

Understanding the Crisis of Liberal Democracy in the West Today

Prepared for Reset Doc conference, November 4-5, 2019

Sheri Berman, Barnard College, Columbia University

Liberal democracy in the West is facing its greatest crisis in decades, challenged from within by populists and from without by authoritarianism in Russia, China and elsewhere. In a rush to understand this crisis, many long for simple, straightforward answers. But if we want to really understand this crisis, a preference for parsimony will lead us astray.

Most often, explanations of this crisis focus on economic or social grievances that purportedly lead some citizens to vote grow dissatisfied with democracy and vote for populists.

Accounts based on economic grievances are particularly popular [among economists](#) who argue that [globalization](#), income stagnation, the decline of well-paying, blue-collar jobs, increasing [inequality](#) and [deepening divisions](#) between dynamic metropolitan regions and stagnating mid-size cities and rural areas have generated a [growing number of voters](#) who feel ‘left behind’. The [financial crisis accelerated](#) these trends, pushing even [more voters to the extremes](#).

Social scientists, especially those focusing on the United States, more often favor accounts based on social grievances which argue that immigration and the mobilization of women and minority groups have challenged [ethnic](#) and [gender hierarchies](#), generating a [counter-reaction](#), particularly among white men. The ‘refugee crisis’ in Europe and the election of the first African-American president in the US led even more [voters](#) to feel resentful and threatened, in this view, and so willing to vote for populists promising to respond to their grievances.

Accounts focusing on social or economic grievances provide important insights into the current crisis, but such accounts can only get us so far.

First, both have serious empirical and causal drawbacks. It seems clear, for example, that economic crises, growing inequality, and so on are broadly linked to populism and democratic dissatisfaction both today and in the past. However, if we try to understand country-level variation or the micro-level of citizens’ voting and other political decisions, such accounts run into problems.

There is no clear correlation, for example, between the level of economic difficulty a country has faced and the success of populist parties. Sweden, Denmark, Switzerland, Poland and Germany, for example, have done well economically, yet all have experienced very high levels of support for populist parties. (Pointing out that some citizens have done less well is not a good explanation. During any period, some citizens do less well than others, so the simple fact that even in well-performing countries some citizens have fallen behind cannot alone account for phenomena as broad and dangerous as rising populism and democratic dissatisfaction.) Similarly, other countries that have experienced major economic setbacks, like Portugal and Ireland, have not been plagued by populism. More importantly, however, studies of voting behavior and individuals' level of satisfaction with democracy have failed to find a consistent link between citizens' personal economic situation or experiences (income or wealth levels, unemployment risk and so on) and their voting and other political decisions.

Social grievance explanations, on the hand, have in some ways the opposite problem that economic grievance-based explanations do. Scholars [consistently find](#) that [racial animus](#) and preferences on immigration policy are the [best predictor](#) of an individual's support for the populist right. But explanations based in racism and xenophobia cannot explain macro-trends, either cross-nationally or temporally.

Empirically there is little cross-national correlation between levels of [racist or anti-immigrant sentiment](#) and populist success. Swedes score extremely low on measures of racism and anti-immigrant views, yet the right-wing Sweden Democrats are the country's second or third largest party. The Irish and the Spanish, meanwhile, score relatively high on such measures, yet right-wing populism has not been particularly potent in either country. And from a temporal perspective, although populists have become more politically successful over time, racist and anti-immigrant sentiments have actually [decreased](#) in [Europe](#) and the [U.S.](#) during the same period.

Introducing Complexity: Interactive Effects

If standard accounts based on economic and social problems and grievances can only get us so far in understanding the crisis of liberal democracy in the West, where do we go next?

The first thing to examine is the complex interaction between social and economic developments and factors. For example, the tendency to scapegoat immigrants and minorities

rises [during difficult economic times](#) when [low-income citizens in particular are worried](#) about unemployment and concerned about [competition over scarce public resources](#), such as [housing](#) or welfare benefits. In addition, individuals' social values and preferences are shaped by their economic position and context. It is not surprising that [‘new’ middle-class](#) voters living in diverse cities and working in jobs where they interact regularly with other highly-educated people from a variety of backgrounds are socially progressive, while working-class voters are more socially conservative and may have become [even more so](#) as class identities ‘made possible by factory-based, unionized jobs in the old economy have faded [and] other identities—ones often associated with hardline conservative politics—have ... filled the void.’” And while the proximate cause of populism may be a [‘cultural backlash’](#) against social change, based on analysis of decades of World Values Survey data, Pippa Norris and Ronald Inglehart argue that is impossible to understand why voters have become susceptible to xenophobia and socially reactionary views without paying attention to the impact of economic insecurity.

Introducing Complexity: Institutions

No matter how wide-ranging and interactive, explanations that focus on social and economic change and grievances alone—the *‘demand-side’* of politics—can get us only so far. Economic and/or social changes alone are not problems—they only cause citizens to become aggrieved if politicians, parties and governments don’t recognize and respond to them. Dissatisfaction with democracy is rooted in the belief that democracy is not working—that it is unable or unwilling to deal with citizens’ demands and concerns. And in this, at least, there is much evidence the aggrieved and dissatisfied are right: politicians, parties and governments have indeed become less responsive to broad groups of citizens over time. If we want to understand the crisis of liberal democracy, in short, we need to spend as much time thinking about how and why democratic institutions have become less able to deal with problems—that is to say the *“supply-side”* of politics—as we spend thinking about the problems themselves.

That structural trends and forces alone are poor explanations for political outcomes is something political scientists should know well. Indeed, entire schools of political science theorizing are built around a recognition that such “conveyor belt” views of politics—the idea

that broad economic or social changes/ trends are directly or straightforwardly translated into political outcomes—are extreme distortions or at least oversimplifications of reality. Perhaps the most influential such school of thought is institutionalism. Institutionalism comes in various varieties but all are built around a recognition that economic, social and other structural trends are filtered through institutions which determine how they are translated into political outcomes.

The most helpful text in this regard probably remains Samuel Huntington's *Political Order in Changing Societies*. *Political Order* was motivated by a puzzle: why were so many contemporary “third world” countries mired in political disorder? Huntington argued political disorder stemmed from a disjuncture between the challenges countries faced and the strength of their political institutions. As he put it, “The primary problem of politics...is the lag in the development of political institutions behind social and economic change.” “The larger, more complex, more complicated and diverse” the demands emanating from society, the more political stability “becomes dependent on the existence of strong political institutions” capable of responding to them. The same challenges that were easily handled in countries with strong and responsive political institutions—e.g. ensuring employment opportunities for an increasingly educated populace, providing avenues of political participation for newly mobilized social groups—caused political disorder and even violence in countries lacking them. This, Huntington argued, was the source of the problems facing many Asian, African and Latin American countries in the 1950s and 60s: they were experiencing rapid social and economic change—urbanization, increases in literacy and education, industrialization, mass media expansion—increasing their citizens' expectations and demands, but they lacked political institutions capable of satisfying them. Although Huntington focused on the challenge of developing strong political institutions in Third World countries, he also recognized that already-developed political institutions could decay over time, causing a political system to become less responsive and effective, thereby generating increasing dissatisfaction and even disorder. Indeed, there is much evidence that such a process has been occurring in Western democracies over the past decades, causing or aggravating many of the domestic and international problems they are facing today.

In the United States, [gerrymandering](#) has [increasingly](#) warped the translation of voter preferences into political outcomes. By some measures, close to 45 per cent of the US population lives in gerrymandered districts where outcomes heavily favor one party, diminishing the need for parties to consider the preferences of voters outside their base.

The [role of money](#) in politics has also increased, skewing who politicians pay attention to and who controls the agenda-setting process. [Several political scientists](#) have found that the [interests of economic elites and the organized groups](#) representing their interests [powerfully shape government policy](#) while less well-off Americans and the mass-based interest groups that represent their interests have much less influence.

In addition, private funding of campaigns has grown, influencing who runs for office, who gets elected, and what issues candidates respond to. The Koch network, whose preferences, especially on economic policy, are to the right of even most Republican voters, [now raises about as much money as the entire Republican party spent on the 2016 elections](#).

Perhaps because campaigns increasingly require candidates to fundraise themselves, [few lower-income people run for office](#). This biases economic debate in particular since politicians with working-class backgrounds are [dramatically more likely](#) than others to take progressive or pro-worker positions, even when controlling for partisanship, district characteristics and other factors. The American voting system also [discourages particular groups from voting](#), particularly the poor and minorities, shaping what voices are heard at election time and within the political sphere more generally.

Given all this, it's unsurprising that political scientists have found that senior staff members in Congress—the people who help their bosses decide what bills to pursue and support—have “[no clue what Americans want](#)”. The more time they spend talking to big business rather than mass membership groups, the more clueless these congressional staffers become.

In Europe, other trends have also diminished democracy's responsiveness, including the growing power of the E.U. Over the past decades, ever-more policy-making areas fell under the purview of the E.U. without any corresponding increase in European citizens' control over them. Meanwhile the policy options national governments—over which voters do have more direct control—can offer their citizens has diminished. [As one set of scholars](#) notes, the “process of European integration...undermines one of the primary functions of the domestic electoral process—namely to offer voters a broad range of policy alternatives. In essence, the more decisions derive from the EU as currently designed the less distinct are the policy choices on which parties compete.” The growing power of E.U. technocrats has also been fed by the

increasing [judicialization](#) of politics. As [one critic](#) mused, at what point does the ever-growing number of E.U. rules and laws go from “civilizing” politics “to undermining democracy”?

Technocracy has grown at the domestic as well as the European level, and there is much reason to believe that technocrats’ [preferences diverge](#) from those of ordinary citizens. The epitome of this is central banks—and particularly the European central bank—which were granted increasing independence *and* increasing power over the past decades, purchasing sovereign debt, intervening in commercial debt, real-estate, and mortgage markets and being granted oversight over financial systems. As [Paul Tucker](#) notes, “traditionally, policies with such immense distributional impact were left to elected leaders, but no one elects a central bank.” The problem, of course, is that central bankers, like other technocrats, tend only to ask whether a policy is “effective,” when equally if not more important is [whether it is legitimate](#) since citizens are more likely to tolerate the “inevitable disappointments and frustrations of” policy when they can vote out those whose decisions they disagree with.

Another crucial problem in Europe is the decline of mainstream political parties. During the postwar era political parties were generally stronger in Europe than in the U.S.: they had high membership and loyalty levels and strong ties to civil society. More than in the U.S., in Europe citizens became involved in and mobilized for democratic politics via political parties. But over the past decades European political parties became weaker: membership declined, ties to civil society organizations dissolved, activist networks withered. Particularly consequential here, [as Maria Snegovaya and I have argued](#), is the decline of social democratic parties, which historically acted as the voice of the disadvantaged and disempowered but largely ceased playing this role over the past decades.

As these parties moved towards the center economically during the last decades of the 20th century, their hold on the working class weakened and right-wing populist parties, most of which began their existence espousing conservative or neoliberal economic policies, moved to the left economically to [capture these voters](#).

In addition, as social democracy’s economic profile became less distinctive, the tendency to emphasize social, rather than economic issues, increased. As [one group of scholars](#) concluded, where parties of the left embraced pro-market, neoliberal reforms, politicians could not polarize electoral competition around economic issues and were accordingly incentivized to construct ‘a single powerful socio-cultural divide on which to display meaningful programmatic differences

and employ those to attract voters'. Similarly, another [cross-national study](#) of parties' shifting economic profiles found that as parties became increasingly similar in terms of economic policy an attractive 'survival strategy' was politicizing non-economic issues: 'The strategy of shifting competition to a new issue domain allows parties to better distinguish themselves from one another and thereby avoid losing voters to indifference.'

The problem for the traditional left, of course, is that when political competition focuses on issues as such as national identity, immigration, multiculturalism and so on, the prime beneficiaries are right-populist (and Green) parties—since such issues are most associated with them and their voters are united by them. Right-populist parties' constituencies are however divided on economic issues (this is also true of [Trump voters in the U.S.](#)), so they have a strong incentive to keep political competition focused on social and cultural rather than economic issues. But in addition to feeding the rise of populism, when political competition is dominated by social and cultural issues, democracy probably suffers as well since such issues touch on questions of identity and morality, are difficult to compromise and bargain over, and tend to turn opponents into threats/enemies and politics into a zero-sum game.

Conclusion

Albert Einstein once said that 'politics is more difficult than physics'. Einstein was referring to the difficulty of coming up with solutions to pressing political problems, but his quip is equally applicable to merely understanding political phenomena. While parsimony is intellectually and psychologically satisfying, understanding the current crisis of liberal democracy in the West requires embracing complexity and bringing together insights from a variety of perspectives: about how social and economic trends and problems interact, about the "demand" and the "supply" side of politics, and about the crucial role played by political parties and other political actors in shaping the issues and interests that define political competition and how those issues and interests influence the functioning and legitimacy of liberal democracy.