

TOO MUCH DEMOCRACY

By Ed O'Rourke

In his book, *The Future of Freedom: Liberal Democracy at Home and Abroad* (W.W. Norton & Company, New York, 2007, 301 pages), “Newsweek International” editor Fareed Zakaria offers two themes: 1) rich countries should advocate good governance rather than fair elections in poor countries, and, 2) too much democracy (transparency and public access) is counterproductive to the body politic. My surprise was to find a book with such broad scope in which liberals and conservatives would agree with the main themes.

Western countries operate through what Fareed Zakaria calls constitutional liberalism—free press, separation of powers, an independent judiciary, property rights, contract enforcement, and protection for religion and assembly. Without rule by law, you wind up with rule by the strong. In Great Britain and the United States, the societies had established constitution liberalism long before the societies offered universal suffrage. In 1830, for example, only two percent of the electorate could vote for one house in Parliament. It was only in the late 1940s that most Western European countries had universal adult suffrage. It was only in the 1960s that most black Americans could vote. The theme is that a society has to establish liberty first and democracy later.

Good governance is usually hard to establish in resource rich countries. In countries with few natural resources, the state has to make the society rich for itself to become rich. Countries with large oil deposits like Nigeria, Venezuela and Saudi Arabia do not have to achieve support to raise revenue through taxation and do not have to establish a framework of laws and institutions that generate national wealth. When a government needs to tax its people, it has to become more responsive and representative. In resource poor countries, the governments can sometimes establish an unspoken and unwritten contract between the taxing state and the society. In return for the collected taxes, the state provides good governance, services, and transparency that establish liberty and broad political participation. Third world countries as a group (including Colombia where I now live) have abysmally low tax-collection rates. Some others in East Asia have done well in tax collection and have established a functional social contract.

The Soviet Union prolonged its existence by foreign exchange obtained by raw material or petroleum exports. By the 1970s, the Soviet Union’s manufacturing sector had little value. Frequently, its products were value-subtracted, that is, the product ingredients or raw materials were more valuable than the resulting finished products. The Soviet Union collapsed when the world petroleum prices hit \$10 a barrel.

In oil rich countries like Kuwait and Saudi Arabia, the rulers find that importing Western goods is easy. Establishing institutions—i-independent judiciary, political parties, unions and accountability—is difficult and dangerous for the ruling elites. In Saudi Arabia, adult literacy is only sixty-two percent while the Philippines and Thailand have adult literacy rates in the mid nineties. Referring to these repressive regimes, Fareed Zakaria offers this specific recommendation: “If these regimes were to open up some political space and force their fundamentalist foes to grapple with practical realities rather than just spin dreams, they would quickly dull the extremists’ allure.”

His more controversial theme is that too much democracy is dysfunctional. His chief examples are in the United States, where the public holds most democratic institutions, the state legislatures, and the Congress in low regard and retain high esteem for the undemocratic institutions, the Supreme Court, the Federal Reserve and the armed forces. The nondemocratic institutions are insulated from immediate public pressures.

The legislatures and the Congress are hamstrung by ballot initiatives, interest groups, polls, lobbyists, and deficient party cohesion. Due to ballot initiatives in California, the governor and legislature can decide on fifteen percent of the budget. The remaining eighty-five percent is out of their hands.

Since the 1960s, American politics has become more transparent and more accessible. Presidentail primaries are numerous and the influence from traditional party bosses is negligible. There are few, if any, closed committee meetings in the state legislatures now. The effect is that organized interests (called special interests when they do not advocate your views) now run Washington. Money and lobbyists get their way. The Congress does listen to the people and does little else. Instead of thinking for the long haul, Congressmen as a group pander to groups’ immediate gratifications. Strangely, things worked better when these institutions were less democratically organized.

In the old days, tightly controlled party hierarchies gathered consensus on candidates and platforms (in popular stories, they made these decisions in smoke filled rooms). Legislatures worked in a hierarchical and closed manner. Internal committee votes and discussion were not public knowledge.

American politics has become hyper-sensitive and poll driven. Rules allow congressmen to introduce new legislation and amendments, no longer restricting this work to committee members. At one time, twenty or so powerful people ran Congress. Nowadays, 535 independent operators represent special interests more than the general public. With the 1970s reforms, there are more open meetings and recorded votes. Since few Americans have the energy or interest in following congressional activity, lobbyists and activists can use information and access to get attention for their pet projects which are certainly legitimate.

The result is that the President and Congress are virtually powerless to reduce spending. President Ronald Reagan was successful at eliminating four programs. President Bush the Elder proposed elimination of 246 small programs that would have cut \$3.5 billion or twenty-five percent of federal spending. When Congress finished, they eliminated four programs and \$58 million (million with an “m”). President Clinton’s 1994 budget eliminated 47 small programs which totaled 0.01% of the federal budget.

Conservatives and liberals both want to cut spending. As a liberal, for example, I see no need for 737 military bases in foreign lands nor a bloated defense budget when

there is no major enemy around. Conservatives are more enthusiastic about budget cutting but like the liberals are unsuccessful at reducing anything. The younger President Bush spent more in his first two years as President than Clinton did in his first five years. Congress has lost control.

Interest groups do not cancel each other out. Favors for one group serve as precedents for everyone else. Otherwise, there is an appearance of discrimination.

Political parties no longer vet candidates nor build platforms. Their only purpose is fund raising. Fareed Zakaria says, "The old party was rooted in neighborhoods, local government and broad-based organizations such as unions and business associations. The new party is dominated by Washington professionals, activists, ideologues, fund raisers and pollsters." "The political system today prefers deadlock to dealmaking; it's better for fundraising."

A dysfunctional political system has produced today's income code. When the U.S. income tax system started in 1914, the entire tax code was 14 pages long. The individual tax return fit on one page. The tax code is now more than 2,000 pages long with 6,000 pages of regulations. The complexity exists for at least two reasons: 1) legal bribes and 2) "stealth" funding for favorite programs or groups. Congressmen can issue corporate welfare breaks. In return, corporate beneficiaries can give campaign contributions to congressmen who have helped them. Unfortunately, this is perfectly legal. Tax breaks can help favorite programs with far less attention than a cash disbursement from a federal agency.

To make the system fair and simple again, Fareed Zakaria proposes an independent tax authority with broad congressional directions and guidelines. The tax authority would write the legislation with an approval or disapproval by Congress with no amendments. There are precedents in other countries and the United States. The British Parliament approves or disapproves the annual budget as a complete package with no amendments. The American Congress frequently approves or disapproves trade bills as a package. In the early 1990s, Congress approved domestic military bases without amendments. The same concept may apply for health care reform and environmental measures

The biggest surprise in the book was attributing the Catholic Church as the first source of liberty in western culture. Considering the Inquisition and heresy prosecution, the last sentence may first look like a misprint. The church took over the Roman Empire's emphasis on law, that all citizens would be treated equally, along with laws on property, contracts, liability, inheritance and court rules of procedure and evidence. The church never sponsored individual liberty. It did serve its own purposes in opposing previously unlimited monarchs' powers, setting itself a countervailing force and inadvertently giving space from monolithic power.

Liberals like me and conservatives will disagree with some issues in this book. They will agree on the broad themes and find some ideas for democracy's reform in the United States and everywhere else.

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