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WHY IS DEMOCRACY PERFORMING SO POORLY?

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The *Journal of Democracy* published its inaugural issue a bit past the midpoint of what Samuel P. Huntington labeled the “third wave” of democratization, right after the fall of the Berlin Wall and just before the breakup of the former Soviet Union.¹ The transitions in Southern Europe and most of those in Latin America had already happened, and Eastern Europe was moving at dizzying speed away from communism, while the democratic transitions in sub-Saharan Africa and the former USSR were just getting underway. Overall, there has been remarkable worldwide progress in democratization over a period of almost 45 years, raising the number of electoral democracies from about 35 in 1970 to well over 110 in 2014.

But as Larry Diamond has pointed out, there has been a democratic recession since 2006, with a decline in aggregate Freedom House scores every year since then.² The year 2014 has not been good for democracy, with two big authoritarian powers, Russia and China, on the move at either end of Eurasia. The “Arab Spring” of 2011, which raised expectations that the Arab exception to the third wave might end, has degenerated into renewed dictatorship in the case of Egypt, and into anarchy in Libya, Yemen, and also Syria, which along with Iraq has seen the emergence of a new radical Islamist movement, the Islamic State in Iraq and Syria (ISIS).

It is hard to know whether we are experiencing a momentary setback in a general movement toward greater democracy around the world, similar to a stock-market correction, or whether the events of this year signal a broader shift in world politics and the rise of serious alternatives to democracy. In either case, it is hard not to feel that the performance of

democracies around the world has been deficient in recent years. This begins with the most developed and successful democracies, those of the United States and the European Union, which experienced massive economic crises in the late 2000s and seem to be mired in a period of slow growth and stagnating incomes. But a number of newer democracies, from Brazil to Turkey to India, have also been disappointing in their performance in many respects, and subject to their own protest movements.

Spontaneous democratic movements against authoritarian regimes continue to arise out of civil society, from Ukraine and Georgia to Tunisia and Egypt to Hong Kong. But few of these movements have been successful in leading to the establishment of stable, well-functioning democracies. It is worth asking why the performance of democracy around the world has been so disappointing.

In my view, a single important factor lies at the core of many democratic setbacks over the past generation. It has to do with a failure of institutionalization—the fact that state capacity in many new and existing democracies has not kept pace with popular demands for democratic accountability. It is much harder to move from a patrimonial or neopatrimonial state to a modern, impersonal one than it is to move from an authoritarian regime to one that holds regular, free, and fair elections. It is the failure to establish modern, well-governed states that has been the Achilles heel of recent democratic transitions.

Some Definitions

Modern liberal democracies combine three basic institutions: the state, rule of law, and democratic accountability.

The first of these, the state, is a legitimate monopoly of coercive power that exercises its authority over a defined territory. States concentrate and employ power to keep the peace, defend communities from external enemies, enforce laws, and provide basic public goods.

The rule of law is a set of rules, reflecting community values, that are binding not just on citizens, but also on the elites who wield coercive power. If law does not constrain the powerful, it amounts to commands of the executive and constitutes merely rule *by* law.

Finally, democratic accountability seeks to ensure that government acts in the interests of the whole community, rather than simply in the self-interest of the rulers. It is usually achieved through procedures such as free and fair multiparty elections, though procedural accountability is not always coincident with substantive accountability.

A liberal democracy balances these potentially contradictory institutions. The state generates and employs power, while rule of law and democratic accountability seek to constrain power and ensure that it is used in the public interest. A state without constraining institutions is a dictatorship. And a polity that is all constraint and no power is anarchic.

As Samuel Huntington used to argue, before a polity can constrain power, it must be able to employ it. In the words of Alexander Hamilton, “A feeble execution is but another phrase for a bad execution; and a government ill executed, whatever it may be in theory, must be, in practice, a bad government.”³

There is a further critical distinction to be made between patrimonial and modern states. A modern state aspires to be *impersonal*, treating people equally on the basis of citizenship rather than on whether they have a personal relationship to the ruler. By contrast, patrimonial states are ones in which the polity is regarded as a species of personal property, and in which there is no distinction between the public interest and the ruler’s private interest. Today there are no fully patrimonial societies, since no one dares any longer to claim ownership of an entire country, as kings and queens did in ages past. There are, however, many neopatrimonial states that pretend to be modern polities, but these in fact constitute rent-sharing kleptocracies run for the private benefit of the insiders. Neopatrimonialism can coexist with democracy, producing widespread patronage and clientelism in which politicians share state resources with networks of political supporters. In such societies, individuals go into politics not to pursue a vision of public good, but rather to enrich themselves.

Coercion remains central to the functioning of the state, which is why state power so often generates fear and hatred. Michael Mann has famously distinguished between “despotic” and “infrastructural” power, the former related to coercion and the latter to the ability to provide public goods and look after the public interest.⁴ This distinction might tempt us to say that “good” states have infrastructural power, while “bad” states make use of despotic power. But, in fact, coercion is important to all states. Successful states convert power into authority—that is, into voluntary compliance by citizens based on the belief that the state’s actions are legitimate. But not all citizens agree to obey the law, and even the most legitimate democracies require police power to enforce the law. It is impossible to control corruption, for example, or to collect taxes if nobody goes to jail for violating the law. Enforcement capacity does not emerge simply through passing laws; it also requires investment in manpower and training, and in establishing the institutional rules that govern its exercise.

If there is anything that the experience of the past 25 years should have taught us, it is that the democratic leg of this tripod is much easier to construct than the rule of law or the modern state. Or to put it slightly differently, the development of modern states has not kept pace with the development of democratic institutions, leading to unbalanced situations in which new (and sometimes even well-established) democracies have not been able to keep up with their citizens’ demand for high-quality government services. This has led, in turn, to the delegitima-

tion of democracy as such. Conversely, the fact that authoritarian states like China and Singapore have been able to provide such services has increased their prestige relative to that of democracy in many parts of the world.

The recent experiences of Afghanistan and Iraq illustrate this problem. After the U.S. invasion and occupation of these countries in 2001 and 2003, respectively, the United States was able, with some international help, to organize democratic elections that led to the seating of new governments in both countries. The quality of democracy in both places—especially in Afghanistan, where the presidential elections of 2009 and 2014 were marred by serious allegations of fraud⁵—was questioned by many, but at least a democratic process was in place to provide leadership that had some semblance of legitimacy.

What did not occur in either place was the development of a modern state that could defend the country's territory from internal and external enemies and deliver public services in a fair and impartial manner. Both countries were beset by internal insurgencies, and in 2014 the U.S.-trained Iraqi army collapsed in the north under the onslaught of ISIS. Both countries were plagued by extremely high levels of corruption, which in turn undermined their ability to deliver government services and undercut their legitimacy. The huge investments in state-building in both places by the United States and its coalition partners seem to have had limited effect.

State-building failures also played a key role in events in Ukraine. Western friends of democracy cheered when the Orange Revolution forced a new presidential election in 2004, leading to the defeat of incumbent prime minister Viktor Yanukovich by Viktor Yushchenko. But the new Orange Coalition proved feckless and corrupt, and did nothing to improve the overall quality of governance in Ukraine. As a result, Yanukovich defeated Yushchenko in 2010 in what most observers credited as a free and fair election. Yanukovich's presidency was marked by even higher levels of predatory behavior, generating a new round of protests in Kyiv after his announcement in late 2013 that he would pursue association with Vladimir Putin's Eurasian Union rather than with the European Union. In the meantime, Putin had consolidated his increasingly illiberal rule in Russia and strengthened his state's position vis-à-vis the outside world, making possible the outright annexation of Crimea following Yanukovich's ouster in February 2014.

I would argue that the current conflict pitting Russia against the new Ukrainian government and its Western backers is less one over democracy per se than over modern versus neopatrimonial political orders. There is little question that, in the wake of the Crimean annexation, Vladimir Putin has become very popular in Russia and would be likely to win overwhelmingly if a new election were to be held. The real choice facing people in this region is a different one—whether their societies

are to be based on governments seeking to serve the public interest in an impersonal manner, or are to be ruled by a corrupt coalition of elites who seek to use the state as a route to personal enrichment.

The legitimacy of many democracies around the world depends less on the deepening of their democratic institutions than on their ability to provide high-quality governance. The new Ukrainian state will not survive if it does not address the problem of pervasive corruption that brought down its Orange Coalition predecessor. Democracy has become deeply entrenched in most of Latin America over the past generation; what is lacking now in countries such as Brazil, Colombia, and Mexico is the capacity to deliver basic public goods like education, infrastructure, and citizen security. The same can be said of the world's largest democracy, India, which suffers from pervasive clientelism and corruption. In 2014, it decisively turned to the BJP's Narendra Modi in hopes that he would provide decisive leadership and strong government in place of the feckless and corrupt Congress-led coalition that had been in power for the past decade.

How to Get to a Modern State

There is by now a huge literature on democratic transitions, much of it published originally in the *Journal of Democracy*. There is a much smaller literature available on the question of how to make the transition from a neopatrimonial to a modern state, though some progress has been made over the past decade and a half. This reflects a conceptual deficit, rooted in misconceptions of the nature of the underlying problem.

For example, there is a tendency to associate state modernity with the absence of corruption. Corruption, of course, is a huge problem in many societies and has generated its own large literature. But while there is a high degree of correlation between levels of corruption and poor state performance, they are not the same thing. A state may be relatively uncorrupt and yet be incapable of delivering basic services due to a lack of capacity. No one has argued, for example, that Guinea, Sierra Leone, or Liberia has been unable to deal with the recent Ebola epidemic because of pervasive corruption in their respective public-health systems; rather, the problem is one of insufficient human and material resources—doctors, nurses, and hospitals with electricity, clean water, and the like.

“State capacity” therefore comes much closer than the absence of corruption to describing what is at the core of state modernity. Modern states provide a bewildering array of complex services, from keeping economic and social statistics to providing disaster relief, forecasting the weather, and controlling the flight paths of airplanes. All these activities require huge investments in human resources and in the material conditions that allow agents of the state to operate; the simple absence of corruption does not mean that these will exist. Yet even the term

“state capacity” fails to capture the ends that this capacity serves and the degree to which it is being employed impersonally.

There is, moreover, a serious lack of clarity about the ways in which strong state capacity has been generated in the past. At the moment, there is something of a consensus within the international donor community on how to pursue good governance, a consensus that is embedded in programs like participatory budgeting, the Open Government Partnership, and the initiatives of the numerous organizations promoting government transparency around the world. Underlying these approaches is the theory that good governance is the product of greater transparency and accountability. These approaches assume that more information about government corruption or malfeasance will lead to

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citizen anger and demands for better state performance, which will in turn push governments to reform themselves. Better-quality democracy, in other words, is seen as the solution to the problem of corruption and weak state capacity.

The only problem with this strategy is that there is strikingly little empirical evidence demonstrating that such an approach is how existing high-performing governments have been created, either historically or under contemporary circumstances. Many states with relatively high-performing governments—China, Japan, Germany, France, and Denmark, for example—created modern “Weberian” bureaucracies under authoritarian conditions; those that subsequently went on to become democracies inherited meritocratic state apparatuses that simply survived the transition. The motive for creating modern governments was not grassroots pressure from informed and mobilized citizens but rather elite pressure, often for reasons of national security. Charles Tilly’s famous aphorism that “war makes the state and the state makes war” sums up the experience not just of much of early modern Europe, but also of China during the Spring and Autumn and Warring States periods, leading to the emergence of an impersonal state during the Qin unification in the third century B.C.E.⁶

Similarly, there is strikingly little evidence that current donor and NGO efforts to promote good governance through increasing transparency and accountability have had a measurable impact on state performance.⁷ The theory that there should be a correlation between the increased availability of information about government performance and the quality of final government outputs rests on a number of heroic assumptions—that citizens will care about poor government performance

(as opposed to being content to benefit from practices like ethnic-based patronage); that they are capable of organizing politically to put pressure on the government; that the country's political institutions are ones that accurately transmit grassroots sentiment to politicians in ways that make the latter accountable; and finally, that the government actually has the capacity to perform as citizens demand.

The actual history of the relationship between state modernity and democracy is far more complicated than the contemporary theory suggests. Following the framework first established by Martin Shefter, I have argued elsewhere that the sequence by which democracy (measured by the degree of universality of the franchise) and state modernity were established has determined the long-term quality of government.⁸ Where a modern state has been consolidated before the extension of the franchise, it has often succeeded in surviving into modern times; where the democratic opening preceded state reform, the result has often been widespread clientelism. This was true above all in the country that first opened the franchise to all white males, the United States, which went on to create the world's first pervasively clientelistic political system (known in U.S. history as the spoils or patronage system). In that country during the nineteenth century, democracy and state quality were clearly at odds with each other. The reason for this is that, in democracies with low levels of income and education, individualized voter incentives (the essence of clientelism) are more likely to mobilize voters and get them to the polls than promises of programmatic public policies.⁹

The situation changes, however, at higher levels of economic development. Higher-income voters are harder to bribe through an individualized payment, and they tend to care more about programmatic policies. In addition, higher levels of development are usually driven by the growth of a market economy, which provides alternative avenues for personal enrichment outside of politics. The last Taiwanese election during which clientelism was widespread occurred in the early 1990s; thereafter, Taiwanese voters were too wealthy to be easily bribable.¹⁰

Although democracy is a driver of clientelism at low levels of per capita income, it may open a path toward the creation of higher-quality government as nations grow richer. The United States is again an example: By the 1880s, the country was rapidly transforming itself from an agrarian society into an urban industrial one, knitted together in a gigantic continental market by new technologies like railroads. Economic growth drove the emergence of new economic actors—urban professionals, a more complex set of business interests, and middle-class individuals more generally—who wanted higher-quality government and had no strong stake in the existing patronage system. A grassroots movement made possible the 1883 passage of the Pendleton Act, which established the principle of merit-based recruitment into the federal bureaucracy that subsequent presidents such as Theodore Roosevelt (1901–09) and

Woodrow Wilson (1913–21) would do much to promote. Party bosses and political machines continued to thrive for several generations past that point, but they were gradually eliminated in most U.S. cities by the middle of the twentieth century through determined political campaigning. If contemporary democracies like India and Brazil are to deal with problems of patronage and corruption, they will have to follow a similar route.

The Necessity of Enforcement

The United States had one important advantage, however, that is lacking in many of today's new democracies. It always had strong police power and could enforce the laws that it passed. This capacity was rooted in the Common Law, which the colonies inherited from England and had become well-institutionalized before their independence. American governments at all levels always maintained relatively strong police power to indict, try, and convict criminals at various levels of government. This coercive power was backed by a strong belief in the legitimacy of law, and was therefore converted into genuine authority in most places. The capacity to enforce constitutes an area where state capacity overlaps with the rule of law, and it is critical in dealing with a problem like corruption. The behavior of public officials depends on incentives—not just getting adequate pay for doing their jobs, but the fear of punishment if they break the law. In very many countries, taxes are not paid and bribes are collected because there is very little likelihood of lawbreakers going to jail.

Effective enforcement was central to the success of one of the most notable recent efforts to improve public-sector performance, that of Georgia. Following the 2003 Rose Revolution, the government of Mikheil Saakashvili cracked down on corruption on a number of fronts, tackling the traffic police, tax evasion, and the pervasive operations of criminal gangs known as the “thieves-in-law.” While some of this was done through transparency initiatives and positive incentives (for example, by publishing government data online and by increasing police salaries by an order of magnitude), effective enforcement was dependent on the creation of new police units that did things like making highly publicized arrests of high-ranking former officials and businessmen. By the end of the Saakashvili administration, this enhanced police power had come to be abused in many ways, setting off a political reaction that led to the election of Bidzina Ivanishvili and the Georgian Dream party.¹¹

Such abuses should not obscure the importance of the state's coercive power in achieving effective enforcement of the law. Controlling corruption requires the wholesale shifting of a population's normative expectations of behavior—if everyone around me is taking bribes, I will look like a fool if I do not participate as well. Under these circum-

stances, fear is a much more effective motivator than good intentions or economic incentives. Prior to the Rose Revolution, Georgia had the reputation of being one of the most corrupt places in the former Soviet Union. Today, by a number of governance measures, it has become one of the least corrupt. It is hard to find examples of effectively governed polities that do not exert substantial coercive power. Contemporary efforts to promote good governance through increased transparency and accountability without simultaneously incorporating efforts to strengthen enforcement power are doomed to fail in the end.

In *Political Order in Changing Societies*, Samuel Huntington argued that the political dimensions of development often fail to keep pace with social mobilization and thus lead to political disorder. There can be a corresponding failure of state institutions to keep up with the development of democratic ones.

This conclusion has a number of important implications for the way in which the United States and other democracies pursue democracy promotion. In the past, there has been heavy emphasis on leveling the playing field in authoritarian countries through support for civil society organizations, and on supporting the initial transition away from dictatorship.

Creating a viable democracy, however, requires two further stages during which the initial mobilization against tyranny gets institutionalized and converted into durable practices. The first is the organization of social movements into political parties that can contest elections. Civil society organizations usually focus on narrow issues, and are not set up to mobilize voters—this is the unique domain of political parties. The failure to build political parties explains why more liberal forces have frequently failed at the ballot box in transitional countries from Russia to Ukraine to Egypt.

The second required stage, however, concerns state-building and state capacity. Once a democratic government is in power, it must actually *govern*—that is, it must exercise legitimate authority and provide basic services to the population. The democracy-promotion community has paid much less attention to the problems of democratic governance than it has to the initial mobilization and the transition. Without the ability to govern well, however, new democracies will disappoint the expectations of their followers and delegitimize themselves. Indeed, as U.S. history shows, democratization without attention to state modernization can actually lead to a weakening of the quality of government.

This does not mean, however, that state modernization can be achieved only under conditions of authoritarian rule. The fact that many long-established democracies followed the sequence of state-building prior to democratization—what Samuel Huntington labeled the “authoritarian transition”—does not necessarily mean that this is a viable strategy for countries in the contemporary world, where popular demands

and expectations for democracy are so much higher. For better or worse, many countries around the world will have to develop modern states at the same time that they build democratic institutions and the rule of law. This means that the democracy-promotion community needs to pay much more attention to the building of modern states, and not relax when authoritarian governments are pushed out of power. This also suggests an expanded intellectual agenda for the *Journal of Democracy*: Along with its substantial contributions to the study of how democracies emerge and become consolidated, it needs to focus renewed attention on how modern state institutions come into being and fall into decay.

NOTES

1. Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Oklahoma City: University of Oklahoma Press, 1991).

2. See Larry Diamond's essay "Facing Up to the Democratic Recession," on pages 141–55 of this issue.

3. Alexander Hamilton, *Federalist* 70 (1788).

4. Michael Mann, *The Sources of Social Power*, vol. 1, *A History of Power from the Beginning to AD 1760* (Cambridge: Cambridge University Press, 1986).

5. See Sarah Chayes, *Thieves of State: Why Corruption Threatens Global Security* (New York: W.W. Norton, 2015).

6. This point is made in my book *The Origins of Political Order: From Prehuman Times to the French Revolution* (New York: Farrar, Straus and Giroux, 2011).

7. See, for example, Ivar Kolstad and Arne Wiig, "Is Transparency the Key to Reducing Corruption in Resource-Rich Countries?" *World Development* 37 (March 2009): 521–32; Mehmet Bac, "Corruption, Connections and Transparency: Does a Better Screen Imply a Better Scene?" *Public Choice* 107 (April 2001): 87–96; Susan Rose-Ackerman and Rory Truex, "Corruption and Policy Reform," working paper prepared for the Copenhagen Consensus Project, 27 February 2012; and Luca Etter, "Can Transparency Reduce Corruption?" paper presented at the Doing Business Conference, Georgetown University, Washington, D.C., February 2014.

8. See Martin Shefter, *Political Parties and the State: The American Historical Experience* (Princeton: Princeton University Press, 1994).

9. See Francis Fukuyama, "Democracy and the Quality of the State," *Journal of Democracy* 24 (October 2013): 5–16.

10. Mushtaq H. Khan, "Markets, States, and Democracy: Patron-Client Networks and the Case for Democracy in Developing Countries," *Democratization* 12 (December 2005): 704–24; Chin-Shou Wang and Charles Kurzman, "The Logistics: How to Buy Votes," in Frederic Charles Schaffer, ed., *Elections for Sale: The Causes and Consequences of Vote Buying* (Boulder, Colo.: Lynne Rienner, 2007).

11. See World Bank, *Fighting Corruption in Public Services: Chronicling Georgia's Reforms* (Washington, D.C.: World Bank, 2012); Peter Pomerantsev et al., "Revolutionary Tactics: Insights from Police and Justice Reform in Georgia," Legatum Institute, London, June 2014.