Deconsolidation.” *Journal of Democracy*, Vol. 28, No. 1, January 2017. [https://www.journalofdemocracy.org/wp-content/uploads/2017/01/02\\_28.1\\_Foa-Mounk-pp-5-15.pdf](https://www.journalofdemocracy.org/wp-content/uploads/2017/01/02_28.1_Foa-Mounk-pp-5-15.pdf).

<sup>20</sup> Domenico Montanaro. “Poll: Independents Move In Favor Of Impeachment Inquiry; GOP Stays Firmly Against.” *NPR*, October 10, 2019. <https://www.npr.org/2019/10/10/768785510/poll-independents-move-in-favor-of-impeachment-inquiry-gop-stays-firmly-against>

<sup>21</sup> Erik Jones and Matthias Matthijs. “Democracy without Solidarity: Political Dysfunction in Hard Times.” *Government and Opposition*, Vol 52, No. 2, 2016.

<sup>22</sup> Jonathan Rodden. “The Battles for the Suburbs.” *The New York Review of Books*, September 26, 2019. <https://www.nybooks.com/articles/2019/09/26/cities-lose-battle-for-the-suburbs/>

<sup>23</sup> See Jones and Matthijs for a discussion of the core characteristics that distinguish liberal democracy.

<sup>24</sup> Jones and Matthijs.

<sup>25</sup> For the first statistic, see Robert Putnam. “Bowling Alone: America’s Declining Social Capital” in *The Global Resurgence of Democracy*, Larry Diamond and Marc Plattner, eds.. (Baltimore: Johns Hopkins University Press, 1991). For the second statistic, see Leslie Davis and Kim Parker. “A half-century after ‘Mister Rogers’ debut, 5 facts about neighbors in U.S.” Pew Research Center, August 15, 2019. <https://www.pewresearch.org/fact-tank/2019/08/15/facts-about-neighbors-in-u-s/>

<sup>26</sup> Putnam, 1991.

<sup>27</sup> Ibid.

<sup>28</sup> This paragraph draws on Robert Putnam. *Making Democracy Work: Civic Traditions in Modern Italy*. (Princeton: Princeton University Press, 1993.)

<sup>29</sup> Putnam, 1993.

<sup>30</sup> Matthias Matthijs. “Integration at What Price? The Erosion of National Democracy in the Euro Periphery.” *Government and Opposition*, Vol 52, No. 2, 2017.

<sup>31</sup> See Kurt Weyland. *The Politics of Market Reforms in Fragile Democracies*. Princeton: Princeton University Press, 2002.

<sup>32</sup> Anna Sauerbrey. “Germany Has Relatively Few Deaths From Coronavirus. Why?” *The New York Times*, March 28, 2020. <https://www.nytimes.com/2020/03/28/opinion/germany-coronavirus.html>

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