

Over the last four decades, as the tidal wave of the third wave of democratization swept through the political landscape of the developing world and brought down numerous authoritarian regimes, people have taken for granted that democratic regimes by default enjoy a more robust foundation of legitimacy and thus are expected to be more resilient than non-democratic regimes in times of economic crisis and social turmoil. However, most recently there have been a number of developments that should prompt us to revisit this prevailing view. Democracy is in trouble in every region of the world. Attempted democratic transitions are failing, new democracies are having trouble consolidating themselves, established democracies are suffering from a depletion of public trust in democratic institutions there is and a growing disillusion among many voters who believe that existing political channels have failed to further their interests and preferences in a meaningful way while at the same time, rising authoritarian powers radiate confidence in the effectiveness of their political system.

On November 8, 2017, the Department of Political Science at National Taiwan University welcomed Philippe Schmitter and Terry Lynn Karl to give lectures on the crisis facing the established liberal democracies – referred to as “real existing” democracies.

Philippe Schmitter is an Emeritus Professor of the Department of Political and Social Sciences at the European University Institute. Professor Schmitter is well-known for his work on comparative politics, regional integration, transitions from authoritarian rule, and the intermediation of class, sectoral and professional interests. His recent research has focused on the crisis facing the “real existing” democracies and the possibility of post-liberal democracy in the West. In his lecture, Schmitter pointed out that the various symptoms of democratic “morbidity” that have appeared since the 1980s do not alone constitute a crisis of democracy. However, together they pose a very serious set of interrelated challenges that may have serious consequences for democracy. Schmitter identifies exogenous factors which affect the “anomie” of citizens and endogenous factors which affect distrust in politicians, as well as the intervening variables of *fortuna* and *virtù*. He concludes that for there to be institutional changes to renew democracy, three elements are necessary: a collective agent, an ideology, and a strategy. The main challenge we are faced with is identifying where these three elements may lie. Finally, we face a paradox whereby 85–90 countries are trying to imitate 25 or so countries that are themselves undergoing serious difficulties. How to respond to the crisis facing the “real-existing” democracies is therefore an important challenge for

new democracies such as Taiwan which have traditionally modelled their democratic institutions on these countries.

Terry Lynn Karl is Professor of Political Science at Stanford University and has published widely on comparative politics and international relations, with a special emphasis on the politics of oil-exporting countries, transitions to democracy, problems of inequality, the global politics of human rights, and the resolution of civil wars. In this lecture, Karl focused on the systematic changes facing political institutions in the United States following the election of Donald Trump in 2016. She points out how American “exceptionalism” has evolved in a dangerous way, resulting in a fringe movement being able to successfully take over one of the main political parties. This was achieved mainly through the manipulation of the franchise in the United States, something that distinguishes the U.S. from democracies in Europe. At the core of this problem is the extreme growth of inequality in the U.S., which has caused a vicious cycle where the increasingly rich are increasingly able to change the rules of the game in their favor.

Following the lectures, a discussion session was held moderated by Yun-han Chu. The discussion focused on the challenges facing democracy, such as the rise of “fake news,” worsening polarization, growing inequality, and the effects of the economic crisis. What is the solution to this crisis? As Karl mentioned, it is possible, but extremely difficult, to move from a vicious cycle to a virtuous cycle. Certain innovations were mentioned as potential solutions, such as enabling more actual participation in politics (such as voting) through electoral means. “Learning” scenarios may also occur where political actors recognize the faults of the current system and take action to correct them. However, as many Latin American countries have experienced, vicious cycles may quickly become “vicious spirals” marked by violence. The future for democracy in the West now appears more uncertain than at any time in living memory.

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# Transcript from the Symposium on the Crisis of Liberal Democracies\*

*Philippe Schmitter & Terry Lynn Karl*

## 1. Philippe Schmitter on the Crisis facing Democracy in Europe:

### Introduction: A Crisis in Real-Existing Democracy?

In 1974, the Portuguese Revolution suddenly caused the country to undergo a democratic transition via the unusual fashion of a military coup. Since that time, there has been from 85 to 90 countries, including Taiwan (ROC), which engaged in transitions from different forms of autocracy in an attempt to consolidate democracy. In every one of these cases, the objective was to imitate the institutions of Western liberal democracy. At the same time, however, the countries that I call “real-existing democracies”, where Western liberal democracy had already been established, began to enter into a profound crisis in their own institutions. In other words, some 85-90 countries were trying to imitate 25 or so countries which are themselves entering into a period of very severe difficulty, if not crisis. This is the paradoxical situation we now find ourselves in. What’s more, to make it even more serious, the symptoms of this generic crisis of Western liberal democracy are beginning to appear in the newer democracies as well.

I’ve often said that Francis Fukuyama was right. We did reach the “end of history” in the 1980s. The problem is what he didn’t mention: when one period of history ends, you enter into a new one. This new one turned out to be much more difficult than he imagined. His “End of History” was a moment beyond

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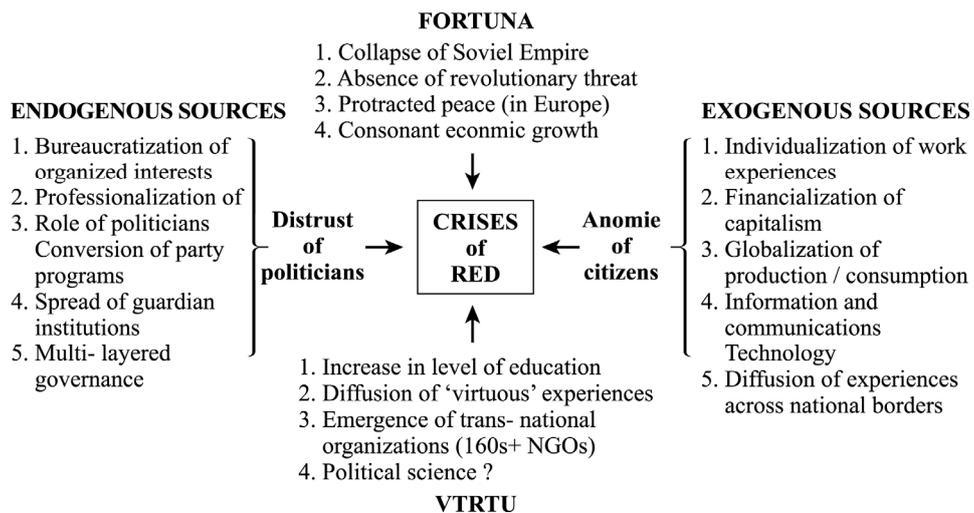
\*DOI:10.6166/TJPS.201806\_(76).0001. Transcript of the National Taiwan University Symposium on November 8th, 2017, edited for the *Taiwanese Journal of Political Science*. Introduction and transcription by Stephen Black Reynolds, Ph.D. Candidate at the Department of Political Science, National Taiwan University.

which everybody would be satisfied with liberal democracy and obey voluntarily whatever the (allegedly legitimate) government would tell them to do. Instead, citizens are proving to be much more skeptical, if not distrustful, of what their governments are doing.

**Symptoms of the Crisis**

There are a number of ‘morbidity’ symptoms that have emerged roughly since the mid-1980s in established Western democracies. Alone, none of these would constitute a crisis. For example, an increase in election abstention is not necessarily a bad thing. In fact, it has been argued that the best democracies are the ones with the lowest turnout. People are happy and don’t bother to vote because they are pleased with the outcome anyway. Switzerland, for example, has the highest abstention rate of any European country and, if you ask its citizens, 80% or so believe they live in the world’s best political system. So why bother to vote if nothing should change. Alone, none of these symptoms are a sign of serious crisis, but together, they are a very serious set of interrelated challenges. There is electoral abstention, decline in party membership, electoral volatility (because the less people have stable party relations, the more likely that they are going to change their vote between elections), decline in support for the traditional centrist parties, weakening of the role of parliaments, decline in membership

**Table 1 THE SOURCES OF THE CRISIS IN REDs**



Source of data: Designed by Philippe Schmitter

for class-based associations (especially trade unions), greater difficulty in formalizing and sustaining governments, increased direct intervention of business firms (especially financial ones) in policy-making and, finally, the catch-all that everyone is talking about: the increased success of populist parties. The collapse of centrist-parties and the emergence of fringe-parties, especially on the nationalist-right end of the spectrum, became the most obvious products of these symptoms.

### **Endogenous Sources**

There are two predominant sources of change. Endogenous changes happen in liberal democracies almost everywhere. They are all transformations that are intrinsic its practice during the contemporary period, such as bureaucratization of organized interests, professionalization of the role of politicians, convergence of party programs, and the spread of guardian institutions. The latter is especially important. Liberal democracies have increasingly relied upon non-democratic, but highly important, policy-making institutions that are deliberately created in order to isolate their activities from the competitive pressures of political parties. The most important of these are independent central banks, but they also include regulatory commissions, the entire judicial system, and a huge multitude of other specialized agencies. My discussion is mainly Euro-centric, where many of these guardian institutions are not national, but European: such as the European Central Bank and the 36 different independent regulatory commissions of the European Union scattered across the member-states and charged with enforcing European-wide norms such as health and safety standards and market competition norms. There is also the European Court of Justice on the top of the whole system. So, in this case, a supra-national framework of guardian institutions was deliberately created to be *undemocratic*, meaning that they are not subject to the competitive pressures from the very constituencies they are charged with regulating. Finally, there is also the entire structure of European multi-layered governance itself. Most of its citizens today find themselves in four to five different layers of government: from municipality to province, to the region inside a country to the national-level, and then to the European level. The division of powers between these levels is never very clear. The European Union does not have a constitution. It is not a federal system in the classic sense that there is a statement somewhere in a constitution that defines the competences of the different layers. In a sense, the European Union can do anything as long as the member states agree – either unanimously or, in some

cases, by qualified majority. It has no limits other than the ones it imposes upon itself and the degree of policy consensus among the governments of its 28 member states.

Here you have a very serious problem with basic democratic theory, namely, the concept and practice of accountability. Terry Lynn Karl and I once wrote an article: “What Democracy Is... And Is Not”, which stated that at the center of all definitions of democracy is the idea that it is a form of government in which rulers are held accountable for their actions in the public realm – with the important qualification that this is accomplished indirectly by the cooperation and competition of their representatives rather than directly by their citizens. In the case of Europe, the representatives come in different shapes and sizes, along with different nationalities and forms of decision-making, so this process of accountability is very difficult. I live in the countryside of Italy where, one day, I saw an announcement: “The hunting season this year is going to be two weeks shorter”, and next to it was a long list of birds and animals that you were not supposed to shoot. Everybody immediately said: “This comes from Brussels” and blamed this on Scandinavians and environmentalists who do not eat these birds or understand how delicious they are. Suddenly in Italy we were supposed to follow these European rules and, as you can imagine, nobody understood *why* these rules were coming from Brussels. That is but one example of European multi-layered governance. It isn’t really known how these decisions are made or who to hold accountable for them. As a result, most of my neighbors and the local government completely ignored the new rules, and behaved as usual. These are things that are going on to some degree within all ‘real-existing’ and ‘multi-layered’ democracies and not just in Europe, and it is generating unprecedented levels of discontent with policies and distrust of politicians.

### **Exogenous Sources**

Then there are the exogenous sources which involve the performances of liberal democracies set in their respective socio-economic and cultural environments. There have been a number of relevant (if often unpredicted) changes. The first one is what I call the individualization of work experience. This basically involves shifting from an industrial to a service economy in which there are much more individualized and “class-ambiguous relations” where people are not employed in large enterprises with clear hierarchies of ownership and authority. We also have a major shift in the basic nature of capitalism: from industrial to finance capitalism as the center of accumulation –

both of wealth and income. This radically changes the patterns of interest conflict in a society, and we'll see later that it leads to one of my most important conclusions regarding the concept of "anomie". There is also the globalization of production and consumption. I'm sure that here in Taiwan you are fully aware that everyone blames everything on globalization. Some of it is true, but not all of it. Of course "globalization" itself is a somewhat ambiguous term, but nevertheless, it's certainly important. Next is information and communications technology. The fact that citizens increasingly get their information, and express their attitudes through the internet is a major change in the pattern of internal communications within democracies. Finally, there is the diffusion of experiences across national borders, which of course is also enhanced by the communication technologies where it's much easier to have access to how other countries deal with their various problems. So these are the *sources* of the crisis, but it's not the crisis itself.

### **Distrust of Politicians and Anomie of Citizens**

Now comes the core of my argument. I think that the combination of these endogenous factors leads to a generic and widespread distrust of politicians. We have very ample evidence of this in research of mass public opinion. The various "Regional-Barometers" have been showing increased distrust in politicians, and not just in politicians as individuals, but in the institutions that they dominate, i.e. the parliaments and political parties as such. I believe the crisis stems from a combination of all of these endogenous factors, although I believe that the most serious problems in terms of distrust of politicians have to do with the different implications of the professionalization of the role of politician. It is an imperative in the present context of a globalized form of capitalism to have expertise in such positions of representation. You have to have experts, therefore you need politicians who assign themselves some protractive connection with and specialized knowledge about, politics. Yet at the same time, it alienates the relationship that politicians have with their constituencies because they have essentially very different personal experiences.

On the other – exogenous – side of the equation, there is a concept that I have stolen from the French sociologist, Émile Durkheim. He observed the emergence and domination of industrial capitalism in the late 20<sup>th</sup> Century, and his thesis was that such rapid and large-scale change breaks down and renders irrelevant the traditional forms of collective solidarity and identification. Whether it was a family or a village or a religion, or whatever the forms were

(they obviously differed between European countries), industrialization was undermining these traditional forms. His thesis was that this would inevitably produce what he called “anomie”. Anomie is a combined Greek word meaning “without laws; without meaning; without identification”. He argued that individuals would become increasingly isolated with regard to each other, and alienated with regard to political power or economic power. In his view, rapid social and economic change destroys the traditional meaningful sense of identity at the individual level without replacing it. However, Durkheim was wrong at that moment. Industrial capitalism produced new forms of solidarity, such as social class, which became the primary orienting dimension of European politics. Left-right alignments and large enterprises, as Karl Marx himself observed, created new forms of identity and a sense of collective fate. Therefore, Durkheim was wrong and industrial capitalism saved itself by creating new forms of identity and loyalty on top of the traditional ones.

My argument is that finance capitalism does exactly the opposite of this. It does not create new, superimposed, forms of identity. On the contrary, with finance capitalism you cannot see who is exploiting you. Most of us are both beneficiaries and exploitees of it, because many aspects of our lives are tied to stock markets, interest rates, consumer credit and home mortgages and so on. The exploitation and inequality this produces is virtually invisible. It is so invisible that we often don't even know who specifically owns the assets at stake or whether the exploiter/profiteer is a co-national or foreigner. In my view, this most important change affects citizen identification with the political parties as well as class-based associations that were created previously by industrialization and are now of decreasing relevance.

### **Fortuna**

I deliberately talk about these two clusters of variables as sources rather than causes, because in order to produce a crisis you need agents. You need people who understand and are capable of reacting to the sources. Whether or not they react depends on two factors which I have stolen from my Florentine neighbor, Niccolò Machiavelli. He had a triangle of causes which included “*necessità*”, that's both the endogenous and exogenous, and also “*fortuna*”, that is to say things that just happen that cannot be predicted. He once claimed that about 50% of what happens in politics is a complete accident. In the specific case of contemporary Europe, the most important thing that “just” happened was the collapse of the Soviet Union. None of these factors could

have predicted this. It was a very autonomous process that took some time. With this collapse comes another extremely important factor: the absence of the threat of revolution. In the past, when you had crises, they were not so complex and compounded. It was usually a revolutionary threat which made conservatives, or those incumbents in power, more willing to compromise to change the rules of the game, because they feared that without changing them they would lose their entire political role. You usually needed at least the threat of revolution in order to change the rules and practices of ‘real-existing’ democracy. In a sense, nothing was better or more indispensable for Western democracy than Eastern autocracy. The Soviet Union became, de facto, an extremely important positive factor in the success of Western liberal democracy after WWII. Now that it is gone, and with it the effective threat of revolution, there is no such thing as an opposition emerging which can credibly threaten those in power, so that incumbents have much less of an incentive to do anything about the decline in support for liberal democracy.

Then, there is protracted peace. Everybody (I think) knows that the most important changes in the nature of Western democracy take place in, around, and especially after large-scale, inter-state warfare. Next, there is the constantly lower rates of economic growth since the 1980s. Clearly what made the famous thirty “glorious years” after World War II a very exceptional political period was that it had consistently higher-than-average rates of economic growth. There was only an incentive to compromise, because of the revolutionary threat of the Soviet presence, and there also were the resources to do it. Some of these resources could be diverted into a welfare state or various other forms of accommodation to the demands coming from below.

### **Virtù**

Finally, we have the third element, “*virtù*”. Of Machiavelli’s pantheon of concepts – the one that his Principe was intended to promote – this was namely the capacity to understand the sources of what was going on internally and externally and to translate this knowledge into an effective political reaction. That’s what *virtù* meant to him – definitely not “virtue” in the usual moral sense of the term. Machiavelli was pretty clear that you had to do some pretty nasty things in order to exercise *virtù*. The contemporary question is: what is happening to this most important political skill? First, increases in the level of education are certainly important, as is the diffusion of cross-national and cross-regional experiences so that people can learn more about how other people

are dealing with problems. There is also the emergence of transnational – inter- as well as non-governmental – organizations. This is one of the positive features of globalization, since it includes literally thousands of new organizations that are active in defusing the best responses to different kinds of political problems – especially those connected with democratization. Also, there is the question of the contribution of the academic discipline of political science. Can knowledge about the science of politics be translated into more intelligent political behavior? I am not convinced that people who major in political science are likely to become better politicians, but politicians may listen to political scientists and therefore become better politicians on their own. For example, I think that the field of political science has improved policies of democratization.

### **Conclusion: The Three Elements that Redesign Institutions**

I'm going to conclude here. We know that democracy has survived many crises. It has gone through a series of "revolutions" that have changed its fundamental institutions. Each of these revolutions involved three elements: (1) a collective agent, which since the middle of the 19<sup>th</sup> century was usually a political party, although it could also be a social movement; (2) an ideology, which is some compelling vision of how the future might be better if you were to do x, y and z; and (3) a strategy, of which the most important has been to threaten revolution. This strategy worked, certainly after WWII but also after WWI, by threatening an even worse outcome, namely a collapse of the system altogether and the uncertainties that would come about as the result of such large-scale transformations. Those have been the three elements.

The question I ask is: where are they now? What's the collective agent? I haven't seen anybody even mention the concept of proletariat in a very long time. Even if the proletariat never quite existed as Marx claimed it did, its implied threat was a very useful thing for reformers. You had this phantasmal out there which could presumably have brought about a radically alternative political system. What is the equivalent today of the proletariat? I have a friend, Guy Standing, who has written a very interesting book based on a novel concept: the "precariat". According to him, the most important emerging class out of this new form of finance capitalism is composed of workers and employees who don't have regular positions or whose tenure and assistance and even salaries are completely contingent on the outcome of the firm or the goodwill of their employers. The precariat should precisely be those who have the highest level of "anomie". But, how do you even organize the precariat,

much less make it into a potentially threatening force? You can't because they don't have enough in common or a capacity to somehow find each other and act collectively. They are the largest emerging group of victims of the contemporary political economy but they are simply incapable of acting collectively, nor do they have a plausible and attractive ideology. Maybe my friend will help to invent an ideology, but even if he is successful, I doubt very much if it will result in anything like the kind of organization that built trade-union movements, socialist and communist parties, and various other kinds of social movements.

Finally, there is the problem of strategy. What do you do when there is no possible revolutionary threat? The best you can do is to threaten destruction and disruption, thereby, increasing the cost of domination or governing, and decreasing and challenging the legitimacy of those in power. But, it doesn't necessarily lead to an alternative type of regime – democratic or not – even if it does at least threaten the existing power-holders and, perhaps, make them more likely to reform specific policies. Some contemporary social movements have been quite successful in obtaining benefits for their constituencies. Probably the most important has been the Women's Movement, although environmentalists have also had an important impact. But they have had little or no impact upon changing the basic rules of the liberal democratic game. The system accommodates to them, but doesn't change in response to them.

## **2. Terry Lynn Karl on the Crisis facing Democracy in the United States:**

### **Introduction: American Exceptionalism?**

American exceptionalism -- an ideology which says that the United States is unique and even superior with respect to its ideals of democracy and liberty -- is what Seymour Martin Lipset once called a "double-edged sword".<sup>1</sup> This is more true today than it ever has been. Lipset was responding to the belief, held by some 80% of Americans, that the United States is an exceptional country -- "the shining city on the hill" and the "greatest country in the world". Today, especially among evangelical religious Republicans, American exceptionalism evokes a special superiority that is hallowed by "God". But before this definition

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<sup>1</sup> Seymour Martin Lipset, *American Exceptionalism: A Double Edged Sword*. <http://www.washingtonpost.com/wp-srv/style/longterm/books/chap1/americanexceptionalism>.

was commandeered by politicians or religious groups, it was once used simply to show that the US was unique when compared to other polities, especially with regard to the weakness of its working class.

Today, American exceptionalism is an explicit political strategy. It was the centerpiece of the 2016 elections and the critique of the Obama administration, which supposedly made the U.S. weak. Behind this meaning, however, is a coded message known as a “dog whistle”, that is political language that tends to mean one thing to the general population but has an additional and even more specific significance for a targeted subgroup.<sup>2</sup> Thus, just like the historic phrase “states’ rights”, American exceptionalism, is also a coded call to some people to “make America white again”. Drawing on Philippe Schmitter’s analysis of the difficulties of democracy in Western Europe, here I look at some of the ways U.S. democracy is, in fact, exceptional when compared to Western Europe, but not through some of its most positive features, e.g., the charitable generosity of its people and their (past?) unusual optimism.

American exceptionalism, as I see it, is not dead, but instead refers more to perverse qualities of governance that combine today in a dangerous way. Thus, when the U.S. is compared to Western-European democracies in terms of inequality, the financialization of capital, the turn to crony capitalism, the function of religion in politics, the role of money in politics, and the explicit manipulation of our political institutions (primarily the franchise), especially to make difficult and/or prohibit the franchise of minorities, the U.S. is in trouble. Remember that Schumpeter claimed that “one person, one vote” made up the very minimal definition of democracy and was its centerpiece. If this is not the case, then the U.S. no longer meets this minimal definition of electoral institutions (not to mention the broader definition we favor)<sup>3</sup>, the result is that we have a very real crisis of representation. Almost all of the factors Schmitter mentioned with regard to Europe apply to the U.S. as well and are not repeated here. Instead, I will concentrate on certain differences with Europe that make the status of our democracy more alarming.

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<sup>2</sup> Ian Haney López. 2014. *Dog Whistle Politics: How Coded Racial Appeals Have Reinvented Racism and Wrecked the Middle Class*. New York: Oxford University Press.

<sup>3</sup> Philippe C. Schmitter and Terry Lynn Karl. 1991. “What Democracy Is and Is Not” *Journal of Democracy* 2(3): 75-88.

### **Representation, Fringe Movements, and Polarization**

Certain kinds of impediments to majoritarian rule are built into every democracy, so called “guardian institutions”. In the U.S., there are particular ones which, taken together, shape our democracy in a non-majoritarian manner: federalism, the separation of powers, and bicameralism. This creates an unusually high number of electorally-based veto-players in the U.S., which have the capacity to block social change. For example, the U.S. has one of the least representative legislative structures when compared to almost all developed democracies and one of the most malapportioned senates in the world.<sup>4</sup> While this can have some of the advantages deliberately designed by democracy’s founders, at its worst it has meant that the Senate historically impeded the abolition of slavery, anti-lynching laws, the advance of civil rights, and access to health care, and is the site of empowered entrenched minorities. Because the Senate was established through the so-called “Connecticut Compromise” to give each state two votes, California, the largest state, has two senators for a population of almost 40 million. But so does little Delaware, with a population of well less than one million. This distorts representation very strongly in the U.S.

This is nothing new, as Americanist political scientists have repeatedly pointed out, but what has happened in the United States, starting in 1980 and culminating in the 2016 election, is that a “threshold of representation” has been crossed. Let me explain, first using the franchise. In Europe, where representation is also problematic as measured through support for traditional political parties, these movements tend to locate themselves inside fringe political parties. Because the U.S. has only two main political parties and the barriers to entry for new parties is extremely high, a fringe movement can only succeed by taking over one of the main political parties, and this is the case of the Republican party today.<sup>5</sup> This creates a very different dynamic from the traditional “move to the middle” of both parties. Furthermore, as Hacker and Pierson have pointed out, the polarization that results is asymmetric, which means that while both parties have moved, the Republican party has moved much more to the right than the Democratic party has moved to the left. This is

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<sup>4</sup> William Dauster. “The Senate in Transition or How I Learned to Stop Worrying and Love the Nuclear Option.” \\jciproduct01\productn\N\NYL\19-4\NYL402.txt unknown Seq: 13-JAN-176: 55.

<sup>5</sup> Landon Schnabel. 2014. “When Fringe Goes Mainstream Again: A Comparative Textual Analysis of the Tea Party Movement’s *Contract from America* and the Republican Party Platform.” *Politics, Religion & Ideology* 15(4): 604-624. DOI: 10.1080/21567689.2014.959503.

called asymmetrical polarization by Hacker and Pierson. What this means is that the center is gone, and that one of the main parties has moved very starkly to the right on issues like xenophobia, religion, arms control, and the economy. It also means, however, that a growing plurality of Americans identify as independents (44 percent) and do not favor either party.

Thus, the center has dropped out of most debates, replaced by one party's strong push on xenophobia, religious intrusion in politics, and economic issues like ending free trade that were once unheard of from most Republicans. Today, led by the Trump administration, the U.S. is debating fundamental issues like whether the following are "desirable": one person/one vote, equal access to healthcare, the same opportunities to acquire wealth, climate change, the role of science, reproductive rights, the literal truth of the bible, the necessity for perpetual warfare, the alliance with Europe, and civil and human rights. This is not because the vast majority of citizens does not believe in these past pillar ideals of American democracy, but because a minority does not. While some of these issues have been repeatedly raised throughout our history, others like science and the alliance with Europe, have been sacrosanct – and they no longer have this status. In effect, this minority "rules" because it has captured the Republican party.

What is exceptional, when compared to most other developed democracies, is how one of the two parties was captured by a fringe worldview through the manipulation of the franchise and voter suppression. What distinguishes the U.S. from most of Europe, for example, is that no major party in Europe can make the vote as difficult as possible through such franchise manipulation because all nationals have the guaranteed and enforced right to vote and registration is permanent. But the long history of U.S. franchise manipulation simply will not go away, and permanent registration for all appears to be a pipe dream, especially for racial minorities and most immigrants.<sup>6</sup> And manipulation has become increasingly sophisticated, especially as a result of the Supreme Court's 2013 decision to strike down a major part of the Voting Rights Act that mostly affected areas with long histories of racial discrimination. New restrictions on voting laws include harsh voter identification laws, early voting restrictions, limitations on automatic registration, the disenfranchisement of those with criminal convictions, and outright intimidation of minority voters.

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<sup>6</sup> Alexander Keyssar. 2000. *The Right to Vote: The Contested History of Democracy in the United States*. New York: Basic Books.

Moreover, certain Republicans now openly argue that voting is not a right and that certain groups should not vote at all. This includes whether minorities should vote, whether poor people should vote, and whether the young should have the right to vote. In what is a clear coded message hearkening back to the vote exercised only by white men of property, some argue that only taxpayers should have the right to vote. What was once a Republican fringe view is now embedded inside the Republican party, and it is now in the Presidency and Congress as well. This has huge policy ramifications. Thus, while the wealthy are permitted to donate endless amounts of money to politics, much of Congress is trying to block medical treatment to those who cannot pay, immigrants are thought to hurt the economy, mass incarceration is considered “acceptable”, the death penalty is satisfactory (including for juveniles as well as mentally-ill people), creationism is taught in schools, torture is once again permissible, and shutting down the government is a tolerable political tactic. This kind of polarization has always existed in the U.S., but right now it is at record-levels even though these opinions are held by a minority.<sup>7</sup>

### **Institutional Change and Inequality**

In discussing Europe, Philippe Schmitter argues in this issue that an agent, an ideology, and a strategy is necessary to combat the decline of democracy in Europe. All exist in the U.S. but, unfortunately, they have pushed in the opposite direction. Thus, the Trump administration, their political billionaires, and the Republican party under the control of what was once the “Tea Party”, act as the agents, and their ideology is to move in a more authoritarian, more closed, direction through the redesign of both economic and democratic institutions as well as global alliances. The reforming strategy is concentrated currently on a series of issues: expanding the role of finance capital in the polity (money in politics), changing the redistricting of the U.S. and what we call voter suppression, and packing the courts.

How did this happen? Look at the experience of Latin America, which is where I concentrated my early career and which holds important lessons for the U.S. In my view, the fundamental cause of what is happening in the U.S. politically is due to the huge rise of inequality. Like Latin America at different

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<sup>7</sup> Public opinion polls repeatedly show that these are not the positions of the majority of Americans, but these are the positions of the Republicans’ “core” constituency, which not only determines primaries but also the degree of political activism.

times in its history, the U.S. has entered into what I have elsewhere called a vicious cycle of inequality.<sup>8</sup> This is a situation in which specific interests and policies lead to extremely concentrated wealth, while at the same time capturing political institutions and shaping them so that even more wealth can be captured in the future. In these cycles, thresholds matter, just as they do in representation. Indeed, “normal inequalities” are to be expected and desired, rewarding work, innovation, creativity, etc. But when inequalities, both social and economic, reach certain high thresholds, they become very dangerous indeed.

The U.S. has entered into one of these “vicious” thresholds, resembling parts of Latin America. Look at the changing face of inequality in the U.S., which is now the most unequal longstanding democracy among developed countries in the world. Not only does the U.S. have the greatest inequalities among rich countries, but it also has some of the greatest among countries that are not nearly as rich. Today, there are a number of Latin American countries that have better equality indicators than the United States – a fact that was once unthinkable. From 2000 to 2015, for example, El Salvador reduced its income inequality by 20 percent – and it now has less disparity than the U.S.!

Like Latin America, these inequalities are driven from the top, that is, instead of “trickle down”, wealth is trickling up. The concentration of income in the U.S. has moved rapidly towards the top in a way that is absolutely startling. This has only happened twice in our post-WWI history: once was in the 1920s, leading to the 1929 Great Depression in the U.S., and the second time started in 1980 and then accelerated throughout the 90s and 2000s to end in the 2008 crisis. This crisis marked the second Great Depression, and it paved the way for the second-greatest surge of inequalities. *Contrary to what Occupy Wall Street supporters believed*, this is not a question of the top 1%, but rather the top 0.001%.

This did not just happen. Nor is this an automatic response to globalization, as some believe. Instead, it is the result of strategic choices consciously taken since 1980 (Reagan, HW Bush, Clinton, GW Bush, Trump) and perhaps unavoidably during the Obama years. The 1980 recession was a watershed year for this process of concentration of wealth with record levels of inflation and high unemployment, slower than normal growth, and oil price hikes. With

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<sup>8</sup> Terry Lynn Karl. 2000. “Economic Inequality and Democratic Instability.” *Journal of Democracy* 11(1): 149-156.

hindsight, 1980 was the nail in the coffin of what had become a post-war more equitable social pact. It set the stage for a completely new ideological orientation, so-called neo-liberalism, which determined the response to the recession. Business interests believed that a package of policies, including the deregulation of business and finance, sharp and painful cuts in social spending, a reduction of taxes on the wealthy, and a new normative framework regarding the superiority of the market, was the solution to all problems. The embrace of this neoliberal ideology was the product of an unprecedented political mobilization by the corporate sector, not just individuals but rather business associations and class-based organizations. At this point, an economically conservative vision took over the Republican party for the first time and defined the agenda of the Reagan administration, which eventually set the stage for the right-wing populist Trump agenda.

Let me give you a couple of examples that show how politics increasingly has become the sole game of the extremely rich. The increasing danger of the role of money in politics can be seen through the following examples:

- The Rise in Lobbying: In 1971 there were only 175 lobbying firms, all located in Washington. By 1982, this had risen by 2,500, and today, it is over 11,000, that is, more than 20 for every member of the House and Senate.<sup>9</sup>
- The Rise in Political Action Committees: In 1974, according to the Federal Election Commission, there were 89 of them and in 2014, there were 3664!<sup>10</sup>
- The Rise of Think Tanks on the Right: One single think tank, the Heritage Foundation, has a bigger budget than all think-tanks that support the Democratic party or groups to the left.

If these indicators are combined with many other activities, including the personal influence of billionaires, this produces a huge number of groups and organizations to produce public policy for the rich. This public policy influence includes tax-cuts, which were constant in 2002, 2003, 2004, 2006, 2008 and 2017 -- all of these are tax-cuts that benefit the wealthiest citizens.<sup>11</sup>

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<sup>9</sup> Stephen Brill. 2018. *Tailspin: The People and Forces Behind America's Fifty Year Fall and Those Fighting to Reverse It*. New York: Alfred Knopf.

<sup>10</sup> [https://ballotpedia.org/Number\\_of\\_political\\_action\\_committees](https://ballotpedia.org/Number_of_political_action_committees).

<sup>11</sup> Between 1985 and 2008, the wealthiest 400 Americans saw the percentage of their income paid in federal income taxes drop from 29 percent to 18 percent, according to data from

This proportionally cuts revenues to 1940 levels, and these taxes necessarily must be replaced by budget deficits and borrowing.

What this signals, first and foremost, is the relatively rapid switch from productive industrial capitalism to finance capitalism. The key to the domination of finance capital, and what made its extraordinary rise possible, were laws and practices of deregulation, which increased the ability of capital to move into finance while increasing the centrality of certain financiers in the polity. Huge mergers have occurred as a result of these laws, and there are completely new mechanisms in place permitting the financial sector to do a number of things that it could not do before. Examples like the expansion of bad credit, which was responsible for the 2009 crash, are also reminiscent of the crash of 1929. This is accompanied by a change in the patterns of the rich to influence politics – a move from business associations to particular firms and, now, to individuals who make it their goal to influence politics. Today, about 90% of American political financing is done by only about 100 families.<sup>12</sup>

Today, the super-rich own politics, and (hopefully temporarily) they own American democracy. This is especially the case as disposable income drops for the majority of the population, especially the rural poor. The net result is a takeover of policy, the removal of regulation, the turn towards a more ferocious and less productive type of capitalism, and an open move towards the plundering of government, speculation, and the crony capitalism once associated with developing countries alone.

### **The New Strategy: The Fringe Takes Over (for Now?)**

The victory of the Trump administration is no accident. Between 2008 and 2015 both parties had similar ideas about how to fix the economy. While the Democrats have been more in favor of regulation, tended to reject tax cuts to

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the Internal Revenue Service. David Kocieniewski, "Since 1980s, the Kindest of Tax Cuts for the Rich" *New York Times*, January 18, 2012. The 2017 Trump taxes also very disproportionately benefit the wealthiest.

<sup>12</sup> Of the world's 100 richest billionaires, 36 are U.S. citizens and thus eligible to donate to candidates and other political committees here. *OpenSecrets Blog* found that 30 of those actually did so, contributing a total of \$184.4 million. Most of this went to Republicans. Eight of these billionaire families are located in the top 100 megadonor list, giving \$102 million to Republican causes and \$74 million to Democrats. <https://www.opensecrets.org/news/2017/03/richest-billionaires-are-top-political-spenders/>.

the super rich, and had very different views on minorities, the right to vote, etc., they too have been funded by the rich. And they have paid surprisingly little attention to the results of acute inequalities and captured political institutions. What changed for the Republicans was the “Great Obama Freak-out”, that is, the unexpected election (at least to the GOP) of a president who was “only” half-white (and therefore entirely black to some). Obama, the GOP learned, was elected due to a huge surge in voters across ages, races, ethnic lines, huge registration drives, and new voting patterns of the poor -- who doubled their turnout in 2008. For the first time, the internet was used to counteract the huge amounts of money flowing into the parties. Voter turnout in 2008 absolutely stunned the Republican party.

The strategy of today’s fringe party stems from this experience, and it has been two-fold: First, it means keeping voter turnout as low as possible, especially by preventing the voting of African-Americans who tend to vote 94-95% for the Democratic party, as well as all other minorities, poor people, and youth. Thus, the 2016 elections were defined by the success of “Project Red-Map” or what some have called “gerrymandering on steroids”. Because voting laws are defined at the state, not the federal, level, Project Red-Map concentrated on legislative elections because, by winning those, they could use the 2010 census to change the design of voting districts – with the quiet help of big donors. The rationale was simple: Controlling the redistricting process in these states would have the greatest impact on determining how both state legislative and congressional district boundaries would be designed. This, in turn, created the opportunity to solidify conservative policy making at the state level and maintain a Republican stronghold in the U.S. House of Representatives for the next decade<sup>13</sup> – until the 2020 census.<sup>14</sup> This has been extraordinarily successful (and almost completely unnoticed).

A second aspect of this strategy, the voter suppression efforts discussed previously, is also designed to ensure a conservative (read white) majority – even in the face of tremendous demographic changes. Republicans have always

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<sup>13</sup> This REDistricting MAjority Project (REDMAP) focused critical resources on legislative chambers in states projected to gain or lose congressional seats in 2011 based on Census data. By 2013 they had taken the house. <http://www.redistrictingmajorityproject.com>.

<sup>14</sup> This also explains the controversy over the Trump administration’s attempted manipulation of the forthcoming census. Michael Wines and Emily Baumgaertner. 2018. “At Least Twelve States to Sue Trump Administration Over Census Citizenship Question.” *New York Times*, March 28.

known that the lower the voter turnout, the greater their opportunity to win. But what we see today, aided by Russian ads strategically placed, is that 21 states have passed voter-restriction laws, new identification measures, cuts to early voting, strict regulation rules, and a host of other devices, especially constant re-registration, which disproportionately affect minorities, the poor and the young – the very base of the Obama victory. One example will suffice: A student in Wisconsin, who comes from Illinois, cannot use his or her student ID to register to vote; nor can this person use a driver's license. Instead, this student actually has to get a new voter ID from Wisconsin in order to vote. Such restrictions have been held up by a conservative-dominated Supreme Court, which turned over the Voting Rights Act of 1965 by one vote.

Does redistricting and voter suppression really matter? Recall that Donald Trump won the electoral college by 80,000 votes and he lost the popular vote. Three states were absolutely essential in this (undemocratic) electoral college victory:

- In Wisconsin, where Republican-sponsored voter suppression laws were especially strict, 300,000 people were denied the vote because they lacked correct registration or identification documents under new rules, primarily in Milwaukee, which was a pro-Hillary Clinton district and heavily African American. The state went for Donald Trump in the electoral count by a mere 27,000 votes. Wisconsin had not voted Republican since 1984.<sup>15</sup>
- In Michigan, where President Trump won by the narrowest of margins in last November's election – receiving just over 10,000 more votes than Democrat Hillary Clinton out of 4.8 million votes cast – redistricting was considered among the “worst in the nation” and the Michigan Senate, which passed voter suppression laws, the most imbalanced of all legislative bodies.<sup>16</sup>
- In Pennsylvania, where Trump won by 44,292 more votes than Hillary Clinton and received its 20 electoral college votes, especially tough voter

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<sup>15</sup> In Milwaukee County, which has a large African American population, sixty thousand fewer votes were cast in 2016 than in 2012. To put it another way, Clinton received forty-three thousand fewer votes in that county than Barack Obama did—a number that is nearly double Trump's margin of victory in all of Wisconsin. Jeffrey Toobin. 2016. “The Real Voting Scandal of 2016.” *The New Yorker*, December 12.

<sup>16</sup> <https://www.bridgemi.com/public-sector/gerrymandering-michigan-among-nations-worst-new-test-claims>.

identification laws combined with redistricting which disenfranchised thousands of voters, especially in parts of the Philadelphia area (where democracy was born); the African American voting age population was reduced from 54 to 24 percent in one district alone.

In effect, if just these three states are examined, the election was effectively decided by 107,000 people, less than 0.09 percent of all votes cast in this election. But this does not take into account North Carolina, Ohio<sup>17</sup> and perhaps even Florida, where similar arguments can be made.

This type of manipulation means that it is going to be extraordinarily difficult for the Democratic party to take back the House or the Senate due to the new way the rules have been written, even if some of these rules are ruled unconstitutional. At present, Republicans can lose a majority vote and still win a House seat, something that has happened repeatedly – even without Russian ads!

### **Conclusion: Inequalities Affect Democracy and the U.S. is in Trouble**

The net result of this brief analysis is that Trump's election is the outcome, not the cause, of the creation of huge super inequalities that, in turn, pay for the redesign of democratic institutions. Unlike Europe, this is the way the U.S. is "exceptional"; the franchise can be manipulated – and it has been. This does not bode well for democracy. Redistricting and voter suppression mean that the popular will can be denied with a degree of sophistication never before seen -- due to the way rules have been written and districts redesigned. This was not an accident, but a clear strategy. And it worked. Furthermore, even though both parties have always redistricted to benefit themselves to some extent in the past, this was a qualitatively different order of things, and it makes the 2020 elections very difficult for Trump's opposition.

This could not have happened without the creation of extreme inequalities, which permitted the U.S. to enter a Latin American pattern and elect a reality show host. The relationship between inequality and democracy is very

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<sup>17</sup> In North Carolina, always a battleground state, black turnout declined more than 8 percent, even though other Southern states without voter suppression laws saw huge increases, e.g., Louisiana up 18.5 percent. This resulted in at least 60,000 fewer votes. Purges of voter lists in Ohio removed at least 200,000 voters.

understudied; it is almost ignored in the U.S.; and it is not part of most economic studies. Yet it is tremendously important, permitting the rich to capture the state and design policies in their interests, as we have learned in Latin America, the most unequal region in the world. But Latin America also teaches us that such patterns slowly can be reversed.

Finally, it is essential that Comparativists become Americanists, if I can use the U.S. way of dividing political science. American political science is based on the belief that the U.S. is in fact exceptional, which of course it is in many ways, but so is each and every country. If political scientists do not strongly insist on comparative studies with the U.S., especially with regard to the fortunes of democracy, then the study of the U.S. by political scientists inside the U.S. will become increasingly more isolated and even irrelevant. All politics, even U.S. politics, is comparative. Thank you very much.

### **3. Questions and Discussion**

#### **Yun-han Chu**

I think we would all like to know what is most likely to happen in the future. Could each of you give us the worst-case and best-case scenarios as far as Western-European democracy and American democracy are concerned? We know that the last time Western democracy faced a grave challenge was more than 80 years ago, during the 1920s and 1930s, and it didn't end well. Democracy didn't survive in Germany, Austria, Italy, Spain, Portugal or many other European countries, and then World War II occurred. Obviously, we do hope that democracy has a self-correcting capability. Where might we identify the silver-lining and how might we come up with a roadmap?

#### **Philippe Schmitter on American and European Differences, Experiments in Democracy, and Difficulties in Europe**

Many of the things that Terry has pointed out about the practice of democracy in the U.S. could not happen in Europe. Very few European countries have provisions for redistricting legislative constituencies and those that do assign it to expert commissions, so you can't get away with this kind of deliberate manipulation of territorial boundaries for partisan purposes. This is much more substantial public funding for political parties and restrictions on private funding

and I could go on and on. The perversities that she pointed out simply couldn't happen. Also, the recent increase in the concentration of wealth, which is the basis of these developments, has not been as great in the European economies. European capitalism is more regulated, often at the level of the EU, and European tax systems are much more progressive and, hence, re-distributive. Trump tells everybody who will listen that Americans are the most taxed people in the world. This is a complete lie. Compared to Europe, taxes on the rich are maybe one-third as high. I lived and worked in Sweden once. At one point if you made more than a certain amount of money, the tax-rate was more than 100%, so that you lost by making more. Also, in Sweden and the other Scandinavian countries, the amount that people pay in taxes is a matter of public information. You can look it up, now on a website, but in the past in a government publication. Everybody knows exactly how much every other person pays in taxes. Can you imagine this happening in the USA? You can't even get a presidential candidate to admit this, much less ordinary people.

Which is not to say that I'm optimistic about the prospects for democracy in Europe. It is just that the most perverse mechanisms undermining it are not available to politicians representing the interests of the wealthy. I have to also add that one of the best things that is currently happening to democracy in Europe is Donald Trump. He has behaved in a way that frightens Europeans, including even Europeans to the right of the orthodox conservatives, as a result, the outcome of a series of recent elections, particularly the one of Macron in France, has shifted. Citizens who might have voted for the populist right didn't do so precisely because of what Trump was doing in America. He has certainly put a damper on the emergence of populist parties and their potential domination in this part of the world.

We – a group of scholars and politicians – wrote a book for the Council of Europe on the future of democracy. One of the things that we discovered is that there is an extraordinary amount of experimentation going on at the level of towns, cities, counties, provinces and sub-national regions with the rules of the democratic game. For example, my *comune* of Pontassieve allows legally resident foreigners to vote in local elections, and they have created a special advisory council to represent the interests of immigrants. Also, some local elections have now lowered the voting age to 16 rather than 18. The problem, of course, is what we call “scaling up”: how do you transpose successful experiments at the local level upward and eventually make them into national policies? The thing that's important is to recognize how much experimentation

is going on, to capture those experiments and to publicize them. That's what we tried to do in this book.

I'll give you one idea that it contains, and it is beginning to be discussed in Europe. It's what I call "universal citizenship": you become a citizen with the right to vote the day you are born, but your vote will be exercised until you've reached the age of political majority by one of your parents. This serves to compensate for demographic trends. One of the biggest problems in contemporary democracy, independent of all the manipulations that Terry referred to, is that not only is the population getting older, but older people vote much more frequently than do younger people. Politicians know this, so public policy is skewed systematically towards benefitting the elderly. If you had this kind of a system, younger people would have a compensation and an additional incentive to vote, not to mention an additional incentive to discuss politics in the family. I cannot imagine such an alternative being considering the United States.

One problem that is difficult to understand is why after the serious collapse of the system of capitalist finance, as such that happened in 2008, this crisis has not benefited left parties on the political spectrum. We have much more serious, well-organized, experienced social-democratic parties, usually allied with stronger trade unions, in Western Europe. Nevertheless, we cannot understand why the crisis has not benefited them. Part of the answer may lie in this domain of ideology. European Social-Democrats have simply not come up with a convincing image of how the policies they advocate would actually produce a better society. Neo-liberals, despite the manifest failure of their policies, have managed to sustain their ideological hegemony. There are other reasons as well. The main strategic failure came from their insistence on appealing to the center, the so-called "median-voter", rather than to their traditional working-class and lower middle-class supporters. This is exactly the opposite of what happened in the U.S. where the radical populist right focused quite specifically on appealing to these downwardly mobile voters. In Europe, party ideologues could not adjust their message to focus on the victims of the crisis of globalized capitalism.

Terry mentioned the 'minimalist definition' of democracy by Schumpeter and the fact that elections should be honest, and that people should have equal access to participating in them. Schumpeter's other point was that in order for that kind of strictly electoral democracy to function, the parties that citizens

choose between should offer distinctive programs, so that they have an incentive to vote. The problem in Europe had been that the programs of established parties became indistinguishable from each other – and its citizens have been less and less inclined to vote.

### **Terry Lynn Karl on Corruption, a Potential Economic Crisis, and Possible Political Shifts**

First, one comment to Schmitter. One reason that social democrats have been losing not only in Europe but also in Latin America, is corruption. It was very stunning for some people in Latin America to realize that left parties also rob. This has happened in Spain as well, and in a number of other places in Europe. While this has not happened in Scandinavian countries in general, this feeds the notion that politicians of any sort or position cannot be trusted. Even if the corruption on the right is often far bigger and more impressive, this creates the idea that politics and government are not for the public good.

To answer the question, it is possible to move from a vicious cycle to a more virtuous cycle, but it's extraordinarily difficult. The way it generally happens is with severe economic crises or a war internally or externally. In this sense, as you know, crisis means both opportunity as well as disaster. The "good news" inside the bad news is that if things continue the way they are in the U.S., we will have another economic crisis because everything that Trump is doing is an even bigger exacerbation of the crisis of 2008. This will fuel what has already become an unusual mass mobilization of many different constituencies, but most especially women.

Why do I think there will eventually be a crisis? The three biggest sources of political rents (meaning using politics and political positions to capture money) in the U.S. are the drug industry, the energy industry, and finance. Because these are the three largest sources of rents, this is why President Trump has focused on corporate tax reform, deregulation of finance (but not necessarily industry), increased oil and gas subsidies and exploration, and ending climate change agreements. The President talks about reversing the opioids epidemic, but no money has been put towards this effort. This means that the big pharmaceuticals can continue to give opioids almost everywhere without fear of legal action.

We are in another round of a vicious cycle which could culminate in an

economic collapse. A positive scenario is that “learning” occurs and new governments work for reducing inequalities and ensuring democratic rules. That’s one scenario. But vicious cycles are not just cycles; they also are spirals – and these are often marked by violence. What happened in Latin America is that enough of those spirals eventually led to the shift from a vicious cycle to a more virtuous cycle. Whether it stays that way or not is one of the things I don’t know at the moment.

Now what I think is the most optimistic scenario. The “red map” people say that they have captured the political system until 2030, and that there is simply no way to change it, I don’t think this is true. They also say that whomever is president does not really matter since they are capturing the states, the Congress, and are heading for the courts. But having captured everything, they cannot get anything done. Today’s elections tend to be anti-Trump elections. Voter suppression and redistricting depends both on extraordinary majorities to undo the damage of a simple majority. It is possible that the President will become so thoroughly unpopular that this could happen. It could happen in 2020.

Finally, if I can add another comment: In my view, it is extraordinarily dumb to attack the intelligence agencies of the U.S. while under investigation. These are spy agencies, and they do not like to be attacked. There are also some guardian institutions of another sort, which is why so many of us are watching the Mueller investigation, led by the former head of the FBI. This investigation is very important, not because it could provide the legal justification for the impeachment of the President, but also because it could cause criminal prosecutions of just about everybody around him, including his family. The Republican Party could decide, in the medium term, that it has to break with its fringe or risk losing the elections of the future. Thus far, shame certainly has not worked.

### **Questions from the Audience**

The “fake news”, as Trump says, largely skews the population’s preferences, so what strategy can you come up with to contain the distribution of “fake news”? How would you bring the media issue into your discussion?

We often hear about a “crisis”, but are there real threats to democracy? How should we evaluate democracy? Should we still use the normal indicators,

or should we add some new things like the death penalty, inequality, the exclusion of people from voting, how they treat foreigners, how they treat immigrants, and so on?

Do you think that Macron and his ideology will shed some light on the restoration of EU democracy? Do you think that fixing the European Parliament can solve the so-called “local problem”? And do you think the reelection of President Trump could be a possibility in 2020?

**Philippe Schmitter on Electronic Democracy, Political Uses of the Internet, Opinion Leaders, and a European Crisis**

There is a broader issue I’ll bring up first. There is a great deal of discussion in the U.S. and Europe about so-called “electronic democracy”. Here the idea is not only about using the internet as a mechanism for political communication between individuals, but also as a mechanism for actual participation in politics by voting electronically. A number of European countries have started doing this. The leaders in this regard have been Estonia and Finland. The important thing is not just to restrict your attention to the internet as a mechanism for horizontal communication, but also as a mechanism for actually participating – not only in elections but in referendums and local discussion groups.

In the ‘electronic’ business, the important thing to keep in mind, and the big problem with its relation to democracy, is the gap between virtual and real interactions. I was made very critically aware of this when I was teaching recently in Egypt. After the revolution, there was a great deal of optimism because the Cairo Spring was in fact brought about by the internet. Those crowds in Tahir Square were gathered together by the internet and, what’s more, each successive day the crowd got bigger. People who were initially afraid began to get less and less afraid, and they gained this confidence through the internet. In other words, the internet was an extremely successful “subversive” instrument. The problem came afterwards because the people who had met on the internet and had demonstrated together in the square, when it came to forming real and enduring organizations, began to discover how different they were from each other. The internet presents a selective message which can be shared by a huge variety of people. In this case, it was the corruption of the then existing government. However, as soon as it came to electing another government or to forming interest groups or social movements to push for

women's rights and other issues, the consensus fell apart. This is because people who thought they were acting together, and were doing so physically in the square, could not translate that into something like repeated, self-reassuring interactions.

The internet is an intrinsically destructive instrument against autocratic governments, and presumably against some less than fully democratic ones. Its negative capacity is formidable. The problem comes afterward. One of the reasons Obama did so well is that he re-invented or (better) invented for the first time, the systematic use of the internet for gathering funds and people, and it worked. A lot of his electoral success was due to the imaginative use of the internet. That didn't, however, translate into an enduring following for him or his political party. So that's what we are up against when discussing this issue in Europe. These countries are moving towards something like electronic democracy, but the problem lies in its asymmetric impact. There has been an enormous increase in the capacity to block policies or to bring down governments, but little or no positive capacity to mobilize actors and support policies once decided.

There is an extremely important concept that was discovered in the 1950s in the voting behavior research in the U.S. This was called the "opinion leader" phenomenon. Researchers discovered that Americans did not usually make up their minds individually about voting, but would typically have somebody in their social media who they would rely upon to make this choice. These opinion leaders were usually better educated, richer, and more politically motivated. The lesser endowed and concerned relied upon them. Once the opinion leaders are not there or have become discredited, you have destroyed that tissue of natural listening to particular people. Anomie in mass publics is one reason for this, but the internet goes even further by undermining this mediated form of communication that was discovered in the American voting research. It also was present in Western Europe, except that the opinion leaders there were much more likely to be embedded in informal organizations such as trade unions, business and professional associations, and political parties with an active infrastructure.

One of the most fashionable concepts in contemporary European political science is "deliberative democracy". The initial idea was that the internet is wonderful because people would deliberate on it and become better informed and tolerant of the opinions of others. That has proven to be nonsense. Nobody

seems to deliberate via social media. You search for and listen to people who agree with you and this tends to polarize preferences and reinforce intolerance.

I didn't actually say that European democracy was in crisis. The implication was that the morbidity symptoms on the 'endogenous' political side would combine with those on the 'exogenous' social-structural side, and together they would produce greater distrust and anomie among citizens. The outcome, however, is still highly contingent. It depends on those two intervening and less predictable factors: *fortuna* and *virtù*.

**Terry Lynn Karl on Mobilization and Suppression with the Internet, the Crisis of Trust in the U.S., Problems with Indicators, and Confidence in the U.S. Dollar**

First of all, the concentration that I talked about in the leading up to deregulation, ended up in a concentration of media resources in the U.S. that we have never seen before. One key piece of that is the removal of regulations that used to foment and encourage lots of people. Now we have far less media, and we have "medias", so that what happens is that all of us watch the media that we like, and what that has done is to harden the polarization. You have to be a political scientist to watch Fox News, if you are me, and I read a lot of those things, and that's because I'm a political scientist and want to know what they are saying, but otherwise I'm just like "I need to turn this off". The net effect has been to harden the polarization. What I don't believe is that it's changed voters' preferences very much. The second thing is that the use of the internet has continued to mobilize people. The lists of everybody who signed up for Obama are still there. If you wonder how it was possible for one woman who got an idea to have a women's march in Washington, it was one woman who sent an email to a friend of hers, and the next thing you know, we had the largest demonstration in our history. That demonstration has continued in a variety of ways, and it's not the only one. There are voter suppression organizations now, and there are all kinds of statistics going on.

There is no question that the Republican strategists completely outthought the Democrats, and the Democrats had no idea what hit them, and they still don't as far as I'm concerned. However, the internet is a continuing thing. On the other hand, there is the release of ads from the Russians, which did affect voter turnout. We can quantify how many people saw them, so it's looking more and more like the Russian ads were seen by somewhere between

30%~60% of the electorate, which is astonishing. Most of those ads were aimed at voter suppression. They were aimed at scaring white voters about black people, were aimed at saying that Hillary Clinton was a spy for the Russians, and many things like that. They certainly did affect turnout. The problem is going to be to quantify that, but we are getting closer because Google, Facebook, YouTube, and so on are having to release who has seen these, at least on the internet. However, what I think we will find is the very real impact of Russian influence in the U.S. elections, and that was an immediate impact. The other thing about that campaign that I want to say publically is that I'm absolutely convinced that it could not have happened without collusion with certain people in the Republican party, and the reason that I'm convinced is that it was aimed at particular states, and it was aimed at particular districts within those states, and it was finely-tuned. I do not think the Russians understood our electoral system that well. The Democrats didn't even understand it that well, so they had to have had help, and I think some of the voter suppression actually comes from huge breakthroughs on mapping technology, so that's the reason. There are two things that came together: these breakthroughs in technology, and the second is the supreme court knocking down the Voting Rights Act. When you have those two together, then you can fine-tune if you are good enough at it, and you can share your fine-tuning with whomever you wish, and that is the danger we are in today.

Is it a crisis? In the U.S. I would say it's a crisis, and the reason has to do with this minimalist Schumpeter franchise definition. People have to trust that the process of making the rules is fair. There is a very deep decline among certain groups of trust, and those groups are both on the right and the left. On the right, as I mentioned earlier, there is a discussion that hasn't existed since Reconstruction after the Civil War, which says that we should rethink our voting issue; voting should be much harder than it is now, and it should be linked to property or taxes, which is what it used to be. Thus far, I have not seen proposals to remove the women's vote, but who knows! There is also the argument that poor people shouldn't be able to vote because poor people just want entitlements from the government, and this is really bribery. This is a "dog whistle" as well, clandestinely raising the issue of race. But this does not have anything to do with voting rights, and it is a very dangerous discussion, actually trying to justify the suppression of certain voters. It is also a very racist discussion, and it has to do with the extraordinary demographic changes in our country, as I said earlier, and we can thankfully no longer "make America white". This is part of the reason that Trump ran such a racist and

anti-immigrant campaign.

Do I think this is a crisis? Yes, I do.

On the left, or more broadly speaking the other side, there are many people who don't believe that Al Gore lost the elections in 2000, as it was decided by 237 votes in Florida. There are many people who do not trust our voting machines anymore, and for very good reason. There are many who believe that the idea of one-person-one-vote is no longer the case in the U.S., and there are many people who believe that Donald Trump did not win the election, and they are not just talking about the popular vote. This is because of the way voter suppression and redistricting were so intelligently targeted – not to mention the Russian manipulation. When people lose their confidence in the vote, you have what I think is a crisis.

As for indicators, I have never been able to use the Freedom House indicators. They mean nothing where I work in most places, and as I said at the very beginning, to any of you who are studying democracy, there are better ones. Furthermore, I have already pointed out that it is a scandal in the social sciences, possibly with the exception of sociology, that people don't have inequality as a fundamental issue and try to figure out what is the threshold where danger to democracy is great. On the reelection of Trump, I don't know. He could decide to resign tomorrow because he doesn't like being President. He could get impeached. He could do anything. He is the chaos president, and so there is really no way I can speculate on that. Do I think he would be reelected in 2020? I really don't know.

Finally, one last comment to Yun-han Chu who made a comment on the possible decline of global confidence in the dollar. That was a really interesting comment to me because my main area of work is on oil. The biggest danger of starting to lose confidence in the dollar is that people will stop paying for oil based on the dollar. Some of you may remember that the U.S. invaded Iraq and got rid of Saddam Hussein. At the time, he was arguing inside OPEC to go off the dollar and instead trade oil in an international basket of currencies. The trade in dollars is much to the advantage of the U.S. Today, Saudi Arabia and Russia are making an extremely interesting alliance, which would have been unheard of two years ago. Part of that deal is a discussion about trade relations. One could speculate that mainland China would be a part of any discussion of changing the trade of energy from dollars to a basket of currencies. This is

because it is a disadvantage for them, on the one hand, but they have invested so much in the strength of the dollar, on the other. Still, there are now several countries that are not wanting just the U.S. to dominate the international fossil fuel market. So this struck me as a very interesting point indeed.