"...Having no ideal beyond the hasty enjoyment of rapidly acquired advantages, the citizens abandon to the State the care of public affairs, and soon lose all the qualities that had made their greatness.
G. Le Bon "Psychology of the peoples"
G.E.Stechert & Co 1912 NY

“Improvements” in the mechanisms of democracy for making decisions about providing taxpayer-financed public goods can lead the economy in the same direction as authoritarianism. Such a by-product may be insignificant, but, even if so, a tradition of abridging democracy, similarly to an authoritarian tradition of long standing, can lend itself to correction only with great difficulty.

There is a series of countries in which the dominance of one party during certain historical periods seemed quite obvious: Japan (1955-1993, but in fact, after a brief break, until 2009), Mexico (1929-2000), Italy (1947-1993), Sweden (1932-1976, as well as 20 out of the 23 years between 1982-2005), Israel (1948-1977), India (until 1977, 1980-1989, 1991-1998, i.e., for practically 46 out of 50 years the country was ruled by a single group), Botswana, and others.

Tendencies of placing constraints on competition in the mass media by means of taxpayer financing of propaganda in favor of the position of very certain groups and coalitions are international. Today they have spread throughout most democratic countries of the world. This is a situation in which words about “protecting” the competition may imply eliminating it (as, for example, in Israel).

Weakening of political and media competition causes weakening of guarantees for property rights; lowering of the transparency of the state, its responsibility and accountability to the electorate and to the taxpayers; Increase in opportunities for deriving revenues for interests groups, and limiting of opportunities (increase in costs) for coordination of steps to be taken by the population so as to protect their own rights and legal interests.

Key words: media market, public TV, political competition, property rights

JEL codes: D72, D73, D78,
Research methodology

In this paper we are addressing the phenomena of "Closed Democracy". By a “closed democracy” here we mean a political regime which conducts formally competitive elections. At the same time, the majority of the electorate has no chance of changing the authorities’ policies by means of voting and while remaining within the framework of the Constitution, because of the constraints imposed on them by the non-elected institutions. Among such non-elected institutions are: the legal system of courts, the law enforcing agencies of the government, the mass media, and the army.

So, due to a variety of causes, voters have to shoulder exorbitant costs in connection with removing the government (or the ruling party, or the interest group) from power or with changes in the political or economical track being followed. These costs are so high that changes of this kind do not take place for decades (so that a new generation grows up while a single party or group is in power).\(^1\) Given full-value genuine democracy, voters, having cast their votes, can compel the government in power to steer a different course. For instance, having voted for a conservative Congress in the 1990s, Americans managed to impose restrictions on social programs. By voting for a Democratic Congress in November 2006, long before Presidential elections, they compelled the President to part with a series of key figures in his administration, who assumed the responsibility for his indecisive and ineffective policies in Iraq after the toppling of Saddam Hussein’s regime.

In Israel or in Sweden, as it turns out over the last 30 years, once they have cast their votes, voters have not been able to achieve a change of course being steered or to obtain desired reforms. The right-wing winners in the elections did not have the resolve to conduct any one of the deep-reaching reforms, and followed the course being steered by the Left, instead. Alternatively, they assumed the responsibility for the irresponsible experiments of their predecessors. Having performed the “dirty work,” succumbing to the pressure of leftist media, they then again retreated into the opposition.

The following countries were originally supposed to constitute the subject of the present study:

Sweden (1932 – 1976; dominance of the Social Democratic Party in 1982-2005, 20 years out of 23);
Mexico;
Japan;
Israel, including 1948-1977 “in its pure form” (insofar as during this period only one single party stayed in power, without breaks); and
Italy.

In the course of further studies, the original list was augmented by the addition of Norway (Table 10.1).

\(^1\) This conforms to the well-known definition offered by A. Przeworski (Przeworski et al. 2000, p. 54) for a strict classification of democracies and dictatorships as those regimes in which the former ruling politician departs upon losing in the elections.
It bears emphasizing that even after the list was augmented, six observed cases are evidently not enough for quantitative analysis. This limits the objective of the study, up to a point. The objective consists in using a minimally formalized quality comparative analysis so as on its basis to put forth some number of hypotheses explaining the connection which “closed democracy” political regimes have with a particular set of institutions.

We focused on those institutions which had previously been defined by us as basal. Generalizing the data collected during the study enabled us to structure the main findings obtained by the analysis, and to present them in a cumulative summary table. See Table 10.1.

**Hypotheses to Be Verified**

A “closed democracy” regime gradually leads to the degradation of the legal system; this latter, in turn, once distorted, decomposes the mechanisms of democratic elections. Taken in intermediate-term perspective, this stabilizes the regime and makes the development of normal democratic institutions difficult (by creating risks of an “institutional trap”; the term connotes ineffective institutions which reproduce “themselves on their own,” while replacing them is only possible at a high price). Breaking free of a “closed democracy” regime involves high costs. Chances of breaking free are greater when competition is in evidence in all the principal segments of the media market and when the ruling elite ruptures as a result of a deep-seated conflict of interests among its various component groups, with the schism which it undergoes taking on an ideological hue (with clearly expressed ideological distinctions among the conflicted groups).

Some post-Soviet countries face a genuine likelihood of turning into regimes of “closed democracy.”

---

2 See Mau, Javoronkov, Yanovskiy et al. 2003.
3 Or, to be more precise, they are reproduced by interested parties or groups of such interested parties (special interest groups).
Table 10.1
Comparative Analysis of Institutions in Israel, Italy, Mexico, Norway, Sweden, and Japan

<table>
<thead>
<tr>
<th>№ п/п</th>
<th>Indicator</th>
<th>Israel</th>
<th>Italy</th>
<th>Mexico</th>
<th>Norway</th>
<th>Sweden&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Media Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Existence of Opposition Press&lt;sup&gt;b&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Printed mass media of the opposition: 2-Daily; 12 – 13 – weekly; radio – 0&lt;sup&gt;a&lt;/sup&gt;, TV – 0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stably competitive in all segments; RAI3 controlled by the Communist Party since 1975; availability of commercial and political programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Printed mass media segment was relatively competitive, but placement of advertisements and direct government subsidies violated equality conditions; journalists unprotected from torture, murder, or kidnapping; TV market formally monopolized by a private company created during the period of IRP domination</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The press – yes; radio and television – limited as a result of long-term monopoly of public TV; political broadcasting remains monopolized in fact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Existence of Opposition Radio</td>
<td>No</td>
<td>Yes</td>
<td>No data available</td>
<td>—</td>
<td>—</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>№ п/п</th>
<th>Indicator</th>
<th>Israel</th>
<th>Italy</th>
<th>Mexico</th>
<th>Norway</th>
<th>Sweden</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stations (as per the same definition)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Existence of Opposition TV Channels (as per the same definition)</td>
<td>No</td>
<td>Yes</td>
<td>No data available</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.</th>
<th>Legal System</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Costs of Dismissing Judges (Impeachment or Other Relatively Simple Procedure, Number of Judges Removed from Post in the Last 25 Years)</td>
</tr>
<tr>
<td>2.2</td>
<td>Qualification Skill Requirements for Judges</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>(Requirement of N-year-long experience, academic degree; other)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Common Law / Civil Law — Operating Institutions of Common and Continental Civil Law</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Resorting to provocation against political opposition (cases established in court or confirmed by acknowledged experts)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>Using law</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>enforcement agency and special service apparatus for collecting information on political opposition activists</td>
</tr>
<tr>
<td>2.6</td>
<td>Availability of signs of judges’ manipulability by the executive authority (a priori illegal decisions made in the authorities’ interests, absence of the executive authority’s defeats in court which are of significance to the public, et al.)</td>
</tr>
<tr>
<td>2.7</td>
<td>Practice of secret accusations (those not</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>initially shown to the accused or their lawyers)</td>
</tr>
<tr>
<td>2.8</td>
<td>Use of special services against the political opposition (cases established in court or confirmed by acknowledged experts)</td>
</tr>
<tr>
<td>2.9</td>
<td>Cases of administrative arrest of opposition members</td>
</tr>
<tr>
<td>3</td>
<td><strong>Political Market</strong></td>
</tr>
<tr>
<td>3.1</td>
<td>Presence of opposition parties</td>
</tr>
<tr>
<td>3.2</td>
<td>Presence of opposition party factions in</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3.3</td>
<td>Treatment by the ruling party and mass media affiliated with it of the opposition as incompetent and unlucky rivals</td>
</tr>
<tr>
<td>3.4</td>
<td>Treatment of the opposition as enemies and outcasts g</td>
</tr>
<tr>
<td>3.5</td>
<td>Cases of disappearance of opposition politicians and journalists</td>
</tr>
<tr>
<td>3.6</td>
<td>Cases of use of armed violence against the opposition</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3.7</td>
<td>The last such incident (number of years since)</td>
</tr>
<tr>
<td>3.8</td>
<td>Practice of disqualifying opposition candidates from balloting in elections</td>
</tr>
<tr>
<td>3.9</td>
<td>Stability of the ruling coalition:</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>have irreversible splits occurred, which did not take on ideological tones?</td>
</tr>
<tr>
<td>3.10</td>
<td>Stability of the ruling coalition: have irreversible splits occurred, which assumed the form of ideological conflict?</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Economic policy</td>
</tr>
<tr>
<td>4.1</td>
<td>Cases of criminal prosecution against entrepreneurs who had financed opposition parties</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>m (isolated cases, more than two – large-scale)</td>
</tr>
<tr>
<td>4.2</td>
<td>Procedure for conducting state purchases: presence of tenders with equal access, including foreigners, and single criterion for determining who the winner is</td>
</tr>
<tr>
<td></td>
<td>There are problems with the law, cases of violation are becoming more frequent</td>
</tr>
<tr>
<td></td>
<td>Procedure for conducting state purchases: presence of tenders with equal access, including foreigners, and single criterion for determining who the winner is</td>
</tr>
<tr>
<td>4.3</td>
<td>Budget financing of construction (share of the GDP or of budgetary spending)(^n)</td>
</tr>
<tr>
<td></td>
<td>2.5 – 4% of total budgetary spending</td>
</tr>
<tr>
<td></td>
<td>2.5 – 4% of total budgetary spending</td>
</tr>
<tr>
<td></td>
<td>2.5 – 4% of total budgetary spending</td>
</tr>
<tr>
<td>4.4</td>
<td>Budgetary financing of other “mixed public goods” (medicine, education)</td>
</tr>
<tr>
<td></td>
<td>Health care and education together account for 17-18% of budgetary spending during the two most recent governments in</td>
</tr>
<tr>
<td></td>
<td>Health care and education together account for 17-18% of budgetary spending during the two most recent governments in</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Social-Demographic Data</td>
</tr>
<tr>
<td>5.1</td>
<td>Emigration</td>
</tr>
<tr>
<td>5.2</td>
<td>Immigration</td>
</tr>
<tr>
<td>№ п/п</td>
<td>Indicator</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>6</td>
<td><strong>Ideological Considerations</strong></td>
</tr>
<tr>
<td></td>
<td>6.1  Is there a state religion?</td>
</tr>
<tr>
<td></td>
<td>6.2  Presence of signs of dependence of religious institutions on the executive authority</td>
</tr>
<tr>
<td>6.3</td>
<td>Ideological self-identification of the regime (ruling party): rightist, leftist, nationalist, other</td>
</tr>
</tbody>
</table>

\(^a\) See Petersson 1988, “Konstituzionnye akty shvetzii” [“Swedish Constitutional Acts”]. (The Riksdag’s site is at: [www.riksdagen.se](http://www.riksdagen.se)).

\(^b\) That is, mass media accusing the supreme leadership of the country at least either of inactivity which is dangerous for the country and moral conduct endangering the country, or of direct coarse violation of the law, and demanding criminal prosecution.
That is, by a decision of agencies not created by judges, made up of judges and operating on behalf of judges. The Supreme Magistrate Council is 2/3 made up of judges (see art. 101, 104 of the Italian Constitution). At the same time, “internal” costs of dismissal (by decision of the SMC) turn out to be generally rather moderate (art. 107 of the Constitution), provided that the judge is at fault vis-à-vis the corporation itself. No individual defense of the judge against the corporation is provided for in the form of impeachment court with a parliamentary hearings procedure.

That is, the procedure is simpler than in the US, even for members of the Supreme Court, with members of district courts appointed by the Supreme Court (art. 97 of the Mexican Constitution).

According to information provided by Freedom House, “Torture, arbitrary arrest, and abuse of prisoners persist in many areas, although somewhat less so in recent years.”

Persecution of S. Stego, Minister of Culture, who did not agree to pay the dues to the public television company. This Public TV played the key role in the head hunting campaign against minister Stego. BTW, if the Media would fail to destroy Stego’s career, to compel the minister to resign, the Public TV would have found itself accountable to the minister Stego (i.e., the conflict of interests for the Public TV company when it came to attacking the minister was perfectly obvious).

The formal criterion is the attitude to the creation of coalitions in times of peace, such that the coalitions formed should be subject to isolation, exclusion from politics, or destruction if they fail radically to change their vicious stance.

Here, as well as for Sweden, the question concerns the period of Rule of Law democracy (in Norway, beginning from the time of regaining independence), while for Japan it involves the post-war period.

Freedom House: www.freedomhouse.org

Without sufficient grounds for pronouncing a sentence in a suit with criminal charges, using informal criteria which leave open a gamut of opportunities for court resolution (discretionary decisions).

Formally the opposition, or the “incorrect”; opposition vis-à-vis those holding on to power in fact (similar to the Right in Israel or in Sweden.)

World Bank and national statistical agencies.

See the appropriate section of the report.

See the appropriate section of the report.


For European countries.
Studies Presented by Country

The study here undertaken uses data pertaining to institutions in a number of countries where, the existence of opposition parties and opposition mass media notwithstanding, the same ruling party remained in power for decades and even in case of defeat in elections, maintained control of the principal levers of authority for an extended period of time.

At the same time, information about court and political systems and media markets, as well as electoral and economic statistics is collected in a compatible format (Table 10.1).

Israel

Israel is a state where a version of leftist ideology prevails close to the European. This includes a strong quasi-religious component element (with worship of both the abstract undefined value of the “peace process,” and some species of the “holy martyr,” the late Prime Minister, Yitzhak Rabin). The proponents of this ideology came to power “by right of inheritance” from the British Mandate administration. They retain a hold on power thanks to their near-total control of the mass media, the support they enjoy from the court system and the law enforcement agencies, and outside assistance. In addition, the leftist elite does not hesitate to use force against the opposition if it feels that its position is threatened:

Operation “Seasons” during the period of the British Mandate, which left a considerable number dead;

Massacre of the crew of the Altalena in 1948, leaving 19 dead;

Large-scale resorting to political violence, especially during the “peace process” period, which, beginning in 1994, involved provocation, as recorded by court proceedings – without victims thus far; and

Instigating terrorists by means of the press to perform actions aimed against settlers, during the same period; determining the exact share of responsibility is impossible, but the total number of victims exceeds 1000.

During the first decades of the existence of the State of Israel, the sense of total control over the state and the public gave even the leftist elite (the Labor leadership) some motives unusual for the Left. Thus, an unusually high level of
spending for military needs was maintained throughout this period. Similarly, no systematic attempts were to be observed to intimidate officers by means of legal prosecution for effective action (Zatcovecky, Yanovskiy, Zhavoronkov 2012).

The issue involves primarily religious Zionists and ultra-Orthodox Jews. These groups are prevented from uniting by a mutual alienation which obtains between ultra-Orthodox Jews and the State of Israel. Should this be overcome, it will become possible to talk about the appearance of a strong opposition to the ruling elite, one with both an ideological base grounded in national-religious values, and the wherewithal to conduct its own propaganda. As time goes on, the existence of an opposition of this kind may facilitate the dismantling of degenerate institutions and the transition of the State of Israel to an open democracy regime. It should be noted, however, that very few symptoms are to be observed which can indicate the likelihood of such a course in the observable future. The opposite trend seems rather to be in evidence. The so called peace process and its attendant deportations and repression of opposition-minded (vis-à-vis the leftist elite) Jewish residents of Judea, Samaria, and Gaza, who make up the religious Zionist kernel, threaten considerably to weaken this population sector, bringing down Israel’s chances of going through a graceful exit from a regime of “closed democracy.”

Another positive given is to be seen in the fact that both the lower (regular enlisted men) and the intermediate (officers) levels in TZAHAL [the IDF] are unwilling to be pawns in the hands of the ruling elite. Moreover, this state of affairs is not temporary, but is dictated by the very structure of the Israel Defense Forces. The essential part of the SHABAK [State Security Service] has avoided being ideologized and transformed into a political sleuthing agency. Then again, both in the military and in the special services changes for the worse are becoming noticeable.

All in all, the situation in Israel gives no grounds for optimistic anticipation of institutional dynamics in the coming few years.

**Norway**

There is no evidence of provocation practiced against supporters of the opposition; there is no pressure exerted upon them, and no illegal court decisions are pronounced against them.

Even though television is dominated by the Left, the printed mass media market seems quite balanced.
The issue of regular state payments (in this case, income from regular petroleum revenue redistributed through the budget, i.e., centralized by the state) complicated the same party’s staying in power unchanged for the intermediate-length term. However, it has brought about a general “radicalization” of the voters, weakening the “voter – taxpayer” connection. Traditional parties differ little from each other. New conservatives are “demonized” by the establishment, cast as “fascists” regardless of whether there are any grounds for such a conclusion, and boycotted when government coalitions are formed.

Nor does the crisis of the family, manifested in extreme forms (with nearly one half of the children born out of wedlock\(^5\)), constitute a factor which could facilitate long-term social-political stability.

The absence of emigration is to be explained less by possibilities of effective employment than by the “generous” social policy.

Thus, comparative analysis demonstrates the presence of distinct clearly expressed signs of a “closed democracy” in the Norwegian state.

**Japan**

It should be noted that the primary criterion defining a “closed democracy” – dominance of a single political party – in Japan is well-nigh the only one reliably registered in this country.

Long-term leadership by the Liberal Democratic Party has led to problems naturally arising in such a situation: corruption and lower effectiveness in responding to challenges. However, a brief “treatment” course at the time of the LDP’s transfer into the opposition proved sufficient in conditions of effective\(^6\) free speech preserved for decades. The preservation of a bearable level of political competition is facilitated in part by the intra-fractional struggle within the LDP.

In short, formally, only the irreplaceability of the LDP in power makes it possible more or less clearly to identify Japan as a country with a “closed democracy” system. However, to remain faithful to the analysis here undertaken it must be noted that the outward manifestations of the political regime in this country

---


6 That is, one based upon a competitive media market and private property, upon strong private motivating factors, rather than upon the good intentions of the “caring” state.
often, by virtue of a tradition of many centuries’ standing, are outfitted with a qualitatively different content.

Thus, the practically complete absence of an evident opposition press is an expression of the “Wa” principle, which requires refraining from criticism so as to prevent the object of the criticism from losing face. Publically castigating the government is not dangerous, but improper and unethical.

The same goes for the rejecting – on the levels of both the state and the diurnal round – of court procedure as an active means of defense. In the view of the Japanese, the notion of subjective right makes human relationships impersonal, insofar as “it puts all people on an equal footing despite the hierarchical order which exists in nature.”7 In the overwhelming majority of cases, all claims, including appealing decisions reached by agencies of the authorities, are resolved by conciliatory procedure with the participation of an experienced intermediary. This ensures that in this respect, too, the formal indication of “closed democracy” is explained somewhat differently than in the other countries under consideration.

To sum up: “closed democracy” as a term can refer to Japan only with a considerable disclaimer attached; then again, the same is true of many other concepts characterizing Western culture.

At the same time, independent mass media occupy a weighty enough portion of the market to make it impossible for the authorities to feel beyond control. Unlike Mexico, Israel, and the European countries, this last point in Japan also pertains to radio and television. Fortunately for Japan, no powerful stable monopoly has struck root in the public-political broadcasting sector of the country’s “public” radio and television.

**Italy**

The “closed democracy” in Italy was “closed none too tightly.” The principal reasons for this included the competitiveness of the media market and the absence of repression resorted to against the opposition. The main factor threatening the viability of the Italian democracy today became the politicization of the Rule of Law system, including a significant ideological shift toward the Left. This has made it possible to organize “witch hunts” in the guise of struggling with corruption and the mafia.

---

7 David 1988.
Rightist politicians (most of them supporters of the Christian Democratic Party) found themselves targeted in the process, while testimony provided by convicted criminals began to be taken as what appears to be the only proof of guilt.

An important element of the “closed democracy” in Italy – and one which remains a risk factor for the country today, as well – is the tradition of “active equalizing policy” of regions under conditions preserving the confrontation of the wealthy North and the poor South. The Right lost in the referendum of June 24-25, 2006, which addressed increasing regional authorization and budgetary rights (only 39% in favor); this was most probably due to that a significant part of the rightist body of voters (the devout southerners) were not interested in a reform along these lines, which would in the short term have led to a cut in government allocations in the South.

**Sweden**

As per the criteria here being applied, Sweden qualifies for being defined as a “closed democracy.” The ruling party is distinguished by rare stability and has been in power, with brief interruptions, since the 1930s up until 2006; no political oscillation of any real magnitude has been observed during the period under consideration.

Long-term control over parliament, government, and the bureaucracy (or union with this last) stimulated a responsible economic policy under conditions of ideological weakness of the “rightist” opposition. Thus, taxation of large corporations remained on a level which provided for their competitive ability and preservation of jobs accordingly (Birch Sørensen 2010: 63, and Santesson 2011,8 who cite 7-8% as the tax paid in fact on profit for corporations, rather than the supposed up to 57%). The Social Democrats also found themselves in command of the wherewithal to introduce the tax reform of 1990-91, precisely for reasons of long-term effectiveness of “the state entrusted to them,” aware of all the risks entailed by such a reform in the short term (Santesson 2011).

At the same time, the three crucial givens listed below suggest that the risk of Sweden’s sliding into totalitarianism or oligarchy in the short term is not very significant:

---

Strong traditions of political conscientiousness (i.e., no resorting to “forbidden tactics” against rivals, non-interference in the activities of the opposition mass media, strict observance of the law);

Variety of coalitions being formed (while the leading position of the Swedish Social Democratic Party undergoes no change, the makeup of the party coalitions which at different times were part of the government, did not remain unchanged during the periods when the Swedish Social Democratic Party was in the opposition); and

A significant role played by rule of precedent, and, accordingly, of the role of the courts, with judges’ factual independence remaining vividly manifest.

At the same time, an unprecedentedly rigid version of the Law concerning instigation to crimes (hate speech) is operative in Sweden. In particular, the Law is applied against servants of the Church for quoting Sacred Scripture. The government prosecutor’s office has filed a protest against applying this Law in defense of Caucasian men. All this together with the monopoly which leftist ideology holds over the digital mass media and significant state, or quasi-state (by means of compulsory collecting of dues for “public” television) funding of the political segment of the media market precludes the possibility of forecasting with any degree of certainty the longevity of one of the oldest Rule of Law democracies in Europe.

Just as in the case of Norway, the crisis of the family has taken on extreme forms. 40% of the Swedish suppose that marriage is a defunct institution. More than one half of the children are born out of wedlock; 26% of the children do not live with their biological parents (at least with one of them). Accordingly, the birth rate remains extremely low. War upon the institution of the family and Biblical morality, openly conducted by a series of leftist politicians with the support of the system of the Rule of Law, clearly continues to contribute to the instability of society.

---

9 See: http://www.religioustolerance.org/hom_hat8.htm. The case of Åke Green concluded with Green’s acquittal by the Supreme Court in the midst of the international protest campaign against the suppression of religious freedom in Sweden. However, it is telling that the prosecution until the very end maintained its support for the nonsensical accusation based on the assumption that this agency and the court have the right to interpret the Bible. It protested against the decision made in Green’s favor by the court of appeals.

Mexico

Looked at during the period extending through the middle of the first decade of the 21st century, Mexico along with modern Israel features a case of an outstandingly complete set of institutions typical of “closed democracy” (the press subject to control by the ruling party; ineffective court system; law enforcement agencies defending the interests of the elite). Weakness of the country’s Rule of Law institutions and absence of a tradition of authority of the law and democratic skills among taxpayers make emerging from this condition and transition to a stable Rule of Law democracy problematic even if the reforms of 2006-2012 are crowned with success.

Success, in turn, appears none too obviously assured even under the sane conservative rule of President F. Calderone’s administration, and even in the well-nigh incredible case that the demoralized “institutional revolutionaries” join the winner, the status of this last being only relative at best. (The “revolutionaries” were left in third place as per the outcome of the general elections on July 2, 2006.) The problem here consists less of the none too convincing a prospect of victory for the Right, than of the petroleum revenue payments and economic agents’ expectations which are bound up with this.

The State as “Property” of the Party

Let us single out once more the examples cited of motives for responsible conduct on the part of the ruling party (Israel, Sweden). This list can be augmented by the African National Congress in the SAR, which at least defends large fortunes. These instances of “household management attitude” on the part of the monopoly-style ruling party to the country do not imply long-term solutions of the problem of weakening of property guarantees due to the degradation of the political competition. As the example of Israel and Sweden shows, motivation for responsible defense and economic policy vanishes (in the first case) or grows weaker (in the second) as soon as the old political elite is no longer certain of its predetermined long-term control over the country in the future (Zatcovecky, Yanovskiy, Zhavoronkov 2012; Santesson 2011).
Conclusions and Venues for Studies in the Future

The first stage of the investigation involved collecting data pertaining to several countries where regimes with significant distortion of democratic institutions are or were operative; it has shown the following:

Countries classifiable as “closed democracies,” with the exception of Japan and partly Italy (court system and law enforcement agencies were “closed,” but also leftist-oriented, as opposed to the parliament and the government), in most cases prove to be floors for the conducting of social experiments by leftist ideologues;

These countries differ greatly from each other in their level and degree of acuteness of general problems. This is determined, in part, by the condition of the institutions at the outset (for instance, a powerful institutional foundation for Rule of Law democracy in Sweden differs from the weak one in Mexico);

The coarsest forms of pressuring the opposition, including murder, arbitrary initiation of criminal proceedings, and the like, are not documented anywhere except Mexico and Israel; given that, political pressure on the opposition by means of the mass media often leads if not to a drifting “median voter,” then to a drifting of opposition politicians toward the “median journalist” (examples of Israel, Norway, Sweden);

Weaker democratic institutions are to be observed in all countries, along with weaker institutions of the authority of the law and guarantees of basal personal rights (usually either weaker guarantees of the freedom of speech, such as independence from the state and competitiveness of the media market; or independence of judges; or both);

An especially vivid and common feature of all the countries analyzed by us, without exception, is the weakening of guarantees of freedom of speech and ineffective media markets protected by entry barriers, as well as excessive dominance of state TV channels and, in a number of cases, using the law “against extremists”

---

11 For the motives politicians have for drifting in this manner under conditions of being ideologically dictated to, see Yanovskiy, Javoronkov, Zatkovetzky et al. 2005, pp. 84-58.
(hate speech – in Sweden) so as to suppress freedom of speech and freedom of conscience;

A feature more or less pronounced in most “closed democracies” is the weakening of guarantees of the independence of the judge (for instance, by means of the institution of corporate guarantees of independence instead of individual ones\textsuperscript{12}), and thus of all individual rights which courts are supposed by definition to defend;

A consideration of no mean significance which stabilizes “closed democracy” regimes is the “ideological intoxication” of the population using the monopolized mass media (especially television) and the system of education; all this leads to the erosion of the “soft infrastructure” – morality and customs essential for entrenching respect for freedom, private life, and private property.

Large-scale emigration is typical only of countries with a low-level per capita GDP at the outset (Mexico, Israel, especially in the 1960s, and pre-1970s Italy). The problem, however, consists in that the emigration is contained less by employment opportunities (including business and self-employment) than by budgetary expenses, a fact which, in the long term, portends financial destabilization or downtrodden condition of business due to excess pressurizing by means of taxation (as in Sweden or in Israel).

A full reconstruction of individual rights guarantees, imposing ever new restrictions on the government, including the implementation of the ban on forced inculcation of state ideology (“peace” ideology in Israel, the ideology of leftist nationalism in Mexico, or that of the universal welfare state, multiculturalism, and feminism in Sweden, and so on), are conditions sine qua non presupposed for emerging from a “closed democracy” regime, stabilizing of democratic regimes with a competitive political system, and lowering of investment risks.

More than for Russia, studies of “closed democracy” institutions have turned out to be pertinent to countries with Rule of Law democratic regimes (including the US and countries of Western Europe), which have allowed a weakening of the guarantees of judges’ independence and media market competitiveness and the like.

\textit{Events of the last year in the US seem predictable in the overall course they follow, but unexpected in the rates at which the situation deteriorates. Suffice it to}

\textsuperscript{12} See Javoronkov, Yanovskiy, Savitzkiy et al. 2004.
recall the way the IRS was used to pressure conservative grassroots organizations13; how the Department of Justice budgetary resources were taken advantage of to organize demonstrations against the defeat of this body’s representatives in the process against Zimmerman,14 and finally, the demonstratively partisan behavior on the part of the head of the Department of Justice in his attacks on “stand your ground” legislation.15

On most counts, contemporary Russia has evidently more acute problems with institutions than do the countries here being considered, with the possible exception of Mexico prior to the 1980s. In this connection, the initial assumption looks overly optimistic that post-Soviet countries have a chance of evolving “closed democracy” regimes. This is, rather, possible as an unfavorable development of events scenario in other post-socialist countries of Central and Eastern Europe.

Thus, EU countries evidence a great deal in common with Italy. The court system in this country enjoys a model reputation. Public TV channels in France, Germany, and even Great Britain continue to dominate the news market, and it does not occur to anyone to privatize them. The number of voters inrexorably continues to grow, for whom the state budget is a principal source of income, rather than a jointly managed shared means for acquiring public goods (defense, security, and justice). And this means that the key for closing European democracies is in the process of being made. It is no accident that the EU Constitution, fallen through up until now, contained hundreds of pages describing the mechanism of possible shaping of coalitions for pushing through almost any decision whatsoever by the Brussels

13 See, for example: http://www.foxnews.com/politics/2013/05/14/new-irs-scandal-echoes-agency-problems-past/
15 See http://online.wsj.com/article/SB1000142412788732434850457861011309797142.html: “We must stand our ground to ensure that our laws reduce violence and take a hard look at laws that contribute to more violence than they prevent.”

On June 11, 2013, the Equal Employment Opportunity Commission filed a suit against “Dollar General” and BMW (http://www.foxnews.com/politics/2013/06/22/obama-administration-files-suits-against-businesses-using-criminal-background/?intcmp=trending ), wherein the government claims that refusing to employ persons with a criminal past discriminates against the African American population. In the context of this suit, the statement made by Holder addressing NAACP’s annual convention in Orlando looks like the next and thoroughly impressive step in the direction of defending criminals against law-obedient citizens. It becomes even graver due to its racist approach to the non-African American population.
bureaucracy; but it did not contain so much as a single page enumerating even the basal inalienable rights and freedoms of citizens.

Even the US, with its competitive media market and personally independent judges, is not free from the threat of the “closing” of democracy. The monopoly effect in the mass media there is achieved partly thanks to the “political correctness” filter for selecting and interpreting the news. Numerous studies (see the materials of the Media Bias section at the conference held by the Public Choice Society. Baltimore, 2004; motivation for distorting information [Yanovskiy, Javoronkov, Zatkovetskiy et al. 2005, pp. 63-64]; as well as the “Mediaresearch” Center for Mass Media Studies monitoring) all indicate indubitable instances of distortion in reporting on events done as part of leftist ideology.\(^\text{16}\) Thus, judging by journalists’ surveys, even though most of those studied consider themselves “moderates,” the number of the liberals (i.e., socialists) exceeds by a factor of two or three the number of conservatives (contemporary classical liberals, with the exception of a modest-sized group of P. Buchanan’s supporters); 28% of the journalists believe that the US is a “repressive state”\(^\text{17}\) (i.e., they are leftist radicals).

There are international trends to be observed in limiting media competition by means of taxpayer-financed propaganda in support of the position of rather clearly

---

\(^{16}\) A typical example of this shift is the attitude toward politicians who make the transfer from one camp to another. Thus, James Webb, a former US Marine, Secretary of the Office of Defense under President Ronald Reagan and later author of the script of the famous movie *Rules of Engagement*, was until recently labeled an “entrenched racist” and “dangerous warmonger.” Discussion of his movie in the “liberal” press reduced to reiterating a thousand times (that is the number of articles and responses in the press, judging by the results of performing a simple internet search) the accusations belonging in just such a context. The accusations were geared at a patching up of discrepancies between Webb’s military past and speculations on the subject of the dangers of racism in the highest echelons of the military leadership (albeit the author of the screenplay had by that time long since stopped having anything to do with these “echelons”). In 2006, the same Webb was elected to the Senate by the Democratic Party and wrote an article about the sufferings of the working class who earn less than do some well-known financiers (Webb 2006). Reviews given the article by the Left were extremely favorable. Everyone noted Webb’s courage, and none of the “liberals” paid any attention to either the vivid anti-Semitism nor the ignorance of economics displayed by the author, whom leftists recommend as a “centrist” (simply because this is how he himself presented himself during the election campaign; see the discussions of bearers of “liberal values” at [http://www.democrats.org/page/community/post/loudobsdemocrats/CQ4R; http://liberalvaluesblog.com/?p=616](http://www.democrats.org/page/community/post/loudobsdemocrats/CQ4R; http://liberalvaluesblog.com/?p=616)).

The only article to be tracked in the press which notes both the economic booboos and the direct borrowings made by the “new liberal” from communist rhetoric, as well as the anti-Semitic innuendoes in his text, was an essay in the business periodical *The American* (Glassman, 2006). Then again, more than enough reviews and the most caustic of comments appeared on conservative sites (see, for instance, the discussion on one of the largest sites of the conservative bent, at [http://www.freerepublic.com/focus/f-news/1741908/Posts](http://www.freerepublic.com/focus/f-news/1741908/Posts)).

Such evasion of the only faithful liberal interpretation is disappointing to the new Democratic majority in Congress. Immediately following the 2006 elections, the Democrats undertook an attempt to introduce a law bill requiring that the most frequently visited blogs be registered [those with numbers of regular visits beginning at 500 (a comparable level for Russia would be 1000)] as “lobbyist organizations” (!). See [http://www.grassrootsfreedom.com/gw3/articles-home/articles.php?actions=view&CMSArticleID=398&CMSCategoryID=24](http://www.grassrootsfreedom.com/gw3/articles-home/articles.php?actions=view&CMSArticleID=398&CMSCategoryID=24).

\(^{17}\) See the survey data at [http://www.mediaresearch.org/biasbasics/biasbasics.asp](http://www.mediaresearch.org/biasbasics/biasbasics.asp).
identifiable groups and coalitions (leftist ones, as per our definition). These trends have now become pervasive in most democratic countries.

In the leftist neologized lingua franca, elimination of the competition is its “defense” (frequently, as in Israel, when campaigns against mass media alternative to the public ones are constructed on the basis of intimidating the user by prospects of the monopolization of broadcasting or the press by private capital).

The outcomes of weakening competition are in this case comparable to what has been described in Chapters 1 and 2 above, viz.:

Weakening of political and media competition;
As a consequence of this, weakening of guarantees of property rights;
Lowering of transparency of the state, its responsibility and accountability to voters and taxpayers;
Simultaneous raising of opportunities of obtaining revenue payments by interest groups and lowering of opportunities (growth of costs) of coordinating action by the majority of the population for the purpose of defending their rights and legal interests.

Ideological pressure on judges grows stronger, something that undermines their independence (thus, when George Bush Jr. appointed the Supreme Court judges, members of the Democratic minority in the Senate openly demanded that the candidates give an oath of allegiance to “civil liberties” in their leftist “liberal” sense; not a single one of the candidates had the resolve openly to refuse an “oath” of this kind, even though it was unspecified by the law).

We have already touched on a series of problems portending the “closing” of democracies both young and old. This is primarily a problem of using state intermediate-level and higher education as a source of “ideological intoxication” and control; it was studied in Chapter 2. In what follows we will return to studying the consequences of the “conflict of interests” between bureaucrats and voters in a universal suffrage democracy. This is the kind of democracy which leads to a negative selection (“deteriorative selecting”) of politicians and portending a factual closing of democracy while formal alternation of parties in power is retained. This is the state of

18 The law bill introduced by the Kadima Party; see, for instance, one of the evaluations of this initiative with an analysis of the situation in the appropriate sector of the media market: «Ownership restriction in the media market in Israel» at http://www.jims-israel.org/pdf/PPMedia.pdf. It is telling that as trends leading to the “closing” of old democracies intensify, similar arguments become widespread in the democracies’ countries, too. Thus, these arguments are widely used by American and Canadian leftist intellectuals. (For further detail, see Chapter 2).
affairs to be observed in Israel and, in part, in Great Britain (“a 180-degree turn” of Edward Heath’s “conservative revolution.”)

Further study of this problem can yield additional interesting information. First of all, this concerns the analysis of the state of affairs in Italy (court system and law enforcement agencies) and Sweden (the mass media), as well as India, Botswana, and Singapore prior to 1989, which were not included in the present sample. Such a research project would permit extending and coming up with a more thorough grounding for recommendations concerning reforms in Russia and other countries comparable with it in terms of quality of institutions.

In describing the situation in a series of countries, we indicated the acuteness of the problems arising in conjunction with “reproducing” the law-abiding citizen who is heir to high ethical standards – both in work and in business – along with skills of political cooperation within the framework of Rule of Law democracy and natural socialization which takes place in a complete family. The emergence of the problem is symptomatic of the crisis of the democratic regime. In what follows we will give some detailed attention to the crisis of the family as an independent issue which poses a threat to all institutions supporting a market economy.

Sources


Kahane M. They must go // Grosset & Dunlap, October 1981.
Mau V., Zhavoronkov S., Yanovskiy K. et al «Importirovannye instituty v stranah s perehodnoy ekonomikoy: effektivnost i izderjki» (Imported institutions in the Transitional countries: efficiency and costs) 2003 (with) Moscow, IET, wp#68
Meyer L. La nomenklatura // Reforma. 26 October 2000.


Yanovskiy K., Shulgin S., Zatcovecki Ilia et al., «Politico-economic Aspects of Combat with Terrorism” IET, 2005 WP#82-r (working paper in Russian)


Wwb links
http://www.mqg.org.il. «Movement for the Quality Government».
http://www.gush-shalom.org. «Gush Shalom radical left political group
http://www.mediaresearch.org/biasbasics/biasbasics.asp Media monotoring, USA


Il sistema giudiziario italiano.

Roncarolo F. A crisis in the mirror. The tension between Italian politicians and journalists. 
http://www.essex.ac.uk/ecpr/events/jointsessions/paperarchive/copenhagen/ws17/roncarolo.PDF#search='A%20crisis%20in%20the%20mirror.%20The%20tension%20between%20Italian%20politicians%20and%20journalists.'