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Issue Brief No. 05

Liberal Democracy: Up to the challenges of the 21st century?

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Introduction

With climate change, economic downturn, the rise of new economic giants like China and India, and the transfer of global power to the East, the West faces a set of interrelated challenges. Yet, in the face of these challenges, the West is failing to respond properly. In the same vein, Western countries have been unable so far to devise a structural solution to the issue of an ageing society, which will soon render the welfare state unaffordable. There is no strategic vision for how to take on these challenges and maintain the West's prosperity and prominent position in the world. Strategic policy making in the West is hamstrung by governmental instability, increasing polarization caused by populist parties, and diminishing credibility in international politics. A different type of political leadership is needed to find a way out of this strategic impasse. Without engaging in a philosophical discussion about the definition, let it be noted that by 'liberal democracy' we understand the governance structure where citizens choose political representatives in free and fair elections and can count on certain basic rights, such as free speech and the freedom of organisation. We review some of the major challenges below.

A series of domestic and international difficulties is thwarting strategic policy making in liberal democracies, which are consequently failing to live up the challenges of the 21st century.

Governmental instability

First, long-term strategic planning is inhibited by the instability of coalition governments, even regardless of the question whether a four-year governing period under strong electoral pressure is long enough to implement a strategic agenda. Since 2004, we have witnessed the resignation of the Austrian, Belgian (twice), Czech, Dutch (twice), Greek, Icelandic, Italian (twice) and Polish governments, all of which failed to serve their full terms (see figure 1). The challenges mentioned above require long-term policy responses and are ill-served by constant changes. In some cases, the lack of strategic direction is caused by lengthy government formation periods. The 2010 Dutch formation period was the third longest in the country's post-war history, while at the time of writing

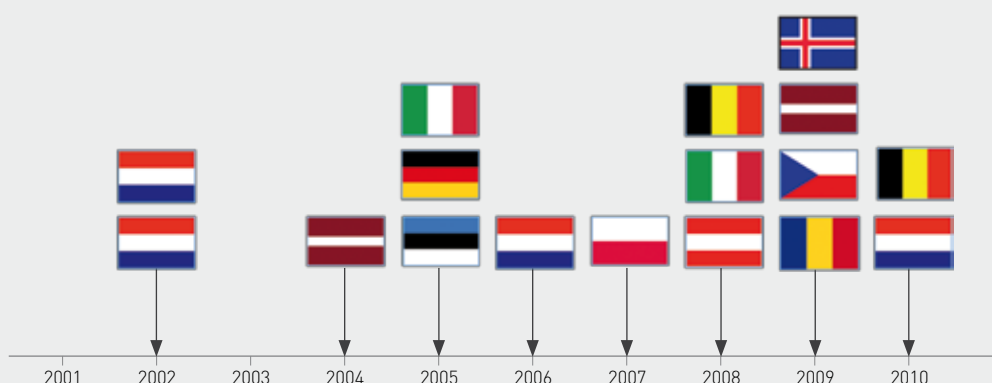


Figure 1: European governments that have resigned without serving their full term, 2001-2010

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(March 2011) Belgium is still engaged in a formation process that started on 26 April 2010, when the second cabinet of prime minister Yves Leterme fell after having served only six months of its four-year term. This impasse has brought Belgium the dubious honor of having broken Iraq's world record of number of days without a national government. Another problem is the dissatisfaction of the electorate. Even in countries where governments do serve their full terms, there is a high degree of voter volatility. Barack Obama's historic victory in 2008 was followed by a historic defeat in the 2010 mid-term elections. Similarly, last year the British electorate returned en masse to the Conservative Party, which rose from the ashes after years of electoral defeats and leadership crises. The large shifts in election results compared to previous elections are indicative of the failure of political parties in liberal democracies to rally voters around a long-term vision on how the country should move ahead. The most violent manifestations of people's dissatisfaction with the political establishment occurred in response to government attempts to quell the economic crisis. In Greece, Spain, Bulgaria, Iceland, Latvia and Lithuania, riots erupted in reaction to government measures to cut public spending. The protesters expressed their anger at their governments' inability to spare the population the consequences of the new austerity (see figure 2).

What complicates matters further is the rise of, mostly right-wing, 'outsider' or populist parties that claim that they can provide the security that people want. These parties or movements, although not anti-system, are certainly anti-elitist and are, in some cases, successful in stealing electoral support away from the 'mainstream' political parties (see figure 3). In Italy (Lega Nord) and Switzerland (Schweizerische Volkspartei, SVP), populist parties are currently part of a coalition government, while the Netherlands and Denmark are governed by minority cabinets that are supported by populist parties, respectively the Partij voor de Vrijheid (Freedom Party, PVV) and the Dansk Folkeparti (Danish People's Party,

ANTI-GOVERNMENT DEMONSTRATIONS

- On May Day 2010, tens of thousands of protesters in **Greece** vented their frustration about the government's austerity measures. These protest marches turned violent, with groups clashing with the police and youth throwing stones while chanting "people don't bow down, it's time again for revolution".
- In September 2010, tens of thousands of protesters took to the streets in, among others, **Spain, Belgium, Greece, Portugal, Ireland, Slovenia or Lithuania** to protest against austerity measures. Protesters clashed with police in Barcelona and torched a police car. In Madrid, protesters went into banks and stores to force them to close.
- In November 2010, thousands of students and lecturers in Westminster, London, protested against the **UK** government's decision to triple the amount universities can charge for tuition. These protests turned violent when students forced themselves a way into the Tory Headquarters and occupied its reception area and rooftop. Also, members of the Royal family were harassed.

Figure 2: Recent examples of violent demonstrations against government policies

DF) (see figure 4). A somewhat different example is the American Tea Party Movement (figure 5), the grassroots movement of conservative Americans, which succeeded in gaining Senate seats for Florida, Kentucky and Utah in the 2010 midterm elections.

These parties all have their particularities. For instance, European populist parties strongly oppose multiculturalism, whereas the Tea Party Movement is rebelling primarily against the expansion of the government apparatus. Nevertheless, some similarities stand out. Populist parties often present themselves as challengers to the political establishment and claim that they, unlike the traditionally vested parties, have the interests of the people in mind. Also, they accuse the government of power hunger and the careless spending of tax-payers' money (for example, see figure 6). In their solutions, they often appeal to nationalist

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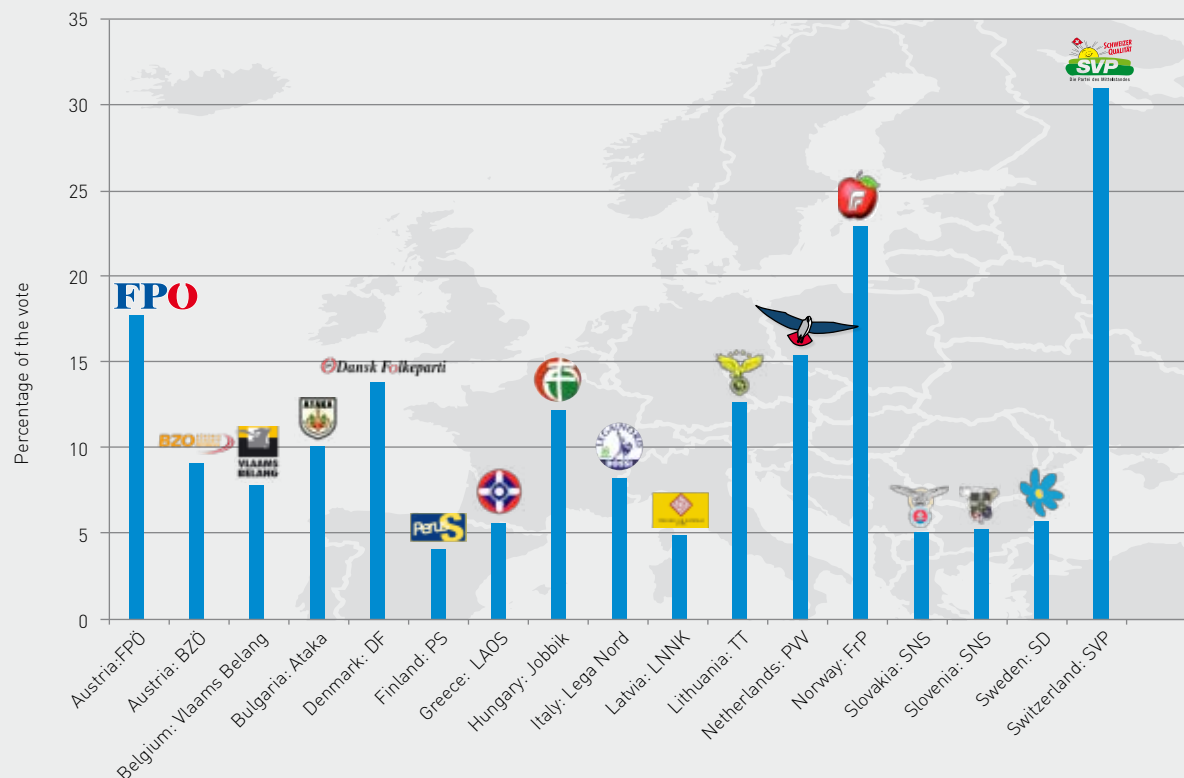


Figure 3: Percentages of the vote gained by right-wing populist parties in Europe in the last national elections

sentiments and suggest that their countries should be less dependent on the policies of other countries. Many of their slogans appeal to a sense of national identity (see figure 7). Consequently, in Europe, populist parties are highly critical of the European Union. They are strongly opposed to EU-level arrangements, often arguing that they infringe on their country's national sovereignty. These isolationist tendencies undermine will for the international cooperation needed to counter problems like climate change and mineral scarcity. Also, the rise of populist parties leads to political polarization, which stands in the way of agreement on a strategic direction. This polarization is aggravated further by the reaction of mainstream parties, which are inclined either to strongly distance themselves from their populist

competitors or to follow their lead, adopting elements of their agenda, for example Euro-scepticism. In sum, several factors in the western political landscape are keeping liberal democracies from formulating structural responses to emerging challenges. However, strategic indecision on the part of liberal democracies is not solely the result of what goes on within their own borders, but also of their standing in the international system.

The relative decline of liberal democracies

The second important factor that hinders the implementation of a western-inspired strategic agenda is liberal democracies' diminishing ability to lead in the international arena. The decline of the EU's authority became clear at the 2009 Copenhagen Conference on

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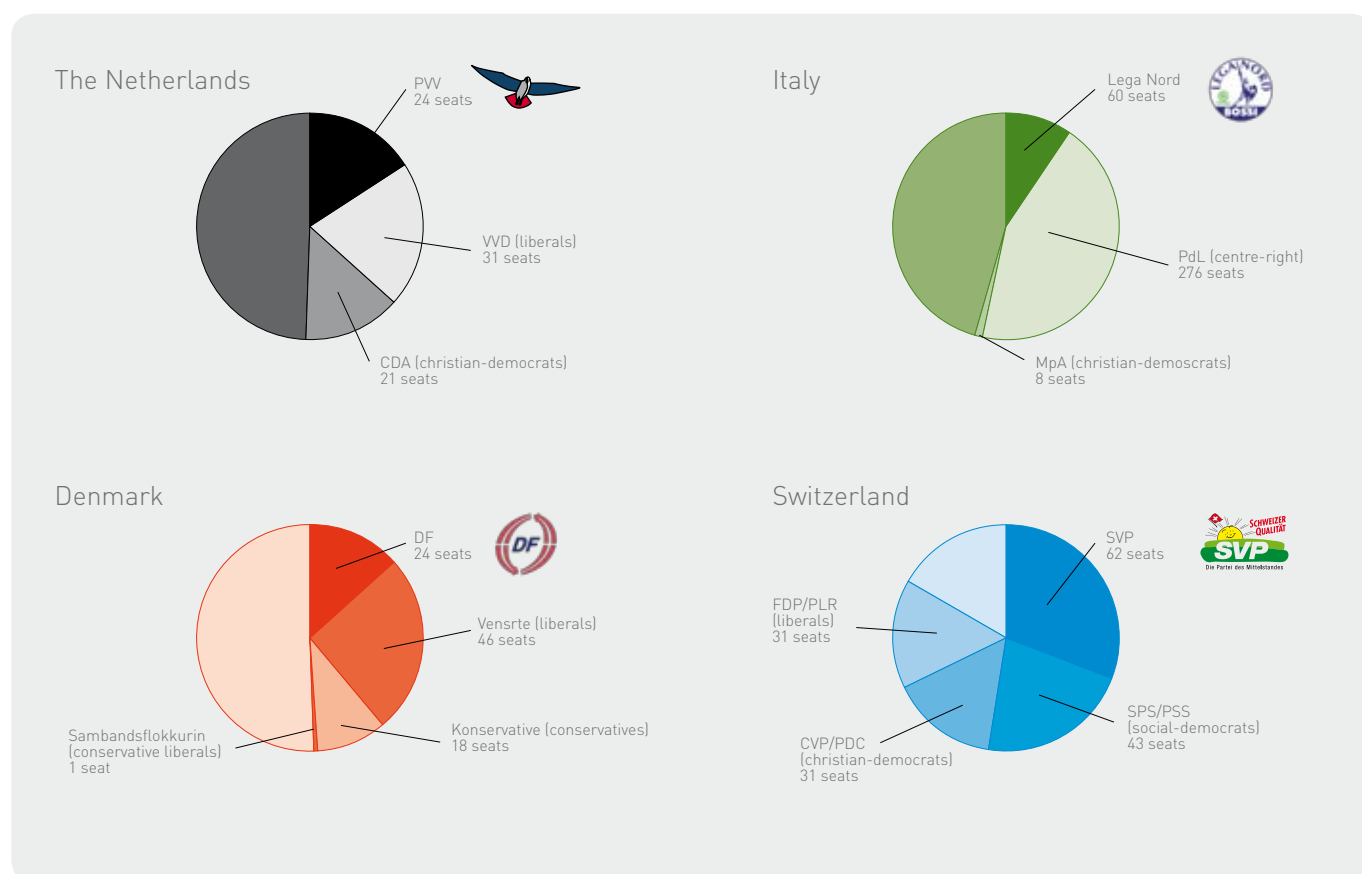


Figure 4: Right-wing populist parties in coalition governments

climate change where the EU failed to get the US, China and India to commit to reduce their carbon emissions. European Commission president José Manuel Barroso admitted the eventual agreement was “clearly below” what the EU was going for. Another example is the increasing assertiveness of African countries vis-à-vis the EU. In recent years, African leaders have expressed their frustration over the trade barriers imposed by their former colonisers and have expressed their discontent over European criticism regarding their human rights record. With regard to the US, it is difficult to overlook the damage done to its standing by the invasion in Iraq, seen by many as illegal, that is, not sanctioned by a UN Resolution. This has led to the accusation that the US maintains a double standard in demanding that its enemies abide by

international law, but not its allies, like Israel. Recent Pew Global Attitudes surveys show that many in the Middle East hold unfavorable views of the US and even consider it a military threat to their countries. Another factor that is undermining the authority of liberal democracies in the international arena is their poor economic performance. The economic and financial crises dealt a heavy blow to the ideology of the free market (see also WFF Fact Sheet The Global Financial Crisis and the End of the Free Market). Rising unemployment, failing banks and out-of-control government debts have made it difficult for liberal democracies to claim that their economic modus operandi is worthy of emulation. Possibly as a result, the number of democracies worldwide is declining, according to Freedom House, the authoritative think tank

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Source: www.freedomworks.org/blog/tkeeleey/tea-party-map-over-500000-views-460-tea-parties-li

Figure 5: Overview of tea party events March - August 2009



Source: www.moonbattery.com/archives/2009/08/healthcare_tea.html

Figure 6: Examples of slogans used by the Tea Party Movement

that publishes annual assessments of democracy in the world.

In this context, one should also take note of the rise of China (see also WFF Fact Sheet The Beijing Consensus: An Alternative Approach to Development). Sluggish and at times patronizing liberal democracies are losing out on the world stage because China is easier for third countries to do business with. Senegalese President Abdoulaye Wade did not mince his words when he commented on the fading prominence of liberal democracies in Africa: "If I want to do five kilometres of road with the World Bank, or one of the international financial institutions, it takes at least five years. One year of discussions. One year of back and forth. One year of I don't know what. With the Chinese it is a few days and I say yes or no, they send a team, and we sign." The Chinese do not lecture other states on their human rights record, can be counted on for fast decision making and attach few conditions to economic cooperation.

Consequences

As liberal democracies lack strategic vision and decisiveness both domestically and internationally, there is a real chance that challenges like climate change, energy security and the rise of China will not be handled adequately, or will not be handled at all. For instance, China has successfully negotiated gas import contracts with countries like Australia and Russia, whereas the EU's energy policy has not yet progressed to the point that the European Commission can close oil or gas deals on behalf of the member states. Furthermore, China is implementing plans for the construction of eco-cities, which will run entirely on wind and solar energy. The numbers of patent applications from China have increased dramatically in recent years. The West, in the meantime, is suffering from a shortage of technical engineers and may lack the skills and expertise in the mid-term to do the R&D needed to find technical solutions to problems posed by climate change and scarcity of raw materials. While economic

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Figure 7: Examples of nationalist slogans used by populist parties

in which their claims to a moral high ground or economic superiority are no longer undisputed. On the one hand, this means that liberal democracies have to accept that they no longer determine the rules of the game alone. On the other hand, liberal democracies will have to find ways to act more effectively in the international arena and to make themselves relevant and credible international actors. This can be achieved by a two-fold approach. First, liberal democracies should counterbalance the cooperation that is already taking place between autocratic regimes, like China, Iran and Russia. By uniting with each other on the basis of shared principles and a common vision of the future, liberal democracies can enhance their influence. Second, they should increase their support for international organizations that promote the values and principles of liberal democracies. This requires a genuine effort to eradicate double standards and to bring an end to the practice of merely paying lipservice to these organizations. Only in this way can their legitimacy and credibility be restored.

growth in the West has been weak, China, Brazil, India and Russia have been responsible for almost half of the worldwide economic growth since 2007. Where other actors display a sense of urgency and a willingness to formulate strategic responses to pressing challenges, liberal democracies are acting indecisively.

The new approach

Liberal democracies need a different kind of leadership in order to formulate and implement strategic solutions for the challenges that lie ahead. Domestically, this means that political leaders should not follow hypes or shy away from difficult or unpopular decisions. They need to develop a new narrative to raise awareness and consensus among their constituencies about the nature and gravity of the challenges. Education can help to cultivate a widely shared analysis of the challenges that is needed to overcome polarization and create support for drastic measures. Internationally, liberal democracies have to respond to a changing world order,

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