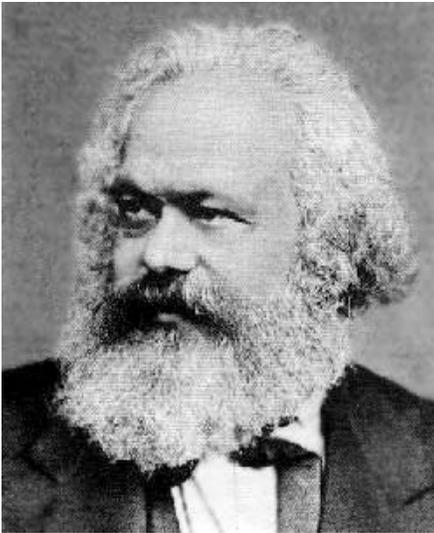

MOVING TOWARDS THE END OF DEMOCRACY

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The world is passing through a financial crisis. It started with some events in the USA. The dust from USA had hardly settled down when dark winds started blowing from South Europe – Greece, Spain and Portugal. The economics of the turmoil has been discussed threadbare by economists, journalists and all the wise men. Let us for a moment take a break from economics and turn to politics of the crisis.

Economics and politics are linked inextricably. Political ideologies have economic fallouts. Often the fate of ideologies is sealed not by their internal logical inconsistencies but by the economic catastrophe that they bring upon people. Communism collapsed in USSR not due to arguments of some great philosopher but because of harsh realities of bread, butter and meat. The words of Karl Marx inspired millions, but when people of the state founded on Marxism faced hunger and depravity, the lofty words started sounding hollow.

Any political ideology (as distinct from religious ideologies, who can promise a kingdom of God or unlimited virgins in heaven) has inherent in it a promise to deliver results which can be measured in economic terms. The promise is always covered in emotional words (slogans) that touch the hearts of people. In most cases, the slogans do not promise anything pecuniary but the people assume all that they want to assume. For example, take the famous lines of Marx – Man is born free, but he is everywhere in chains; Workers



of the world unite, you have nothing to lose but your chains. Millions of people across the world have read meanings in the above words though in real terms the words have no specific monetary promise. Similarly, the definition of Democracy given by Abraham Lincoln – government of the people, by the people, for the people – has no direct financial promise, but the fact remains that the masses assume economic benefits flowing to them from democracy. The challenge, hence, before democracy and therefore before all democratically elected leaders is to continuously deliver larger and larger doses of economic benefits to the electorate.

At this point let us take a look at history. If we exclude the period of past 215 years or so, we find very brief mentions of democracy in the known history of mankind of the past five

thousand years or so. Democracy is said to have flourished for a brief period of less than a century in Athens (Greece). It was a very small experiment in an insignificantly small city-state. The total population of Athens was about 300,000 and only about 50,000 persons (less than 20 per cent) were allowed to vote. Even with such small numbers, the system proved to be unmanageable and plagued by multiple problems. Instead of going into the details of the problems faced by Athenian democracy, it is more important to view Athens in a broader perspective.



Greek city states were founded on the principle of exploitation of the vast hinterland. Soldiers formed the backbone of the city states. Ability to fight wars with other states, impose hardships on primary producers of agricultural commodities and collect (loot) taxes from them was the fundamental building block of the economy of the Greek cities. City-states like Athens or Sparta produced nothing. They lived off the

labors of a vast population (including slaves within the city-states). In such a system founded on exploitation, resources flow to some people without the people actually generating them. The leaders in such an exploitative society can pamper their people as long as they can continuously increase the flow of resources from the oppressed. Athens as well as Sparta continuously fought wars to ensure the flow of resources. Surely, one cannot always win. A single major defeat sounded the death knell of a city state. The defeat of Athens in the Peloponnesian War in 404 BC shook up Athens and started a process that led to the end of democracy of that era.

Experiment of democracy in Athens was such a catastrophe that for more than 2000 years (till the end of eighteenth century) democracy was equated with anarchy and no one dared to talk of democracy. Towards the end of eighteenth century, flow of resources started from the colonies to Western Europe. Around the same time, the European settlers had almost finished the history's biggest genocide in North America making available huge resources in the so-called New Lands. Massive flow of resources in form of raw materials, land, agricultural produce and slaves (or cheap labor) combined with developments in science and technology created a rising prosperity curve on which the countries of Europe and America rode through the nineteenth and much of twentieth century.

End of eighteenth century was also the period when Europe was getting weary of the excesses of the Church. Inquisitions and witch-huntings were recent in the memory of the people. The Church had helped kings to become despots, while tightening its iron grip on the minds of the people. Independent thought had been crushed for too long in Europe. As prosperity flowed in with colonization, the voices against repression of the Church became louder. Renaissance in Europe was the rising of a mind which had been crushed brutally by the Church. King and the Church were seen as partners in a mediaeval unholy

alliance. The only hope for the people of Europe to gain freedom from the vice-like grip was in democracy.

In the last two decades of eighteenth century democracy ceased to be a dirty word and started gaining respectability. The Constitution of United States was ratified in 1788 and the new United States Bill of Rights was ratified in 1791. At that time only white male landowners were allowed to vote for their delegates in USA. French Revolution and Declaration of the Rights of Man and of the citizen happened in 1789. The journey of democracy was aided in Europe by rising prosperity of the people caused by enormous flow of resources from the colonies. In case of USA, the natives had all been killed and the settlers had to only maximize the enjoyment of vast natural resources that had fallen into their lap. Both in Europe and America, the situation was ripe for growth of democracy.

Theoretically speaking, it is often said that people choose the best man to be their leaders. Anyone with a practical experience of functioning of democracy knows that nothing can be farther from truth. People vote in an election based on promises made by candidates. In every democratic country of the world, there is a race among candidates to promise more and more to the electorate. In India, a few decades ago some party promised subsidized rice at Rs. 2/kg. Soon another party promised free rice. In recent past, a party in South India



promised free colour television to every household. This rush to promise (and even deliver) something or the other for free is not confined to India; it is typical of every democratic country. In some countries it takes the form of agricultural subsidies. In some others, pensions and benefits for poor are provided. The recent debate in the USA about medical benefits for the poor is no different. The crux of the matter is the same everywhere – a benevolent state that gives something or the other to every citizen without taking anything in return. Every

democracy turns into such a benevolent state sooner or later due to the pressures that the elected rulers face.

A benevolent state can exist only if resources are flowing in from some other country and people, making it possible for the elected rulers to give away freebies with no worries. Such a situation existed when resources were flowing from colonies to Europe (and from the land of the Native Americans to the nation of European settlers) in the seventeenth to middle of twentieth century. In the second half of twentieth century, colonialism waned. However, the flow of resources continued with the aid of trade and exchange policies. The developed world was (and is even today) selling armaments and technology-based

products at exorbitant prices to poor countries while buying their commodities at dirt-cheap prices. This is labeled as free trade and touted as a great virtue, but the truth is that it has always been on the terms of the powerful countries and resorting to war to guard one's interests has never been considered immoral. The Opium Wars are a classic example of a war fought to enforce a right to loot a people using so-called free trade. The countries that went to war, about a century ago, to force the King of China to allow them to sell opium are now pressing to enforce a global ban on opium.

It will not be an exaggeration to say that perpetual war is an essential engine to sustain the inherently unsustainable benevolent state. War in poor countries helps rich countries to sell armaments at prices that have no relation to their cost of production. Wars among the poor also help rich countries gain footholds in poor countries so that they can write policies that allow their companies to loot without restrictions in such countries. The flow of money to such companies eventually reaches the economies of rich countries. In contrast with the wars between two poor states, there are wars between rich countries – fought to get a larger share of the loot. This is something that the rich countries are mortally scared of. World Wars were such wars. After World War II, the rich countries



have avoided direct conflict, but the fight to gain higher share of the loot continues to date whether in terms of lucrative construction contracts or orders for aircraft or orders for arms and armaments.

Resources are flowing into USA and Europe in another form too – deposits from developing countries. US economy has had a negative savings rate for decades. The difference between the country's high expenses and low income is provided by the money that China,

India, Brazil and such countries collect in the form of US Dollar denominated deposits. Increasing foreign exchange reserves of these countries are allowing the USA to spend money that it does not own. When Lehman Brothers collapsed, the US President announced a bail-out plan for US banking sector. The plan involved an expenditure of almost 50% of US GDP, without the US President imposing any new taxes. The US is fighting wars in Afghanistan and Iraq without collecting any war-tax. The cost of the wars as well as of acting as savior to sinking US banks is being borne by the money that China, India, Brazil and such countries are handing over for safekeeping to USA. Purchasing Power Parity Rate for USD is about Five Indian Rupees, while the official exchange rate is almost nine times over. If the world stops using USD as a currency of trade and for keeping national reserves, it will not take too long for the USD to sink. Such a deep fall of USD will be catastrophic for the US economy.

The malaise of living beyond its means that affects the USA is actually an incurable cancer. No one can get elected to the office of President of USA without promising additional benefits to the people and this must be done without increasing taxes. This is a paradox that each and every President of USA must live with. President Obama faces a

similar challenge in implementing his ambitious healthcare program. Jugglery with figures cannot get one too far. The moment of truth will have to dawn sooner or later for not just the USA but also for Europe. The crisis in Greece and Spain is another manifestation of the weakness of a benevolent state system which is the essential backbone of democracy.

Democracy stands on the system of leading the electorate in a manner that gives them something for nothing and teaches them to be greedy and live beyond their means. This starts an unquenchable thirst. Someone who gets free rice wants free pizza; someone who gets free medicines also wants free breast implants and so on. This works well when the society is moving on a upwardly inclined curve of prosperity vis-à-vis time. The moment a society faces hardships and the economy turns downwards, institutions of democracy start shaking up to their roots.



Late Indira Gandhi (former Prime Minister of India) imposed emergency and turned a dictator in the June of 1975. Reasons for this are often ascribed to the persona of Mrs. Gandhi. Socio-economic realities of the time are often ignored. India had fought three wars in quick succession – in 1962, 1965 and 1971. All the wars yielded no benefits for India. Even in the 1971 war, though India was clearly a winner and gained enormous long-term strategic advantages, the country did not get any financial gains. The wars put the country through immense hardships leading to high inflation and price rise.

There was widespread discontentment and unrest against the government. Angry young man emerged in the films of the period to give an expression to people's anger, which also found expression in various other movements. The rising swell of people's emotions proved too much for the government forcing Mrs. Gandhi to order imposition of emergency. This is not to justify Mrs. Gandhi's action. It is only to illustrate the inability of democratic societies to handle an economic downturn.

The problem of raising expectations of people from the state has another side effect. The old commandment of "Love Thy Neighbor" is replaced by "Do not worry about your neighbor; the state will take care of him." Democratic leaders in their zeal to deliver more and more to each individual have severed the individual from everyone around him. The only relationship that is recognized as primary in a modern democratic state is that of an individual with the state. All other relationships are treated as secondary and often treated as dispensable and with ill-conceived contempt. In so-called developed societies like the USA, the dependence on state is taken to the extreme and the responsibility of even one's own family members (like adult children, aged parents, uncles and aunts) is abdicated in favor of the state. This is the new secular ideal of modern democratic societies, where love is treated as some form of malaise. Human society has grown to be what it is only on the bonds of love. The complex web of loving relationships at various

levels of the family, village, society and country has sustained human life through centuries. Moral values have been traditionally enforced in societies by the pressure that the web of loving relationships imposes on each individual. In modern societies where the state has a primary role and each individual is encouraged to be an island, the role of pressure of loved ones is either ignored or seen as a relic of the past to be eliminated. No wonder that the rate of crime is much higher in the rich countries of USA and Western Europe than in relatively poor India and China. Incidence of rape in the USA is at least ten times higher than in India.

As and when an economic downturn comes, there are two problems with each-individual-an-island attitude promoted by modern democracy. On one hand, the individuals have no safety net provided by social relationships. On the other hand, economic hardship causes crime rate to zoom up leading to further strain on the social fabric. In fact, the two – absence of social safety net and increasing crime rate – are related and tend to feed each other. From 1000 AD onwards, India was attacked by many Muslim invaders from West Asia. For centuries India's economy was on a downwards curve. Yet, when the British came they found no beggars on the streets and much less crime in India than in England of those times. As the USA, the UK and Europe brace themselves up for a long fight with Islamic fundamentalists, it is important for them to learn the lessons of living through hardships. Are democracies equipped to do so? Unfortunately, so far the answer seems to be negative.



Having talked about hardships, it is necessary to go to the other extreme of the spectrum and discuss glittering markets and money. Democracy and free market economy have become synonymous in recent times. Equations of demand and supply are supposed to determine the dynamics of market with no scope for any distortions or emotions. Theorists talk about perfect and imperfect markets. The assumption is that more perfect the markets are the better it is for everyone. In reality a theoretically perfect market or even something close to it has never existed. Markets have always been distorted by the powerful to serve their own interests. As pointed out earlier, global markets were turned to the advantage of the powerful countries and this provided the

resources to sustain the benevolent democracies of Europe and USA. Relationship of giant companies with their governments is a symbiotic one. Governments provide support to the companies in all their operations by diplomatic, legislative and even by direct military action. In turn, the companies support the people in power with resources. The role of business houses is not restricted to gentle outside support. They try to and often succeed in controlling the mind of the government in every democratic country of the world. Wall Street has its influence (if not control) on every key position in the team that is working with any US President.

The direct participation of big business in the governance processes is never discussed in any text book on democracy, but it is too strong and widespread to be ignored. Big business has become the final decider on all legal, procedural, moral and ethical issues, with parliaments and other legislative bodies too eager to put their seal of approval. The world recently saw the helplessness of the US President in trying to get investment banks to limit the bonuses paid to bosses. There are innumerable stories about how governments bend backwards to accommodate big business houses. This worked fine when resources were flowing in from poor countries and businesses were acting as channels for bringing in the loot. At a time when the inwards flow is drying up and businesses have to depend on domestic consumers, a difficult situation has arisen. Businesses want the government to cooperate in their efforts to take out the maximum from the pockets of citizens under some pretext or the other (without any questions about right and wrong). This is obviously resisted by the citizens. The clash of citizens on one hand and the governments, who are supposed to represent the citizens, on the other hand divides the society. It also leads to erosion of the credibility of the governments thus striking at the foundations of a democratic state.

There was a brief mention above about the support by business houses to people in power. This needs to be detailed a bit. Elections are an expensive affair. Exceptions aside, no politician can fight elections anywhere in the world without big money flowing from people who have deep pockets. Let us be clear that no businessman gives money to a politician as an act of pure philanthropy. Though it may never be mentioned explicitly, there is always a tacit understanding of “You scratch my back, I scratch yours”. This leads to formation of unholy alliances at various levels between the politicians and businessmen. As a society moves down the prosperity curve, there are more poor voters whose basic needs have not been fulfilled. These poor voters are more likely to accept a rich candidate who backs up his / her promises with hard cash than an idealist who only talks big. This tilting of the scales in favor of the rich candidates increases the motivation of politician to lean more on business houses. In fact it is a vicious circle. The politician helps businessman to loot from the pockets of the poor people making them poorer. As the people become more deprived, they look more towards the politician for some freebies and some hope, howsoever futile.

Does this sound a typical case in a developing country? Do you believe that this never happens in developed countries? In fact, the only difference between a poor country and a rich country is in the level of sophistication. In a poor African country, corruption is more brazen and naïve while it is well camouflaged in intellectual discourse in a developed country. The tools that are used in developed countries for helping businesses include intellectual property rights, anti-dumping duties, phytosanitary restrictions, customs duties, non-tariff barriers, safety regulations and so on. In developing countries like India, politicians distribute clothes and food. In developed countries like the USA, politicians tinker with healthcare policy, agricultural subsidies, food coupons, housing policy, zoning laws etc. Whether it is a developed country or a developing country or a poor country, the role of a democratic politician is always the same – help the rich get richer by policies and state actions, while projecting to the poor an image of savior. This works fine as long as the society is getting richer every year, but becomes extremely messy when the opposite is happening and society is becoming poorer every year.

The idea of fair and just has been central in human mind through centuries. The sad part is that democracy has thrown away the concept of just and fair by the idea of constant struggle for grabbing the maximum. Survival of the Fittest may be the law by which species evolve. However, that cannot be and should not be the basis of a moral code within the human communities. In the past two centuries, mankind or more specifically the educated class has taken to this pseudo-scientific morality in which each individual and every group of individuals fights perpetually with every other one to corner the maximum. The key operative word of the past two centuries has been RIGHTS. One is supposed to fight for one's rights and anyone who does not do so is looked at as someone who needs to be educated. The paradigm of each one fighting against everyone else for rights suited the political leaders when the kitty of the state was always full. The leaders could give something or the other to each one demanding so-called rightful dues and in return command respect and loyalty. When the state kitty turns empty or grossly inadequate to meet the ever-increasing demands for rightful dues, there is bound to be widespread frustration and anger which is sure to prove unmanageable.

Talking of unmanageable expectations, it is also important to have a look at minority rights. From the early years of modern democracy, rights of minority have been considered fundamental to the concept of a democratic state. Democracy is differentiated from ochlocracy (mob-rule) and fascism, which are viewed as dictatorship of the majority. Democracy is supposed to be based on the idea that if a thousand people are saying one thing and only one man is saying the opposite, the one lonely man must be heard and his views accepted if he is right. However, this concept of minority rights has been distorted in terms of divisions created on the basis of religion, sect, caste or language. In countries like India, where minority rights are enshrined in the Constitution, it has become more beneficial to be a minority than be part of the majority. So, there is a mad rush for every small community to be declared a minority. In countries where minority rights do not enjoy such a prime place, different groups of people claim that their human rights are being violated on the basis of real or not-so-real excesses. Politicians, who always have an eye on the next elections, tend to view each minority community as a vote-bank. They push the communities to fight for their 'rights'. The ensuing strife causes the society to lose its cohesiveness and ability to meet challenges that are bound to arise when the economy is going through different times.



The issues of human rights and minority privileges are raised very often in democratic countries by people who have no faith in democracy and are committed to destroying democracy. These people are labeled as extremists or fundamentalists or even insurgents. They use terror as a weapon in their war on democracy. But they also use democracy as a weapon. They demand human rights even though they are not willing to grant such rights to anyone in areas ruled by them. Large numbers of such

enemies of democracy are Islamic fundamentalists. But there are others too. In India and Nepal Maoists (also called Naxalites), who claim to believe in communism, are a threat as grave as Islamic extremists. Covert and not-so-discreet operations of Christian missionaries are also a cause of concern throughout Asia and Africa. Whether it is Islamic

fundamentalists or Maoists or Christian missionaries, none of them has any love for democracy. Yet, each of them demands democratic rights either directly or through their activist friends in positions of prestige and power.

It is an impossible battle that democratic states face. The enemy is within and uses the democratic system to achieve its ultimate aim of destroying the system. They are unabashed in their approach. They do not even believe in reciprocity. Even a slight affront to minority (read Muslim) rights in India meets with worldwide criticism, but when minority (read Hindu) rights are trampled in Pakistan and Bangladesh there is not even a murmur of protest. There is so much noise about religious right of women in Europe to wear the veil, while even the basic right of life is denied to minority women in Islamic countries. In every village in India, where Christians have become a majority they consider it their right to abuse Hindus as sinners and even destroy their temples. But when a church building is damaged, there is international uproar. Maoists believe in Stalin who killed millions but in universities of Delhi and Mumbai there is no dearth of fellow-travelers who raise a bogey of human rights every time some Maoists are killed in an ambush with security forces. On the other hand, when police personnel were killed by Maoists, the fellow-travelers had no qualms about celebrating at a campus in Delhi.

The war with elements opposed to democracy is bleeding every democratic country in the world. At a time when resources are scarce, the war is proving too expensive for democracies.

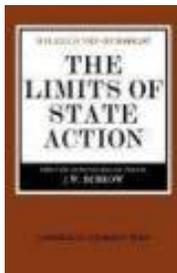
The democracies are making matters worse for themselves by either taking a short-term view or by their greed or by biases that have been strengthened through the ages. Mujahideens were trained and armed in Afghanistan by USA for their short-term interests during cold war. Christian missionaries receive monetary and other support from government agencies of Europe and America. A few weeks back, DFID (UK Government's Department for International Development) selected NGO's for disbursing aid in the state of Madhya Pradesh in Central India. Nineteen of the twenty selected NGO's are affiliated to some church or the other. It is not difficult for terrorists to buy arms and ammunition in the global markets because some democracy or the other is too eager to profit from such sales.

One might also say that the commitment to democracy is too weak even in countries that take pride on their democratic traditions. National interests, religious commitments, domestic compulsions, pressures of electoral politics – almost everything that one can think of – take precedence over defending democracy. For USA, Pakistan has always been a closer ally than India. The list of dictators supported by democracies of Western Europe and USA reads like a who's who of the tyrants of the world. The contradiction of supporting tyrants abroad while talking of democracy on domestic front has always disturbed all those who are passionate about democracy. It is unfortunate and sad that the leaders of democratic world have a very low commitment to the ideals of democracy. The nature of politics in each and every democratic country is such that the people who rise to the top are ruthlessly self-centered, egoist and ambitious. They would love to be tyrants and often behave in that manner. Above all each of the rulers of the democratic countries leads an insecure life fearing the next election. He must prove to his people continuously that he has got them much more than what anyone could have ever got. It is

easy to keep a gun on a dictator's head and pressurize the fellow into deals that will further impoverish his poor country. For the head of a developed country, this is such a pleasant situation compared to dealing with a developing country's Prime Minister who has his own domestic pressures to deal with and is not willing to see 'reason' as defined by the rich. No wonder that Nixon hated Indira Gandhi!



At this point, it is interesting to have a re-look at the history of democracy. Justice, Liberty, Equality and Fraternity were the values of the French Revolution — a revolution that failed to secure for its people the values that it propounded. The leadership that the revolution produced was devastating to say the least. Napoleon Bonaparte, a typical product of the French revolution played havoc in the whole of Europe. At the time when Germany lay in ruins amidst the Napoleonic depredations, out of the ruins arose yet another revolution. Its progenitor was Karl Wilhelm von Humboldt - the founder of the first



university of modern world, University of Berlin. His thesis about the limitations of democracy formed the basis of further development of democracy. Humboldt was of the opinion that the powers of elected representatives must be restrained by the intellectual pool at the University. This thesis looked at the University teachers as guiding and controlling force for the political leaders rather than as servants to the politicians in power. University of Berlin and Humboldt defined and established the relationships between the judiciary, the bureaucracy and the University. This was a revolutionary step that led to the revival of democracy and established a model that was adopted by almost the entire western world.

Unfortunately, the lessons of Humboldt have been forgotten in every part of the world. Democracy is no longer seen as a rule by elected representatives under the guiding and controlling hand of the universities. The politicians have overshadowed the university

professors or the intellectual class. The universities are seen only as shops selling knowledge. They are no longer seen as mind of the society. The role of mind of the society has been taken over by a greedy selfish politician-bureaucrat nexus, which can best be described as intellectually challenged. The nexus is egged on by media whose span of attention is determined by TRP's and 30-second sound bytes. The beginning of the twenty-first century will be remembered as a period in history when depth of analysis disappeared from social discourse; when slogans and fiery speeches replaced quiet deliberations; and when academicians either became handmaids of politicians and bureaucrats or buried their heads in heaps of papers.

To conclude, one can say that the challenges that democracy faces today are probably much worse than what it faced at the end of eighteenth century when Napoleon Bonaparte brought misery to Europe. As a person who loves democracy (the Humboldt type and not the Napoleon / Hitler brand), it is painful for me to live through times when democracy is facing its worst crisis of the past two centuries. My attempt at analyzing the ills of present-day democracy is based on my belief that understanding the disease paves the way to curing the disease.

Let us hope that the democratic world will understand the dangers that democracy is facing today and will find a way to cure the malaise. Even though the world seems to be moving towards the end of democracy, let us hope that some way will be found to either arrest this movement or to build a system of governance which will be better than the modern democracy.



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