

The Democratic Rollback

The Resurgence of the Predatory State

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Summary: After decades of historic gains, the world has slipped into a democratic recession. Predatory states are on the rise, threatening both nascent and established democracies throughout the world. But this trend can be reversed with the development of good governance and strict accountability and the help of conditional aid from the West.

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Since 1974, more than 90 countries have made transitions to democracy, and by the turn of the century approximately 60 percent of the world's independent states were democratic. The democratization of Mexico and Indonesia in the late 1990s and the more recent "color revolutions" in Georgia and Ukraine formed the crest of a tidal wave of democratic transitions. Even in the Arab world, the trend is visible: in 2005, democratic forces in Lebanon rose up to peacefully drive out Syrian troops and Iraqis voted in multiparty parliamentary elections for the first time in nearly half a century.

But celebrations of democracy's triumph are premature. In a few short years, the democratic wave has been slowed by a powerful authoritarian undertow, and the world has slipped into a democratic recession. Democracy has recently been overthrown or gradually stifled in a number of key states, including Nigeria, Russia, Thailand, Venezuela, and, most recently, Bangladesh and the Philippines. In December 2007, electoral fraud in Kenya delivered another abrupt and violent setback. At the same time, most newcomers to the democratic club (and some long-standing members) have performed poorly. Even in many of the countries seen as success stories, such as Chile, Ghana, Poland, and South Africa, there are serious problems of governance and deep pockets of disaffection. In South Asia, where democracy once predominated, India is now surrounded by politically unstable, undemocratic states. And aspirations for democratic progress have been thwarted everywhere in the Arab world (except Morocco), whether by terrorism and political and religious violence (as in Iraq), externally manipulated societal divisions (as in Lebanon), or authoritarian regimes themselves (as in Egypt, Jordan, and some of the Persian Gulf monarchies, such as Bahrain).

Before democracy can spread further, it must take deeper root where it has already sprouted. It is a basic principle of any military or geopolitical campaign that at some point an advancing force must consolidate its gains before it conquers more territory. Emerging democracies must demonstrate that they can solve their governance problems and meet their citizens' expectations for freedom, justice, a better life, and a fairer society. If democracies do not more effectively contain crime and corruption, generate economic growth, relieve economic inequality, and secure freedom and the rule of law, people will eventually lose faith and turn to authoritarian alternatives. Struggling democracies must be consolidated so that all levels of society become enduringly committed to democracy as the best form of government and to their country's constitutional norms and constraints. Western policymakers can assist in this process by demanding more than superficial electoral democracy. By holding governments accountable and making foreign aid contingent on good governance, donors can help reverse the democratic recession.

BEYOND THE FAÇADE

Western policymakers and analysts have failed to acknowledge the scope of the democratic recession for several reasons. First, global assessments by the Bush administration and by respected independent organizations such

as Freedom House tend to cite the overall number of democracies and aggregate trends while neglecting the size and strategic importance of the countries involved. With some prominent exceptions (such as Indonesia, Mexico, and Ukraine), the democratic gains of the past decade have come primarily in smaller and weaker states. In large, strategically important countries, such as Nigeria and Russia, the expansion of executive power, the intimidation of the opposition, and the rigging of the electoral process have extinguished even the most basic form of electoral democracy. In Venezuela, President Hugo Chávez narrowly lost a December 2 referendum that would have given him virtually unlimited power, but he still does not allow the sort of free and fair political process that could turn him out of office.

Despite two decades of political scientists warning of "the fallacy of electoralism," the United States and many of its democratic allies have remained far too comfortable with this superficial form of democracy. Assessments often fail to apply exacting standards when it comes to defining what constitutes a democracy and what is necessary to sustain it. Western leaders (particularly European ones) have too frequently blessed fraudulent or unfair elections and have been too reluctant to criticize more subtle degradations of democracy. They tend to speak out only when democratic norms are violated by unfriendly governments (as in Russia and Venezuela or in Bolivia) and soft-pedal abuses when allies (such as Ethiopia, Iraq, or Pakistan) are involved.

Elsewhere in the developing and postcommunist worlds, democracy has been a superficial phenomenon, blighted by multiple forms of bad governance: abusive police and security forces, domineering local oligarchies, incompetent and indifferent state bureaucracies, corrupt and inaccessible judiciaries, and venal ruling elites who are contemptuous of the rule of law and accountable to no one but themselves. Many people in these countries -- especially the poor -- are thus citizens only in name and have few meaningful channels of political participation. There are elections, but they are contests between corrupt, clientelistic parties. There are parliaments and local governments, but they do not represent broad constituencies. There are constitutions, but not constitutionalism.

As a result, disillusioned and disenfranchised voters have embraced authoritarian strongmen (such as Vladimir Putin in Russia) or demagogic populists (such as Chávez in Venezuela). Many observers fear that Evo Morales in Bolivia and Rafael Correa in Ecuador may be headed down the same road as Chávez. In Thailand, voters (especially in the countryside) have turned repeatedly to a softer autocrat by electing Thaksin Shinawatra, whom the military overthrew in September 2006 only to see his party reemerge triumphant in the December 2007 elections. All of these cases of democratic distress reflect a common challenge: for democratic structures to endure -- and to be worthy of endurance -- they must listen to their citizens' voices, engage their participation, tolerate their protests, protect their freedoms, and respond to their needs.

For a country to be a democracy, it must have more than regular, multiparty elections under a civilian constitutional order. Even significant opposition in presidential elections and opposition party members in the legislature are not enough to move beyond electoral authoritarianism. Elections are only democratic if they are truly free and fair. This requires the freedom to advocate, associate, contest, and campaign. It also requires a fair and neutral electoral administration, a widely credible system of dispute resolution, balanced access to mass media, and independent vote monitoring. By a strict application of these standards, a number of countries typically counted as democracies today -- including Georgia, Mozambique, the Philippines, and Senegal -- may have slipped below the threshold. Alarming, a January 2008 Freedom House survey found that for the first time since 1994, freedom around the world had suffered a net decline in two successive years. The ratio of the number of countries whose scores had improved to the number whose scores had declined -- a key indicator -- was the worst since the fall of the Berlin Wall.

Where democracy survives, it often labors under serious difficulties. In most regions, majorities support democracy as the best form of government in principle, but substantial minorities are willing to entertain an authoritarian option. Furthermore, in much of the democratic world, citizens lack any confidence that politicians, political parties, or government officials are serving anyone other than themselves. According to surveys by Latinobarómetro (a Santiago-based corporation conducting public opinion surveys throughout Latin

America), only one-fifth of the Latin American population trusts political parties, one-quarter trusts legislatures, and merely one-third has faith in the judiciary. According to similar surveys conducted by the Scotland-based New Democracies Barometer, the figures are even worse in the new democracies of eastern Europe.

Public confidence in many civilian constitutional regimes has been declining. The Asian Barometer (which conducts public opinion surveys throughout Asia) found that the percentage of Filipinos who believe democracy is always the best form of government dropped from 64 percent to 51 percent between 2001 and 2005. At the same time, satisfaction with democracy fell from 54 percent to 39 percent, and the share of the Filipino population willing to reject the option of an authoritarian "strong leader" declined from 70 percent to 59 percent. The Afrobarometer (which conducts similar surveys in African countries) uncovered even sharper decreases in Nigerians' public confidence in democracy between 2000 and 2005 and also found that the proportion of the Nigerian public that felt the government was working to control corruption dropped from 64 percent to 36 percent. This is no surprise: during this period, President Olusegun Obasanjo saw many of his laudable economic reforms overshadowed or undone by continuing massive corruption, by his obsessive bid to remove a constitutional term limit on his presidency, and by the gross rigging of the 2007 elections on behalf of his ruling party.

Electoral fraud and endemic corruption have once again ravaged a promising democratic experiment. If Nigeria reverts to military rule, descends into political chaos, or collapses, it will deal a harsh blow to democratic hopes across Africa. Indeed, the many African countries that remain blatantly authoritarian will never liberalize if the continent's new and partial democracies cannot make democracy work.

IT'S THE GOVERNMENT, STUPID

It is often assumed that economic growth -- or the free-market economy, as Michael Mandelbaum recently argued in these pages -- is the key to creating and consolidating democracy. Certainly, the viability of democracy does hinge to some significant degree on economic development and open markets. But in most of the world's poor countries, the "economy first" advocates have the causal chain backward. Without significant improvements in governance, economic growth will not take off or be sustainable. Without legal and political institutions to control corruption, punish cheating, and ensure a level economic and political playing field, pro-growth policies will be ineffective and their economic benefits will be overshadowed or erased.

Kenya is a tragic case in point. In the last five years, under President Mwai Kibaki's leadership, it has made significant economic progress for the first time in many years, achieving a record five percent annual growth rate and establishing free universal primary education. But much of this progress has since unraveled amid the paroxysms of ethnic violence that greeted allegations of fraud following the December 27, 2007, presidential election. President Kibaki did not fail on the economic policy front, nor did his country lack international tourism and development aid (apart from a brief suspension of World Bank assistance in 2006 due to reports of egregious graft). Rather, he failed politically by condoning massive corruption, ethnic favoritism, and electoral malpractice -- a poisonous mix that has brought a promising new democracy to the brink of chaos.

In the coming decade, the fate of democracy will be determined not by the scope of its expansion to the remaining dictatorships of the world but rather by the performance of at-risk democracies such as Kenya. A list of such democracies would encompass more than 50 states, including most countries in Latin America and the Caribbean, four of the eight democracies in Asia, all of the post-Soviet democracies that do not belong to the European Union, and virtually all of the democracies in Africa. The most urgent task of the next decade is to shore up democracy in these countries.

At-risk democracies are almost universally plagued by poor governance. Some appear so trapped in patterns of corrupt and abusive rule that it is hard to see how they can survive as democracies without significant reform. The problem in these states is that bad governance is not an aberration or an illness to be cured. It is, as the

economists Douglass North, John Wallis, and Barry Weingast have argued, a natural condition. For thousands of years, the natural tendency of elites everywhere has been to monopolize power rather than to restrain it -- through the development of transparent laws, strong institutions, and market competition. And once they have succeeded in restricting political access, these elites use their consolidated power to limit economic competition so as to generate profits that benefit them rather than society at large. The result is a predatory state.

In such states, the behavior of elites is cynical and opportunistic. If there are competitive elections, they become a bloody zero-sum struggle in which everything is at stake and no one can afford to lose. Ordinary people are not truly citizens but clients of powerful local bosses, who are themselves the clients of still more powerful patrons. Stark inequalities in power and status create vertical chains of dependency, secured by patronage, coercion, and demagogic electoral appeals to ethnic pride and prejudice. Public policies and programs do not really matter, since rulers have few intentions of delivering on them anyway. Officials feed on the state, and the powerful prey on the weak. The purpose of government is not to generate public goods, such as roads, schools, clinics, and sewer systems. Instead, it is to produce private goods for officials, their families, and their cronies. In such a system, as Robert Putnam wrote in his classic *Making Democracy Work*, "corruption is widely regarded as the norm," political participation is mobilized from above, civic engagement is meager, compromise is scarce, and "nearly everyone feels powerless, exploited, and unhappy." Predatory states cannot sustain democracy, for sustainable democracy requires constitutionalism, compromise, and a respect for law. Nor can they generate sustainable economic growth, for that requires actors with financial capital to invest in productive activity.

The most egregious predatory states produce predatory societies. People do not get rich through productive activity and honest risk taking; they get rich by manipulating power and privilege, by stealing from the state, extracting from the weak, and shirking the law. Political actors in predatory societies use any means necessary and break any rules possible in their quest for power and wealth. Politicians bribe election officials, attack opposition campaigners, and assassinate rival candidates. Presidents silence dissent with threats, detentions, show trials, and murder. Government ministers worry first about the money they can collect and only second about whether government contracts serve the public good. Military officers buy weapons on the basis of how large a kickback they can pocket. In such societies, the line between the police and the criminals is thin. The police do not enforce the law, judges do not decide the law, customs officials do not inspect goods, manufacturers do not produce, bankers do not invest, and borrowers do not repay. Every transaction is manipulated to someone's immediate advantage.

By contrast, sustainable democracy and development require active "civic communities," in which citizens trust one another and interact as political equals. In sustainable democracies, institutions of good governance -- such as impartial judicial systems and vigorous audit agencies -- induce, enforce, and reward civic behavior. The tendency toward corrupt governance and the monopoly of power is checked by the rule of law (both culturally and institutionally) and a resourceful civil society. As Putnam argues, people in such societies by and large obey the law, pay their taxes, behave ethically, and serve the public good not simply because they are public-spirited but because they believe others will, too -- and because they know that there are penalties for failing to do so.

ESCAPING THE PREDATORS

For democracy to triumph, the natural predatory tendencies of rulers must be restrained by rigorous rules and impartial institutions. Some fundamental innovations are necessary to transform closed, predatory societies into open, democratic ones. Proponents of democracy both within troubled countries and in the international community must understand the problem and pursue the necessary reforms if they hope to restore the forward momentum of democracy in the world. Citizens must build links across ethnic and regional divides to challenge elitist hierarchies and rule by strongmen. This requires dense, vigorous civil societies, with independent organizations, mass media, and think tanks, as well as other networks that can foster civic norms, pursue the public interest, raise citizen consciousness, break the bonds of clientelism, scrutinize government conduct, and lobby for good-governance reforms.

States must also build effective institutions in order to constrain the nearly unlimited discretion that predatory rulers enjoy, subject those rulers' decisions and transactions to public scrutiny, and hold them accountable before the law. This requires both vertical and horizontal accountability. The premier example of vertical accountability is a genuinely democratic election. But ensuring democratic elections requires a truly independent electoral administration capable of conducting all the necessary tasks -- from registering voters to counting votes -- with strict integrity and neutrality. Other effective forms of vertical accountability include public hearings, citizen audits, the regulation of campaign finance, and a freedom-of-information act.

Horizontal accountability invests some agencies of the state with the power and responsibility to monitor the conduct of their counterparts. No institution is more important than a countercorruption commission, which should collect regular declarations of assets from all significant elected and appointed officials. To be effective, such commissions need legal authority, professional staffs, vigorous leadership, and the resources to check the veracity of financial declarations, probe allegations of wrongdoing, impose civil penalties, and bring criminal charges against violators. Their work must be reinforced by ombudsmen; public audits of all major government agencies and ministries; parliamentary oversight committees to investigate evidence of waste, fraud, and abuse by executive agencies; and competent independent judiciaries capable of penalizing bribery and embezzlement. In at-risk democracies, these institutions often exist but do not function well (or at all) -- largely because they are not meant to. Typically, they either limp along, starved of resources and bereft of morale and serious leadership, or become instruments of the ruling party and investigate only its political opponents. Countercorruption agencies cannot make a difference unless they are independent of the government actors they are supposed to monitor, restrain, and punish.

Poorly performing democracies need better, stronger, and more democratic institutions -- political parties, parliaments, and local governments -- linking citizens to one another and to the political process. In shallow democracies, these institutions do not generate much citizen participation (beyond occasional voting) because the political systems are so elite-dominated, corrupt, and unresponsive. Reform requires the internal democratization of political parties through the improvement of their transparency and accessibility and the strengthening of other representative bodies.

It is not only the regulatory and participatory institutions of government that need strengthening. Effective democracy also requires improving the technical skills, resources, professional standards, and organizational efficiency of the state. Such improvements allow the government to maintain security, manage the economy, develop infrastructure, settle disputes, and deliver services such as health care, education, and clean water. Just as corruption erodes the basic functions of government, a feeble state drives people toward informal and corrupt networks to get things done.

Finally, reforms must generate a more open market economy in which it is possible to accumulate wealth through honest effort and initiative in the private sector -- with the state playing a limited role. The wider the scope of state control over economic life, the greater the possibility of graft by abusive and predatory elites. Reducing administrative barriers to doing business and implementing corporate-responsibility initiatives can address the supply side of the corruption problem. Strong guarantees of property rights, including the ability of owners of small farms and informal-sector workers to obtain titles to their land and business property, can provide the foundation for a broader institutional landscape that limits government corruption.

The most urgent imperative is to restructure and empower the institutions of accountability and bolster the rule of law. Changing the way government works means changing the way politics and society work, and that, in turn, requires sustained attention to how public officials utilize their offices. This is the fundamental challenge that all at-risk democracies face.

AIDING THE DEMOCRATIC REVIVAL

The current situation may seem discouraging, but there is hope. Even in very poor nations drowning in

corruption and clientelism, citizens have repeatedly used the democratic process to try to replace predatory governments. Connected by grass-roots movements, community radio stations, cell phones, civic organizations, and the Internet, citizens are rising up as never before to challenge corruption, defend the electoral process, and demand better governance. The most important challenge now for the United States and other international actors is to stand with them.

The leverage needed to bring about radical change will never exist unless the politicians and officials who sit atop the structures of predation come to realize that they have no choice but to reform. In the early 1990s, many African regimes moved toward free elections when a combination of internal and external pressure left them no choice: they were running out of money and could not pay their soldiers and civil servants. Now, with the momentum going against democracy, a resurgent and oil-rich Russia flexing its muscles, and China emerging as a major aid donor in the rest of Asia and Africa, it will be more difficult to encourage reforms. Forcing change that leads to better governance will require serious resolve and close coordination among the established bilateral and multilateral donors.

The key is the principle of conditionality (or selectivity), which lies at the core of the Millennium Challenge Account -- one of the Bush administration's least heralded but most important foreign policy innovations. Under the program, states qualify for generous new aid payments by competing on the basis of three broad criteria: whether they rule justly, whether they invest in basic health care and education, and whether they promote economic freedom. The instrument of aid selectivity is showing promise as a tool that civil-society actors in predatory states can use to campaign for governance reforms and as an incentive for corrupt governments in need of more aid to reform their ways.

The international donor community's habit of keeping afloat predatory and other troubled states (in some cases covering up to half of their recurrent government expenditures) must end. The overriding purpose of foreign assistance must be genuine development, not the assuaging of Western guilt or the care and feeding of the massive network of career professionals, nonprofit organizations, and private-sector companies that constitute the global aid industry. It is time to start listening to the growing chorus of activists and organizations in developing countries that are imploring the West to please stop "helping" them with indiscriminate aid that only serves to entrench corrupt elites and practices. To be sure, it will be an uphill struggle to get international donors, and especially institutions such as the World Bank, to refocus their aid strategies on good-governance goals. Still, the reality of the link between development and decent governance -- in particular the control of corruption -- is gradually taking hold in foreign-aid circles, and the civil societies of developing countries are emerging as some of the most compelling and legitimate advocates of this concept.

Now, as democratic setbacks multiply, is the moment for a new strategy. Without a clear understanding of the fundamental problem -- bad governance -- and the necessary institutional responses, more democratic breakdowns are likely. Without a resolute and relentless international campaign to rein in corruption and improve the quality of governance in at-risk democracies, the current democratic recession could lead to a global democratic depression. Such a development would be enormously costly to human freedom and dangerous for U.S. national security. Public opinion surveys continue to show that majorities in every region of the world believe democracy is the best form of government. The urgent imperative is to demonstrate, through the effective functioning of democracies worldwide, that it really is.