Could it Happen Here?

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1 Lessons from history

I understand that our task is to bring historical experiences to bear on the possibility that democracy would collapse or at least erode in the United States. This task, however, may be futile.

Estimating the probability that a democracy would collapse given per capita income of a country, gives this probability for the US today as 1 in 1.8 million. Moreover, no democracy in which partisan alternation in office occurred at least five times collapsed, and the number of past alternations in the US currently stands at 23, giving again a vanishing probability of collapse.

Yet we are worried. We are worried because we suspect that some current conditions in the US may be unprecedented. History, however, is a source of lessons only as far as the current conditions are similar to those in the past (King and Zeng 2007): when conditions are unprecedented, there is nothing to draw lessons from.

Since 1918 there were 88 democracies that were consolidated in the sense of having experienced at least two partisan alternations in office through elections. Of those 14 fell, while 74 continue until today. The table below shows in the first two columns the means of some variables for those that fell and pre-2008 averages for those that survived. The third column shows the post-2008 means of the survivers and the last column the last observed values for the US.

	Fell=No	Fell=Yes	Post-2008	US
	Mean	Mean	Mean	Last obs.
*GDP/cap[a]	18012	5770	23825	52292
*Growth[a]	0.031	0.011	0.020	0.006[f]
*Labor Share[b]	0.61	0.50	0.54	0.60
*Gini Gross[c]	42.6	44.6	42.5	46.6
*Gini Net[c]	33.8	44.6	33.5	37.3
*Regime[d]	0.55	1.18	0.73	2
*Gov Crises[e]	0.17	0.44	0.13	
Riots[e]	0.53	0.73	1.04	
*Strikes[e]	0.13	0.26	0.29	
Demonstrations[e]	0.64	0.63	2.28	

Note: $*$ The difference between those that fell and those that did not significant at 0.01. *a* In PWT9.0 PPP dollars. *b* From PWT 9.0. *c* Gini coefficients of gross and net incomes, from SWIID (Salt 2014). *d* Regime=0 if parliamentary, Regime=1 if mixed, Regime=2 if presidential, from Cheibub, Gandhi, and Vreeland (2010). *e* From CNTSDA, Wilson (2017) *f* Average for 2009-2014.

I leave interpretations to the reader.

2 What's Happening?

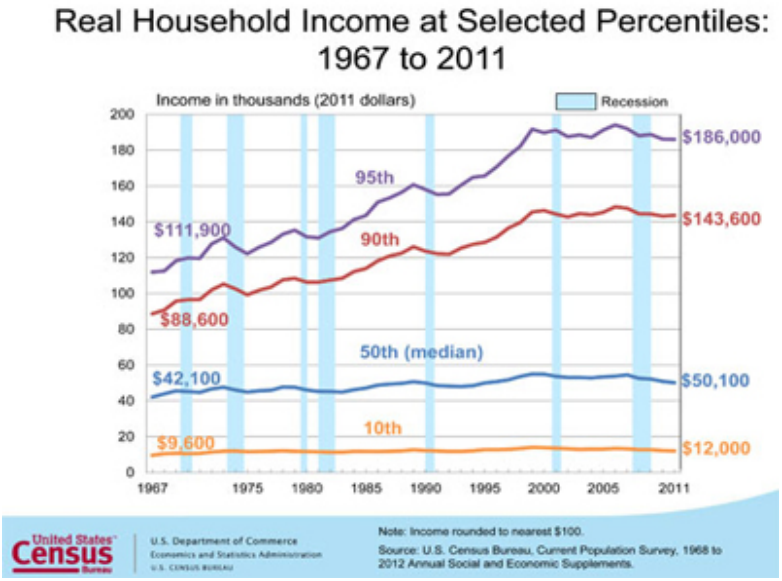
Something is going on. A candidate claiming to be a billionaire, who advocates lowering taxes and reducing social programs, is supported by the working class, while a candidate who wants to tax the rich is supported by *The Wall Street Journal*. A thrice-married man who prides himself on unwanted sexual advances receives an almost unanimous support from religious groups committed to "family values." A lot of people believe any kind of apparent nonsense. The incumbent party loses an election when the economy is at its best in recent decades. A blow against globalization is inflicted by parties at the right-wing of the political spectrum. Nationalists form an international alliance. None of this makes sense.

What do we need to make sense of if we suspect that democracy may be in crisis across Europe and the US?

The political phenomena of which we need to make sense include (1) The collapse of the traditional party systems; (2) The rise of xenophobic, racist, nationalistic parties and attitudes; (3) The increase of political divisiveness in society and within representative institutions; (4) The decline of support for "democracy" and the particular democratic institutions in public opinion surveys.

When thinking about the intensity of political divisions, we need to consider at least two aspects: (1) Distributions of preferences over some general policy dimension (liberal-conservative in the US, left-right in Europe) or over specific issues, such as immigration. These distributions can be characterized of in terms of "polarization": a population is polarized if indvidual preferences divide people into clusters that are internally homogeneous and distant from each other (Esteban and Ray 1994). (2) The actions that people with particular preferences are or are not willing to engage in with regard to members of other group(s). This is important because people with the same ideological profile may have different attitudes towards those with whom they disagree and may be willing or not to engage in hostile acts against them.

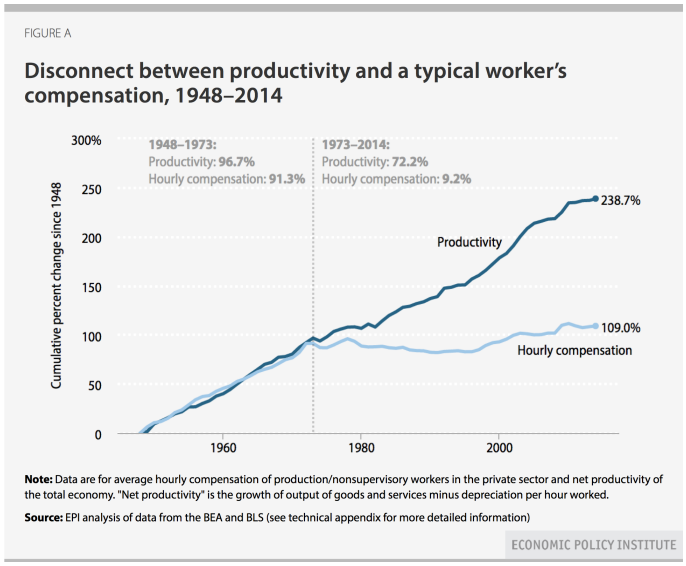
At the economic level, the past decades can be grossly characterized by three transformations that generated two effects. These transformations are: (1) Decline of growth rates of the developed economies, (2) Increase in income inequality among individuals and households, as well as a declining labor share in manufacturing, (3) Decline of employment in industry and its replacement by the service sector, with low paying jobs. The first effect of the combination of declining growth rates with increasing inequality is the stagnation of lower incomes (data are for the US; I comment on other countries below).



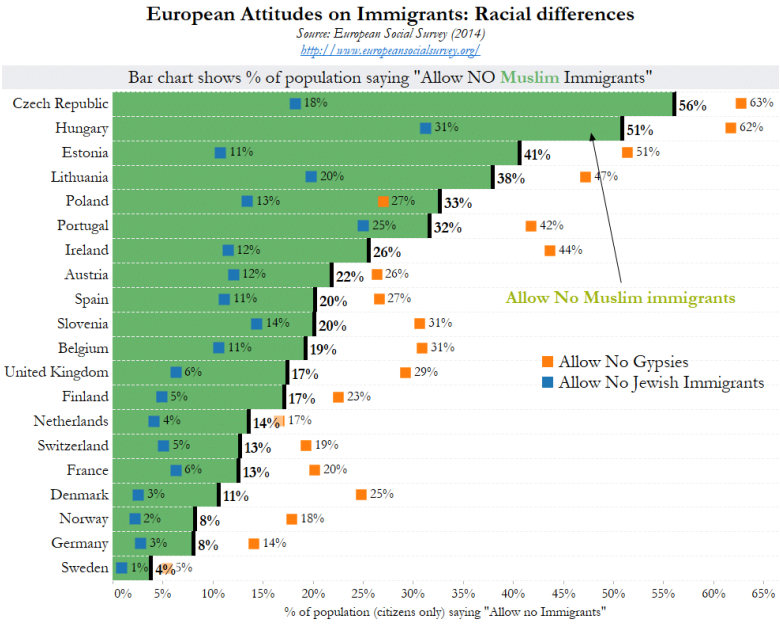
The second effect is the erosion of the belief in material progress. Surveys show that 64 percent of respondents in Europe and 60 percent in the

US now believe that their children will be worse-off financially than they are. Moreover, these are not just perceptions. Chetty et al. (2016) calculate that in the United States 90% of 30-year offsprings were better-off than their parents at the same age in 1970, while in 2010 only 50% were. This collapse of the deeply ingrained belief in inter-generational progress is a phenomenon at a civilizational scale. The expectation of material progress was an essential ingredient of Western civilization during the past 200 years and yet this belief is being shattered.

The potential causes of these transformations are many. One may be the rise of China, but economists do not agree about its effects (Autor et al. 2013, Acemoglu et al. 2016; Miao 2016, Rothwell 2017). The second is the breakdown of the "democratic class compromise" (Przeworski 1986). The most startling picture is for the US (but the same is true for the average of 9 advanced economies after 1999):



At the cultural level, it is clear that many people think in racist terms, distinguishing immigrants by their ethnic origins:



The main questions concerning ideology, culture, and various attitudes and postures is whether they changed over time as a result of other social transformations or were always there and just became public because they are now authorized by some politicians. Are xenophobia, racism, nativism, bigotry, and other prejudices something new or were they only temporarily suppressed by hypocrisy, which suddenly lost its "civilizing force" (Elster 1998)? Perhaps Trump just liberated every pre-existing prejudice from the censorship of political correctness.

3 The US in comparative context

Thinking at the level of some worldwide general phenomena, prominently globalization, does not take us far because differences among developed democracies are large. While far-Right parties rose to prominence and even office in some countries, in eight consolidates democracies they either never appeared or won no votes in the most recent elections. While political polarization increased somewhat between 2002/3 and 2008 in seven countries European countries, it decreased in three, and remained the same in eight (Medina 2015). The same is true in other realms: the incidence of "hate crimes" increased in the recent years in the US, the UK, Germany, and Spain, but it declined in France. Even the economic patterns are not the same: French wages continued to increase with productivity, while a large gap opened up in Germany after 2000.

All of this says that thinking in terms of global causes alone is not sufficient; at least they must be interacted with national conditions.

Moreover, patterns observed at cross-national are often not confirmed at the individual level (Kates and Tucker 2017)

The US is an distant outlier in the comparative context. It is a country where a right-wing populist, xenophobic, racist, and authoritarian party is in office. While the decline of median incomes occurred in most countries only after 2008, in the US it stagnated over a long period. The US is exceptionally unequal economically, exceptionally divided politically, exceptionally religious, and exceptionally decadent in terms of international standing, as well as of infrastructure, education, and health. Perhaps most symptomatic are the recent data of Case and Deaton (2017) showing that the US is the only country with increasing mortality of middle-age white males.

4 Conclusions

All of this adds up to the conclusion that lessons from history are not to be found. If we believe statistical patterns based on the past experience, we have nothing to worry about. If we look at the current experiences of other advanced democracies, we arrive at American exceptionalism.

Just two more points. While I focused on outright collapses of democracy, a much harder question is whether democracy would not deteriorate. The danger is the possibility that the incumbent would intimidate hostile media and create a propaganda machine of its own, that it would politicize the security agencies, that it would harass political opponents, that it would use state power to reward sympathetic private firms, that it would selectively enforce laws, that it would provoke foreign conflicts to monger fear, that it would rig elections. Such a scenario would not be unprecedented. The US has a long history of waves of political repression: the "Red Scare" of 1917-20, the internment of Japanese citizens during World War II, the McCarthy period, the Nixon presidency. In all these cases, the Supreme Court was slow in reacting against violations of civil and political rights. Yet the Democrats lost the 1920 presidential election, Senator McCarthy was censured by the Senate, and Richard Nixon was forced to abdicate. Institutions proved to be resilient.

Secondly, the divisions that rip the US apart are not merely political but have deep roots in the society. 86 percent of Democrats and 91 percent of Republicans have unfavorable views of the other party, with 41 percent of Democrats and 45 percent of Republicans seeing the other party as a "threat to the nation." Moreover, political differences have penetrated the basic unit of social structure, the family: In 1960, 5 percent of Republican sympathizers and 4 percent of Democratic ones would have been displeased if their offspring were to marry across party

lines, while in 2010 these percentages were 49 for Republicans and 33 for Democrats. Hence, we should not overpoliticize our understanding the current situation; we should not reduce it to actions of politicians. The incessant complaints about Trump's temper and incompetence should not obscure that fact that his election and his continuing support by a large segment on the population reflect something deeper, something that lurks in the everyday life of society. This is what I find ominous.

Something profound is going on. Perhaps the best diagnosis of the current situation in many democracies is Azari's" "intense partisanship with weak parties" (www.vox.com, November 3, 2016). Democratic elections peacefully process conflicts only when institutions structure, absorb, and regulate whatever conflicts that may arise in a society. In turn, representative institutions peacefully regulate conflicts only if everyone has the effective right to participate within these institutions, if conflicts are structured by political parties, if parties and other organizations have the capacity to control their supporters, and if these organizations have the incentives to pursue their interests or values through the representative system.

My fear is that neither the government of Trump, nor the Brexit, nor the governments that may be elected on the European continent will improve the everyday lives of most people, which will only strengthen the "anti-establishment" or "anti-system" sentiments. In a typical election about one in two voters ends up on the losing side. Moreover, many people who voted for the winners are dismayed with their performance in office. So most of us are left disappointed, either with the outcome or with the performance of the winner. Still, election after election, most of us hope that our favorite candidate will win the next time around and will not disappoint. It is, thus, only natural that when people participate in successive elections, see governments change, and discover that their lives remain the same, they find something wrong with "the system" or "the establishment."

In the end, it looks like the current crisis will simmer for the foreseeable future. Nothing much will change except for increased political polarization and increasing intensity of conflicts, at the extreme erupting from time to time in spirals of State, anti-State, and private violence.

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