

The End of the Democratic Century

Autocracy's Global Ascendance

Yascha Mounk and Roberto Stefan Foa

At the height of World War II, Henry Luce, the founder of *Time* magazine, argued that the United States had amassed such wealth and power that the twentieth century would come to be known simply as “the American Century.” His prediction proved prescient: despite being challenged for supremacy by Nazi Germany and, later, the Soviet Union, the United States prevailed against its adversaries. By the turn of the millennium, its position as the most powerful and influential state in the world appeared unimpeachable. As a result, the twentieth century was marked by the dominance not just of a particular country but also of the political system it helped spread: liberal democracy.

As democracy flourished across the world, it was tempting to ascribe its

YASCHA MOUNK is a Lecturer on Government at Harvard University and the author of *The People vs. Democracy: Why Our Freedom Is in Danger and How to Save It*.

ROBERTO STEFAN FOA is a Lecturer in Political Science at the University of Melbourne and a Fellow at the Electoral Integrity Project.

dominance to its inherent appeal. If citizens in India, Italy, or Venezuela seemed loyal to their political system, it must have been because they had developed a deep commitment to both individual rights and collective self-determination. And if Poles and Filipinos began to make the transition from dictatorship to democracy, it must have been because they, too, shared in the universal human desire for liberal democracy.

But the events of the second half of the twentieth century can also be interpreted in a very different way. Citizens across the world were attracted to liberal democracy not simply because of its norms and values but also because it offered the most salient model of economic and geopolitical success. Civic ideals may have played their part in converting the citizens of formerly authoritarian regimes into convinced democrats, but the astounding economic growth of western Europe in the 1950s and 1960s, the victory of democratic countries in the Cold War, and the defeat or collapse of democracy's most powerful autocratic rivals were just as important.

Taking the material foundations of democratic hegemony seriously casts the story of democracy's greatest successes in a different light, and it also changes how one thinks about its current crisis. As liberal democracies have become worse at improving their citizens' living standards, populist movements that disavow liberalism are emerging from Brussels to Brasília and from Warsaw to Washington. A striking number of citizens have started to ascribe less importance to living in a democracy: whereas two-thirds of Americans above the age of 65 say it is absolutely important to them to live in a democracy, for

example, less than one-third of those below the age of 35 say the same thing. A growing minority is even open to authoritarian alternatives: from 1995 to 2017, the share of French, Germans, and Italians who favored military rule more than tripled.

As recent elections around the world indicate, these opinions aren't just abstract preferences; they reflect a deep groundswell of antiestablishment sentiment that can be easily mobilized by extremist political parties and candidates. As a result, authoritarian populists who disrespect some of the most basic rules and norms of the democratic system have made rapid advances across western Europe and North America over the past two decades. Meanwhile, authoritarian strongmen are rolling back democratic advances across much of Asia and eastern Europe. Could the changing balance of economic and military power in the world help explain these unforeseen developments?

That question is all the more pressing today, as the long-standing dominance of a set of consolidated democracies with developed economies and a common alliance structure is coming to an end. Ever since the last decade of the nineteenth century, the democracies that formed the West's Cold War alliance against the Soviet Union—in North America, western Europe, Australasia, and postwar Japan—have commanded a majority of the world's income. In the late nineteenth century, established democracies such as the United Kingdom and the United States made up the bulk of global GDP. In the second half of the twentieth century, as the geographic span of both democratic rule and the alliance structure headed by the United

States expanded to include Japan and Germany, the power of this liberal democratic alliance became even more crushing. But now, for the first time in over a hundred years, its share of global GDP has fallen below half. According to forecasts by the International Monetary Fund, it will slump to a third within the next decade.

At the same time that the dominance of democracies has faded, the share of economic output coming from authoritarian states has grown rapidly. In 1990, countries rated “not free” by Freedom House (the lowest category, which excludes “partially free” countries such as Singapore) accounted for just 12 percent of global income. Now, they are responsible for 33 percent, matching the level they achieved in the early 1930s, during the rise of fascism in Europe, and surpassing the heights they reached in the Cold War when Soviet power was at its apex.

As a result, the world is now approaching a striking milestone: within the next five years, the share of global income held by countries considered “not free”—such as China, Russia, and Saudi Arabia—will surpass the share held by Western liberal democracies. In the span of a quarter century, liberal democracies have gone from a position of unprecedented economic strength to a position of unprecedented economic weakness.

It is looking less and less likely that the countries in North America and western Europe that made up the traditional heartland of liberal democracy can regain their erstwhile supremacy, with their democratic systems embattled at home and their share of the world economy continuing to shrink. So the



The dictator's dividend: a monument in Astana, Kazakhstan, September 2016

future promises two realistic scenarios: either some of the most powerful autocratic countries in the world will transition to liberal democracy, or the period of democratic dominance that was expected to last forever will prove no more than an interlude before a new era of struggle between mutually hostile political systems.

THE WAGES OF WEALTH

Of all the ways in which economic prosperity buys a country power and influence, perhaps the most important is that it creates stability at home. As the political scientists Adam Przeworski and Fernando Limongi have shown, poor democracies often collapse. It is only rich democracies—those with a GDP per capita above \$14,000 in today's terms, according to their findings—that are reliably secure. Since the formation of the postwar alliance binding the United States to its allies in western Europe,

no affluent member has experienced a breakdown of democratic rule.

Beyond keeping democracies stable, economic might also endows them with a number of tools to influence the development of other countries. Chief among these is cultural clout. During the apogee of Western liberal democracy, the United States—and, to a lesser extent, western Europe—was home to the most famous writers and musicians, the most watched television shows and movies, the most advanced industries, and the most prestigious universities. In the minds of many young people coming of age in Africa or Asia in the 1990s, all these things seemed to be of a piece: the desire to share in the unfathomable wealth of the West was also a desire to adopt its lifestyle, and the desire to adopt its lifestyle seemed to require emulating its political system.

This combination of economic power and cultural prestige facilitated a great

degree of political influence. When the American soap opera *Dallas* began airing in the Soviet Union in the 1980s, for example, Soviet citizens naturally contrasted the impossible wealth of suburban America with their own material deprivation and wondered why their economic system had fallen so far behind. “We were directly or indirectly responsible for the fall of the [Soviet] empire,” Larry Hagman, one of its leading stars, boasted years later. It was, he claimed, not Soviet citizens’ idealism but rather “good old-fashioned greed” that “got them to question their authority.”

The economic prowess of Western democracies could also take on a harder edge. They could influence political events in other countries by promising to include them in the global economic system or threatening to exclude them from it. In the 1990s and the first decade of this century, the prospect of membership in organizations from the European Union to the World Trade Organization provided powerful incentives for democratic reforms in eastern Europe, Turkey, and parts of Asia, including Thailand and South Korea. Meanwhile, Western sanctions that prevented countries from participating in the global economy may have helped contain Iraqi President Saddam Hussein in the years following the Gulf War, and they were arguably instrumental in bringing about the fall of Serbian President Slobodan Milosevic after the war in Kosovo.

Finally, economic power could easily be converted into military might. This, too, did much to enhance the global standing of liberal democracies. It ensured that other countries could not topple democratic regimes by force and raised the domestic legitimacy of such regimes

by making military humiliation a rarity. At the same time, it encouraged the spread of democracy through diplomatic leverage and the presence of boots on the ground. Countries that were physically located between a major democratic power and a major authoritarian power, such as Poland and Ukraine, were deeply influenced by the greater material and military benefits offered by an alliance with the West. Former colonies emulated the political systems of their erstwhile rulers when they gained independence, leaving parliamentary democracies from the islands of the Caribbean to the highlands of East Africa. And in at least two major cases—Germany and Japan—Western military occupation paved the way for the introduction of a model democratic constitution.

In short, it is impossible to understand the story of the democratic century without taking seriously the role that economic power played in spreading the ideals of liberal democracy around the world. This also means that it is impossible to make informed predictions about the future of liberal democracy without reflecting on the effects that the decline in the relative economic clout of the democratic alliance might have in the years and decades to come.

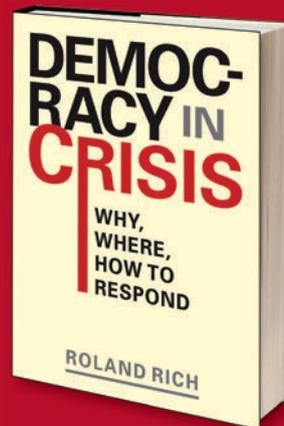
THE DANGERS OF DECLINE

At first glance, the conclusion that affluence breeds stability seems to bode well for the future of North America and western Europe, where the institutions of liberal democracy have traditionally been most firmly established. After all, even if their relative power declines, the absolute level of wealth in Canada or France is very unlikely to fall below the threshold at which democracies tend to

fail. But absolute levels of wealth may have been just one of many economic features that kept Western democracies stable after World War II. Indeed, the stable democracies of that period also shared three other economic attributes that can plausibly help explain their past success: relative equality, rapidly growing incomes for most citizens, and the fact that authoritarian rivals to democracy were much less wealthy.

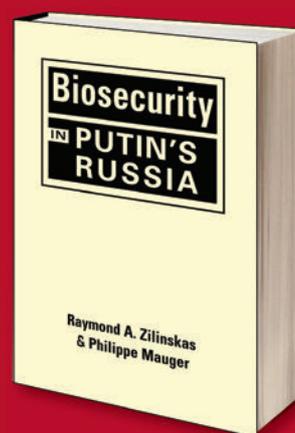
All these factors have begun to erode in recent years. Consider what has happened in the United States. In the 1970s, the top one percent of income earners commanded eight percent of pretax income; now, they command over 20 percent. For much of the twentieth century, inflation-adjusted wages roughly doubled from generation to generation; for the past 30 years, they have essentially remained flat. And throughout the Cold War, the U.S. economy, as measured by GDP based on purchasing power parity, remained two to three times as large as the Soviet economy; today, it is one-sixth smaller than China's.

The ability of autocratic regimes to compete with the economic performance of liberal democracies is a particularly important and novel development. At the height of its influence, communism managed to rival the ideological appeal of liberal democracy across large parts of the developing world. But even then, it offered a weak economic alternative to capitalism. Indeed, the share of global income produced by the Soviet Union and its satellite states peaked at 13 percent in the mid-1950s. Over the following decades, it declined steadily, falling to ten percent by 1989. Communist countries also could not provide their citizens with a lifestyle that would rival the



“I have rarely, if ever, heard either the problems of democratic politics or the kind of solutions we need to find for them better articulated than in this book.”

—GARETH EVANS, Australian National University
hc \$32.50



“A fascinating reflection of the complex web of interests and institutions that have converged to drive Russia's current orientation towards biosecurity.”

—GARY A. ACKERMAN, *Nature*
hc \$89.95 \$45 for *Foreign Affairs* readers!



LYNNE RIENNER PUBLISHERS

TEL: 303-444-6684 • www.rienner.com

comfort of the capitalist West. From 1950 to 1989, per capita income in the Soviet Union fell from two-thirds to less than half of the western European level. As the German writer Hans Magnus Enzensberger put it, playing off the title of an essay by Lenin, Soviet socialism proved to be “the highest stage of underdevelopment.”

New forms of authoritarian capitalism may eventually suffer similar types of economic stagnation. So far, however, the form of authoritarian capitalism that has emerged in Arab Gulf states and East Asia—combining a strong state with relatively free markets and reasonably secure property rights—is having a good run. Of the 15 countries in the world with the highest per capita incomes, almost two-thirds are nondemocracies. Even comparatively unsuccessful authoritarian states, such as Iran, Kazakhstan, and Russia, can boast per capita incomes above \$20,000. China, whose per capita income was vastly lower as recently as two decades ago, is rapidly starting to catch up. Although average incomes in its rural hinterlands remain low, the country has proved that it can offer a higher level of wealth in its more urban areas: the coastal region of China now comprises some 420 million people, with an average income of \$23,000 and growing. In other words, hundreds of millions of people can now be said to live under conditions of “authoritarian modernity.” In the eyes of their less affluent imitators around the world, their remarkable prosperity serves as a testament to the fact that the road to prosperity no longer needs to run through liberal democracy.

AUTHORITARIAN SOFT POWER

One of the results of this transformation has been a much greater degree of ideological self-confidence among autocratic regimes—and, along with it, a willingness to meddle in Western democracies. Russia’s attempts to influence the 2016 U.S. presidential election have understandably drawn the most attention over the past two years. But the country has long had an even greater influence on politics across western Europe. In Italy and France, for example, Russia has helped finance extremist parties on both sides of the political divide for decades. In other European countries, Russia has enjoyed even more remarkable success in recruiting retired political leaders to lobby on its behalf, including former German Chancellor Gerhard Schröder and former Austrian Chancellor Alfred Gusenbauer.

The big question now is whether Russia will remain alone in its attempt to influence the politics of liberal democracies. The answer is almost certainly no: its campaigns have proved that outside meddling by authoritarian powers in deeply divided democracies is relatively easy and strikingly effective, making it very tempting for Russia’s authoritarian peers to follow suit. Indeed, China is already stepping up ideological pressure on its overseas residents and establishing influential Confucius Institutes in major centers of learning. And over the past two years, Saudi Arabia has dramatically upped its payments to registered U.S. lobbyists, increasing the number of registered foreign agents working on its behalf from 25 to 145.

If the changing balance of economic and technological power between Western democracies and authoritarian countries

makes the former more susceptible to outside interference, it also makes it easier for the latter to spread their values. Indeed, the rise of authoritarian soft power is already apparent across a variety of domains, including academia, popular culture, foreign investment, and development aid. Until a few years ago, for example, all of the world's leading universities were situated in liberal democracies, but authoritarian countries are starting to close the gap. According to the latest *Times Higher Education* survey, 16 of the world's top 250 institutions can be found in non-democracies, including China, Russia, Saudi Arabia, and Singapore.

Perhaps the most important form of authoritarian soft power, however, may be the growing ability of dictatorial regimes to soften the hold that democracies once enjoyed over the reporting and dissemination of news. Whereas the Soviet mouthpiece *Pravda* could never have dreamed of attracting a mass readership in the United States, the clips produced today by state-funded news channels, including Qatar's Al Jazeera, China's CCTV, and Russia's RT, regularly find millions of American viewers. The result is the end of the West's monopoly over media narratives, as well as an end to its ability to maintain a civic space untainted by foreign governments.

THE BEGINNING OF THE END?

During the long period of democratic stability, the United States was the dominant superpower, both culturally and economically. Authoritarian competitors such as the Soviet Union quickly stagnated economically and became discredited ideologically. As a result,

democracy seemed to promise not only a greater degree of individual freedom and collective self-determination but also the more prosaic prospect of a vastly wealthier life. As long as these background conditions held, there seemed to be good reason to assume that democracy would continue to be safe in its traditional strongholds. There were even plausible grounds to hope that an ever-growing number of autocratic countries would join the democratic column.

But the era in which Western liberal democracies were the world's top cultural and economic powers may now be drawing to a close. At the same time that liberal democracies are showing strong signs of institutional decay, authoritarian populists are starting to develop an ideological alternative in the form of illiberal democracy, and outright autocrats are offering their citizens a standard of living that increasingly rivals that of the richest countries in the West.

It is tempting to hope that Western liberal democracies could regain their dominance. One path toward that end would be economic. The recent economic success of authoritarian countries could prove to be short lived. Russia and Saudi Arabia remain overly reliant on income from fossil fuels. China's recent growth has been fueled by a soaring debt bubble and favorable demographics, and it may end up being difficult to sustain once the country is forced to deleverage and the effects of an aging population hit home. At the same time, the economic performance of developed Western economies could improve. As the residual effects of the Great Recession wear off and European and North American economies roar back to life, these bastions of liberal democracy

could once again outpace the modernized autocracies.

Projections about the exact speed and degree of the shifting power balance between democratic and authoritarian countries should therefore be taken with a large grain of salt. And yet a cursory glance at Western GDP growth rates for the past three to four decades shows that, due to demographic decline and low productivity growth, Western economies were stagnating long before the financial crisis. Meanwhile, China and many other emerging economies have large hinterlands that have yet to experience catch-up development, which suggests that these countries can continue to make considerable gains by following their current growth model.

Another hope is that emerging democracies such as Brazil, India, and Indonesia may come to play a more active role in upholding an alliance of liberal democracies and diffusing their values around the world. But this would require a radical change in course. As the political scientist Marc Plattner has argued, these countries have not historically thought of “the defense of liberal democracy as a significant component of their foreign policies.” Following the Russian annexation of Crimea, for example, Brazil, India, and South Africa abstained from voting on a resolution in the UN General Assembly that condemned the move. They have also opposed sanctions against Russia. And they have tended to side with autocratic regimes in seeking a greater role for states in regulating the Internet.

To make things worse, emerging democracies have historically been much less stable than the supposedly consolidated democracies of North America, western Europe, and parts of East Asia.

Indeed, recent democratic backsliding in Turkey, as well as signs of democratic slippage in Argentina, Indonesia, Mexico, and the Philippines, raises the possibility that some of these countries may become flawed democracies—or revert to outright authoritarian rule—in the coming decades. Instead of shoring up the dwindling forces of democracy, some of these countries may choose to align with autocratic powers.

Hopes that the current set of democratic countries could somehow regain their erstwhile global position are probably vain. The most likely scenario, then, is that democracies will come to look less and less attractive as they cease to be associated with wealth and power and fail to address their own challenges.

It’s conceivable, however, that the animating principles of liberal democracy will prove deeply appealing to the inhabitants of authoritarian countries even once those peoples enjoy a comparable standard of living. If large authoritarian countries such as Iran, Russia, and Saudi Arabia undertook democratic reforms, the aggregate power of democracies would be boosted significantly. If China were to do so, it would end the era of authoritarian resurgence in a single stroke.

But that is just another way of saying that the long century during which Western liberal democracies dominated the globe has ended for good. The only remaining question now is whether democracy will transcend its once firm anchoring in the West, a shift that would create the conditions for a truly global democratic century—or whether democracy will become, at best, the lingering form of government in an economically and demographically declining corner of the world. 🌐