

## **Moises Naim**

What Happens Next – 08.06.22

Moises Naim:

This past decade has been rich in world changing events. Almost unnoticed is the global crisis of democracy. There is a global onslaught against the checks and balances that define a democracy. Undemocratic systems are on the rise. They currently account for 70% of the world population. That is 5.4 billion people live in non-democracies, according to studies by the University of Gothenburg. A decade earlier, the percentage of people without democracy was 49%. So that was a decade in which democracy became a system of governing that is in danger of extinction.

Not since 1978 has there been such a low number of countries in the process of democratizing. There are two reasons why the democratic backsliding didn't cause alarm. The first is that there were just too many other urgent problems to successfully compete for the attention of the media, public opinion: the pandemic, the global financial crisis, Brexit, and the war in Ukraine -- left little room for non-immediate emergencies. The second reason is that most attacks in democracy were deliberately difficult to detect, which made it much more difficult for people to fight back. But the reality is -- and this is according to the University of Gothenburg -- the level of democracy enjoyed by the average global citizen in 2021 is down to 1989 levels.

Of 195 countries, only 34 are overall democracies. This profound, important structural change took place stealthily. There is a new crop of autocrats that present themselves as democrats and then stealthily undermine democracy from within. They win elections, they get to power and immediately they start on weakening checks and balances that characterize a democracy. They do that by using three strategies that I call the three Ps: populism, polarization, and post-truth. Populism has always existed and is centered in the notion that requires a Messiah-like charismatic leader that represents the noble people that is being exploited against the elite. Normally, what happens is that that charismatic leader becomes a dictator, and instead of defending the interest of the poor, makes whatever necessary decisions in order to stay in power.

Some of the tricks they normally use to achieve that are polarization, deepening the differences that exist in societies. Polarization has acquired new potency thanks to the new technology, social media, and all the rest that we can broadly call the third P, which is post-truth. Propaganda controlled and centralized by dictators.

Now post-truth includes propaganda used by the state, but it also includes the messages of listeners, fans. And post-truth is casting doubts on what people believe, creating confusion, undermining trust in society. And the three Ps have been used around the world by very different regimes and leaders. And that explains the dire situation that democracy finds itself in and the decline of democracy we have seen in the past decade.

Larry Bernstein:

Democracies have always been a minority among the countries in the world. Today, we have the United States, Western Europe, and Japan, but most of the world doesn't live there. They live in Africa and Asia, and especially China. How should we consider the reality that democracies have no population growth but the rest of the world is growing pretty quickly.

Moises Naim:

You are right that there are very large underdeveloped or poor countries that struggled to obtain and retain and manage democracy. But the problem is that that is not just happening in banana republics.

Watching the attack on the capital on January 6<sup>th</sup> was harrowing in many ways because we have seen this movie except that it was in Spanish. But an even more important factor is that we are seeing anti-democratic behaviors in consolidated democracy like the United States.

Larry Bernstein:

Samuel Huntington in his book *Political Order in Changing Societies* argues that society is most ripe for revolution when incomes are rising and the new elite do not have sufficient political power and demand more.

Moises Naim:

The central message is that the demands of the people grow at a faster rate than the capacity of government to satisfy them. So democracy has to face a chronic dissatisfaction by its population that they're not getting their fair share, that they're not progressing sufficiently, that social mobility is not favoring them. And when the gap between expectations and hopes create the nasty politics that Huntington predicted and that we are seeing around the world today. We are living in an age of disappointment.

We know that there are some tectonic plates in the world that are moving: demographic, technological, societal mindsets, power. And we know that they're going to affect us and our families, but we don't know exactly how, or when, in which ways. Big waves of changes alters our way of life and the ways that we understand life and expectations we have about our own future. So that too is a major source of disappointment.

Larry Bernstein:

There was an election in Colombia a few weeks ago, and a former leftist terrorist won. Do you think Columbia will remain a democracy?

Moises Naim:

Gustavo Petro, the new president of Columbia, is going to use the three Ps to govern. He's already shown to be a populist in which the division between the people and the abusive elites need him to rebalance power, income and wealth in Colombia. He's also exploiting the

profound divisions and the polarization that exists in Colombia, and he is a practitioner of post truth. So, he's a three-P leader. We have seen his ilk around the world.

Larry Bernstein:

How would you compare Columbia with Venezuela? And what will it take for Venezuela to become a normal democratic country?

Moises Naim:

The tragedy of Venezuela, something like 20% of the population has literally walked for thousands of miles just to escape that harrowing nightmare that is to live in the country -- that tragedy is not sufficiently understood. And there is a variable that is never included in the conversations, and that is the role of the Cuban government. Very few decisions including cabinet appointments, economic policies, international relations are taken in Venezuela without the approval, the stamp, or even the initiative of the Cuban government. Venezuela used to be a Petro state, meaning a nation state that is reliant on oil as a main source of economic growth and income. And that it is now destroyed. The level of destruction -- institutional destruction, wealth destruction -- that has taken place in Venezuela has no parallel. Wars have proven in some cases less destructive than what we are seeing in Venezuela.

Larry Bernstein:

Why does Cuba have this power?

Moises Naim:

It all starts with a very profound and human relationship between Chavez and Castro. It was almost a father and son relationship in which Chavez discovered in Castro the father he did not have. But that is psychological speculation. The reality is that Chavez and Castro had a very, very deep, profound relationship. And they were very explicit and very open in saying that they wanted to unite their two countries. And so the influence that Cuba had in Venezuela is not because it was invited. It was an invasion that was invited.

Larry Bernstein:

Do you think there is substantial risk of expropriation of privately owned assets in Venezuela today?

Moises Naim:

The Venezuela regime and others in the region are perfect examples of what I called ideological necrophilia. Necrophilia is a perversion that some men have, an attraction to cadavers. There is an ideological manifestation of necrophilia, which is a total attachment to bad ideas, bad policies that have been tried and tested in a country several times. And they always end in tears, in corruption, in poverty and so on. The world is in the grips of a lot of these three P leaders and three P movements that are very prone to having attacks of ideological necrophilia.

Larry Bernstein:

Next topic: post-truth. I had Eliot Higgins who founded Bellingcat on the podcast a few months ago. And his team showed in real time that a Malaysian airliner had been shot down by the Russians. They followed the truck to the site where the missile was fired and we saw pictures immediately afterwards with the truck missing a missile. The Russians were made out to be liars. The open internet and the easy access to information even inside the Russian military allows independent third parties to correct lies or misstatements. I would have thought that this open world would undermine a post-truth world.

Moises Naim:

We were told that the internet was going to be a tool of liberation, that it was going to help democracy. That it has done in some countries. But in other countries, it has become a tool of repression that the main user of the opportunities created by the internet are the secret police and the repressive organizations of the state. Social media and the internet are just technologies and they're a double-edged sword. And we see that with social media. It provides us access to all kinds of information, but at the same time, it makes it very hard for us to discern what is true and what is not. I am optimistic in the sense that we are going to be better in coming years in helping the digital consumer be a better informed, better protected consumer.

All around the world, we have seen the proliferation of government agencies that protect the consumer. It so happens that that has not arrived yet to the world of the digital consumers. And that is the technology that most of us use most of the time.

Larry Bernstein:

How do you explain the increasing popularity of Putin in Russia?

Moises Naim:

You're making bold statements. It is very bold to say that you can rely on existing opinion surveys in Russia. Your comment about the Russians supporting their leader – and I'm sure that there are millions of Russians that support Putin – needs to be backed by surveys that are not controlled, do not happen in a regime that gives a 15-year jail time to anybody that criticizes the government. We need to be very careful when assessing what is the mood of the Russians. And remember, when there are wars, they stir up nationalistic feelings and support for the leader and all that.

Give it a few years. Russia's economy has been unplugged from the global economy. It is going to be a very poor country. They are essentially a Petro state. And they also export some military weaponry. Where's innovation, where is the dynamism? They have a bunch of fat cat oligarchs, and oil, gas, and, and minerals and weapons. Inflation is going to bite it and the stagnation is going to be a reality. The future of Russia is not something to be applauded, especially by the Russians.

Larry Bernstein:

I want to apply your hypothesis of a growing disillusionment of democratic institutions to a Western European country. Let's pick France as an example. Le Pen has improved her electoral performance over the years. Macron won, but he seems unpopular with large segments of the French population. Is this a positive sign that a moderate center party remains in power? There is another trend in France with the rise of the Yellow Jackets and their anti-elite perspective that they do not want to be governed by bureaucratic experts?

Moises Naim:

In the recent elections, candidate Mélenchon got a substantial number of seats in parliament. Mélenchon is far left. He a Chavez supporter. There is no reason to believe that France doesn't face the same challenges of growth and government performance and societal performance that other consolidated democracy has – the same forces, demographic mindsets, the trends that I describe *In the End of Power*, the trends that I describe in *The Revenge of Power* are at work in France, very salient, very visibly so. Perhaps the essence is how difficult it is to govern successfully in today's world, how the fragmentation and the acceleration of changes. And again, we go back to the Huntington's notion that expectations of the people are growing at a faster rate than the capacity of the state to deliver. That is true in very poor countries, but it also happens to be true in France.

Larry Bernstein:

The British economist Mancur Olson in his famous book *The Logic of Collective Action* highlights that special interests have too much control over governmental decisions. Special interests care much more about their particular problems than the public and are successful at lobbying governmental officials to help them. What are your thoughts on the conflict between the public on the one hand and special interests on the other, and how that creates opportunities for a populist to push back against elites, bureaucrats, special interests and to fight for the people?

Moises Naim:

What do the opioid crisis of the United States, with hundreds of thousands of people dying, have in common with children in schools gunned down and weapons in civilian hands? The military spending -- there are studies that show that the military spending is out of control, and a lot of it goes to waste and perhaps corruption. What does all of that have in common? Money. Greed. This is a wonderful country; and we need to make sure that it continues to be. But at this point this wonderful country has black holes of malfeasance, of greed, of excess, of inequality, of special interests capturing the functioning and the performance of the state and moving the government policies to benefit a very small group of shareholders of pharmaceutical companies, gun makers at the expense of the entire society.

Larry Bernstein:

In your book, in the discussion about Brexit, you highlighted Boris Johnson's attacks against the unelected bureaucrats in Brussels. There are different ways of getting the best governmental

policies: unelected bureaucrats who are often highly educated in their area of expertise versus the messy democratic process of legislatures making regulations with their staff. How do you compare policy making by unelected professional bureaucrats and elected officials?

Moises Naim:

One of the complaints is that the current way of organizing gives bureaucrats and technocrats in government too much power control of important aspects of public policy. It is true that a balance has to be reached. But you need both. I was a cabinet member of Venezuela. Its public sector professionals, some of them were excellent and heroes, worked for very lower middle-class kind of salaries, but they were expert in what they did. And they were necessary.

How much power do you give them? There is no easy answer. You need both: you need the messiness of democracy that allows for people to participate and ideas to shape outcomes. But at the same time, you need experts. Any CEO of any company will tell you that running some government agencies is far more difficult than running a Fortune 500 company – the constraints, the uncertainties, the political pressures, the distortions, the lack of sufficient budgets, the outside pressures make it very, very hard to be an effective government bureaucrat, but we have them.

There is an onslaught against experts. Famously a cabinet member in the UK, when he was told that there was a study that showed that Brexit was going to be very negative for the United Kingdom, he said “the British people don’t need more experts. We already have all the experts we need.” There is a widespread disdain of experts. They often get it wrong, but we need them. We saw what happened with the COVID vaccines. The scientists and the experts were the heroes and the politicians, the mediocre ignorance, stood in the way of getting things done.

Larry Bernstein:

One of your defining goals is truth seeking. Post-Truth as you described is hugely problematic. Yet, we live in world of uncertainty. Most of the ideas that I believe are likely wrong. Why not lean on the democratic process over the rule by experts. I would have thought that one of the lessons of COVID was that the experts got so much wrong that we benefitted by the actions of the public.

Moises Naim:

First of all, I never said, nor I believe, that the experts should be giving influence outside and without the constraints of democratic controls. I don’t want a nation ruled by nerds that are out of touch. I want the political process. I want democracy to be at work. But then you said a different thing, which is a bigger, much larger, complex debate about what is truth, which is a debate worth having, except that it’s very easy to end up in no man’s land. There are different kinds of debates. Are we speaking during the day or at night? Now there is a truth. So, it’s daylight, right? Trump will tell you that they stole the election. It has become a debate. There are levels of debate – more complex, subjective that belong to the political process. We need to welcome that. But there are others that are being used to manipulate truth. They’re used in the service of power, which is the essence of the story that I tell in the book about post-truth.

Larry Bernstein:

What are you optimistic about?

Moises Naim:

I think science is going to surprise us in very positive ways. This onslaught of democracy will abate. Just identifying it, discussing it, debating it and showing that it exists will create antibodies that will make it harder for three P leaders that use populism, polarization and post-truth to subject their citizens to autocracies.