At the end of January 2020, I discovered on the BBC website a paper by Sean Coughlan entitled “Dissatisfaction with democracy within developed countries is at its highest level in 25 years”. This article summarised the findings of a worldwide survey carried out by the University of Cambridge’s Centre for the Future of Democracy that revealed that the proportion of the global population that was dissatisfied with democracy reached 58 per cent in 2019. “Confidence in democracy has been slipping because democratic institutions have been seen failing to address some of the major crises of our era, from economic crashes to the threat of global warming,” said Dr. Roberto Foa, the main author of the study.

After reading that worrying article, I had to revisit the various definitions of democracy. Political theory offers a distinction among many types of democracy. Some of these distinctions are primarily based on the relationship between government and the governed, such as direct democracies (including participatory democracy, deliberative democracy, etc.) or representative democracies (including parliamentary democracy, presidential democracy, etc.). Other categorisations focus on the role of individual freedoms or the relationship between citizens and the market (such as liberal democracy, social democracy, etc.)

Whichever the flavour of democracy, according to some political scientists, the Western democratic ideal is based on two principles: political participation and political contestation. Political participation means free electoral systems and political contestation means freedom of expression (including speech, press, etc.). If we add to these two principles the separation of powers between the executive and the judiciary (as posited by Montesquieu), we get a rather simple definition of what the media and the “common man (and woman)” may understand by democracy – a system that prevails all over Europe and North America. This definition has three main features:

1. Free and fair elections and universal suffrage;
2. Freedom of expression, including freedom of the press;
3. Rule of law applied by an independent judiciary system.

Respect for human rights could be included but we assume that it could be derived from rule of law and freedom of expression.

At the time of Dr. Foa’s briefing, I had just read three stimulating books that shed some light on the question of dissatisfaction with democracy, and which gave me a better understanding of
this phenomenon. These books also shed light on the relations between capitalism and democracy and on the geo-political evolution of our world. Let’s browse through these books.

**Branko Milanovic, Capitalism, Alone**

Prof. Branko Milanovic, a famous economist known for his work on inequality, explains in his most recent book, *Capitalism, Alone: The Future of the System That Rules the World* (Harvard University Press, 2019), how capitalism became the one and only political system in the world. However, he makes a distinction between liberal capitalism (the pattern found among most OECD countries today) and “political” capitalism (formerly known as state capitalism when describing the Soviet Union). In liberal capitalist systems, inequalities prevail and are growing, particularly due to a lack of “intergenerational income mobility” (leading to a reproduction of the elites, also analysed by Pierre Bourdieu), that is exacerbated by “social separatism”.

Indeed, the Western way of development is essentially characterised by increasingly unacceptable social and territorial inequalities. This view is shared by Paul Collier in his recent masterpiece, *The Future of Capitalism: Facing the New Anxieties*. According to the British development economist, the biggest rifts tearing apart the fabric of Western societies today are between the highly educated and the less educated, and between cosmopolitan metropolises and declining regions. Thomas Piketty, in his bestseller, *Capital in the 21st Century*, also demonstrated that the rate of capital return in Western countries is persistently greater than the rate of economic growth, and that this causes increasing wealth inequality.

Inequality is less of a constant in political capitalist systems, by contrast. According to Milanovic, in these systems, “the population tolerates its lack of voice as long as the elite delivers tangible improvements in living standards, provides tolerable administration of justice and does not allow glaring inequalities”. For Milanovic, China and Vietnam are the paradigmatic examples of political capitalism, but Malaysia, Singapore and some African countries could also fall in the same category. He notes that the lack of an independent judiciary in these countries could more easily allow corrupt practices and may, therefore, undermine the social compact required by political capitalism. Nonetheless, he views political capitalism (particularly the “regionally decentralised authoritarianism” found in China) as more efficient economically than liberal capitalism, where the population’s decisions could inadvertently result in policies that reduce growth rates, increase pollution and inequalities, reduce life expectancy, etc. Given that public opinion is constantly manipulated (see below), such counterproductive outcomes indeed seem particularly likely in liberal capitalist countries.

**Peter Frankopan, The New Silk Roads**

In his masterly account of the on-going shift in global economic power towards Asia, *The New Silk Roads: The New Asia and the Remaking of the World Order* (Vintage Books, 2019), Prof. Peter Frankopan, a brilliant historian at Oxford University, clearly demonstrates that the
countries of the Silk Roads (Asia in short) are those that really matter in the 21st century. For him, it is clear that “we are living in the Asian century already, a time when the movement of GDP from the developed economies of the West to those of the East is taking place on an astonishing scale – and at astonishing speed”. In fact, Asian countries, primarily China, have become a reference and inspiration for other developing regions and their leaders, particularly in Latin America, Africa and the Middle East. Turkey, at the confluence of East and West and a NATO member, may constitute the best example of this changing paradigm: Eastern models focused on infrastructure development are progressively replacing Western ideals that have been predominant in the 20th century, particularly since the end of the Cold War.

A number of books about the rise of “Chindia”, published in the last two decades, share this analysis. However Frankopan raises an important caveat: “Indices measuring press freedom across Asia – from Turkey to Thailand, Iran to India, Pakistan to the Philippines, China to almost all the states of Central Asia – are not just failing to improve; they are in decline, in some cases dramatically. A new world is emerging in Asia, but it is not a free one.”

This is consistent with Milanovic’s opus as a confirmation that Asian “political” capitalism is economically more efficient than the Western liberal capitalism, albeit democratically less attractive. But remember that a majority of Western citizens are not satisfied with the functioning and outcomes of their democratic systems. The Black Lives Matter protests currently taking place in various US cities and around the world are the most recent manifestation of this dissatisfaction.

So might Europeans and Americans be ready to support an evolution towards political capitalism? As Milanovic observes, “Everyday experience seems to show that many people are willing to trade parts of democratic decision-making for greater income.” This is certainly true in the developing world, particularly in most African countries where economic and social rights (to education, health, housing, etc.) remain largely unfulfilled. The current coronavirus crisis also appears to confirm a relative superiority of Eastern political capitalism over Western liberal capitalism. The countries currently most badly affected by the virus – and with the most fatalities – are those of Western Europe and North America; political capitalism appears to be more adept at containing the pandemic. But only time will tell.

A convergence of liberal and political capitalisms might be the future of the system that rules the world. We will consider two possible models for this convergence in our conclusion below – but first and before moving to the third author, we need to open a parenthesis to better understand the forces undermining representative democracy today.

**Representative democracy and its flaws**

Representative democracy, based on periodical elections, is the dominant political system in in Europe and America, but also in Africa. Its flaws and limitations have been analysed by
hundreds of scholars and political scientists since the 18th century. Among the most frequently identified flaws, the following could be highlighted:

1. Representative democracy puts the elites in positions of power, both in the executive and legislative branches of government. These intellectual, financial and technocratic elites are not bound by the wishes of the electorate. They are supposed to adopt policies in the superior interest of the nation, as they understand it and as it evolves overtime. And usually the so-called interests of the nation have more to do with finance and economics, rather than social issues, such as education and health.

2. Because the “power of the people” typically erodes after the election has taken place, elected officials become deceptive and untrustworthy. After they win the vote, they are free to pursue the collective agenda of the elites. Once the representatives are elected, they are no longer accountable. They follow the directives of their parties and forget their specific promises. The only option left to the citizens is not voting for them in the next election.

3. A representative democracy depends on majority rule to implement policies and take most decisions. A democratic government, reflecting the “majority” view (usually of the upper middle class), can take action that oppresses a particular minority, the poor, for instance. When the majority is not ethically or morally correct (as in South Africa during the apartheid era), the structure of government can threaten the lives or undermine the interests of people who are not represented or belong to minority groups. In many ways, these groups are left to solve their own problems because they do not have the voting power to overwhelm the majority. Many elections have been won by 51 per cent of the votes, leaving 49 per cent of frustrated voters on the sidelines. In some cases, elections in a single round (a.k.a. “first-past-the-post”) are won by much less than 50 per cent of the population. In other cases (specifically in the USA), the deciding electoral vote (by an electoral college) differs from the popular vote (by the people themselves).

Other flaws have been noted, such as the huge financial cost of electoral processes, increasing abstentions, particularly from disenfranchised classes, or practices to deliberately distort democratic representation (such as gerrymandering i.e. the manipulation of boundaries of electoral constituencies in the USA). However, what appears to matter even more in the current period are two fundamental problems:

1. **Short-termism** is prevalent in Western political systems (with the notable exception of Norway). Most elected officials don’t have a long-term perspective as their main concern is to be re-elected. Therefore, they model their actions on opinion polls and on social media, which provides immediate reactions to each and every event. They have a preference for policies that bring short-term benefits to the electorate (or to themselves) before the next election, rather than unpopular policies with longer-
term benefits. Climate change is a typical example. Most leaders know what has to be done in terms of mitigation and adaptation to climate change, but they postpone radical actions that may be unpopular with some important sections of the electorate.

2. **Insufficiency of political education** and lack of critical thinking also remain widespread in Western societies. Electoral democracy can reflect the interests of the people only if voters educate themselves on governing decisions. Someone can turn in a ballot that is a straight-party ticket with no consideration of the issues at stake. In addition, the current web-surfing culture is not really prone to encouraging objective thinking and in-depth understanding of public policy options. Some tech experts already talk of “the digital disruption of democracy”, whereby a non-regulated glut of information results in disinformation while individual attention spans are narrowing faster and faster. Less educated people are more affected by fake news, lies, unrealistic promises, etc., and could be easily influenced by propaganda, for instance on the perceived risks of “migrant invasion”. The election of Donald Trump and the Brexit referendum are good examples of people voting against their own interests due to poor education and limited understanding of the consequences of their votes. This is where our third recommended book comes in.

**Larry Tye, The Father of Spin**

Edward L. Bernays (1891-1995) is little-known on the academic scene but he played a key role in developing and applying the concept of “public relations” in many areas during a very long and exceptional career. Born in Austria, he was a nephew of Sigmund Freud and should be considered as a major ideologue of the 20th century.

*The Father or Spin: Edward L. Bernays and the Birth of Publishing* (Crown Publishing Group, 1999), the biography of Bernays by Larry Tye, shows how public opinion in Western countries has been successfully manipulated since the 1920s (including in Nazi Germany). As a result, “free and fair” elections are heavily influenced by demagogic parties and charismatic leaders and their teams.

According to biographer Larry Tye, “Bernays used sociology and crowd psychology to rob consumers of their free will, helping his clients predict, then manipulate, the very way their customers thought and acted.”

In his own publications – from *Propaganda* (1928) to *The Engineering of Consent* (1955) -- the liberal and cynical Bernays described all the techniques available for manipulating public opinion on commercial or political matters. He convinced his many clients (companies as well as political leaders) that persuasion rather than coercion was the best method of getting their way with the masses, which he described as subject to herd instinct. He was very successful and died in Boston as a billionaire at 103 years of age.
“The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country. We are governed, our minds are molded, our tastes formed, and our ideas suggested, largely by men we have never heard of.... It is they who pull the wires that control the public mind.” (Propaganda)

Since the end of the Second World War, the ideas, techniques and methods advocated and tested by Bernays have flourished in Western countries, particularly in the advertising industry but also in the political field. Concentration of media ownership has helped and led to major distortions of democratic processes. Indeed, the corporate media limits the availability of contesting views and provides a narrow spectrum of elite opinions. Meanwhile, the eruption of alternative news sources available online and on social media has come as a laudable reaction to media concentration, but has also provided additional tools for the manipulation of public opinion by battalions of spin doctors. As a result while elections are formally free, they are far from being fair due to “the conscious and intelligent manipulation of the opinions of the masses”.

Two options for the future of democracy

We see two possible models for the future of democracy – two different hybrids of Milanovic’s liberal capitalism and political capitalism. The first model is ominous, the second is inspiring.

Currently, dissatisfaction with Western representative democracy has brought to the fore a number of populist movements or parties that are changing the political landscape because they tend to tap into emotion rather than rational thinking and are particularly attractive to less educated citizens. These far-right populist parties are promoting an “illiberal democracy” based on strong autocratic men in power, economic protectionism, a controlled judiciary and hostility to migrants and foreigners. Using the categories defined by Milanovic, it can be argued that this populist model borrows some features from political capitalism in order to transform the existing liberal capitalism. In this perspective, the Russian Federation may be seen as a prototype for the future of Western democracies.

Another and opposite model could be to instead insert some components of Western liberal democracy into the more economically efficient Eastern political capitalism. Basically, the rule of law and freedom of expression would go hand-in-hand with state-controlled economic development, regulated markets, reduced income and spatial disparities and long-term socio-economic strategies. Electoral processes would be minimised and counter-balanced by more participatory local democracy. Already local authorities play an ever-increasing role in national politics, and in many respects they are more effective than nation-states. While they are not exempt from clientelism, local governments are increasingly willing to adopt participatory approaches (as notably demonstrated in several Latin American countries). In this ideal world, political elites would be selected on objective criteria; then the best administrators,
incorruptible and accountable, would rise and be periodically evaluated by their peers and by local leaders (mayors, governors, etc.). They could be replaced following media campaigns and social mobilisation, which have become a new and important mode of political expression all over the world.

From Santiago to Algiers, Madrid to Baghdad, New Delhi to Sydney, Stockholm to Hong Kong, New York to Caracas, Paris to Beirut, Jakarta to Khartoum, an innovative form of democracy based on mass and recurrent demonstrations, has been trying to emerge in recent years. So far these popular protests have not achieved much in term of institutional outcomes. However, they reflect the dissatisfaction and determination of millions of people, the youth in particular, and will certainly influence the future of democracy and the evolution of capitalism. These social movements will, hopefully, ensure that of the two possible futures for democracy, the second model - a combination of Western liberal democracy and Eastern political capitalism - prevails in the long run.