

# In 1992 Ross Perot Was The Billionaire Ready To Fix Everything In No Time – Just Like Trump

WASHINGTON – This is an excerpt from a funny imaginary vignette (Notebook, by Robert Shrimley, *Republicans seek reasons to be cheerful about Donald Trump*, The Financial Times, February 11, 2016). Establishment Republicans want to get adjusted to the idea of Donald Trump becoming the GOP nominee:

***“Hell, yes. [Trump] is gonna make America great again. And at least he’s not Ted Cruz.***

*There is that.*

***And remember he’s already going to fix the problems of our society.***

*And make America great again?*

***Exactly.***

*How?*

***He’s going to bring in the smartest people around, and they are going to fix our problems.***

*Damn – why didn’t we think of that?*

***Because we are part of the Washington elite. Donald thinks outside the box.***

*That’s how he’ll make America great again.*

***Absolutely.***

*Has he said which people he'll bring in?*

**Smart ones.**

*That's good."*

Well, this imaginary exchange exposes Donald Trump's complete intellectual void. He's got a Great Plan, but we do not know what it is. We only know that he will pick the best people to shape it, and implement it. Amazing to see that so many Americans are buying this.

**We have seen this before**

But the interesting thing is that this is not the first time that someone is selling this CEO approach to public policy-making. Look at this:

*"I want people who are smart, tough, self-reliant, have a history of success since childhood, a history of being the best at what they've done, people who love to win. And if you run out of people who love to win, look for people who hate to lose."*

Do you know who said that? It was Ross Perot, the Texas billionaire who also run for President in 1992, purely on the basis that he was a super successful businessman, and a smart problem solver. Well, he did not make it. But his third party candidacy weakened the Republican incumbent George H. W. Bush, and contributed in some measure to Bill Clinton's victory. (Ross Perot received almost 20 million votes, about 19% of the total.)

Be that as it may, regardless of elections outcomes, the point is that we have seen this movie before. Ross Perot was another megalomaniac populist, with an outsize ego. And yet millions loved him, and voted for him, because he sold himself as "Mr. Fix It". Yes, he would have also brought the best people to Washington and put them in charge, so that they would fix

things in America, one by one. As easy as that.

### **The smart people**

***And now Donald Trump comes along telling us exactly the same thing.*** He will fix everything because he is the best mind in America and he will get all the smart people in a room, so that together they will figure out how to re-engineer the Nation. Don't forget that these are all hand-picked geniuses, expertly led by super genius Donald Trump.

*Damn – why didn't we think of that?*

Because it is a really bad idea. In a democracy it does not work this way. Yes, the traditional political/policy-making process is cumbersome, wasteful, and pretty horrible. And yes, many people who are put in charge of important policies are not that smart.

### **No accountability, no freedom**

But the only way in which you give the smart people the latitude to use their superior intelligence, so that they can go ahead and fix everything, is by abolishing or at least suspending our system of checks and balances, and giving up our freedom. In order to be able to quickly implement the brilliant ideas of his smart collaborators, President Trump would have to bypass Congress, the Judiciary and more. And what if the Great Policies turn out to be not so Great after all?

Anyway, all this is crazy, infantile, and really dangerous. And yet there are armies of loyal Trump supporters who think that this is indeed the best approach, and the best way forward.

I am asking them to reconsider.

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# Saudi Monarchy Losing Control?

WASHINGTON – The very last page of the latest TIME magazine double issue about what we can expect in the New Year is dedicated to quick predictions. One segment is focused on what might happen in world politics.

## **Predictions**

Some of these short forecasts are not long shots. For instance, as indicated in item “d”, it is possible that stagnant economies in Europe and a growing crisis caused by Middle Eastern refugees will create more support for xenophobic, racist parties in the Old Continent.

## **End of the Saudi Monarchy?**

But item “b” is far more intriguing. It says: ***“The House of Saud loses control of Saudi Arabia”***. [Emphasis added]

What, a coup-d’etat in Saudi Arabia? A political revolution? Now, this would be a really big deal, given Saudi Arabia’s dominant role in shaping global energy prices, and therefore energy and economic policies across the globe.

## **The last absolute monarchy**

The problem with the Royal Family is that the House of Saud is the last absolute monarchy. This is not Norway or Great Britain. Its enormous, unchecked powers rest on its total control of the country’s vast oil wealth, and on its alliance

with the conservative Wahabi, the self-appointed guardians of true Islamic orthodoxy.

So, all of a sudden, in 2016 something truly catastrophic will come about, and the Royal Family “loses control”? How could this happen? The short TIME magazine prediction provides no details.

While there are no obvious signs of dangerous political unrest in Saudi Arabia, there are dynamics under way that may lead to trouble.

### **The new oil prices policies is costing too much**

First of all there is the Saudi-driven policy of “all out oil production” that caused the collapse of global oil prices, (now below \$ 40 per barrel). This policy, whose objectives are unclear, can be reversed, of course.

### **Fissures**

But the economic damage already brought about by it, beyond the financial bleeding caused by huge deficits, may have created dissent within the Royal Family. It stands to reason that many senior members may question the wisdom of a new course of action decreed or at least endorsed by King Salman that causes the government to drain its precious reserves to finance a huge fiscal imbalance caused by the oil revenue collapse. Add to these strains the cost of the Saudi military intervention in Yemen.

Still, probably these tensions can be handled.

### **Legitimacy**

The real long-term uncertainty is about the regime’s questionable legitimacy. By that I mean that it is not obvious that the Monarchy has and will have in the future the ability to keep Saudi society quiet, while retaining its anachronistic total power and all the privileges that come with it.

## **Political vulnerabilities**

The Arab Spring proved that even established regimes are vulnerable. In the cases of Egypt, Tunisia, Libya and Syria there were economic grievances mixed with demands for freedom and accountability.

Saudi Arabia is a different case, in as much as the Royal Family for now at least can afford to distribute cash payments to millions of people in order to keep them happy.

## **An anomaly**

Still, the Saudi regime is an anomaly. The idea that it will be there, essentially for ever, is a fantasy. May be nothing will happen in 2016; but something is bound to happen.

TIME magazine is probably right. May be not on the timing, but on the eventual outcome.

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# **“And The Fair Land”: Freedom Is America’s True Blessing**

**WASHINGTON** – *Thanksgiving 2015* –

The Wall Street Journal has been publishing the same “Thanksgiving” Editorial since 1961. It is titled “And The Fair Land”. it depicts America as a land of opportunity and resourcefulness. But also a land of self-doubt, fears, and internal conflict.

However, the hope expressed in this enduring essay is that we Americans shall reflect on the fact that this land was built by confident people. And they were, and we are, the spiritual

heirs of the Pilgrims who came to America, so long ago, carrying with them only a hope for a better life.

They celebrated the first Thanksgiving in 1623, beginning a tradition that was later on institutionalized, and that we still honor today.

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### ***And The Fair Land***

*“Any one whose labors take him into the far reaches of the country, as ours lately have done, is bound to mark how the years have made the land grow fruitful.*

*This is indeed a big country, a rich country, in a way no array of figures can measure and so in a way past belief of those who have not seen it. Even those who journey through its Northeastern complex, into the Southern lands, across the central plains and to its Western slopes can only glimpse a measure of the bounty of America.*

*And a traveler cannot but be struck on his journey by the thought that this country, one day, can be even greater. America, though many know it not, is one of the great underdeveloped countries of the world; what it reaches for exceeds by far what it has grasped.*

*So the visitor returns thankful for much of what he has seen, and, in spite of everything, an optimist about what his country might be. Yet the visitor, if he is to make an honest report, must also note the air of unease that hangs everywhere.*

*For the traveler, as travelers have been always, is as much questioned as questioning. And for all the abundance he sees, he finds the questions put to him ask where men may repair for succor from the troubles that beset them.*

*His countrymen cannot forget the savage face of war. Too often*

they have been asked to fight in strange and distant places, for no clear purpose they could see and for no accomplishment they can measure. Their spirits are not quieted by the thought that the good and pleasant bounty that surrounds them can be destroyed in an instant by a single bomb. Yet they find no escape, for their survival and comfort now depend on unpredictable strangers in far-off corners of the globe.

How can they turn from melancholy when at home they see young arrayed against old, black against white, neighbor against neighbor, so that they stand in peril of social discord. Or not despair when they see that the cities and countryside are in need of repair, yet find themselves threatened by scarcities of the resources that sustain their way of life. Or when, in the face of these challenges, they turn for leadership to men in high places—only to find those men as frail as any others.

So sometimes the traveler is asked whence will come their succor. What is to preserve their abundance, or even their civility? How can they pass on to their children a nation as strong and free as the one they inherited from their forefathers? How is their country to endure these cruel storms that beset it from without and from within?

Of course the stranger cannot quiet their spirits. For it is true that everywhere men turn their eyes today much of the world has a truly wild and savage hue. No man, if he be truthful, can say that the specter of war is banished. Nor can he say that when men or communities are put upon their own resources they are sure of solace; nor be sure that men of diverse kinds and diverse views can live peaceably together in a time of troubles.

**But we can all remind ourselves that the richness of this country was not born in the resources of the earth, though they be plentiful, but in the men that took its measure. For that reminder is everywhere—in the cities, towns, farms,**



*roads, factories, homes, hospitals, schools that spread everywhere over that wilderness.*

*We can remind ourselves that for all our social discord we yet remain the longest enduring society of free men governing themselves without benefit of kings or dictators. Being so, we are the marvel and the mystery of the world, for that enduring liberty is no less a blessing than the abundance of the earth.*

*And we might remind ourselves also, that if those men setting out from Delftshaven had been daunted by the troubles they saw around them, then we could not this autumn be thankful for a fair land.” [emphasis added]*

–The Wall Street Journal

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## [All Is Well In China?](#)

**WASHINGTON** – A detailed report prepared by a major Western international economic consultancy pointed out that the doomsday predictions about the Chinese economy about to fall apart are truly exaggerated.

### **All is well**

The analysis maintains that China may be experiencing some problems now, but it is nothing out of the ordinary. The author points out that it is not true that the Chinese economy is dragged down by a bloated public sector. On the contrary, private enterprise is dominant and the long term trend indicates that it will continue to get bigger. (No mention that the state controls all the key strategic sectors, like energy and banking).

### **Plenty of innovation**

It is also untrue that the Chinese cannot innovate. There are plenty of examples of successful innovators. So much so that many western companies want to partner with them.

And it is also not true that rapid industrialization destroyed the environment. China went through phases quite similar to those experienced by other fast growing economies. Yes, there has been some environmental damage. But it is not catastrophic.

Besides, the government is acting fast, and remedial action is underway. (No mention about the lack of publicly available, reliable data on pollution. No mention that until a few years ago the government released false data on air pollution with the clear objective of hiding the extent of toxic emission in large urban areas).

### **Debt is manageable**

It is also untrue that the massive amount of debt created to counter the effects of the 2008 global financial crisis has undermined the foundations of the Chinese economy. Yes, the author concedes, there is a lot of bad debt. However, China has massive cash reserves. The government can intervene and fix all the financial problems.

### **There are some issues, but no crisis**

Anyway, you get the picture. Yes, there are issues. But, hey, every country has got issues. And China's shortcomings are pretty much the same as those experienced by Taiwan or South Korea at comparable times during their successful economic development.

Alright. So, here we have an optimist. Yes, China's economy is slowing down. But, in truth, the glass is half full, and not half empty.

Fair enough. When dealing with such a large country it is not

easy to get it absolutely right. May be the author is closer to the truth than other, more pessimistic observers.

### **No mention about the political and institutional context**

However, reading this rather upbeat China analysis you are bound to notice something really important. At no point is there is any mention of China as a non democratic one party state in which any political dissent is actively repressed.

No mention about routine media and internet censorship. No mention about a judiciary system that operates according to political instructions. No mention about a massive anti-corruption campaign orchestrated in secrecy, according to secret rules, by the Chinese Communist Party leadership. No mention that this fight against corruption, in a country where corruption is endemic, can be used as a tool to destroy political enemies.

In other words, there is not even the slightest mention about the fact that lack of political freedom, political pluralism and individual freedoms may have an impact on current and future economic performance. This is not just a small detail.

This connection between political freedom, economic freedom and eventually good economic performance is at the core of what we believe to be the underpinnings of modern, self-renewing societies. Free societies allow the free expression of human talent. And this talent is at the source of innovation, and ultimately prosperity.

### **Democracy and Capitalism**

***Indeed, we say in the West that political freedom is the oxygen that allows private enterprise to exist, flourish and unleash a virtuous cycle of growth. It is not an accident that we call our system "Democratic Capitalism".***

***We passionately argue that innovation is predicated upon the***

*freedom to search, to pursue unorthodox paths, to go out of the box, to seek new partners, and so on. Hard to do this consistently in a top-down society in which few dare to go against the rules, written or unwritten as they may be.*

### **Illiberal China will thrive**

It would appear that this China expert does not think that political freedoms have any connection whatsoever with the quality and long term sustainability of economic performance. In other words, a one party state can deliver prosperity just as much as a democracy in which basic individual and economic freedoms are constitutionally protected.

Although this point is not openly made in his analysis, implicitly we are to understand that China, a one party state, is doing quite well and –going forward– there are no major issues or minefields its self-appointed leaders will have to deal with. This means that you can have censorship and innovation. Political prisoners and social media. Non transparent judicial proceedings and intellectual property protection. No problem.

### **It never happened**

In the final analysis, we are told that the Chinese economy, while not booming anymore, is basically fine; and all looks good. Which is to say that one party rule can create the necessary conditions for sustained prosperity.

Again, the author does not openly say this. But by implication this is precisely what we get. The numbers (according to him) look good, and so the system must be good. I find this scary.

The fact is that in the modern era we do not have other examples of one party states that produce self-sustaining innovative economies.

But this simple fact does not seem to bother the author.

Again, I find this scary.

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## Hong Kong Legislative Council Votes Against China

**WASHINGTON** – If there is one thing that the Chinese leaders do not like is bad surprises. And they certainly got one from the Hong Kong Legislative Council. All was set for the Council to pass a Beijing-backed electoral law that would have essentially established fake democracy.

### **A done deal**

According to the proposed “reform”, the people of Hong Kong would have been free to vote directly for their new leader. But only pre-screened and pre-approved candidates would have been allowed to run. With the reassurance of a comfortable pro-Beijing majority in the Council, there was no doubt whatsoever that this electoral law would be passed.

### **Surprise exit**

Except that it was not. The dynamics that affected the procedures prior to the vote are still unclear, and in some way bizarre. But the point is that before the vote most of the pro-Beijing legislators left the Chamber. However, the opposition and a few others stayed, this way guaranteeing a quorum that allowed members to vote on the proposal. As a result, the mainland China-inspired law was soundly defeated. The final vote was 28 against it, only 8 in favor.

## **Not the end of this**

This is most probably not the last word on this. Hard to believe that the people of tiny Hong Kong will be able to stage a victorious political rebellion against China.

Still, this vote is a huge embarrassment. Beijing's friends in the former British Colony could not deliver. Some of them seem to have switched sides.

## **The Umbrella Movement**

Is this vote a legacy of the 2014 Umbrella Movement composed mostly of young people who openly demonstrated against China's direct interference in Hong Kong's affairs? Of course it is. And now we see that Hong Kong is still a somewhat recalcitrant subject, if not openly rebellious.

Given all this, what is next? China cannot and will not tolerate open insubordination. China is willing to allow a semblance of autonomy in Hong Kong. But only as long as a large majority there recognizes Beijing's ultimate supremacy.

## **What will China do next?**

The tricky question now is how will China reassert its authority without resorting to the use of force. Needless to say, there are means, most of them covert, to bring recalcitrant Hong Kong politicians back in line.

Nonetheless, many people will remember this episode of open defiance. And who knows what its long term effects will be.

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# No More News From Ukraine – Putin Won, Poroshenko Lost

**WASHINGTON** – We hear nothing about Ukraine these days. And for a very simple reason. The war is over. Russia won, Ukraine lost and the West looks the other way. President Petro Poroshenko finally realized (amazing that it took him so long) that he was and is on his own in this most unequal fight.

## **Putin won**

In just a few days, Putin took over Crimea; and he got away with it. And now the Moscow-funded rebels who took control of portions of the East cannot be dislodged. Ukraine cannot win against rebels resupplied by Russia. At the same time, Ukraine found itself in the very uncomfortable position of having to reach an agreement with its very Russian enemies on the critical issue of natural gas deliveries from Russia. They are essential for Ukraine's very survival.

## **Give up**

Taking all this into account, Poroshenko came to the most obvious conclusion. *"Whatever we may say in public, Russia won this war. We lost."* The hope that this fight in Eastern Ukraine could become a Western fight in which pro-democracy Good Guys would battle authoritarian Bad Guys proved to be just that: a hope.

## **The West will do nothing**

Europe and the US are willing to say a few nice things. Up to a point, they will help out Kiev with loans and credits. But there will be no military engagement. None whatsoever. And not even indirect support, via arms or anything else that would improve Ukraine's hopeless military inferiority vis-a-vis

Russia.

The US and NATO may be counted upon to defend NATO countries under threat, at least we think so. Anything else is a non starter.

### **Waste of money**

This was obvious months ago. It is really too bad that it took so long for Poroshenko to realize that his country would receive no military or any other assistance that would turn the tide of the conflict in the East. He could have come to the conclusion that it was time to give up and allow Russia to win many months ago. This could have saved lives, property and probably hundreds of millions of dollars totally wasted in a really hopeless, unwinnable war.

### **Clever Putin**

Very shrewdly, Putin understood that he had essentially a free hand in Ukraine and took advantage of the opportunity to unilaterally modify the post-Soviet era borders that he and so many other Russians believe to be unfair to Russia.

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## **The Hong Kong Demonstrators Cannot Win Against Beijing**

**WASHINGTON** – As I look at the developing story of the extremely large Hong Kong pro-democracy protests, my sense is that, despite the huge numbers of people in the streets, the movement lost. It will all be over very soon.

**Resist orders from China?**



My sense is that Hong Kong is not ready for violent street battles for the sake of democracy. The students know that with their protests they are challenging Beijing's authority, and not just the legitimacy of C. Y. Leung, the Beijing approved Hong Kong Chief Executive.

Indeed everybody in Hong Kong knows that the issue at hand, the decision to have an undemocratic system for "electing" a new Chief Executive, did not originate in Hong Kong. Everybody knows that it was mandated by Beijing.

### **Beijing will not back off**

This being the case, it is theoretically possible, (but extremely unlikely), that the Chinese Communist Party, faced with these unexpected massive street protests in Hong Kong, will accept defeat and back off, allowing genuine elections in the territory.

But it is much more likely that China will not back off. It is likely that the Chinese Communist Party leadership will order a crackdown, even though any use of force in Hong Kong will look very bad, as it will invite comparisons with the June 1989 repression of the mainland pro-democracy movement in Tiananmen Square in Beijing.

Most people in Hong Kong understand that for Beijing reasserting its authority is much more important than any (most likely temporary) public relations setback.

### **What will the demonstrators do?**

So, here is the dilemma for the protesters. Option one: they will decide to fold, because they know that they are ultimately doomed. Or, option two: they will stand firm, as they believe that Beijing is bluffing, because in the end China does not want to resort to violence, for fear of being blamed for dead people in the streets of Hong Kong.

I suspect that most people believe that when pushed to the brink China will act with all the force that will be necessary in order to assert its authority. Therefore, deep down they know that they have no chance of winning. A strong show of defiance is one thing, risking one's own life to make a point about democratic elections is quite another.

### **The world does not care**

More broadly, while there has been some international sympathy for the young Hong Kong pro-democracy demonstrators, quite frankly I do not believe that the world cares so deeply about the issue of establishing a genuine electoral system in the former British Colony. (Look, the world does not care that much even about Putin grabbing pieces of Ukraine, a sovereign country. I cannot believe that the problem of a non democratic Hong Kong's electoral system inspires more outrage than a Moscow-led insurrection, with thousands of dead people in Eastern Ukraine).

After all, as far as the world knows, the people of Hong Kong have a good life. Since the end of British rule in 1997 China has not interfered with the capitalistic economy. Standards of living are much higher than anywhere else in Asia. The system still allows the enjoyment of basic freedoms.

It is true that the electoral system mandated by Beijing is not democratic, as it would allow only vetted, pro-China candidates to run. This is clearly a sham. But is this really such a big deal?

### **Law and order better than chaos caused by a just struggle**

In the end, what do Hong Kong citizens care the most about, free elections, or law and order, so that they continue to conduct business and make money? I believe that most people will opt for law and order and getting back to business.

Therefore, while some hardliners will probably try to resist

and not disband, despite police orders to do so, most Hong Kong demonstrators, having made their point, will fold and go back home.

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## At The Root Of the Hong Kong Protests: Economic Prosperity Is Founded On Political Freedom

**WASHINGTON** – Will the Hong Kong protesters demanding true democratic elections for the special status territory win in the end? Who knows. Probably they will not. And yet this surprisingly large grass-roots “rebellion” should be noted, because it is an open challenge to Beijing’s will to control Hong Kong’s politics.

### **Guided democracy**

The Chinese government wants to establish a “guided democracy” in Hong Kong. The people will be able to vote. But the candidates for the top executive position will be vetted and approved by an ad hoc committee. Quite simply, this means that only candidates that have proven pro-Beijing credentials need apply.

Hong Kong citizens could have accepted this farce, recognizing that a semi-democracy is better than no democracy at all. But they did not. Unexpectedly, they staged protests. And the protests grew bigger and bigger.

## **Embarrassment**

This is a huge embarrassment for the current pro-Beijing Hong Kong leadership. But it is also a problem for Beijing, since it is the Chinese Communist Party itself that mandated the new elections procedures for Hong Kong.

At this point, giving in to the street demonstrators in Hong Kong may be impossible. This would amount to a loss of face and prestige. However, crushing the protesters in a violent manner would not look good. It would invite unpleasant comparisons with the brutal 1989 Tien An Men repression of pro-democracy protesters.

Be that as it may, one thing is clear. China, while respecting Hong Kong's special status, intends to tighten political control. *"Hong Kong people: You get to vote; but only for candidates we have pre-approved."* The people in Hong Kong saw this and resist.

## **Prosperity and political freedom go hand in hand**

Even though we do not know how all this will end up, (probably badly), this phenomenon of large pro-democracy demonstrations in Hong Kong underscore a point that most Western China observers try to avoid.

Indeed, despite the undeniable economic progress made by China in the last 30 years, this is still an illiberal autocracy, unwilling to transform itself.

The citizens of Hong Kong know this. And therefore, without challenging the basic reality that China is ultimately in control of the former British colony, they fight to protect what makes them different: political freedom.

While most mainland Chinese may feel differently, (they have never known democracy), in Hong Kong people believe that economic prosperity and political freedom are inseparable.

I think Thomas Jefferson would agree.

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## There Is No Such Thing As An “Illiberal Democracy”

**WASHINGTON** – *“Giovinezza, giovinezza, primavera di bellezza, nel fascismo e’ la salvezza della nostra liberta’”*. *“Youth, youth, springtime of beauty, in fascism is the safeguard of our freedom”*. This is the refrain of *“Giovinezza”*, *“Youth”*, the hymn of the Italian Fascist Party. In many ways, a beautiful and inspiring song. It is all about youth, national unity, shared purpose, fighting the good fight.

### **Fascism and liberty?**

Of course, in hindsight, we notice a huge dissonance. How could *“fascism”* become the safeguard of *“freedom”*? Fascism is the denial of freedom. It is totalitarian, it is about a faction that took power in Italy in 1922 outside of democratic methods. It is about the abolition of most individual freedoms, first and foremost the freedom to criticize the government and to organize any political opposition.

Of course, fascism and any other authoritarian look-alike offshoot amounts, among many other things, to the denial of freedom. But for more than 20 years *“(Il “Ventennio”)* the Italians were happily going to Fascist rallies, proudly singing *“Giovinezza”*. And many of them for sure really

believed that Fascism was protecting their freedom.

### **What is democracy?**

But how is this possible? How can we commingle freedom and autocracy as if they had anything in common? Well, this is possible when liberal democracy fails to reaffirm in a peaceful but authoritative fashion what real democracy is about.

### **Mussolini: The Man of Providence**

And quite often this is not done. While Mussolini was ruling over Italy, many European conservatives admired him. They saw messy Italy finally organized. And, let's not forget that under Mussolini "trains run on time". Which is to say that for the perennially anarchical Italians a good dose of authoritarian government was a God send, right what the doctor ordered. (In fact the Catholic Church, a powerful moral authority, called Mussolini "The Man of Providence". Think of that).

(Mussolini ruined his chances by getting into WWII along Hitler. Had he stayed on the sidelines, just like fellow dictator Francisco Franco did in Spain, he might have died of old age, as opposed to being executed by the Italian Resistance in the last days of the war.)

### **We still fail to make distinctions**

But my point here is that this dangerous commingling of opposite concepts that belong to true liberal democratic principles and authoritarian government is not confined to the inter war period. No, it still goes on today. And, just as many decades ago, it is essentially unchallenged.

### **Autocracy disguised as democracy**

Hugo Chavez run Venezuela, nominally a democracy, like a *de facto* autocrat. Under his rule, the state controlled oil

production, the major source of economic wealth. He silenced the media and he persecuted his political opponents. All, of course, in the name of the greater good. You see, he was on the side of the historically dispossessed. Therefore, his strong-arm tactics against his opponents, (the old exploiters), were politically and morally justified, according to his many sincere followers. His successor, Nicolas Maduro, is continuing the same course of action.

### **Non democracies in Europe and at its periphery**

And there is more. Look at Putin's Russia. Or Viktor Orban's Hungary. Of the two, contrary to what you may think, the most dangerous is the case of Hungary. In Hungary, now there is a Prime Minister who openly advocates "illiberal democracy" as a better alternative. But Hungary, unlike Russia, is a member of two "clubs of democracies", the European Union and NATO, the North Atlantic Alliance.

Now, you may argue that we shouldn't worry too much about what goes on in Hungary, a smallish, economically irrelevant country at the periphery of Europe.

Well, I strongly disagree. Hungary is a member (supposedly in good standing) of both the European Union and NATO, the security pact led by the United States. The European Union is a Union of real democracies. Likewise, NATO is an alliance that was created to protect the values of western democracies.

### **Democracy, not so good**

And now we have this curious situation whereby the head of government of one of the members of both the EU and NATO advocates principles that are completely at odds with those ostensibly chosen and observed by all the others.

And yet, I haven't heard of any serious initiative aimed at kicking Hungary out of the EU or out of NATO. And this

negligence tells me that we have a much bigger problem is our hands.

## **Democracies, unsure of themselves**

Simply stated, liberal democracy is unsure of itself. And for this reason it does not put up a fight against those –like Orbán– who treat it as a flawed and ineffective model.

## **The fundamentals**

The fact is that we have forgotten that liberal democracy is a lot more than just holding elections every few years. It rests on a set of great but complex ideas. The central idea is that the individual is sovereign and that his fundamental rights and prerogatives should be protected by a government that can claim legitimacy only if it acts with the consent of the governed.

Of course, individuals come together within an organized society. Through an orderly, agreed upon process they decide the boundaries between the individual and the state, always keeping in mind that the “common good” is defined by the members of society and not by those who hold executive power.

## **No autocrats, please**

In other words, in a liberal democracy we cannot have a Vladimir Putin or a Hugo Chavez coming along and saying: “I have been elected. I know what needs to be done, and I’ll do it. In order to make sure that I can advance national and social goals (as I see them), I shall get rid of all or most opponents”.

In a real democracy, the task of government is first of all to secure all the basic liberties of all citizens. And there is more. America’s Founding Fathers strongly believed that the condition of liberty was and is the essential ingredient for



unleashing the full potential of all citizens. Through their ingenuity, their inventiveness and their creativity, free people would be able to build a prosperous society.

### **Delicate principles**

Having said all that, it should become a little clearer that democracy rests upon critical but extremely delicate principles that can be easily distorted.

Indeed, it takes a great deal of shared maturity to establish reasonable and equitable boundaries between personal and societal interests. And the way we set these boundaries up will influence how we draw laws regulating property rights, contracts, taxation, corporations and a lot more.

### **Doing it right**

Doing all this “right” is extremely difficult. But doing it right is the only way to prove the validity of the connection between a well-functioning liberal democracy and a prosperous economy.

A dysfunctional democracy rarely creates prosperity. And this allows many people to conclude that “traditional democracy does not deliver”. So we may as well look at variations on the basic model in order to improve efficiency. And here is how we get to Orban in Hungary, or Putin in Russia.

So, what do you prefer? An inefficient democracy (India), or an efficient autocracy, (China)?

### **Do we have what it takes?**

It is not easy to answer this question. Ideally we want both: democracy and efficiency. But, in order to get there, we need to ascertain that we do indeed have the necessary preconditions within our society to structure a well-functioning liberal democracy.

My suggestion is to look at ourselves and what we really believe in. Liberal democracy is a complex, sophisticated and fragile instrument. In the hands of people who have not truly understood and embraced its principles, it becomes a mockery, or worse an abomination.

**No such thing as “illiberal democracy”**

***Still, whatever else can be said, at least one thing should be clear. Those who claim to follow genuine liberal democratic principles should at least be able to say that “illiberal democracy” does not exist. There is no such thing. Period.***

If the Hungarians really like Mr. Orban’s authoritarian ideas, so be it. But Hungary at that point would have to exit the EU and NATO, groupings of nations that welcome in their midst only genuine democracies.

All the others are not, *repeat are not*, welcome.

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## **The Crisis Of the Arab World Will Go On And On**

**WASHINGTON** – With sympathy but a great deal of pessimism The Economist examines the state of perennial backwardness of the Arab world. Yes, we all know this: there was a Muslim Arab Golden Age. There was indeed –about a thousand years ago.

### **Arab Golden Age**

When Christian Europe was in the Dark Ages, Muslim Arab societies, from Baghdad to conquered Sicily and Spain, were flourishing. Arab scholars, (Averroes and Avicenna are the

best known among them), translated and interpreted the Greek classics. Arab scientists made discoveries in science and medicine. "Algebra" is an Arab word. (*Al-jebr*, literally: "reunion of broken parts"). And, above all, Arab societies were tolerant and inclusive, accepting Christian and Jewish minorities in their midst.

### **Then it all ended**

But then something terribly wrong happened. And we do not know exactly what it is. Arab societies and then later on Arab societies under Ottoman rule essentially froze. Who knows why.

And so the Arab world missed the opportunity to participate in almost every transformation that (amidst turmoil and bloodshed) created the foundations of the modern West. (Famed Princeton scholar Bernard Lewis tried to address this unsolved mystery in his 2002 wonderful book, aptly titled: *What Went Wrong? The Clash Between Islam and Modernity in the Middle East*).

### **What happened?**

Try as we may, we cannot say exactly why formerly enlightened societies that used to be animated by curiosity and the pursuit of innovation turned inward and conservative, thus missing out on almost anything important that was going on in the rest of the (Christian) world. Has this to do with a rigid re-interpretation of the same Islamic faith that had promoted science and progress earlier on? Who knows really.

### **No books, no knowledge**

The hard reality is that the Islamic world after the 13th century stopped producing new science and culture, while its ruling elites actively prevented the absorption of any new foreign influence.

Centuries after Johannes Gutenberg invented movable type

printing and thus the modern printing press that made the production and circulation of affordable books possible in the West, printing was practically unknown within the Ottoman Empire. No printing, no books, no new knowledge.

When science and modern inventions came into the Arab world, they came in the worst possible way: as tools in the hands of foreign imperialists. Therefore for many Arabs modernity was not benign. It was evil. It was a device to oppress and dominate.

### **Salvation only in orthodoxy**

Anyway, if we fast forward to modern times, we see a clash between despotic rulers allied to the West –Shah Reza Pahlavi of Iran comes to mind– and a resentful Iranian society that saw his rule as a mixture of illegitimate despotism laced with alien Western fashions.

Hence the remedy. Take refuge in an aggressive, doctrinaire, and positively deranged interpretation of Islam as the only way to restore a good society. And so, starting in 1979, Iran switched from the oppression of a secular ruler, the Shah, to the far worse oppression of a clique of religious leaders. Amazingly, 35 years later, give or take a few changes at the margins, the Ayatollahs are still there. In power and in charge.

### **The rise of radical Islam**

And, with all due adjustments, the ayatollahs in Iran provided the blueprint for all the other motivated revolutionaries in the Middle East.

The only good change that Islamic radicals of various stripes, (from Osama bin Laden to the Muslim Brotherhood), could envisage was in the return to rigidly enforced religious orthodoxy.

*“Forget about embracing Western values and Western science. The answer to all our problems is in going back to the true faith, while aggressively fighting against all its enemies. Everything else is poison.”*

A horrible byproduct of this return to orthodoxy is the fight among different versions of the true faith. Hence the Shia-Sunni bloody clashes that are so evident in Syria and Iraq today; but also present in Lebanon, Bahrain and elsewhere.

Is there a way out this? of course there is. There are always better choices. But it all depends on the cultural and psychological openness of Arab societies. And, right now, the preconditions for transitions to genuine democratic institutions are just not there.

### **You cannot impose genuine democracy**

Liberal democracy, free speech, tolerance, genuine rule of law and free markets are very sophisticated concepts. Experience proves that they cannot be successfully imposed from above. After all, even in the supposedly more advanced West, we embraced them only recently.

### **Recently adopted, even in the West**

Indeed, let us not forget that in the midst of progressive Western Europe we had authoritarian governments in Spain and Portugal and a military junta in Greece well into the 1970s. Practically yesterday. Not to mention cruel police states in so-called “socialist” Eastern Europe that vanished only after 1989.

True enough, Europe’s bloody religious wars –the functional equivalent of the Sunni-Shia sectarian conflicts– took place mostly in the 16th and 17th Century. But let us not forget that for centuries God-fearing Christian Catholics happily slaughtered God-fearing Christian Protestants, (and vice versa); while Christian Protestants of one kind killed, (in

the name of God, of course), Christian Protestants of another kind.

Last but not least, on the buckle of the belts of German soldiers in WWII there was an inspiring inscription: "*Gott mit uns*", "God with us". And this was in the 1940s. In Northern Ireland a religious war, in the form of Protestant v. Catholics violence, went on well into modernity.

### **Forbidden books**

And let us not forget that, although its grip on European societies diminished greatly over the centuries, the Catholic Church continued to publish an "*Index Librorum Prohibitorum*", ("Index of Forbidden Books"), until 1966. Practically yesterday. So much for Christian open-mindedness and tolerance.

### **Arab world in chaos**

Today the Arab world is in chaos, while the economies of most countries are in a sorry shape. In this misery, radicalism, seems a plausible alternative. Were it not for the reality of its incredibly cruel methods, ISIL in Iraq, (now the self-proclaimed *Islamic State*), appears so unreal that it may be considered plausible only as material for a most fantastic Hollywood plot.

And yet the brand new *Caliphate*, the Islamic State, is there, with some degree of genuine following. Unfortunately, there is not much that the West can do about any of this. Aid of any kind is likely to produce scant results, while it will be portrayed by the radicals as yet another plot to infiltrate and poison pious societies.

### **Terrorism**

That said, we cannot forget that in the conspiratorial and positively crazy interpretation of history held by the Islamic

radicals, we –America and the West– are their enemy.

Therefore we have to redouble our efforts to prevent more terrorist attacks against us. After the shock of 9/11, President George W. Bush talked optimistically about going to the Middle East with blazing guns and “draining the swamp” that breeds terrorism. Noble idea, may be. But it failed, miserably. Too complicated. Not workable.

### **Countermeasures?**

Unfortunately, as the Arab caldron keeps boiling, we are at risk. The combined resources of our intelligence services, (including the CIA and the much maligned NSA), and the Department of Homeland Security provide some layers of protection. But it is not possible to create a “terror proof”, impenetrable shield.

Sadly for us, we have to brace ourselves for more troubles ahead. The crisis of the Arab World will continue; and it will continue to produce and unleash dangerous pathogens.