

On the Political Productivity of Democracies

Mauno Koivisto Lecture, Turku, 23rd April 1998¹

Manfred G. Schmidt*

Introduction

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Is this really true? Is democracy really outperforming all other forms of government? Is this also true for India, Germany in the late 1920s and the early 1930s, and Slovakia in the 1990s, to mention just a few examples? Are we not often praising democracy for something which is, in reality, attributable to other institutions, such as rule of law, civic rights or affluence? Is it not the case that the great majority of political thinkers from ancient Greece to the 20th century have been highly critical of the theory and practice of democracy? Aristotle, for example, classified a pure democracy together with tyranny and oligarchy as a perverted form of government. And Thomas Hobbes, the famous English political thinker (1588–1679), criticized democracy in his masterpiece *Leviathan* (Hobbes 1968) for being a form of government, in which the 'Inconstancy of the Number' undermines orderliness, predictability and stability. And is it not the case that democratic majority can degenerate into the 'tyranny of the majority,' to quote Alexis de Tocqueville's *De la Démocratie en Amérique?* (Tocqueville 1981)

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Is this really true? Is democracy really outperforming all other forms of government? Is this also true for India, Germany in the late 1920s and the early 1930s, and Slovakia in the 1990s, to mention just a few examples? Are we not often praising democracy for something which is, in reality, attributable to other institutions, such as rule of law, civic rights or affluence? Is it not the case that the great majority of political thinkers from ancient Greece to the 20th century have been highly critical of the theory and practice of democracy? Aristotle, for example, classified a pure democracy together with tyranny and oligarchy as a perverted form of government. And Thomas Hobbes, the famous English political thinker (1588–1679), criticized democracy in his masterpiece *Leviathan* (Hobbes 1968) for being a form of government, in which the 'Inconstancy of the Number' undermines orderliness, predictability and stability. And is it not the case that democratic majority can degenerate into the 'tyranny of the majority,' to quote Alexis de Tocqueville's *De la Démocratie en Amérique?* (Tocqueville 1981)

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These considerations suggest a more critical question: is democracy really the best form of government – compared to other forms of governments and taking the strengths and the weaknesses of democracy into account? This is the question which I will address in this lecture.

To answer this question, I will explore the ‘political productivity’ of democracies, in other words their political performance, their strength and weakness, and I will do this by comparing democratic government to authoritarian rule.²

Let me first introduce the two basic concepts of this lecture. Democracy, the key concept of this lecture, is derived from ancient Greek. It means ‘rule of the many’ – in contradistinction to rule of the few, like in an aristocracy, or rule of one person, such as in a monarchy or a tyranny. Moreover, in ancient Greece ‘democracy’ defines the rule of the many as government *by* the people, or *direct* rule of the many. In contrast to this, modern democracy is no longer exclusively defined as direct democracy, but comprises also (if not mainly) representative democratic government and, thus, indirect government of the many. Moreover, what constitutes the many, or *demos*, is in the late 20th century defined more comprehensively than in ancient Greece: the modern *demos* comprises the total adult population, i.e., the male *and* the female adult population. This is a remarkable contrast to the ancient Greek world, where democracy enclosed not more than 25 percent and often only 15 percent of the adult population, while excluding women, slaves and those who were not born in the city-state and were classified as ‘foreigners,’ among them in ancient Athens Aristotle.

How does one know whether a modern state is democratic or non-democratic? And how does one know whether there exists indirect or direct rule of the many? A wide variety of measures of democracy have been suggested in studies of comparative government. The core of these measures consists of three dimensions, and I will utilize these as my basic indicators of a democratic form of government:

1. the first core dimension is participation, in particular free and significant political participation of the adult population in public deliberation and selection of the political leaders;
2. the second core dimension of democracy is contestation, in particular a high level of free political contestation with at least two political parties competing for office and policy pursuit;
3. in order to qualify for a democracy, the government’s policy must in that sense be for the people that it follows the rules of the game and respects free participation and free contestation.

‘Democracy’ is a conceptual umbrella for different types of democratic government. It includes ‘secure’ or ‘established’ democracies, such as the West European nations, and weak or ‘fragile democracies,’ such as many of

the new democracies of the 1990s. In the following, I will not completely disregard the fragile democracies. But in order to identify as precisely as possible the performance and the performance potential of a democratic state, I will focus attention mainly on the difference between 'secure' or 'established' democracies on the one hand and non-democratic government on the other.

I will evaluate the political performance of democracies and non-democracies mostly by their level of 'political productivity.' This is my second key concept. 'Political productivity' is a concept for the measurement of political performance which comprises mainly the following dimension:

- system maintenance
- adaptation to changes in the socio-economic environment
- participation
- compliance and support
- procedural justice
- the level of welfare
- security for the citizens
- and the degree of liberty.

I will present my findings in five hypotheses and I will derive from these hypotheses a proposal for a revised and extended version of the Churchill hypothesis according to which 'democracy is the worst form of government except all those other forms that have been tried from time to time.'

On the Superior Political Productivity of Democratic States

The first hypothesis to be derived from the literature and the empirical data on dictatorship and democracy is the following: the level of political productivity in 'established' or 'secure' democracies is indeed superior to that of the non-democracies. Take political equality, for example, or the guarantee of political and civic rights or political participation, accountability of political leaders, and the degree of legitimacy of a political order. In all these respects, the most advanced democracies are clearly superior to the group composed of fragile democracies and, even more so, to non-democratic regimes. For example, many more channels for significant political participation are open for the adult population in a established democracy than elsewhere. Moreover, significant participation in these democracies comprises the election of the political leaders (or of representative assemblies which choose the leaders) by the people. Furthermore,

participation includes the possibility to vote incumbents out of office, and it thus provides for changes in government without shedding blood.

The right of the citizens in a democracy to choose or not to choose their political leaders generates more accountability of these leaders vis-à-vis the general public. This does not prevent politics and policy making behind closed doors, but it guarantees a much more viable and responsive link between the rulers and the ruled.

Leaving details and nuance aside, democracies are also better than most non-democracies in problem solving. This pertains in particular to established democracies. The political process and the policy making process in these countries are, for example, more predictable than elsewhere. More predictability, or conversely, less uncertainty in developed democracy facilitates the social and economic life of the citizens. Furthermore, it expands the time horizon within which the *citoyen* and the *bourgeois* alike can plan his or her social and economic activities.

Democracies have also been rightly praised for the successful taming of state power. The capacity to tame the state has been particularly large in countries in which the democratic formula of 'government of the people, for the people (and sometimes) by the people,' to quote Abraham Lincoln's famous definition of democracy, has coexisted with a strong constitutional state and institutionalized power sharing, such as federalism, French-style *cohabitation*, or divided government (like in the United States of America or in Germany these days).

Democracies are, in general, also more responsive towards changing preferences of the citizenry. Largely due to their pluralistic structure, one has also credited the higher level of protection of civic rights to democratic nations. Indeed, the protection of human rights in democracies, in particular in constitutional democracies, though not necessarily in fragile democracies, exceeds the protection of human rights in non-democratic states to a very large degree.

Detailed policy area studies also support democratic arrangements. Take education policy, science policy or industrial relations as examples. In these areas, the citizens of a democracy dispose of significantly more degrees of freedom than the citizenry in a non-democratic state. Environmental protection is also an area in which non-democratic states have not been able to catch up with their democratically governed counterparts, such as the rich industrial nations.

Of course, democracy is not a perfect government. Violation of human rights, violation of minority rights or disregard of property rights have also been reported from democratic states. However, violations of citizen's rights have been far less frequent than in non-democratic regimes. Moreover, within a democracy, above all within a constitutional democracy, the citizen whose rights have been violated has the right to sue. In other words:

he or she has the right to take legal action against the violator. Furthermore, it is highly likely that taking legal action against an unlawful violator will be successful. This is indicative of the capacity of a democratic state to make good an injustice and to restitute losses afflicted on a particular citizen or a group of citizens (Tocqueville 1981, 269f).

It is also with respect to conflict resolution that democracies are normally superior to non-democracies. The rules of the game in a democracy are such that the loser of one game can realistically expect to win the next game if he manages to mobilize sufficient political support. The expectation that one can compensate ones losses in past games by reward from future games has an enormous impact on conflicts: it reduces the tension between the opponents and encourages non-violent conflict resolution.

Furthermore, comparisons of democratic nations and socialist states have pointed to superior system adaptation capabilities of established democracies. Similar results can be derived from system maintenance, another indicator of political productivity: the socialist states in Central and Eastern Europe, for example, collapsed under the pressure from within and from high levels of global interconnectedness, whereas the West European and North American democracies have weathered both challenges and have done so relatively successfully.

Studies on international relations have pointed to a further major advantage of democratic government. Democracies, it is argued, are more peaceful than non-democracies. Democratic states are less inclined to go to war. Furthermore, they abstain from going to war against each other. From this follows a reduced security dilemma in international relations when the share of democracies in the total number of independent states increases.

More peacefulness and less war proneness involve a further advantage, namely that of allocating scarce resources to productive purposes rather than for destructive ones. For example, a peaceful stance in foreign policy furthers a 'trading state' policy, i.e., a policy which aims at strengthening the power and the welfare of a nation through economic policy rather than through a 'power state' policy stance. The trading state policy is conducive to a higher level of economic wealth, and facilitates the allocation of resources for social cohesion.

Studies in government spending in democratic and non-democratic states support this view. Take military expenditures: Relative to Gross Domestic Product, dictatorships spend much more on military goods and services than democracies.

Similar trends are observable in internal security policy. Democracies may be extremely efficient in safeguarding and supervising their citizens. But in contrast to many non-democratic states, it is highly unlikely that the state in a democracy will be transformed to a 'garrison state' or 'police state.' Autonomous media, the autonomy of the judiciary, party competition

and other barriers have prevented trends towards the 'garrison' or 'police state,' in contrast to non-democracies, where the sovereign is quite often truly sovereign and is, thus, unconstrained also in respect to citizen's rights.

Limits to the Superiority of Democracies

I come to my second hypothesis. This hypothesis adds a more critical perspective to what has been said so far. Let me reflect for a moment on the methodology I have used so far. I have compared states with democratic constitutions to countries ruled by authoritarian regimes through the conceptual lenses of political productivity indicators. This comparison reveals truly significant differences between democratic and autocratic states. Following conventional wisdom, I have attributed these differences to the difference between democratic and non-democratic constitutions.

This is a legitimate inference. However, it is not fully convincing, because the difference between democratic political systems and non-democratic ones could, at least theoretically, be partly or fully due to third, fourth or fifth factors. It is conceivable, for example, that the superior political performance of democracies is, at least partly, due not to democracy itself but rather to the favorable environmental conditions of most West European and North American democracies, such as a high level of affluence, a secularized political culture, a long tradition of the rule of law.

Taking account of these arguments requires a more sophisticated research design. Technically speaking, one must add alternative explanatory factors, intervening variables and control variables to bivariate relationships between democracy and political productivity that I have analyzed so far. The more sophisticated research design sheds new light on some of the lessons discussed in the first section of this lecture. It shows, for example, that some of those who have praised democratic government for a higher level of performance have praised democracy too much. Moreover, some have praised democracy for something which is attributable not to democracy per se, but rather to other institutions, such as the rule of law, an autonomous and well-functioning judiciary and a high level of welfare, or to the interaction of these factors and democracy. Take the higher level of protection of citizens rights and minority rights in most democratic countries. Protection of citizens rights is not primarily attributable to democracy per se. It is rather the case that democratic government, when unconstrained, can turn into a 'tyranny of the majority.' The cause of effective protection of citizens rights or minority rights, for which most democracies are praised, is mainly attributable to the rule of law and, thus, to constitutionally guaranteed constraints on the executive. Rule of law often coexists with established democracy; but it is conceptually and historically

to be distinguished from democratic government. For example, there have been democracies in which the rule of law is clearly more fragile than in Western Europe or North America, such as in many of the new democracies of the waves of democratization since the mid-1970s. Moreover, there have been non-democratic states, in which the law ruled, such as the German Empire from 1871 before it became fully democratized.

It has also been the case that the 'democratic peace' theory must be critically questioned. Strong arguments have been advanced in support of the view that the peacefulness of foreign policy in constitutional democracies is attributable not to democracy per se, but rather to the constraints of constitutionalism on the policy making of the executive.

Moreover, Western democracies have often been praised for their higher level of economic affluence. However, the higher level of security and wealth in most of the 'secure' democracies is also not mainly due to democratic government per se, but mirrors largely a higher stage of economic development of most of the established democracies.

Finally, the high level of political and social stability in most established democracies is not unique. Political and social stability has also emerged in a different environment, for example in semi-democratic states and in many authoritarian regimes, although usually at the price of higher repression. Moreover, not all democracies have proved themselves stable. Some of them never turned into more than a fragile democracy, and not few of them collapsed, such as Germany's Weimar Republic or some of the Latin American democracies in the 1970s.

On the Inferiority of Democracies

I come to my third hypothesis. This hypothesis focuses attention on the comparative weaknesses of democratic regimes. It is undoubtedly the case that democracies have been superior to non-democratic regimes in many important policy areas. But there have also been policy areas in which democracies do not at all outperform alternative forms of government. Moreover, in some policy areas, democracies do not pass the test at all well. Take unemployment. Most democratic nations have not at all been successful in coping with mass-unemployment. It rather seems to be the case that most democracies in most of their life have suffered from chronic unemployment, with the exception of the short dream of full employment in the post World War II period in some of the West European nations, above all in the Nordic and in the German speaking countries from the 1960s to the mid-1970s, and with the further possible exception of Japan. Of course, unemployment in rich industrial nations is partly due to the impact of better unemployment insurance which makes unemployment more visible if it

does not cause a higher rate of unemployment. However, the unemployment crisis of most democracies also mirrors the more moderate long-term economic growth rate in an advanced economy. In contrast to a widely held view, economic growth in the group of democratic countries is not higher than economic growth in the group of authoritarian states. While most of the democracies have indeed been built upon a higher level of economic development, as Seymour Martin Lipset's famous affluence theory of democracy suggests, this guarantees by no means a superior economic growth rate compared to non-democratic states. It is rather the case that some of the non-democratic economies are growing very fast. Furthermore, it could be even argued that most established democracies cannot circumvent a lower rate of economic growth because most democratic countries are economically advanced nations. Being in the vanguard of rich industrial countries means that the potential for economic catch-up, a major propeller of rapid economic growth, has been exhausted.

However, in favor of the economic growth performance of democracies it can be pointed out that their economic development follows a more stable and predictable path. Above all, the ups and downs of the business cycle in these countries are more muted than the fluctuations in economic activity at least in some of the newly industrializing countries or in many of the Eastern European countries in the transition from a planned economy to a market driven economy.

The more stable and predictable path of Western democracies is, at least partly, attributable to the stabilizing function of the welfare state which has emerged in most of these nations, in particular in Western Europe. Overall speaking, there exists a law-like tendency for social policy to grow with the age of representative democracy. This is a double-edged process. The growth of social policy beyond a certain high threshold tends to intensify the trade-off between social protection and economic performance. This may result in reduced economic growth rates and employment losses. It is thus conceivable that strong social policy countries must accept reduced micro-economic flexibility in exchange for a higher level of macro-political and macro-social stability and more stable growth pattern, albeit below the full employment level.

The latter observation is indicative of a more general trend: all that glitters is not gold. This pertains also to an established democracy. Democracies are not winners in all disciplines. Furthermore, in contrast to the assumption that democratic government would guarantee rationality, it is safer to conclude that a democracy 'cannot guarantee rational problem solving or rational political outcomes' (Greven 1993, 411). Moreover, the demos or people can behave in the most 'unjust, racist, fickle, and capricious' way (Benhabib 1996, 3-18). The enthusiasm which the Falkland War has generated in the United Kingdom of Great Britain is one example,

and the rise of the National Socialist Workers Party in Germany in the 1930s is another. It is also conceivable that the respectable principle 'one man – one vote' will be transformed to 'one vote – one bribe,' to quote from Salman Rushdie's recent essay on India. From there it is only one step towards – I am quoting Salman Rushdie again – 'Indian relativity theory': 'Everything is for relatives' (Rushdie 1997).

Finally, democracies are political systems which suffer from chronic breathlessness. Within a democracy there exists a strong tendency towards 'short-termism.' The tendency towards short-term oriented politics and policy making can largely be attributed to omnipresent political contestation and omnipresent mass media as well as frequent nation-wide and intra-party elections. Short-term oriented policy often results in externalizing costs to third parties, frequently to younger generations and to future generations. Precisely this mechanism can be observed in most developed modern democracies. The disregard of policy areas which are particularly important for the young and for future generations, such as education and research, do support this view, above all in continental European democracies and to a lesser extent in Nordic countries which invest more in human capital. And so, too, does the tendency in almost all developed democracies, including the Nordic states, to pay for policy outputs and policy outcomes with a high and increasing proportion of the public debt as a percentage of Gross Domestic Product.

The Level of Political Performance is Contingent Upon the Type of Democracy

The latter observation leads me to my fourth hypothesis. The level of political performance is not uniform across the different types of democracies. It is rather the case that types of democracies differ in their political productivity. The nature of the relationship between type of democracy and political performance is, however, a complex one. Simple laws do not pass the test at all well, such as the view that a majoritarian democracy would in all major aspects be superior to a non-majoritarian democracy. Nor does the alternative view, according to which consensus democracies would generally be better than majoritarian democracies, pass the test well. However, there are differences of degree. Take the neglect of the interests of younger and future generations, for example. The tendency to neglect these interests is inherent in all democracies. But the degree to which they do neglect these interests varies considerably. Preliminary results from research on this topic in the Centre for Social Policy Bremen suggests that the tendency to disregard younger and future interests tends to be somewhat lower in countries with a strong direct democratic element. Furthermore,

there is also a relationship between the attention given to younger and future generations and social policy efforts. The tendency to neglect younger and future interest is significantly smaller in strong-social-policy countries, such as the Nordic states, while weak-social-policy countries tend to disregard younger and future interests to a larger extent.

Moreover, there exists a relationships between the type of democracy, in particular the difference between direct democratic and representative government on the one hand and the size of public expenditure and the welfare state on the other. Alexis de Tocqueville, for example, has rightly predicted an increasing role of the state in a democracy. Fully pronounced has this tendency been above all in representative democracies, in particular in countries in which strong leftist parties or strong Catholic center parties have held the reins of power over a long period. It is in these countries that a new type of democracy has emerged: a fully developed social democracy.

The level of political performance, as mirrored by the capacity for policy change, is also contingent upon the structure and the total number of veto positions and veto players in a political system. Political systems of the Westminster type are marked by few veto positions and few veto players. In contrast to this, many veto positions and many veto players characterize most federal countries, above all the United States, Switzerland and Germany. Veto positions and veto players do have an enormous impact on policy making, policy output and political outcomes. Following George Tsebelis' veto player theorem, for example, it can be argued that the degree of policy change is largely dependent upon three variables: policy change tends to be larger, the lower the number of veto players, the smaller the ideological distance between the players, and the more heterogeneous the social constituency of these players. Conversely, the policy change tends to be more muted, when the total number of veto players is large, when the policy positions of the veto players differ widely, and when the social constituency of each player is homogenous.

What difference do majoritarian and consensus democracies make? The general answer is this: the level of political performance in majoritarian democracies is as ambivalent as that of non-majoritarian democracies. Non-majoritarian democracies, such as consociational democracies, are, for example, better at integrating opponents. At the extreme, they are even capable of managing conflict between estranged groups. Non-majoritarian democracies in many aspects even resemble an 'encompassing organization' of the sort defined in Mancur Olson's *Rise and Decline of Nations* (1982), and tend like the latter towards non-parochial solutions of collective goods problems.

However, non-majoritarian democracies find it very difficult to cope with challenges which require rapid reaction, large policy changes, and bold innovation. This may result in poor system adaptation and deficient

modernization. Furthermore, the weakness of non-majoritarian democracies consists in the lack of political accountability of the various participants in the networks of consensus democracy.

Are majoritarian democracies superior to non-majoritarian ones? According to a widely shared view, a major strength of majoritarian democracy resides in the formation and maintenance of stable governments, in efficient change in power, and a higher probability of policy change. Moreover, majoritarian democracies are superior in terms of accountability. Furthermore, majoritarian democracies improve the conditions for effective canvassing and media-oriented politics and policy. The latter becomes particularly important in an environment in which media fitness is in demand. However, media-oriented politics and policy comprise the risk of 'politics without policy.' In contrast to this, a non-majoritarian democracy rarely meets the requirements of media fitness: politics and bargained democracy behind closed doors are miles away from media-relevant political spectacles.

'Politics without policy' is not the only a potential weakness of a majoritarian democracy. Another risk consists of a potential tyranny of the majority, an elected dictatorship, or political repression of minorities. And a further weakness of majoritarian democracy is its inability to integrate those who were defeated in a contestation. Moreover, majoritarian democracies also find it very difficult, if not impossible, to integrate opposing minorities. And to provide social cohesion in a society composed of divergent camps or milieus along social class, confession, or ethnic cleavages clearly overstrains the capacity of majoritarian democracy. Furthermore, implementation costs tend to be higher countries with majority rule. This is largely due to the exclusion, if not suppression, of minority interests in the process of deliberation and decision making. Finally, majoritarian structures are conducive to a competitive and conflict-oriented mode of politics. This can result in more innovative policy making as well as more innovative and entertaining politics, but it may also destabilize political systems, for example through relentless confrontation, exploitation of minorities, or an endless series of stop and go policies.

However, despite all the weaknesses and strengths of the various models of democracies, it must be emphasized that the different types of established democracy have proved themselves remarkably stable and adaptive despite considerable internal and external challenges.³

The most important difference between types of democracies is not between types of established or 'secure' democracies; the most important difference is that between 'established democracies' and weak or 'fragile democracies.' The level of political productivity in most fragile democracies is significantly lower in almost all performance dimension. This includes restrictions on free participation and free contestation, low predictability, neglect of liberty and disregard for the security of the citizenry.

Challenges for Democracy

My fifth hypothesis focuses attention on the challenges of democracy. Does the remarkable adjustment capacity of democracies entail eternal stability and eternal adjustment capacity? Or is there anything in the world that overburdens the performance potential of a democracy?

According to the literature, four challenges are very difficult to take for democracies – even for the strongest among them:

1. Lethal for democracy would be the withdrawal of the citizen from political participation. Just imagine: there would be democracy and no one would care!
2. Very dangerous for democracies is a distribution of power biased towards ‘anti-system forces,’ such as in the Weimar Republic with the twin impact of anti-system agitation from the National Socialist Workers Party and from the Communist Party.
3. A perennial challenge of democracy consists of the ‘Inconstancy of the Number,’ to quote Thomas Hobbes again. If the people would no longer tolerate the ‘Inconstancy of the Number,’ such as wildly fluctuating majorities, exploitation of minorities, or extreme disproportionality between vote shares and seat shares, the situation for democracies would be critical. It would also be critical when the people would not tolerate the high degree of path dependence of democratic outcome, i.e., the dependence of defeat or victory of a particular party on a particular electoral system.
4. The fourth critical challenge of democracy, the one which is least visible, is to be located mainly outside of the nation state. The challenge consists of increasing levels of global international interconnectedness of economies and societies. Global interconnectedness tends to reduce the scope for democratic government in a nation state, unless it goes together with democratic government at the international or supranational level. Similar challenges face democracy in the case of supranational integration, such as in the European Union, as long as the process of integration is not complemented by more democracy at the supranational level.

Conclusion

Towards a Revised and Extended ‘Churchill Hypothesis’

What conclusions can be drawn from what has been presented so far? One of the conclusions concerns the Churchill hypothesis, that is, the view that ‘democracy is the worst form of government except all those other forms that have been tried from time to time.’ This is a nice way of balancing a

supportive and a more critical view of democracy. If I were standing in the House of Parliament, I would probably end my lecture here.

However, from a point of view outside the House of Parliament, caveats should be added to the Churchill hypothesis. The Churchill hypothesis oversimplifies a more complex pattern, albeit in a very elegant way. For example, it disregards breakdown of democracies – a not too rare process. It also disregards that many of the fragile democracies have an appallingly low level of political productivity. Moreover, the Churchill hypothesis neglects the major weaknesses of democracy, such as the potential for the tyranny of the majority. Furthermore, it neglects the difference in political performance of the various types of democracy. Finally, the Churchill hypothesis attributes at least to a significant extent to democracy what must, in reality, be attributed to favorable external conditions, such as rule of law, effective protection of civic rights by an autonomous judiciary, an individualistic culture, and a high level of welfare either of private or public origin.

A revision of the Churchill hypothesis is thus desirable. Let me conclude this lecture with a proposal for a revised and extended Churchill hypothesis: It is not democracy per se which is the worst form of government except all those other forms that have been tried from time to time. It is 'established' democracy together with rule of law, effective protection of civic rights and a high level of welfare which makes the difference between good government and all other forms of government.⁴

NOTES

1. The Mauno Koivisto Lectures are organized annually by the Social and Economic Science Association at the Turku/Åbo Universities. Professor Schmidt's lecture was the third Mauno Koivisto Lecture.
2. The corresponding research question is this: Does democracy really make a difference in the level of political productivity compared to non-democracies and, if so, to what extent does it matter? My answer to this question is derived from a comprehensive review of the literature on democratic and non-democratic government and from comparative analysis of data that were taken mainly from the World Development Report, the Human Development Report and various measures of democratic and autocratic government, such as Freedom House (1998) and Polity III data (Jaggers & Gurr 1996).
3. See, for example, the results from the Believes in Government Project.
4. However, in the history of government in ancient and modern times, the combination of democracy, rule of law, protected civic rights and affluence has been rather rare.

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