



## TALKING POINTS

Asan Plenum 2013: “New World Disorder”  
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**RELEASE EMBARGO DATE: MAY 1, 2013 AT 9 AM**

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**Panel:** Democracy and Economic Crisis (Regency Room)

**Date/Time:** Wednesday, May 1, 2013 / 17:00-18:15

**Talking Points for:** Carl Gershman, National Endowment for Democracy

- 1) The global financial crisis that began in September 2008 did not precipitate a broad crisis of democracy, as many feared it would. The number of democracies in the world has remained at the level achieved when the third wave of democratization ended in the mid-1990s, which is about 120 countries or roughly sixty percent of the world’s nation states. The level of freedom in the world, as measured in the annual Freedom House survey, has moderately declined since 2005, leading Larry Diamond and other analysts to conclude that the world has experienced a democracy ‘recession.’ But this trend began before the financial crisis and has been caused not by global economic conditions but by bad internal governance, especially corruption and the weak rule of law in many fragile new democracies, as well as by increased repression by Russia and other back-sliding authoritarian governments. Interestingly, in democratic governments, poor governance and economic turbulence have led to the defeat of elected governments, but not to the demise of democracy itself.
- 2) The reason for democracy’s survival is the resilience of democratic politics and the legitimacy that comes from rule by popular consent. Democracy contains self-correcting mechanisms and the ability to enforce political accountability by punishing bad governance. Democracy thus has what the Chinese social scientist Yu Jianrong has called “resilient stability.”
- 3) Autocratic systems as in China, by contrast, have what Yu Jianrong calls “rigid stability” that is based on coercive power and lacks mechanisms to accommodate people’s just grievances. Such a system is inherently brittle, lacks resilience, and can break under stress. It has what is called “performance legitimacy,” not real political legitimacy, and that means that the survival of the system - not just the government - could be threatened if the regime encounters severe economic difficulties. The system is made even more vulnerable by the spread of communications technologies and information, which makes citizens more aware of their rights and more connected with each other than ever before.
- 4) While democracy has resilience, it nonetheless faces very formidable challenges. Democracy has universal appeal and has defied the expectations of many specialists by spreading to all cultures and regions of the world and by taking root even in developing countries that suffer from high levels of poverty and inequality. This means that the process of trying to build functioning democratic institutions and viable economies will be long and difficult. Still, there is no turning back. As Larry Diamond has said, “The best way to democracy is *through* democracy,” meaning that people can learn and grow by practicing democracy – what Amartya Sen has called democracy’s “constructive importance.”

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\* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.



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- 5) The long-established democracies also face severe challenges. Most advanced democracies face shrinking populations and a growing ratio of pensioners to active workers, which is threatening to bankrupt the system and fray the social contract underpinning citizenship. Welfare provisions designed to be a safety net for the needy are now treated as entitlements that are provided to citizens independent of need and are becoming an untouchable ‘third rail’ of politics in established democracies. As the cost of entitlements and interest on the debt rise, advanced democracies are having increased difficulty finding the resources needed to rebuild infrastructure and invest in the future. This is a crisis of political demography, or as Fareed Zakaria has recently noted, “the crisis of democracy [is] combined with a crisis of demography.” Democracy faces a troubled future unless it can deal effectively with this awesome challenge.

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