

Global Implications for Democracy of 9/11

By Larry Diamond (for presentation on October 25, 2001)

I have one overarching point to make today, with many implications and sub-themes. The terrorist attacks of September 11, and the altered global environment they have generated, threaten the third wave of democratization like no other single development in the past quarter-century. Prior to September 11, during the preceding half-decade or so, the third wave had already leveled off and run out of steam. A number of countries were slightly improving their levels of freedom. A few were making transitions (in some cases clear and in others ambiguous) to democracy or at least away from old authoritarian regimes, and a few countries were moving in the other direction. But the momentum of democratic expansion in the world had halted, and was being replaced by an overall rough if uneasy equilibrium. In the past two to three years, the trend toward the deepening and consolidation of democracy in a number of Central and East European countries, and the democratic breakthroughs elsewhere, were counterbalanced by several less visible, more insidious and unfavorable developments for democracy. Overall, I believe that in recent years we have been drifting toward a period of greater vulnerability for democracy in the world. All of that was before September 11.

September 11 will undoubtedly be viewed by historians as the dividing line between distinct periods in world history. From the late 1940s to 1989-91, there was the Cold War. From 1989 to September 2001, there was a period of relative peace, prosperity, and democracy—the immediate post-Cold War period. Now we have entered what is clearly a new historical era. We cannot yet know how it will be named or what will define it. But it is clearly going to be a period, and I think a protracted one (at least a decade), in which there will be greater insecurity,

more violent conflict, increased social and political turbulence, and quite possibly more reversals of democracy, both subtle and overt. Because I think this period is going to involve a long, twilight struggle over ideas, loyalties, regimes, and even ways of life, it could be termed “Cold War II.”

Cold War II figures to be a much more difficult time for democracy in the world for several reasons. First, democratic and liberal values will be less hegemonic. They will be contested not only by Islamic (and possibly other fundamentalist religious) extremism, but also by various other anti-globalization, anti-establishment movements. Second, whereas the third wave and particularly the immediate post-Cold War period marked the supremacy of American power and prestige in the world, the new period portrays the power and prestige of the United States—and of the other rich democracies—as diminished and even shaken. Third, whereas the post-Cold War period was a time of global economic expansion, however uneven, the new period figures to be one of economic constraint, and even contraction and instability. In East Asia, we can date this period from November 1997. Fourth, whereas the United States promoted democracy in the post-Cold War period as a major foreign policy goal (albeit inconsistently and at times superficially), there is the danger that U.S. foreign policy in Cold War II may revert back to the most cynically “realist” days of Cold War I. This reversion would subordinate concerns for democracy and human rights to more immediate questions of alliance formation, or even largely abandon the rhetoric and programs of democracy promotion.

Yet none of this is inevitable. And this is my major policy implication. We are in trouble, not only as a nation attacked and threatened, but also as a global community of democrats. However, it is not inevitable that September 11 will trigger a major democratic recession in the world. The policies of the United States and other established democracies will

matter enormously in shaping and processing the consequences of September 11. I will come back to this in conclusion. First let me briefly outline where I think the world was heading before September 11. Then I will offer some thoughts on the impact of September 11 on global democracy prospects. Then I will discuss the policy implications.

Global Democracy Trends Prior to September 11, 2001

In the past quarter century, and especially in the past decade, democracy and freedom have spread globally to an unprecedented degree. Since the mid-1990s, more countries, and a higher percentage of countries (over 60 percent), have had democratic forms of government than ever before in the history of the world. And no form of government other than democracy has enjoyed any broad legitimacy and appeal beyond individual countries.

Twelve years after the fall of the Berlin Wall, we have continued to witness important gains for democracy in the world. In the past few years these have included:

- The breakthroughs to electoral democracy in Mexico, Senegal, and Ghana.
- The deepening of democracy in Korea and Taiwan with the defeat of long-ruling dominant parties.
- The transitions to democracy, or at least competitive electoral regimes, in Indonesia and Nigeria.
- The integration of Central Europe's consolidating democracies into the economic and security communities of the democratic West.

Economic and political freedom, human rights, and electoral choice have appeared ascendant in the past decade as never in history. Yet, even before the attack on America, democracy globally has been drifting toward a much more worrisome and vulnerable state.

- Support for democracy and faith in democratic institutions is declining in many emerging democracies. Today, only 45 percent of Koreans say that democracy is always the best form of government, down from almost 70 percent in 1997. Support for democracy has also declined broadly throughout the Americas between 1997 and 2001, from 75 to 58 percent in Argentina, from 50 percent to 30 percent in Brazil, from 69 to 36 percent in Colombia. Cynicism is rampant. Only 20 percent of Latin Americans have confidence in political parties. Trust in parties is lower still in many postcommunist countries, even in Central Europe. Recent data show many African publics to be much more supportive of democracy and less cynical, but this may be due to the fact that the experience with democracy is much more recent, and democracy has had less time to delegitimize itself.
- Underlying this cynicism is the perception that corruption is widespread, if not endemic. An astonishing four-fifths of Latin Americans say that corruption has “increased a lot” in the last three years.
- The sense of economic distress, and that democracy is not performing, is rising throughout many emerging democracies. Most Latin American countries have seen sharp increases in the percentage of the public (typically now a majority) viewing the economy as bad or very bad. Faith in both democracy and the market is eroding.
- Adding to the mounting discontent with the political status quo is a protracted and deepening anxiety in the typical developing country over the loss of sovereignty. One

feeling that political leaders, opinion elites, and the mass public share is deep resentment that macroeconomic policy is being dictated by international actors while the country, obliged to concede, gets little in return.

- In the past decade, many transitional regimes have slipped below the threshold of democracy. A growing number of regimes are “pseudodemocracies” or “electoral authoritarian.” Superficially, they have democratic constitutions, regular multiparty elections, parliaments with opposition, and independent courts. However, state power is highly concentrated and used undemocratically to maintain the incumbents’ grip on power. The irreducible condition for a minimal democracy—free, fair, and meaningful elections—no longer holds. In much of Africa, political transitions have gotten stuck at this point. The most significant regression has been in Russia and Ukraine, where power-aggrandizing presidents have crushed the independent media, intimidated opposition, and sponsored electoral fraud to the point where it is no longer possible to defeat them in national elections. Almost all of the former Soviet Union has settled into semi-authoritarian if not blatantly dictatorial patterns of rule. Nigeria, where seemingly everything of value is at stake in politics, faces the danger of catastrophically corrupt and chaotic national elections in 2003. If we accept free, fair, and meaningful elections as the litmus test of democracy (in the minimal sense) then I think that the Freedom House totals for the number of democracies in the world in recent years have been slightly inflated. Several countries have been sinking below the line. And in the Community of Democracies meeting in Warsaw in 2000 sat a number of regimes that were not even ambiguous, but blatantly authoritarian.

- In a crucial swing state, Pakistan, the civilian, electoral regime was overturned by the military two years ago and has yet to be restored. The underlying causes of democratic failure in Pakistan—miserable economic performance, stalled economic reforms, gross (quasi-feudal) inequality, endemic corruption and criminality, a dysfunctional rule of law, and ethnic, regional, and religious polarization and violence—plague many fragile democracies around the world. In the eyes of a growing number of citizens in these countries, democracy is venal and ineffectual. It remains preferable, if at all, only for want of a clear alternative.

Before September 11, the global state of democracy was thus quite mixed. In the Baltics and Central Europe, democracy has been consolidated. In a number of other countries in Eastern Europe, Latin America, and East Asia, elections have been institutionalized as the legitimate method for changing governments. However, elections are only one aspect of democracy, and in most of the “third wave” and less developed democracies—even in such relatively rich nations as Korea and Taiwan—democracy has been struggling through troubled times. These troubles do not call for despair or resignation, but they are serious. The historic forward momentum of democracy globally halted around the mid-1990s, giving way to a period of growing fluidity, uncertainty, crisis, and doubt. This is a period in which many democracies (including some of great strategic importance to the United States) could swing in either direction politically—toward a deeper and more secure democracy, or toward an ever more hollow and decadent shell of democracy, if not blatant authoritarianism or state collapse.

The Global State of Democracy after September 11

In the weeks after September 11, we find democracy globally in a heightened “swing” period, with intensified doubt and insecurity. The global democratic prospect is open to a wider range of outcomes than at any time since the end of the first Cold War. If international pressure for democracy evaporates, many autocrats in Africa and the former Soviet Union will give up the pretense of honoring democratic principles. Hybrid regimes could become old-fashioned one-party dictatorships. Some would say this would really involve little change; on the ground, the regime would go from being one kind of non-democracy to a slightly different kind. But levels of freedom, pluralism, and political space do matter. There is more chance of a transition to democracy, and especially of a peaceful transition that avoids utter political implosion, when it happens through elections and as part of a constitutional process. It is better to have some political space than none.

The political regime consequences of September 11 could include the following:

- In the great stretch of the globe from Indonesia to Morocco, and including the former Soviet Union, the new concern for security will lead many semidemocratic and pseudodemocratic regimes to tighten political control. Autocrats of varying stripes will use the crisis to justify new or renewed concentrations of power. The government in Singapore has moved up the elections to try to capitalize on the security crisis for maximum political support before a possible economic downturn erodes its advantage. In Malaysia, Mahathir is using the crisis to discredit and marginalize the Islamic political opposition, whose support has been growing to the point where it constitutes the principal electoral alternative to his undemocratic rule. Putin’s regime in Russia will purchase greater Western and domestic tolerance for its constriction of democracy by playing on the Islamist threat on its geopolitical

- periphery. Arab regimes will heighten repression of Islamist political forces and probably shelve any plans that might have been under consideration to widen access to power and open greater space for dissent independent organization and expression.
- In weak and vulnerable regimes with large Muslim populations—including quasi-democratic Nigeria, Indonesia, and Bangladesh, and currently nondemocratic Pakistan—the international crisis and the mobilization of extreme Islamist sentiment against the West threaten political destabilization in one of two ways. First, there is the danger of polarization between two sets of Muslim social and political forces: the moderate or secular Muslim and the extreme fundamentalist. This is a danger now in Pakistan, and could become a danger in Indonesia, Bangladesh, and northern Nigeria. There is also the potential for these large Muslim populations, and others in Africa and Central Asia (not to mention the Middle East), to become polarized in this way if the Western democracies do not handle the war on terrorism (in both its hot and cold dimensions) with great skill and imagination. The second danger is of mounting polarization and violence between Muslims and Christians in Indonesia, India, and especially Nigeria. Nothing threatens Nigeria’s viability as one country more than such religious polarization. Sociopolitical polarization and violence are extremely unfavorable milieus for democracy, or for any kind of stable political order. If the terrorists succeed in persuading large numbers of Muslims worldwide that the war on terrorism represents a clash of religions (and civilizations), the deepening cultural and political divide will be catastrophic for democracy, for social peace, and for the security interests of the democratic West.

- If the policies and programs of the Western democracies do not rise to the scope of the challenge ahead, there is a risk that “non-frontline” countries, particularly in Latin American and much of Sub-Saharan Africa, will feel abandoned and used, becoming politically demoralized. We cannot assume that democracy is stable in Latin America today simply because there is not now—as there was at the peak of the previous Cold War—a clear ideological challenger. Democracy in Latin America (and elsewhere) faces two key threats today. One is that state capacity will increasingly erode to the point where criminality, corruption, drug trafficking and general lawlessness hollow out the meaning and value of democracy. The other is that citizens—increasingly frustrated with the corruption and inefficacy of established parties and political ideologies—will turn to new populist demagogues, such as Hugo Chavez, and not mind when those autocrats trample on democratic freedoms and constitutional orders in the name of rescuing a failing system. The two processes are obviously related, and either one or both can drain democracy of its content, leaving an increasingly empty shell. At some point, particularly if military rule persists in Pakistan while it is showered with aid, one has to question whether the barrier against a return to overt military rule in Latin America, Africa, and certain other Asian countries (e.g. Indonesia and Bangladesh) could be breached.
- We should not assume that the ideological challenge to Western-style democracy will remain contained to the Islamic fundamentalist alternative, and thus to Muslim peoples and societies. I do not think it is conceivable that we can stagger through another generation—say twenty-five years—of stunted development, rotten governance, grotesque inequality, and social injustice in what are still called “the

developing countries” without there emerging some kind of new, secular ideological challenge to democracy and capitalism. In all probability, it will be some recycled version of Marxism (or Maoism) that resurrects the assaults on internal class inequality and global imperialism, but perhaps jettisons the Hegelian baggage. These themes already resonate through bin Laden’s and other anti-Western messages. If, in the next quarter century, such a radical, non-Islamist but anti-Western, anti-globalist, and anti-democratic ideology does emerge and gather adherents among the poor and disempowered of the world’s struggling countries, we will be in far greater difficulty than we are today.

Some Policy Directions

We are at the beginning of a new period in world history. The inceptions of such periods are always fluid and formative moments, when alignments and possibilities are defined in ways that may not easily yield to change for many years thereafter. This is a crucially important time in U.S. foreign policy. Not simply to advance our ideals and values, but now in order to meet the greatest challenge to our national security in at least a generation, we must craft a foreign policy that looks over the horizon to the fundamental *political* challenges we face in the war on terrorism. These challenges involve preventing the rapid spread of political alienation and instability and hostility to the West. And we cannot meet them without two imperatives that are closely related: real economic development and dramatically improved governance.

Even as we wage the hot war against terrorism, we must help to steer swing states toward more effective, accountable, responsive, legitimate, and humane governance. To do that, we need a new, more coherent and comprehensive national strategy to promote democratic

governance reforms, both in emerging and fragile democracies and in authoritarian states. Improved governance requires more than just greater political freedom and participation. Strengthening the rule of law—including state capacity to enforce the laws in a neutral and predictable way—is crucial. So is improving the state’s capacity to formulate and implement policies, to raise revenue through fair and efficient taxation, and to spend it effectively for development. Most urgently, better governance requires significant reductions in corruption and even a change in the political culture, so that the fundamental purpose of government becomes the generation of public goods to foster development, rather than private goods to enrich ruling elites and their cronies and clients. Without greatly improved governance, economic development will not occur in the world’s struggling countries, and thus poverty, unemployment, social stagnation and frustration will not be alleviated.

Political reform is thus a vital component of a long-term war against terrorism. To fight this war, we are going to need heightened intelligence and financial monitoring, covert operations, military force, security cooperation, and enormous patience and vigilance. But none of these measures can address the underlying sources of the alienation, anger, and despair that propel growing numbers of people toward unspeakable acts of terror and sacrifice for some twisted vision of a cause. As Tom Friedman observed in his book, *The Lexus and the Olive Tree*, “There will always be a hard core of Ramzi Yousefs. The only defense is to isolate that hard core from the much larger society around them.” And that requires reforms that give societies progress, justice, and a stake in the system of globalization.

The principal breeding grounds and safe harbors for this kind of terror lie in oppressive, corrupt, and failing states. We urgently need the immediate support and cooperation of some of these governments in the war on terrorism. But we also need these governments to implement

sweeping reforms to build a rule of law, punish corruption, promote openness and accountability, improve education, attract investment, create jobs, deliver development—and so diminish or preempt the kind of alienation that breeds the destructive, nihilistic rage of terrorism.

I suggest the following elements of a long-term political strategy to advance democracy and development in the context of a broad global war on terrorism:

1. *Establish clear standards for aid and debt relief.* The key problem with backsliding and pseudodemocratic countries is the lack of political will (on the part of ruling elites) to install or maintain a genuine democracy, and to govern accountably. Ruling elites do not want to surrender power and the enormous wealth and privileges power confers. No amount of political assistance to strengthen institutions of governance and civil society will advance democracy if ruling elites are not willing to respect its rules and constraints. In much of the contested world, rulers do not value democracy over their own power and privilege, and civil societies are in themselves too weak to force them either to respect the law and the constitution or to surrender power. Only principled, potent, and predictable international pressure can tip the balance. This requires clear political standards for aid and debt relief, so that the United States and other donors can focus official development assistance on those states that are serious about seeing their societies develop. Civic forces in these societies, those groups that are seeking democracy and development, will welcome and support these standards.

We need a new international bargain: debt relief for democracy, and development assistance for good governance. It makes no sense to write off the debts of highly indebted poor countries governed by oppressive, corrupt elites who cannot be checked or removed by democratic means. To relieve unconditionally these debts,

largely accumulated through corruption and bad governance, is to invite continuing venality and waste. Poor people in these countries will not benefit from this misguided act of intended generosity. Relief must provide hard incentives for reform. Debt relief should be awarded to those states that permit a free press, free associations, (in most cases) free and fair elections, and credible institutions to control corruption, including an independent commission for that purpose and an independent judiciary. Commitment to these institutions should be locked into place by suspending debt service payments of a qualifying country and retiring its debt at 10 percent a year for every year the country adheres to the political conditions. Where national security imperatives are not at stake, state-to-state development assistance (other than emergency humanitarian assistance) should also be allocated with these political standards in mind.

2. *Expand political assistance to develop democracy and improve governance.* Foreign assistance must view *political* development aid as a multi-faceted, long-term challenge and invest more heavily in it. The most fundamental obstacle to economic development is not the scarcity of resources, it is corrupt, unaccountable, lawless governance. No amount of foreign assistance, even from all bilateral and multilateral aid donors combined, can generate in itself an adequate flow of resources for development. Ultimately, these flows will require increased trade and foreign investment. If we want to promote economic development, we must do a lot more to help build the institutions of good governance in both the state and civil society that will attract and foster investment.

Democratic development is not going to be accomplished in a piecemeal fashion or in a few years—or with a single magic bullet. Action is needed on a number of fronts simultaneously over a long period of time. People must be educated to know their rights and responsibilities as democratic citizens, and mobilized to exercise them. Independent civic organizations and think tanks must be supported to advocate for better public policies and institutions. Civil society organizations, and the social capital they generate, must be nurtured at the local grassroots level as well as the national one. Independent media—not only newspapers and television, but crucially in poor countries, radio stations—must be established and fortified. Support for civil society, periodically assessed and evaluated, must be targeted and sustained to help to generate or deepen the political demand for institutional reforms. Buoyed by this demand and understanding, the input, output, and accountability structures of the state and political system must be developed: parties, legislatures, local governments, a professional bureaucracy, and independent structures to administer justice and elections, control corruption, audit public accounts, and respond to citizen complaints.

Different priorities prevail in different countries. A distinctive strategy for democratic development must be crafted for each recipient country in an open, consensual process of country assessment and program design that brings together outside experts, international donors, the state, and civil society (as well as the different actors with the U.S. foreign policy and assistance communities). But in every poor country, the agenda of political development will be wide-ranging and expensive. We can help these countries to develop and sustain democracy in unlikely places, and thereby to improve the prospect for human development more generally.

But that is only possible with comprehensive investment in the development of democratic institutions, sustained over a very long period of time, even a generation or more.

3. *Be flexible about the sequencing of democratic reforms.* In some countries, democratization will be more sustainable if fully competitive and meaningful multiparty elections follow the implementation of fundamental economic and governance reforms. Restoring multiparty elections in Pakistan today without such reforms will not likely produce a democracy that is any more workable and accountable than the one that collapsed in October 1999. Similarly, in many Arab countries, democratization, to be sustainable, must be part of a comprehensive project to construct a more efficient, open, accountable, law-based, legitimate—and hence fundamentally stronger—state. In a program of gradual democratization from above, the timing of elections is crucial. But here again we confront the painful dilemma that rulers in a position to negotiate reform typically lack the political will or skill to undertake it. Deferring democratic elections then merely reflects a strategy for deferring any serious political liberalization at all. Through creative engagement with the different elements of these regimes and their civil societies, and through tangible rewards for governance reforms, we need to help generate the political will and vision for democratic reform.
4. *Increase foreign assistance, but be more selective in truly helping and rewarding states that are serious about development.* Our foreign aid budget has declined to the point where we simply do not have the resources to help a large number of countries realize development, even if their governments are serious. Neither do these

historically low aid levels give us much leverage to demand better governance, and seriously reward states that provide it. For those poor countries in Latin America, Africa, Asia and the Middle East that demonstrate a serious commitment to accountable, responsible, and largely democratic governance, we need to make available levels of aid large enough to dramatically improve public health, physical infrastructure, human capital, and other conditions that will stimulate and attract investment.

If we are serious about getting at the roots of international terrorism, and of the spreading international sympathy it enjoys, we must be serious about fostering development that gives people hope and dignity, more income and a better quality of life. In real terms, levels of U.S. development assistance have fallen dramatically since the 1970s and especially since the end of the last Cold War. The United States now spends only 0.1 percent of GNP in foreign assistance, and only 0.02 percent of GHP in assistance for the poorest countries. It is true that we carry a heavier burden of international security than most other rich democracies, and that billions of dollars flow back from the United States to developing countries through personal remittances. Still, the level of U.S. official development assistance is by far the weakest effort of any of the wealthy democracies.

It will not work to just throw money at the problem in some new “Marshall Plan.” No infusion of economic resources, no matter how massive and sustained, will in itself generate development, because the problem (unlike in Europe after World War II) is not simply a lack of resources or functioning infrastructure. The problem is a more fundamental shortage: of the institutions of democracy and good governance.

Unless we help to develop states that collect taxes, limit corruption, control crime, enforce laws, secure property rights, provide education, attract investment, and answer to their own people, countries will not develop and the violent rage against the West will not subside. Neither will we stem the proliferating threats of state collapse, international crime, drug trafficking, environmental disaster, and infectious disease, all of which breed in the swamps of economic failure and rotten governance.

This is why we will probably need over time to substantially increase our foreign assistance budget but must also invest more heavily in democracy and governance programs, while deploying more aid workers with training in political development.

5. *We must be clear, consistent, and credible in articulating democratic principles and values, even as we pursue other interests.* Nothing is more damaging to the democratic prospect than to treat and honor as democracies regimes that are manifestly no such thing. Such hypocrisy only entrenches pseudodemocracy as a legitimate regime form, while breeding cynicism about the real intentions of the U.S. and other leading democracies. Where we embrace repressive regimes in the short term, we must not call them democracies or laud them for their internal politics. Rather we must actively engage a broad range of elites in the state, the ruling party, the military, and the business community, and articulate both the dangers these societies face if they do not reform and the opportunities for genuine economic growth if they do. We need, therefore, creative, adept, shrewd and nimble ambassadors who can walk the fine-line between the need for short-term security

support and the pressure for long-term systemic change. American embassies must reinforce the purpose of development assistance programs by working to identify, encourage, and embolden reformers within (or on the margins of) the political establishment, especially the new, emerging generation of elites. In this way, pressure from outside (through standards for assistance) and pressure from below (in civil society) can intersect with pressure from within the state and the political system to generate viable coalitions for reform. We also need better coordination with our other democratic allies. And no doubt, we need a lot of luck.

6. *Resurrect and expand public diplomacy efforts to disseminate the message of democracy and human rights, and the fundamental morality of the American position.*

Over the past decade, the U.S. capacity for public diplomacy—and for waging the necessary ideological struggle on behalf of democracy and the rule of law—has sharply diminished. We need to revive our ability to articulate and disseminate our ideas and views. If these messages are going to be effective however, we must back up our words with actions and with money. This is why a significant expansion of foreign assistance, much more carefully targeted, can be an important tool in the war on terrorism. We must show the potential constituencies of sympathy and support for, if not active involvement with, terrorism, that we are serious about helping them to achieve the dignity, prosperity, freedom, and hope that are missing from their lives. New, high-profile investments in the quest for global public goods—for vaccines against malaria and HIV, for example—can be good for development and for our public diplomacy.

7. *Support moderate and pro-democratic forces in the Islamic world.* Radical Islamist forces have gained ground dramatically in many predominantly Muslim countries because moderate forces are institutionally and financially weak. Like moderate, democratic forces during the Cold War, moderate and religiously reformist Islamic forces have been squeezed between two extremes: radical, religious fundamentalist forces supported and funded, often through conspiratorial linkages and infiltration, from militant states and organizations; and repressive, authoritarian states who do not want to allow any criticism or alternative political voices. Through the NED and other nongovernmental vehicles of assistance, the U.S. should offer support to modernist and moderate Islamists who challenge rigid, reactionary interpretations of Islam and offer alternative, moderate and democratic visions of governance, development, and international relations that are not hostile to the West or to democracy.

The above represents a challenging if not imposing agenda. It will require more financial and human resources, but also tougher thinking and implementation that overrides vested interests (in this country as well as abroad) and demands results. The fundamental lesson of September 11 is that the splendid assets of the United States—its wealth, its military and technological power, its values, its geography—are no longer enough to protect it in a world of failing states, unconventional weapons, and superempowered angry people. By themselves, force, vigilance, and intelligence cannot restore our shattered security. To be fully secure again, Americans must realize that we live in an increasingly integrated world, economically, politically, socially, and ecologically. Only when every major region, culture, and people is

developing, buttressed by good governance and broad participation in the benefits of globalization, will the United States be secure from grave international threats.