



Executive Summary

Crisis of Democracy

Key Trends, Causes, & Policy Responses

Special Lecture by Prof. Larry Diamond

The following publication is based on the special lecture titled 'Crisis of Democracy: Key Trends, Causes, and Policy Responses' given by Prof. Larry Diamond, on August 8th 2017, at the Korea Foundation for Advanced Studies Conference Hall.

Chey Institute for Advanced Studies is a knowledge-sharing platform established in October 2018 to honor the 20th anniversary of the passing of CHEY Jong-hyon, the former Chairman of SK Group. The Chey Institute is committed to analyzing various geopolitical risks surrounding the Korean Peninsula, and exploring opportunities and challenges posed by scientific innovation. In doing so, the Chey Institute aims to come up with pragmatic solutions to the challenges that Northeast Asia and the global community at large face today. Specifically, the Chey Institute seeks to identify geopolitical risks that threaten regional and global stability, investigate opportunities and challenges posed by scientific innovation, and help generate and disseminate new knowledge to the world. In the process, the Chey Institute partners with leading academic institutions, research organizations, and think tanks around the world to establish a global network of top thinkers and groups working to solve the challenges of this century.

All views and opinions expressed in CHEY publications are the sole responsibility of the author(s) or speaker(s).

For Further information about Chey Institute for Advanced Studies or this publication, please visit our website, www.chey.org.

This report was prepared by Assistant Manager Sungyoung Jang, Chey Institute for Advanced Studies.

About the Speaker

Larry Diamond is a senior fellow at the Hoover Institution and at the Freeman Spogli Institute for International Studies. For more than six years, he directed FSI's Center on Democracy, Development, and the Rule of Law, where he now leads its Program on Arab Reform and Democracy and its Global Digital Policy Incubator. He is the founding coeditor of the *Journal of Democracy* and also serves as senior consultant at the International Forum for Democratic Studies of the National Endowment for Democracy.

During 2002-3, Prof. Diamond served as a consultant to the U.S. Agency for International Development (USAID). He has also advised and lectured to the World Bank, the United Nations, the State Department, and other governmental and nongovernmental agencies dealing with governance and development.

His research focuses on democratic trends and conditions around the world and on policies and reforms to defend and advance democracy. His latest book, *China's Influence and American Interests* (Hoover Press, 2019), focuses on promoting constructive vigilance of China's ambitions as a global economic and military superpower. His sixth book, *In Search of Democracy* (Routledge, 2016), explores the challenges confronting democracy and democracy promotion, gathering together three decades of his work on democratic development, particularly in Africa and Asia.

Special Lecture

Prof. Diamond's lecture begins with the question "Are we suffering from a crisis of democracy?" First, he states that democracy is more than a system of government in which people can choose and replace their leaders in regular free and fair elections. The quality of democracy depends on whether the society has a certain balance of three distinct themes. The three dimensions are majority rule, horizontal accountability, and strong rule of law. Without a balance of these three dimensions, the society is at risk of descending into a tyranny of the majority or ultimately authoritarianism of a popularly elected populist.

There are five key trends of a democratic recession that have been identified more than a decade ago. First, declining levels of freedom and democracy in the world. Second, a wave of illiberal populism. Third, increasing polarization and social intolerance. Fourth, the continued projection of power, self-confidence, and a normative agenda by authoritarian powers. Fifth, the argument that democratic values have been decaying in Europe and the US. While these global trends of democratic recession have been appearing for some time, there is now the question of whether it is no longer a recession, but a crisis.

To get a clearer picture of democratic recession, Prof. Diamond provides a measurement of liberal democracies with two scales provided by Freedom House: political rights and civil liberties. The percentage of democracies in the world took a big jump at the end of the Cold War and continued to expand until it peaked at 2006 by 58%. Since then, the percentage of liberal democracies has slipped back slightly. Prof. Diamond points out two things from these numbers: First, that there is an inflection point around 2006; second, that the subsiding is modest. The numbers do show that there is a form of global democratic recession, but in 2016 the world is in a situation where democracy is present to some degree in most regions of the world. There were only two regions that did not show a viable critical mass of democracies in the world; States of the former Soviet Union and the Baltic, and the Middle East and North Africa.

Based on this measurement, Prof. Diamond makes additional analysis. First, more liberal democracies tend to do better economically. Of the 49 countries in Sub-Saharan Africa, those doing the best in terms of economics growth are mostly democracies. Prof. Diamond claims

that there is no logical reason and no broad empirical evidence to show that democracy is a disadvantage for economic development. It is more likely for a country to have good policies that promote investment and incentives to improve human and physical capital, and have good governance with rule of law under democracy rather than authoritarianism. Second, there are still many fragile and illiberal countries that are being counted as democracies. Prof. Diamond mentions Zimbabwe, Hungary, Poland, and Nigeria as countries that are given the status of democracy, but are fragile democracies. In Asia, the Philippines, Indonesia, and Mongolia show a lot of fragility.

Next, Prof. Diamond introduces global trends in freedom. Once again, the numbers show an inflection point around 2006, and a gradual subsiding after that. Prof. Diamond fears that these numbers may not be capturing the real aggregate deterioration, but are hiding a certain momentum to the illiberal trends for the world. For example, when the trends of freedom are divided into region, the Asia Pacific is the only region in which levels have continued to improve until the end of 2016. However, Prof. Diamond points out that this is also the region where Roderigo Duterte is terrorizing the streets of Philippines, which makes us wonder: Is this trend illusory? What other trends is it masking? More to the point, can it be sustained? Using Freedom House data, Prof. Diamond introduces the ration of gains to declines in freedom. Here there is once again a pattern, where after 2006 only half as many countries are gaining in freedom, as the number of countries that are losing freedom. There is also a different trend in democratic breakdowns. There is no longer dramatic change of a military coup, but democracy gets lost when popularly elected leaders gradually strangle democracy by going after courts and institutions.

Then why do we have this pattern of democratic recession and rising democratic breakdowns? Prof. Diamond argues that the most important reason is the weakness of the rule of law and bad governance. To stop this trend the most important step is to improve the quality of governance. Secondly, due to the weak constraints of institutions, executives aggrandize and abuse power. Thirdly, severe polarization around party, ethnicity, religion, class lines, or identity lines are commonly found. Other causes include weak political institutions, poor economic performance, and low trust in institutions. More than any aspect, the worst performing scale in most of the world is transparency and the rule of law.

Regarding this, Prof. Diamond mentions the Middle East and the Arab Spring, which turned out to be a huge and tragic disappointment. Among the six countries that experienced intense mobilization for political liberalization, only Tunisia became a democracy. To this result, Prof. Diamond explains that political parties and other institutions were very weak, there was very little experience with democracy, and little time for development. Prof. Diamond further notes that democratic progress is usually more sustainable if it's incremental. Countries like Egypt that enjoyed decades of stability had deluded itself to thinking the public favors the regime, and institutions work and are infallible. However, when something like the Arab Spring happens, there will be a crisis and a severe existential challenge to the regime. Another point to look at is the behavioral choices that actors made. The Muslim Brotherhood in Egypt overutilized their power and tried to concentrate control, but were eventually overwhelmed by popular demonstrations.

Prof. Diamond devotes the final section of his lecture on explaining the rise of illiberal populism: the rise of a new class of populist, illiberal politicians and rulers around the world. The manifestation of the contemporary phenomenon of illiberal populism has the following dimensions. First, it's anti-elitist: disparaging of all elites and classifying all elites together as a corrupted class. Second, it's anti-pluralist. They do not recognize the legitimacy of competition and difference. Third, it's anti-institutionalist. They are contemptuous of existing parties, legislators, and agencies of horizontal accountability. Fourth, they have hegemonic tendencies. Fifth, they like plebiscites. They like direct relationship between themselves and the people. Sixth, they are not tolerant of other religion than the primary cultural group they represent or ethnic minorities or political minorities. Finally, they tend to be hyper-nationalists and oppose globalization.

Prof. Diamond further explains the role of social media and its impact on polarization. This has become a serious part of the problem, but is not an area of state regulation. A solution must come from what civil society and educational institutions can do to foster civility in cyber space and more critical disposition to online information. Young people are not trained with the skills and critical faculties that could enable them to question whether what they are reading is legitimate or not. Institutions must teach people to break from the social media bubble, start being critically minded again, do research, and become questioning citizens.

Next, Prof. Diamond introduces the trend of authoritarian resurgence. Prof. Diamond states that we are in a new era in which the geopolitical dynamism of pushing values and ideas does not lie in the democracies, but the autocrats. He claims that to reverse the global democratic recession, democracies must fight for and promote democratic values and push back against the cultural and soft power expansion of China and Russia. Authoritarian regimes feel like they are on a roll in terms of soft and hard power, and that democracies have lost the confidence and will to defend themselves and their values.

There is also a debate on the deconsolidation of Western democracies, in which there is rising support for illiberal options and alternatives in the US, and more value skepticism over democracy. The situation can be seen in the recent trends of trust in government, politicians, and parliament.

Regarding the possible causes of the gathering democratic crisis we are in, Prof. Diamond mentions economic stagnation and decline, rising inequality, and flat real wages, as a result of globalization and automation. Then, why did this trend of democratic recession begin around 2006? Prof. Diamond observes that with the US invasion of Iraq, democracy promotion came to be identified with the use of military force. This was not what democracy promotion is about: democracy promotion is about peaceful partnerships to support democrats and democratic institutions. In reaction to this, the US had to continuously pull back, resulting to a point where authoritarian regimes can act without thought of consequences from democracies.

In his final remarks, Prof. Diamond recalls Samuel Huntington's book, the Third Wave, indicating that the most important insight of the book is what the international community did to support civil society, support democratic movements, and use aid and diplomacy as leverage. Prof. Diamond stresses that democracies must deliver those kinds of messages to similar autocrats in the world today.

Discussion Session

Following the lecture was a discussion session moderated by Prof. Lee Sook Jong of Sungkyunkwan university. Prof. Lee asked questions related to the democratic recession mentioned in Prof. Diamond's lecture, and the status of democracies in different regions and countries.

Prof. Lee first asked Prof. Diamond whether he is positive that we can expect democracy again after this era of recession. Prof. Diamond answered that he is not positive, but according to Huntington's argument that democracy moved in waves, there will be a wave of democratic expansion and then there will be a reverse wave of democratic retreat. The reverse wave is an extended period of time in which there are more democratic breakdowns than recessions. Prof. Diamond says that there is no reason for us to have to experience a reverse wave. We can prevent it if the democracies in the world can rally our energy, foreign, diplomatic, trade and investment, and civil society strategies and policies to prevent it.

The next batch of questions discussed the trends of democracy in Asia. Prof. Lee mentioned how China, despite it being a communist centralized state, is performing well in governance measures and managing pretty good economic growth. This signals other Asian countries that it's okay to not have democracy when you are doing great economically. Prof. Diamond commented on the merits of the Chinese model by referring to the book *The Chinese Model* by Daniel A. Bell, which discusses meritocracy and the Chinese system. Daniel Bell says it's an idealized system, and China is near it. However, Prof. Diamond points out that if you really engage Chinese thinkers outside the Chinese Communist Party, they will tell you this is a gross distortion of what really happens. He highlights that there is very little faith in the system among the ruling elite in China. If they had faith in the system, they would not be sending all their money out of the country. Prof. Diamond also carefully expresses his idea that the Chinese Communist Party is in its final stage. However, the important point is not whether or not it has a short or long life, but that the Korean civil society now has a moral responsibility as a successful and stable industrial country to help people in China at least try to have more freedom, and a more hopeful, peaceful political change.

Prof. Lee also raised a question regarding US politics. Prof. Lee described American foreign

policy as a kind of pendulum between the Bush era, when they liked to change authoritarian governments to democratic regimes, and Mr. Trump, with the America First Policy. Prof. Lee asked which is the best way for the American government to include democracy promotion in its foreign policy. Prof. Diamond remarks that probably no end of the pendulum is very smart or very sustainable. Those who advocate democracy as a part of foreign policy in the US have learned that it has to be done with a certain recognition that we do have other interests in the world. The keyword is partnership. It has to be in response to their initiative, it has to be low profile, and it has to be part of a foreign policy agenda that doesn't overreach and isn't unilateral and hopefully is part of a larger global effort.

Last but not least, Prof. Lee asks Prof. Diamond's opinion on the impeachment of president Park Geun-Hye, especially referring to the divided opinions in Korea on whether it contributed to strengthening our democracy or whether this engagement in protest and impeachment will weaken representative democracy. Prof. Diamond expresses that while he is worried about populism, democracy is also about popular participation and the will of the people. Democracy is about balance and moderation, and sometimes circumstances require large scale popular mobilization. If it's done for extraordinary reasons in extraordinary moments, then it can correct, refresh, reinvigorate, and even save democracy. On the other hand, if it becomes a reflex and a habit, the consequences for governability in Korean democracy will be deeply worrisome. On a stable and effective governance power structure, Prof. Diamond mentions that most political scientists would say a pure parliamentary system. If you are going to have presidentialism, he recommends two renewable four-year terms. Especially in Korea there is a cycle where after 2.5 years, a president tends to become a lame-duck. Prof. Diamond estimates that dynamic would change if Korea had four-year term with reelection once.

After the discussion, Prof. Lee introduced several questions from the audience. The first question asked how social media could become more democratic. First, Prof. Diamond emphasized that we should not overreact and overregulate. He mentioned that we should not follow the steps of Germany when it adopted a law that made the internet platforms liable for the speech of people who write and speak on the platforms. In that circumstance, platforms are going to over-censor, having a negative effect on freedom of speech on the internet. Instead, he says the answer lies in what is called 'demotion' instead of promotion. The internet service providers and others who are engaged in social media need to be prevailed upon to change

algorithms. There has to be a certain degree of restraint to respect freedom of speech, but that does not mean that it has to be promoted. A big part of the answer is to develop algorithms for what people are going to see that demote in importance and priority, material for which there is high probability it's fake news or generated by bots. Then society must teach young people civility, responsibility, and skepticism on the internet.

Several questions from the audience regarded Korea's relationship with China and North Korea. On the issue of THAAD and China's military expansionism, Prof. Diamond says there is no way to talk about this issue in isolation from the North Korean nuclear program, which he indicates is the single biggest threat to Korea's national security. Prof. Diamond mentions how he advocated three months ago that the US, in consultation with South Korea, Japan, and China, should offer the North Korean regime a security guarantee, diplomatic relations, and economic incentives to ensure them the US is not going to overthrow them. In exchange, they have to stop their missile program. Prof. Diamond emphasizes that we need the Beijing leadership to put all its chips in the table in saying to North Korea "You need to negotiate. We will guarantee your security. The US will agree to a security arrangement in which you will not be overthrown militarily. That's what you want, that's what you are going to get."

On the possibility of the democratization of North Korea, Prof. Diamond expresses that no country can go in a short period of time from seven decades of pure totalitarianism to democracy in a few years. So, if we are ever talking about the democratization of North Korea, it will be in the context of the unification of Korea that it is going to happen. Thus, the real question is whether there would be a voluntary unification, but Prof. Diamond doubts that he will see that in the cards for many decades.

The final question asked for a prediction of the future of American democracy in an era where American democracy, media, and society have become so polarized.

Prof. Diamond analyzed that the single biggest driver of political polarization in the US is the electoral system. All US representatives are elected by first-past-the-post in single member districts. They are then in many states in the US, gerrymandered and partisan-fashioned by the legislatures. Prof. Diamond says the median voter theory doesn't work, which means a lot of very conservative Republicans and very liberal Democrats are nominated by ideological partisans in low turnout primary elections. Prof. Diamond says the first course of action is to

get rid of partisan primaries or at least open them up. He mentions that he is actually very hopeful about democracy in the US because there is a wave of citizen innovation, grassroots mobilization, and political reform welling up from the bottom. Prof. Diamond predicts the result will be a much more competitive, fluid, open, and at least a somewhat detoxified political system in the US.