

Democracy and the pandemic: more light than darkness

At this point in the Dossier, two major conclusions can be considered reasonably well-founded. The first is that democracy is undoubtedly in bad shape and it is accused of being incapable of solving the problems of the present and the future. The second is that, although the COVID-19 crisis has caught democracies off guard, the evidence from our empirical analysis suggests that its response to the pandemic has not, generally speaking, been worse than that of autocracies. In fact, it is quite the opposite. The most notable exception is probably China, but saying that the Asian giant has responded with a good anti-COVID strategy does not mean that democracies have got it all wrong.

Now let us take another more normative and prospective step. The time has come to take the bull by the horns and try to answer the question of whether the pandemic could mark a turning point for the trend of popular disaffection with democracies or whether, on the contrary and most unfortunately, it will be another missed opportunity to regain harmony with democracy. Anybody expecting definitive answers in black or white, we are sorry to say, will be disappointed. What they will find, however, are some reflections which we hope will shed some light on this crucial topic and suggest which shade of grey we read from it.

Changes of preferences and pandemics

A first obligatory reflection concerns the key question of the possible change of preferences which a shock like the current pandemic can induce and the ability of the political system to respond to these hypothetical new preferences. History provides us with some important lessons. First of all, the great pandemics of the past have tended to generate political responses which suggest that such a change of preferences does indeed tend to occur in the wake of such health crises.¹

A second reflection is that this political response has not always been successful. Since analogies connecting the fateful 1930s with our present situation abound, it is worth mentioning a recent study by Kristian Blicke, a Federal Reserve economist. In it, he notes that there is a correspondence between the German electoral constituencies that were hardest hit by the 1918-1920 flu pandemic and those where the Nazi Party obtained better results in the various electoral contests of the time.² The author argues, rather convincingly, that the combination of prior preferences (in this case, anti-semitism) and the shock of the 1918 flu pandemic made radical alternative political stances more appealing.

In our view, and in general terms, the democracies of today are much more functional than those that existed in the 1930s, and the response this time around is bound to be better than it was in the past. We therefore believe that, while preferences will change, public decision-makers will be capable of producing policies that are adapted to them and, generally speaking, better. This will depend, to no small extent, on the next element to be taken into consideration, which we call the «shielding» of the regulator.

The critical role of technocracy

We are now delving into an issue that is extremely controversial, but inevitable, in the debate before us: that of how to protect the regulator from the excessive influence of interest groups. The answer is a greater role of technical groups in the decision-making process (technocracy), whereby these groups have a sufficient degree of independence so as to limit pressure from lobbies. If anyone thinks this is impossible, we must remember that there is a very powerful precedent of unquestionable success: that of modern central banks. Indeed, the central banks' «shielding» (independence) responds fundamentally to the need to isolate monetary policy from political decision-making (given that, in their legitimate effort to win elections, politicians pursue objectives other than price stability). This shielding is effective too: independent central banks consistently generate more stable and lower inflation expectations than non-independent ones.

In this regard, technical bodies with the same degree of independence would provide better protection for public policies that are likely to be «captured» by sectoral interests or excessive electoralism. It would thus be possible to reach a reasonable degree of consensus on technical matters, which could be integrated into those great agreements which we tend to define as state policies and whose effects tend to materialise over a period far exceeding the electoral cycle.

In this area, again, we are more hopeful than fearful. The ability we credit democracies with to emulate best practices in other countries or spheres ultimately justifies our view that here, once again, the future is more white than it is black. Many democracies have tended to establish independent technical groups that have been able to manage areas of public policy which required it. And if there are concerns that the technical experts might have their own agenda, let us recall that strong political control exists in these independent bodies too. After all, it is precisely the mechanism through which their objectives are set (whether relating to price stability, competition or public health) and which controls their effectiveness. But the mechanisms remain separate from the day-to-day politics.

1. See the Dossier on the world after COVID-19 in the MR05/2020, in particular the article «[COVID-19 and black swans: lessons from the past for a better future](#)».

2. See K.S. Blicke (2020). «Pandemics Change Cities: Municipal Spending and Voter Extremism in Germany, 1918-1933». Federal Reserve Bank of New York.

Scientific knowledge and policy

The independence of technocracy is intrinsically associated with what are referred to as «evidence-based public policies» – in other words, the ability to use the best scientific and social knowledge available in order to develop public policies. We believe this to be quite a solid legacy of the current crisis: science, which in this case has led to the development of the vaccines, has been revalidated as a fundamental element of society. But we have to go further. Adhering to technical criteria must become a core attribute of public decision-making. There is still a long way to go, as the pandemic itself has shown (see the attached chart for a sample of countries), but democracies ought to be better placed to address this shortcoming.

Efficient policy will either be global or it will not exist at all

Another key element for the implementation of efficient public policies, and which adds weight to democracy’s claim to legitimacy, is that they must be designed within the appropriate geographical framework. In other words, if many of the public goods (and evils) which democracy pursues are of a global nature, then the optimal scale on which to tackle them will necessarily be supranational. Key policies for addressing structural change in relation to climate change or digitisation, for instance, must be designed with a global approach and global coordination. Typically, this requires an international framework for cooperation, and for us here in Spain the strongest of these is the EU. If guidelines are established within this framework which contradict local preferences, then political disaffection will grow. The complex solution involves finding common ground in the preferences of the different states and finding approaches to local implementation that allow room to adapt to national idiosyncratic factors. Are our democracies capable of achieving this complex balance? We cannot be too particular, nor do we want to be negative, but the challenge ahead is substantial and success may not be guaranteed. In our chromatic analogy, the outlook is a darker shade of grey than we would like.

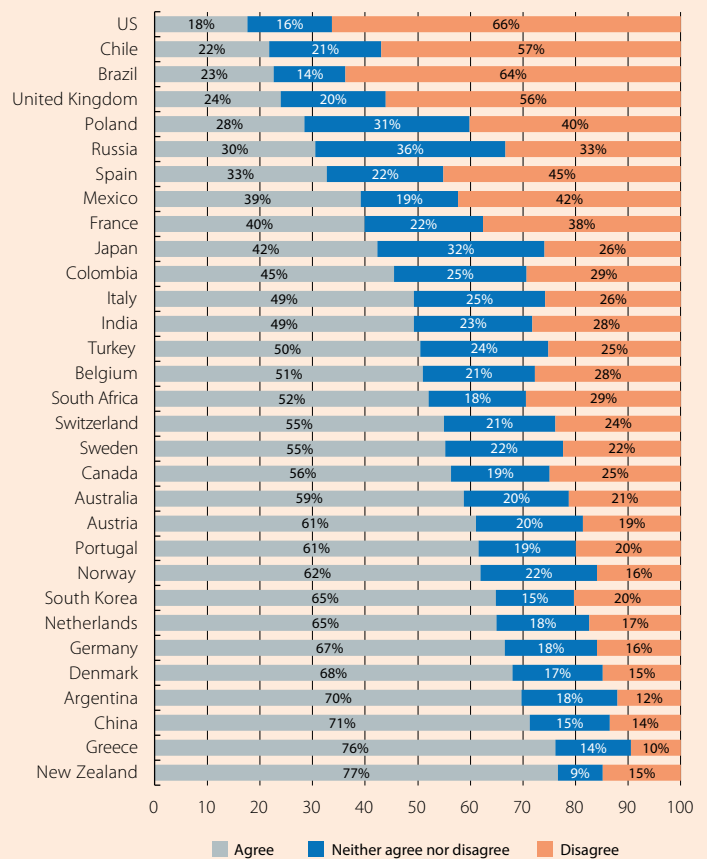
Political fragmentation

Finally, it is time to delve into another controversial and complex issue, that of political polarisation and fragmentation. This has been one of the underlying factors in the tendency for blockages to arise that have a detrimental impact on decision-making processes. Of course, this is a fundamental issue to which a great deal of space and effort has been devoted in the pages of this *Monthly Report* in recent years. Our synthesis could be as follows: i) history concludes that political polarisation is present in many secular systemic political changes, and ii) the underlying factors which have fuelled an increase in polarisation in the past (in particular, technological change, globalisation, and demographics; perhaps also cultural factors) are active in our contemporary societies.

This does not mean that we are doomed to repeat the crises of the past. Structural factors restrict us, but they do not determine our fate, especially in societies that are fortunate enough to have a voice and a vote in the process. Churchill was probably right when he said that democracy is the worst form of government, except for all the others. In the same spirit, today’s liberal democracies are far from perfect, there is no doubt about it, but their quality and, above all, their potential for improvement should allow ways to be found to recover the indispensable common story that every society needs in order to build its future.

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Use of scientific advice on COVID-19 by politicians
(% of respondents)



Note: Percentage of scientists consulted who consider that their advice on COVID-19-related matters is taken into account by politicians.
Source: CaixaBank Research, based on data from Frontiers .