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# CREATING AND SUSTAINING DEMOCRACY IN THE MIDDLE EAST: CONSTITUTION AND GOVERNANCE BUILDING

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P R O C E E D I N G S

MR. MANN: Good morning. Thank you all for coming. I'm Tom Mann, a senior fellow here at Brookings and I'm pleased to moderate our discussion this morning on creating and sustaining democracy in the Middle East, Constitution and Governance Building.

Now, some of you may have heard there was a news event that came along about 11:30 last night. It is amazing, the entire front page of the *Washington Post* had only stories about Osama bin Laden and the story broke at about 11:30. That's not bad for hard copy.

In any case, there is certainly a great sense of interest and excitement. I'm just imagining the conspiracy theorists and wackos going to work now -- how can we be sure that Osama bin Laden has been killed -- so just prepare yourself for that. But at the end of the day the death of Osama bin Laden will probably have more of an effect here, back home, in a cathartic sense, than it does more broadly and in Afghanistan and Pakistan and the broader Middle East and the war on terrorism, there, of course, broad geopolitical forces that are operating across the world and a single individual's presence or absence may at times trigger some development but certainly don't determine it.

Darrell West, the director of our Governance Studies Program, asked us four to six weeks ago to pull together an event in which we try to lay out the constitutional questions involved in trying to nurture the emergence and the sustainability of new democracies as events of the Arab spring have played out. These issues, of course, are now front and center in Tunisia and Egypt, in particular. It remains to be seen whether we will have occasion to apply the matters under discussion today in Yemen, in Libya, in Syria, in Bahrain, and other countries. The course of those revolutions is uncertain. We

know from history that more than half of the efforts to establish democratic governance fail, at least in some sense. It's a very difficult and complex process where some of the forces leading to the revolutions are similar across countries, but of course they all interact with countries with very different histories, some with a fairly rich civil society; some with almost none at all. Some with histories that offer encouragement, and some that seem downright depressing.

In any case, this is our task this morning to try to raise some of these fundamental questions that really go to the core of an experience we had here about 230 or so years ago, trying to build the basis of a new polity, initially through the design of constitutional arrangements, through the creation of political institutions, the decisions regarding electoral systems and laws, and ultimately a whole range of questions pertaining to governance. As we look around the world, including in our own country, we realize how critical governance is to addressing a whole host of problems and dysfunctions are not limited to emerging democracies, there's plenty to be found in fully developed, over developed democracies as well and we may end up talking about that some here.

We have a wonderful group of people to begin to raise some of these issues with you. I will introduce them in the order in which they will speak. We'll have a brief conversation after their presentations and then take questions from the audience.

We'll begin, and I'll go from the far end there, with Donald Horowitz, who is the James B. Duke Professor of Law and Political Science at Duke University, and currently also a fellow at the Woodrow Wilson Center here in Washington. I am very pleased to say Don Horowitz was at Brookings many years ago and wrote a book, *The Courts and Social Policy*, which is one of Brookings' prizes, just a wonderful book. In

recent years and decades he's worked on the question of constitutional design in divided countries and has experience in a range of countries, including Indonesia on which he's writing a book, but has also been thinking a lot about Egypt and Tunisia.

He'll be followed by my colleague Bill Galston, the Ezra Zilkha Chair in governance studies and a senior fellow. He's been with us since the beginning of 2006. Before that he was a professor and dean at the School of Public Policy at the University of Maryland and worked several years in the Clinton White House. Bill is a superb political theorist and a student of political institutions, and will raise a sort of set of generic issues important in thinking about the design of new democracies.

We'll then turn to my colleague Pietro Nivola, who is also a senior fellow in governance studies, the Douglas Dillon Chair in the program who had served as director of the program between 2004 and 2008. Pietro works on a range of institutional and policy questions, but one of his enduring interests is the issue of federalism, and he's going to grapple with the relevance of the set of issues surrounding federalism for some of the emerging democracies.

And then finally, Daniel Kaufmann, a senior fellow and global economy and development program here at Brookings, an economist, will address a whole set of governance questions. I got to know Danny in another project here and came to discover a sort of rich body of work involving governance indicators that really provide a basis for sort of forecasting problems before they materialize, but also giving some sense of direction to the ways in which thinking about governance arrangements ahead of time may be helpful in sustaining whatever new polity that emerges.

So, there we are. That's our cast. We'll begin with Don Horowitz.

MR. HOROWITZ: Thanks, Tom, very much, for that nice introduction.

It's great to be back at Brookings after a long absence.

If you work on constitutional design and you live in Washington, D.C., as I do these days, you will find yourself in Egypt. A couple of weeks ago some people celebrated the Biblical exodus from Egypt, but I'm afraid I've been left behind there, and in Tunisia too, and I'm hoping that perhaps next year I can escape. And just a note to whoever governs these things, the Red Sea doesn't have to part for me.

I'm going to get down and dirty into the details of the kind of practical problem that you have to cope with if you're seriously interested in the emergence of democracy in these two countries, Egypt and Tunisia, as, for example, the United States government is. It's been much interested in what would be required in institutional terms to produce liberal democracies in these countries.

I'm going to focus on only one component of that, but a very important one, electoral system choice, and I'm going to suggest that we know quite a lot about which systems are likely to produce what results, but being able to make intelligent choices depends on having some basic factual information that's difficult to come by in new political systems that have been in the midst of turmoil, and still are in some turmoil. And just to embellish the irony, I'm going to show you that if those facts that we don't know enough about break one way, your recommendations will be very clear if you were called upon to make such recommendations. If they break another way, your recommendations would also be very clear, but they would be exactly the opposite of the first set of recommendations.

So, this is both an optimistic and a pessimistic presentation, optimistic in the sense that we have a pretty good idea of what would be required in terms of electoral systems to maintain or even to create liberal democracies, but we are quite unsure about

the critical facts on the ground that would enable us or more properly would enable the Egyptians and Tunisians, or would enable the United States government in giving some advice to the Egyptians and Tunisians, about making intelligent choices.

So, first some basic information on Tunisia and Egypt's elections, and then on electoral systems in general. I promise this will not -- these details will be, I think, A, comprehensible, and B, not excessive. Tunisia will have elections on July 2nd for a constitution drafting council or a constituent assembly. Egypt will have elections in September for the lower house of the parliament which will choose its constitutional council, by what mechanism is unclear, it's supposed to be a 100-member constitutional council and how the legislature is going to go about choosing it is a nice question.

Both of these countries will later elect their president. There are a great many political parties that have already registered, but the big players seem to be remnants of the old regime on the one hand, despite the illegality of the old parties. It's pretty clear that the remnants of the old regime have some support, some level of support. And on the other side, Islamists, Nadda in Tunisia and the Muslim Brotherhood in Egypt, and in Tunisia there's rather a strong trade union movement, the UGTT, which, if it had an appropriate political party, might actually draw some considerable support. There's a new trade union movement that's arising in Egypt and it also seems to have some support but my guess is it doesn't have as much support relatively as the trade unionists do in Tunisia.

The secular liberal center, that is the people who were out in Tahrir Square in Egypt, and have been out in some considerable numbers in other countries, the secular liberal center which made the revolutions, appears to be divided and not very well organized in both countries. Some of those divisions concern the conflicting

ambitions of their leaders to run for president. That is, if you want to be president and I want to be president, and each of us heads up a political party, we'll be reluctant to merge our parties because then only one of us will then be the candidate for president, and that's what some of these rivalries have to do with, not -- it's not all of them, but it's some of those rivalries. And the elections are going to occur in both countries too soon for the new parties to organize and to consolidate themselves fully. Certainly early elections benefit those who are already organized on the ground and those are the old regime people and the Islamists.

Tunisia and Egypt have traditionally elected, in crooked elections to be sure, but they've traditionally elected legislatures and presidents. In Tunisia they use the block vote system. You needn't worry about it; they won't be using it again. It's a, I think, a rather undemocratic system, in fact, but the presidential elections in Tunisia and both sets of elections in Egypt have traditionally been run by the majority runoff system, that is to say to win a seat you need 50 percent plus 1 of the vote in the appropriate constituency and if you don't get that in the first round, there's a second round.

I've passed out -- or Brookings has been kind enough to pass out -- a cheat sheet on electoral systems so that if any of this gets unclear you can simply refer to the little cheat sheet.

The majority runoff system is actually a system that pushes parties and candidates toward the center of the spectrum because they have to make compromises and they have to be moderate in order to get to a majority, but it doesn't usually produce proportional results, that is, the largest parties usually get what's called, in your cheat sheet, a seat bonus at the end of the day, that is, if a party gets 45 percent of the vote in a majority runoff system, it may well end up with 55 percent of the seats or some such

bonus. That's quite a considerable bonus.

So you've got on the one side systems that will produce proportional results, systems that will, given certain circumstances, produce more moderate results, but definitely not proportionate results.

On the other hand, Tunisia's constitutional council election will be conducted on the basis of list system proportional representation, also enumerated in your cheat sheet. That's very good for proportionality and it typically allows a great many parties to win seats depending on whether there is a threshold beyond which they must get in order to win any seats at all, but that system, List PR, is not particularly good at inducing moderation. In fact, it's classified in the electoral system's literature as a centrifugal system, that is, it spreads the spectrum out and allows extremists to get into the legislature along with others.

So, here's the question: suppose you wanted to support the emerging secular liberal parties of the center, clearly you'd choose the majority runoff system if you had a choice, and if you were stuck with List PR, you'd try to help the center parties by providing a high threshold so the very small extremist parties would not be accorded any seats. But that statement that I just made, which sounds very clear and definitive, depends on certain facts, which may not be -- which President used to say, "Those facts are no longer operative"? -- They may not be operative in these two countries. There's an unusual configuration in both countries, or at least we think there is. There's evidence that remnants of the former regime have some support, as I said, and that Islamists in both have some support. In Tunisia, the trade unions also have some and maybe -- there's now an emerging trade union movement in Egypt and maybe it will have some support too.

The public thinks rather highly of the secular liberals who brought about the revolutions, but those are precisely, as I said, the forces that are divided among themselves, so unlike the usual situation where you could count on a large, middle, and small extremes, we may have in these cases a fragmented center and more unified extremes, and if that turns out to be the case, then the main task will be, so far as supporting secular liberal parties in the center, the main task will be to do no harm or to do the least harm possible in electoral systems choice, and by that I mean opt for a highly proportional system with a low threshold.

Why is that? Because that will confine the large parties, the old regime parties and the Islamists, to merely their proportional share of the vote and it will get a lot of members of various parties of the center into the constitutional council in Tunisia and into the parliament in Egypt.

But again, we're just not sure of the distribution of support, and there's some evidence to the contrary, that is, there's some evidence that the center does have considerable support, but you can tell me what you think of this evidence. One Egyptian survey shows that the Wafd Party, the new Wafd party, rather an old but secular oriented party, has 23 percent support, that is to say, among respondents who are asked, which party are you leaning to, the Wafd did very well, 23 percent, as against 12 percent for the Muslim Brotherhood and 10 percent for the former regime elements. Now, that was a telephone survey, it has a lot of "don't knows" and there may be an upward bias, an upward class bias in the survey. Telephone survey in developing countries is a little bit problematic depending on whether they've got the cell phone numbers or not.

Another survey shows more or less the same, but also favorable views of the Muslim Brotherhood and of the other established center parties in addition to Wafd

and it also shows some support for the old NDP, that is to say, the old regime party. But a good many respondents in that survey just answered, "I don't know." They can't answer a question on the ballot, "I don't know." They have to choose somebody and we don't know whom they will ultimately choose. So, it may be, if these surveys are to be believed, it may be that we have a situation in between a fragmented center and strong flanks on the one hand, and a few strong players all along the spectrum on the other, and many weaker ones, too. In which case it may truly become a matter of chance which system would be preferable for helping the secular liberal elements in the center.

So, here's the final irony. We know pretty well how each of these systems might work and we know what we don't know in order to make a judgment about which system would be most conducive to the emergence of a secular liberal Egypt and Tunisia. We also know what the center parties should do, they should get together and soon, they should consolidate and soon, and have a single identity if they can manage it. And we know what keeps them apart and we know what electoral modifications would help them, that is allow them to run -- one electoral modification would allow the parties, if they stay separate, the center parties, to run for the legislature and for the constituent assembly as coalitions of parties on a single slate or a single list, depending on what kind of electoral system we're talking about, but we don't know if they know that or if the interim governments will allow it. You see why it might be a good idea to have them running together as a coalition because it wouldn't foreclose any of their presidential aspirations. The legislative elections come first and the constitutional -- constituent assembly elections come first, they could then run if they wanted to as separate presidential candidates provided they ran as a coalition in the legislative and constitutional council elections, but we don't know whether that's going to be permitted or

not or whether they're interested in doing that.

So, for all of our knowledge, we may be defeated by the things we don't know about the strength of the center and the center politicians themselves may be defeated by what they don't know about the possibilities of the new electoral system to help their adversaries, because there just is no doubt that one set of electoral choices might be extremely helpful to their adversaries. And we don't at this point know just exactly how sophisticated about this -- about these matters the center parties -- the secular liberal actors, really are.

So, we have rather a frustrating situation where our knowledge is valuable and it's valuable no matter what conditions prevail, but the recommendations would certainly differ depending on exactly what the configuration of parties all along the spectrum is likely to be.

Thank you very much. (Applause)

MR. GALSTON: Well, this basso profundo is not my usual speaking voice but I will try to stagger through these remarks before it gives out altogether.

As Tom indicated in his introduction, one of the hats that I wear is that of a political theorist, so it will not surprise you to learn that I intend to begin with a reference to the great Aristotle, who got there first and said most of what we're still able to say on the topic, and if you don't believe me, you know, take a look at those chapters in the *Politics* where Aristotle works through, in very great detail, the modalities of constitutional reform. One of the points that he makes, which is a generalization of the main thrust of Don Horowitz's remarks, is that there's a big difference between constitution making for ideal circumstances and constitution making for the circumstances that happen to exist when the constitution making is underway or being contemplated. Local circumstances

alter cases. That's the first point that I'm going to make.

So, for example -- and nobody has written better about this than Don Horowitz -- it makes a big difference, whether you are trying to draft or reform a constitution for societies characterized by profound ethnic and religious cleavages, as is the case in Iraq, and to some extent Libya, I think a lesser extent, or for relatively homogenous societies such as Egypt and Tunisia that have other kinds of important divisions but where there is no question about what I'll call the community of identity to which people belong.

So, those local circumstances matter a lot and Don is absolutely right. We frequently don't know enough of what we need to know in order to offer all things considered judgments, but we can certainly alert ourselves and others to that consideration.

Local circumstances matter and so does history, or what political scientists call path dependency, right. There are events that have preceded the event that you're trying to create and those prior events shape and constrain your ability to act in the present. Let me give you a vivid example from our own constitutional history. James Madison, arguably the father of our Constitution, intensely disliked the idea of a Senate that gave equal representation to each state regardless of the state's population. Madison's initial proposal was for representation in accordance with population. But he couldn't wave a magic wand and make that happen in Philadelphia. He came to understand pretty quickly that if there was going to be a Constitution at all, there would have to be some sort of compromise between a state-based system of representation and a population-based system of representation, and it was that compromise that made a successful Constitutional Convention possible. Madison wasn't thrilled, but he knew,

as a practical man and not just a theorist or idealist, that he had to. So, that's my second point, history or path dependency.

Here's my third point: process dependency, how you get to an outcome, a workable outcome, may be as important as the substance of the outcome itself. I'll get to some of the details of that in a minute, but you have to wrestle in real time with who is going to be at the table for the process of revision, how the process is going to work. And here, again, in our own constitutional history, there's some very instructive examples. The Philadelphia Convention, in many ways, was a constitutional coup, to be blunt. Its authorization talked about revisions of the Articles of Confederation, but from the get go, that was not the task that the Philadelphia Convention assigned itself. Nor was it necessarily the case or was it clear, how the new Constitution would come into being, become a legal reality, and so the Founders made it up.

You know, they declared that the Constitution would go into effect with the ascent of nine states. What about the others? What happens to them? That was an invented legitimation and one of the burdens that the Philadelphia Convention had to carry from beginning to end was the charge, which was not entirely unfounded, if you've been following me, that the Convention was, as the jurists say, *ultra vires*. It had gone beyond its due and delegated power and, you know, took the bit and ran with it.

Which brings me to my fourth point that the perceived legitimacy of the constitution-making process is extremely important, and in part, that has to do with the shape of the table, but in part that has to do with the question of whether there is a locus of trust within a society. And in Egypt, for example, it clearly makes a difference that there is a rough and ready locus of trust, namely the Egyptian military. If the Egyptian military did not enjoy that status within Egypt, it's not entirely clear to me how the process

would have unfolded.

It's not clear to me, first of all, that the Tahrir Square demonstrations would have succeeded at all if the military had taken a different position. They certainly wouldn't have. But in addition, it's not clear how the constitution-making process would have been structured and guided without this locus of trust. And similarly, there appears to be in a place like Pakistan, precisely one locus of trust, and that's the constitutional court, and one might suspect that there's going to be a revisionary process in Pakistan. The constitutional court might play a greater role than its name would suggest.

Fifth of my six points, it makes a difference whether you proceed in the constitution-making process with an incremental transition or with a great constitutional leap forward. And I actually think it's quite wise that in a place like Egypt they have chosen to proceed initially through revision of major articles of the constitution rather than by scrapping it and going straight to a constitutional convention for constitution writing purposes. However imperfect an existing constitution is, there is frequently a case for beginning from where you are and trying to get from there to a better place using it as a foundation rather than simply regarding it as an obstacle.

Sixth and final point in this first section of my remarks, and the second one will be exceedingly brief, the moderator will be happy to learn, and that is that I think there's a lot of history that suggests that during the constitution-making process, particularly if you're trying to create a constitutional democracy with strong majoritarian features, it is not easy to devise effective guarantees for minority rights. I mean, we take it for granted in this country that rights are to be protected through the legal system and ultimately backstopped with our version of a constitutional court. Well, but there's a whole lot of tradition and culture and institutional development behind that and that is not

something that is likely to work, or at least likely to work initially, in societies that don't have a long tradition of judicial independence. And that is why minorities in places like Egypt, the Coptic Christians, Christians in Syria, and to some extent the Christians in Iraq, all made their peace with an authoritarian government that was very brutal because these minorities figured, maybe rightly, that their rights and basic interests and even lives were more likely to be protected through a non democratic or non-majoritarian government than through one where the will of the people, frequently hostile to these minorities, could be more effectively expressed. So, that is a big problem for all of these efforts.

Final reflection, Don talked a lot about electoral systems and I have a lot to say about those based on the Brookings polarization project that so many of us in governance studies were privileged to work on, but let me talk for a minute about executive power. And I do this because countries emerging from strong authoritarian regimes with a lot of power concentrated in the hands of a single person tend to be very, very skeptical of and fearful of a strong executive. They will be tempted to go in the other direction and to weaken the power of the executive vis-à-vis parliament. That is entirely understandable. That's what we did during the Revolutionary War. You know, King George was a monarch but we labeled him a tyrant and by definition, or by extension, executive power itself was something to be feared, all power to the legislature.

Well, that didn't work out so well and so we swung back, not without a lot of contestation, and what some historians think of as a coup within the constitutional coup, towards a stronger executive. And it's going to be very interesting to see how countries emerging from strong man, one man rule wrestle with this question of how strong the executive should be. They will be tempted to err on the side of weakness.

And if you want to see what kind of difference that makes, those of you who are students in comparative politics, compare the instability of the French Fourth Republic from the end of the Second World War, you know, 1946 to 1958, with the relative stability of the French Fifth Republic, which de Gaulle initiated which features a much stronger and more independent president than was the case in the Fourth Republic. I think that's an example that constitution makers in the countries under consideration now would do well to consider.

Thank you very much.

MR. MANN: Thank you, Bill. Pietro.

MR. NIVOLA: Thank you. I'm glad to be here this morning. My assignment is to say a few words on the subject of federalism, that is, a question of whether it would make any sense if some of these countries in the region, North Africa and the Middle East, to kind of federate their regimes. Would that help consolidate some of these nations' democracies or possibly fractionate them even more?

Now, as everybody in this room, I'm sure, knows, the whole subject of federalism is fraught because there's a great deal of theory attached to this concept, but in practice, as well all know, it often turns out quite differently and that's certainly the case in our own federal system.

Let me mainly stick to theory, although I hope I'll have time, a few minutes at the end of my remarks, to say something about the practical challenges and difficulties of federations. In theory, there are three general advantages to creating a federal system as opposed to a unitary regime. One is that it may be a way of helping to manage conflict, and this is particularly true where you have very diverse ethnic groups, religious groups, even linguistic ones as in Switzerland and tribal ones as in the Middle

East. So, that's point number one.

Point number two -- advantage number two is that federalism can be a way of strengthening civil society. John Stuart Mill had said at one point that "local institutions provide the political education of a free people," local institutions being where you learned the rules of democracy.

Thirdly, there's the following: You know, a potential threat to all these young democracies is whether their public sectors will remain sort of bloated, wasteful, corrupt, full of cronyism, and so on, and if that persists, it poses a longer range threat to these regimes. Federalism can be a way, potentially a way, of providing efficiencies in the public sector that in the end could help build allegiance and trust. So, I'm not going to be able to talk about all those things but let me get to the first of these issues which is whether federalism in some ways can help lessen the inherent conflicts in these countries and create some national cohesion.

Now, as we all know, a number of these nations are former colonial entities. They are, if you will, sort of the handy work of French, British, and in the case, I guess, of Libya, Italian cartographers who kind of put together -- drew lines around countries that have quite diverse ethnicities, sects, tribes, and so on. We know that that's certainly the case in Iraq, it's the case in Syria, and in Libya too with its cacophony of tribes.

Now, as these countries -- as their revolutions evolve and they move to national elections, in unitary regimes there's a danger of it turning into something of a zero sum gain. Of course, as Don Horowitz emphasized, it depends on the electoral systems and so on, but the basic conundrum in any democracy is, as Bill Galston was stressing earlier, the tension between majority rule and protection of minority rights. Our

founders were keenly sensitive to this issue. They talked a great deal about the potential problem of the tyranny of the majority.

In Iraq, as we know, over the past ten years, I mean, the Sunnis have gone from being a formerly dominant group to now having to worry about their minority status at the hands of the Shiites. Currently in Bahrain it's sort of the similar kind of issue.

Now, what did our framers -- the framers of our system say about this problem and how could it be alleviated? Well, James Madison spoke about relief from creating a compound republic, meaning states and local governments with a good deal of self-rule. He wasn't the only one, by the way, even Alexander Hamilton, who was a strong believer in central authority, saw advantages to creating these competing power centers, pluralistic, a system in which you had power sharing between the states and the national government. It would enhance the system of checks and balances.

Now, one thing that the framers did not anticipate and probably would not have applauded, although they were kind of wrong about this, is that an interesting feature of federalism is that it can be one of the ways in which you nurture and sustain a vibrant and competitive political party system. Let's remember that the definition, the essence of democracy, is fundamentally a system that provides free and regular choices among competing elites, which is to say, free and regular elections among political parties, especially in unitary systems where you have kind of winner take all electoral systems, such as ours. Well, we're not a unitary system but we have winner take all, first past the post elections. There is the danger that in a national election it can be too lopsided: the winners take all, the losers are kind of really left out in the cold. But under a federation, the opposition parties, the losers, retain sort of a kind of series of safe

harbors. They can retain a foothold at the local level, which provide possible springboards out of which they can get back in the game at some future date and win future contests. In other words, make a long story short here, federalism is one way to kind of lower the stakes in national elections and maintain a viable party system.

Okay, so that's the main thing I wanted to say, but let me just quickly run through a few of the practical difficulties in terms of some of the countries that we're interested in today. Federalism is difficult where you have highly uneven distributions of natural resources on which the whole country depends, such as oil. I mean, this has been an issue, obviously, in Iraq where most of the oil is in the southern part of the country, Basra's the main oil exporting port and so on, and it's in Shiite -- under Shiite control. And by the way, if -- it's kind of unimaginable, but if the stalemate in Libya were to result in some sort of partitioning or federating of that country into two parts, let's say, the east and the west, there'd be the same problem of most of the oil is on the eastern side and how does the western side get its share? It's kind of -- you can call this the Nigeria problem.

Secondly, as Bill Galston was saying earlier, some of the countries that we're talking about this morning are relatively homogenous societies, at least in the sectarian and ethnic sense. It's not clear that, you know, federalism would do much good in terms of for Egypt or Tunisia, which are reasonably homogeneous in those respects. There are other arguments you can make for creating -- for decentralizing power and federating even there. In a big country such as Egypt it might make sense for other reasons, but not in terms of separating ethnic groups.

At the other extreme are societies that are extremely diverse, great deal of ethnic, religious, et cetera, diversity, but they tend to be highly intermingled. I mean, a

good example in the Middle East would be Lebanon, which is basically kind of a mosaic. Yes, there are enclaves, the Druze are pretty concentrated in certain places, but on the whole it's a country in which everybody is highly mixed, and so it's not clear on what basis one would draw lines around these enclaves to protect them through a federal arrangement.

Now there are places where ethnic groups are fairly concentrated, there are regional identities, Iraq is an example of that, so is, to some extent, Afghanistan, let's say. Still very hard to draw very good, bright lines around these groups, but the -- but even if you could, the problem in a place like Iraq would be that you could run into serious cross-border issues with neighboring countries. That is exactly the problem of, for example, creating a Kurdish state or semiautonomous region that really has some serious independence. If the disputed areas that run between Mosul and basically Baghdad, down the center of Kurdistan, were to come under full Kurdish control, the Turks would be very alarmed.

So, look, in general the down side of federation is the potential for balkanization, for regional parties to form separatist movements, and ultimately for running into problems of secession.

One last thing, regardless of what type of situation you have, in any federal system it's essential to have an umpire. There are just too many -- there will be conflicts between the jurisdictions as well as within them, and so on, and between the levels of government -- between the tiers of government, the central authority and the periphery. And for that you need an umpire. And it's taken us a long time to create one in this country the role is played by the federal courts, especially the Supreme Court. The magistracies of countries in the Middle East, North Africa, are not really equipped to

handle something like this, so if they were to talk about decentralizing their regimes in any way, creating federal systems, they would need some kind of institution to manage this problem.

So, let me stop there. Thanks.

MR. MANN: Thank you, Pietro. Danny?

MR. KAUFMANN: Thanks. Three apologies first. First for being an economist. Second for being possibly even more incoherent than usual because I was also up until 3:30 this morning glued to CNN, Al Jazeera, and to the web given what was happening. Third, not to be able to weigh in on the deep historical knowledge that you all have starting from James Madison. For full disclosure, I'm not a U.S. citizen, but I have enjoyed enormously the hospitality of this country and of this place. Full disclosure, I'm from Chile, so I'll bring a somewhat different perspective, perhaps more international and broader, which is driven from the data.

To the credit of the speakers that already presented and by contrast, perhaps, of what Tom was urging us to do, there were very few predictions, which is, I think, a great change because that was going to be my first point. I'm also going to, like the fellow panelists, address a few points. So, the first point I was going to make is one of circumspection.

I think we all, in this industry of being or some of us pretending to be analysts, experts, pundits, we need to go back and learn the lessons in our own trade. Because looking back, humility is in order given what happened in the Middle East. For other reasons too, but more recently, we codified basically what was being written. And just as Tunisia was taking place -- the Tunisian unrest and eventually the change of regime, and with a few exceptions the best summary would be some of the headings

suggesting that there will be no domino effect following Tunisia and particularly in terms of the application to Egypt.

So, it's a very sobering literature to go through what analysts and experts were writing. Egypt was supposed to stay very stable because every country was supposed to be very different, very different characteristics, and unique, and, therefore, what was happening in Tunisia was unique and it was not going to spread.

There was perhaps, at least from my biased perspective, an exaggerated power of, A, the incentive to make predictions, which are -- sound quite certain, and B, they exaggerate the power of the prose word. By contrast, we didn't pay enough attention to the power of data and there I am fully disclosing my bias. In the data, if we look very carefully already at the time and subsequently -- of course it's very easy to be a Monday morning quarterback -- but we did detect at the time an enormous democratic governance deficit for basically all the countries in turmoil, and some others, in the Middle East and perhaps even more importantly and not codified at all in the analysts' writings, such democratic governance deficit in the Middle East grew substantially over the past decade. So, the whole issue of looking carefully at the power of data, if one combines that observation with what was happening with basically the population pyramid and the extent of youth unemployment, plus just a few other data points, the makings of some commonalities across many of these countries that may have dwarfed in any analysis the differences which are obvious, every country is different, ought to be room for rethinking and circumspection in terms of what happened.

Part of the problem, or at least the third problem, was possibly excessive political correctness related to sitting governments in the Middle East for a variety of incentives. And part of the problem with the data, particularly when it is about

governance, and even more particularly so when it's about misgovernance, is that one does not win popularity contests with disclosing, analyzing, and putting graphs which are very clear in terms of the extent of misgovernance in some countries. And particularly there are strong pressures, incentives in many official quarters not to use it, not to disseminate it, because of these factors. So, political correctness did play a role, particularly in the Middle East. In contrast, I must say, with regions like Sub-Saharan Africa where there's much more openness, including in the West, in disclosing -- for some countries in contrast with others -- the extent of misgovernance that was present in the past. That, by the way, I will not elaborate much further, it's also, thanks to the organizer. It's in both an opinion piece that was available outside, as well as some background graphs, which are part of a handout.

That also links to a fourth point in this context of being -- of learning the lessons from the data. It's the importance of recognizing uncertainty at various levels, and particularly so about predictions. And that's why, I guess, the reticence in making very certain type of predictions among all panelists today. So, instead, it's critical, and it was very potently illustrated by my fellow panelists, it's the importance of providing alternative risk scenarios that are likely to occur. One can ascribe certain probabilities to those. I know that that's much more boring, it does not fulfill a certain PR objectives vis-à-vis the media and the press, but given the lessons that we have learned in terms of the likelihood of being incredibly wrong with certain predictions, I think the recent past with the Middle East, uncertainties is very important.

Okay, so far you may think that this has been what I mentioned, an elaborated copout not to talk about Tunisia and Egypt on some issues about the future and to say very little. Let me suggest, however, a few pointers, at least for debate with

the appropriate uncertainty and doubt that I think is called for. The first point in that context would be on the importance of all of us transcending our own shackles of what our discipline may be, and that's why I apologized for being an economist at first.

In contrast with the rest of the last panelists, I'm an economist. And I've read in terms of the Middle East and particularly Egypt, a number of pieces written by economists suggesting that the most important and crucial determinants in going forward is going to be what happens with the economy that in terms of the politics, they're already getting it basically right and the problem is economic. If we hear what we just heard here, the issue is political, I think it's such a false dichotomy really between politics and economics, but particularly during this transition, we need to pay much more attention not only to both, but to the linkages between both.

Our governance indicators, which we have been producing -- I started with a colleague in the World Bank and we still continue that collaboration with the World Bank, the so-called Worldwide Governance Indicators, since the mid to late '90s. They do cover, basically, the political, the economic, and the institutional dimensions o governance. And one of the things that we learned very clearly from the data is that one cannot basically isolate just one of the factors that look at it in isolation from the rest. They're all very much interlinked. The viability of the political project in Egypt and in Tunisia, is very closely linked to economic fundamentals; I think they are, I put my hat as an economist. But conversely, the vulnerability of the economic project is very much linked to the healthy political development that takes place. Basically the links go both ways. We can elaborate a bit later with particular examples including regarding success or lack thereof in terms of the federalism issues will depend on some public finance and other economic issues including the natural resources that you just mentioned.

Second point in this context, thinking ahead, is think decade. To think decade we need more patience in terms of looking ahead. These are decade-long projects in terms of these transitions. We tend to focus and look at countries like Indonesia, my own country Chile, South Africa; declare them a victory, a success in transition. We tend to forget how long that has taken. That's taken decades, not only that, the major hiccups, problems, some reversals, that occurred in the earlier stage of the transition, even in the so-called relatively successful transitions.

So, we need to think not in terms of a year or two, and rushing to quick assessments in terms of whether this has been successful or not, but in terms of a longer time frame. And this has implications because if we are going to suggest that it's very important that there is more coalition building, trust building, legitimacy building, that takes time. For example, the whole issue of constitutions, I heard, and I totally concur that taking the existing institution as a basis and making the key amendments is very, very important, but I would still pose a question to Bill Galston. Once the elections take place, over the next year, and the coalition building gets to a different stage with the appropriate time frame, shouldn't these countries consider very seriously a completely redone, new constitution? So, we're talking about a two-stage approach, and this is very -- not because I know so much about the particulars of Egypt or Tunisia, I know a bit but not so much, but because of having watched what happened in Chile and other countries.

So, if we're thinking about this two-stage process, even in terms of this constitution building, we're talking about a very multi-year project that could take very easily a decade.

Another institution which is crucial in this context, to consider at least, it

may not apply to every country, but it ought to be discussed and considered, are truth and reconciliation commissions, a la South Africa, Chile, and so on. That would also be a multi-year project and the main objective would be to ensure that the judiciary process and the institutions are strengthened versus undermined by quick witch hunts and vigilante type of courts, particularly given what has happened in the past. And there are clear lessons, again, from the South Africa, Chile, and so on, including -- and Argentina also -- things that did not go particularly well. But again, we're thinking in terms of those type of institutional innovations which are important during the transition. Those do take time.

The other issue that was not yet mentioned, so let me add it to the debate and discussion, is addressing corruption and the whole issue of capture by vested interests in these countries, which is not unique to these countries but it does happen in many of the countries, particularly -- and it's particularly a major issue during a transition. Again, this is a multi-year project and it's not an issue that ought to be narrowly focused on the previous ruling family and their assets, which obviously was a big issue, but there are many other related issues to this corruption issue.

As we know, for instance, from the whole experience of the former Soviet Union, transitions do have a way of having corruption morph very quickly and enormously into completely different areas once a country traverses from one political and economic system to another. It doesn't just disappear because a ruling family, which may or may not have been very corrupt, is out of the picture. So, that's another very important part of the project and it takes, again, a very long time.

And last point in this context of thinking ahead, but going back to the future, a bit full circle, is the uncertainty theme. Yes, Egypt and Tunisia do offer great

opportunity, great hope. There are some positive initial -- both initial conditions and initial steps that have taken place, even though there are some constraints and hiccups, but we need to recognize up front and be very frank in our analysis and with ourselves that in any such transition there can be at least three scenarios at the simple level. Things can go relatively right, relatively wrong, or just muddle through.

In terms of good examples that have gone relatively right we know the cases of Chile, Indonesia, Turkey, Brazil, Chile, the Baltics, Poland, Slovenia, Slovakia, a few others in the new Europe, they have gone relatively okay, but let's remember, again, that it has taken a while and there have been hiccups in some of them. By sharp contrast, much of central Asia has gone in a different direction, not to speak about countries like Pakistan or even more extremely, Zimbabwe, Russia is a particularly difficult case, some work there which can be discussed at some other event. So, there can be many different scenarios, even taking recent history in total, and it depends very much in terms of a multiplicity of factors and how they interact. So in some we need a sober and more comprehensive assessment than usual with the politics, economics, and the institutional aspects linked together recognizing that there are a number of factors in each one of them, in the politics, in the economics, and the institution, which will be critical for success or lack thereof depending how they evolve.

So, it can be done, but without enormous continuous effort and patience, and with a moderation and collaboration among many, and finally the data needs to be followed very careful, fully disclosed, fully analyzed, without any embellishments. Thank you very much. (Applause)

MR. MANN: Danny, thank you very much. I would like to pursue a couple of points briefly before we turn to the audience. The first really goes to Islamist

parties and their role in emerging democracies in the Middle East. One of our Brookings colleagues has a very interesting piece in the current *Foreign Affairs* magazine on this in which he urges us against seeing this strictly through short-term U.S. foreign policy lenses and thinks more broadly about democratic development, and really makes the argument that there is some evidence suggesting Islamist parties joining majority coalitions as junior partners, develop, in a way, that's quite different than one might imagine. So, the question to my colleagues here is, and, Don, I don't know whether this was included in your conceptualization of it in thinking of electoral systems, but is there some advantage to designing electoral systems that would make it possible for minority Islamist parties to join majority coalitions and become, if you will, acclimated to the responsibility of governing? And secondly, is there anything to be done in the constitution apart from the design of the electoral system about the role of religion and the place of religion in society and in government?

So, I pose that to all of you, but Don, perhaps you might pick up first.

MR. HOROWITZ: Sure. It looks as if in Egypt there are going to be three parties that emanate from the Muslim Brotherhood: one a much more liberal party, another a kind of Salafi or strictly Islamist party, and then it's very likely that the Brotherhood itself, which has recently formed a party whose name resembles that of the ruling party in Turkey, will probably be the biggest one, that is the Muslim Brotherhood try to prevent the splits. I think the way to go about doing this is to make sure that nobody gets a disproportionate share of seats as a result of the capricious workings of an electoral system that can produce disproportional results. So without prejudging how the Muslim Brotherhood will evolve and what coalitions it may form with whom, all you need to say, it seems to me, is if that's -- the Muslim Brotherhood is likely to be a very large

actor, then simply confining it to its proportional share will allow the processes you're referring to to go to work.

I can tell you that in Indonesia there are quite a number of political parties that have Islamic affiliations. They're not really all Islamists by a long shot, and they've played the democratic game for the last 10 years quite -- more than 10 years -- quite effectively, so I don't think one needs to prejudge how this is going to come out.

In a country like Egypt it's very likely, turning to the constitutional part of this, it's very likely that the constitution will have some reference to Islam and to Islamic law. There are many different formulations of this and some of them are a lot more benign than others. Islam can be a major source of legislation, not the major source of legislation, but it can be a major source of legislation. The constitutional court can be empowered to enforce the rights of minorities, but not to have judicial review authority for legislation or executive action that impinges on Islamic norms, that is to say, in some countries the constitutional court has got the authority, not merely to declare acts of the legislature or executive action to be unconstitutional because it's in violation of some other provisions to the constitution, but to also declare those acts unconstitutional because they're contrary to -- they're repugnant to Islamic norms. I think it's not generally a great idea to allow the constitutional court to have that power. The constitutional court ought to have the power to declare actions of the government, whether legislative or executive, to be unconstitutional because they infringe a particular provision of the constitution but not because they are -- they run afoul of some judge's notions of what Islam requires.

So, there are a lot of different ways of formulating this and there have been some experiments, and some of these are far more benign than others.

MR. MANN: Bill?

MR. GALSTON: I think in the interest of time that very full answer should stand on its own with regard to those questions.

MR. MANN: Pietro?

MR. NIVOLA: Just a quick -- you mentioned, Don, in your remarks though that it would -- it might have been a better idea to kind of delay these elections for a little longer until some of the secular parties could organize. Holding elections prematurely would probably favor some of the Islamic parties.

MR. HOROWITZ: Yes, and favor the remnants of the old regime, which know perfectly well how to organize for elections.

MR. NIVOLA: Right.

MR. MANN: Second area, and then I'll turn to the audience for questions, really goes to the way in which governments are formed and responsibilities are allocated. I didn't hear one reference to parliament and I did hear the likelihood of separate elections for legislative assemblies. In one case it's the constitutional body, and then of the president, sounding very French-like. And I'm just sort of wondering: is that likely to be the form that as we have some sort of separate of power system with separate elections for the executive authority and the legislative authority and then some clearly allocated constitutional authorities between them? Or is there room for sort of parliamentary design in some of these emerging democracies?

MR. HOROWITZ: Well, let me just say what the situation is in Tunisia and Egypt. In both countries the assumption is that there's going to be a separate election for president. However, there's been some conversation about the possibility of changing that. My guess is that the possibility of changing that in either country is pretty

slim.

MR. GALSTON: Yeah, I think that, you know, for various reasons including history and past dependency, you are likely to end up with something other than a British-style, Westminster-style parliamentary system. There is likely to be a presidency with more than notional powers, considerable independence including a separate electoral base. It seems to me that the more contested question now in a place like Egypt is how the parliamentary elections in the long run are going to be organized. And there are a lot of options on offer, some of which focus on what is the governance, they're administrative districts, they're not independent states, in our sense, but there are about -- there are something like 29 of them in Egypt ranging from the large to the small, and so one proposal is that the parliamentary elections be organized around those units. The other is that it be organized around -- I believe they now have 222 districts, each with 2 members, and for various -- there are defects in simply accepting either of those 2 representatives of the status quo.

In a place like Egypt, this is -- I'll now put a preference on the table -- where the legacy of mistrust and corruption is so great, it seems to me that maximizing the relationship between a local electorate and a local representative is really quite important for some of the reasons that Pietro put on the table. On the other hand, two member districts are likely to generate various sorts of distortions of the will of the people and so I think there's a sweet spot in there where you have a -- where you can take the existing districts, perhaps expand from two to three, which is actually under serious consideration, and then use voting rules, including the possibility that a minority could cast all three of its votes for a single candidate to try to enhance minority representation on the local level while preserving that relationship between a local electorate and local

representatives.

I think that there are -- I think the worst of all possible situations -- all possible systems is a national list system. And we got the worst of all possible outcomes in the first round in Iraq, you know, because we picked the worst of all possible systems for reasons that seemed good and sufficient at the time but I think were driven by, you know, trangent practicalities, but, unfortunately, had lasting consequences.

So, that rather than the question of a Westminster system, I think, is what's really on offer in Egypt.

MR. MANN: What's relevant, yeah. Danny?

MR. KAUFMANN: Just to raise a question. Yes, these design issues about institutions, formal institutions, are crucial, but for these countries -- and I come from one of those -- the issue of informal institutions is as crucial. So, one can get the design in theory perfectly right, but as you hinted, if it is the early days of Russian parliament, one new faction was created essentially by an oligarch and he bought 30 parliamentarians and he called the movement "Inergia". Okay, so basically you can lead very quickly to a totally dependent and captured type of environment, sometimes because of the executive forces, sometimes because of the vested interest in the corruption, which raises the issue not as to what's the optimal formal design, that's fine, but what are the crucial complementary measures to tackle the informality of institutions in many of these countries? And one notion has not been mentioned, one is real, true freedom of the press. So, to have much more transparency in a broader sense, and then transparency-related reforms in terms of the asset disclosure of parliamentarians, votes, complete transparency like to be able to look at money in politics and so on. So, it's from an economist standpoint and the formality issue --

MR. MANN: I think that's very important. From your experience at looking at other countries, you know, what's -- I mean, did you point to the key factors? Would you include political financing in this? Campaign financing? Party funding as a critical factor?

MR. KAUFMANN: That's crucial. Of course. And not only those countries.

MR. MANN: And we have nothing to offer, by the way, from the U.S.

MR. HOROWITZ: Sure we do.

MR. MANN: By way of negative lesson.

MR. HOROWITZ: There you go.

MR. KAUFMANN: Well, with one exception, from a foreigner's standpoint, and that's a website, opensecret.org. If basically we can roll out -- and many of the countries in emerging economies can reach, at least, that level of transparency, at least in your country, in the U.S., and they said, (inaudible) transparency. You know exactly who is giving money to whom. You know about the declaration of assets of key officials and politicians and there is also a free press. So, there is a triangulation. It's not doing the whole trick, as you have written extensively and so on, but it would be such a great start.

Barring that, if that doesn't exist, you can get it exactly right in terms of formal engineering and design, but many of these parliaments may end up being captured nonetheless, irrespective of which system you choose.

MR. MANN: Listen, questions, please. Yes, sir. We'll bring a mic up.

SPEAKER: Thank you. I'll try to be very brief. I am from Brazil and I am very well acquainted with the Chilean experience, also, where I lived for eight years. And

you are very right, Mr. Kaufmann, right, takes 30 years, we've had our constitution, and I still don't feel that we are in a democracy in Brazil. And this is due to many things that you have said. I thank you all.

First of all, Mr. Horowitz, our electoral system is wrong. They made the wrong electoral system. Bill -- I'm sorry --

MR. MANN: Mr. Galston.

SPEAKER: Yes, Mr. Galston, you are very right, the conditions, when our constitution was made, was very long. It was two years before the falling of the Berlin Wall. So, we had embedded in it many things, historical, as you said, and conditions that are very wrong.

And Pietro, Mr. -- yes, we had a tradition of federalism in Brazil, and this is something that really made very much -- very many problems for us. So, this is our condition. Now, one thing I see lacking here was not mentioned, in the Middle East there is a new constitution. It is, I think, in its third reading. It was made with American help and at the secular, although it starts "No God, but God," but as you said -- as Mr. Horowitz said, this is just -- it is a secular one. And it is the Palestinian constitution that is on the table and it's being studied and I think it will be applied, and I'm sorry that it was not mentioned here as one example of the area where you -- for a new constitution. Thank you very much. I don't know if somebody has something to say about this constitution, if you know it.

MR. MANN: Okay. Yes, sir.

SPEAKER: Thank you. I'm glad you mentioned the Palestinians because not only is the system necessary in getting the right result, but also the parties and the discipline of the parties.

In the case of the Palestinian elections, sometimes it's said that Hamas won a great victory. They won 40 percent of the seats but got 60 percent -- I mean, 40 percent of the votes -- 40 percent of the votes but got 60 percent of the seats because Fatah was divided and not disciplined and put multiple candidacies forward in the various constituencies. And that's one of the main reasons we have part of the mess we have today.

But I'd like to come back to the question of financing. We do have a bad example here. Money is power, money is essential to get messages out. Five members of our Supreme Court understand that very clearly and made their choice, but what ideas are there out there actually? What experiences have there been to try to ensure some sort of access to funding, legitimate funding, maybe not from outside, around the world recently? Thank you.

MR. MANN: Well, there is a broad experience with forms of public subsidy. There is financing of parties, there is free air time for broadcasts by political parties, but other countries don't quite have the First Amendment free speech priority that ours does and they limit various -- they can limit expenditures, they can limit forms of political communication. It's not something that all take very kindly to, but there are a range of ways in which other countries have managed forms of public subsidy, but it can become problematic if parties become dependent on public dollars and lose organic connections with electorates.

Yes, right here.

SPEAKER: Dr. Horowitz, in your discussion of List PR, what's your definition of very low and very high representation thresholds?

MR. HOROWITZ: Very low is no threshold at all, that is one divided by

the total number of seats. Pretty low is 1, 2 percent to 3 percent; 5 percent is a not uncommon one. Turkey has 10 percent, which is responsible for the initial election of the current government in Turkey which got -- in a fragmented field, which got a wildly disproportionately high share of seats in relation to votes. So you can -- by raising the threshold you can defeat the purpose of PR by essentially eliminating the smaller contenders. But sometimes even a small threshold can do that. If there's a high degree of regionalization where a party does very well regionally but in national terms doesn't meet the threshold, that region's interests will not be appropriately represented. I can give you some chapter and verse on that if you like.

But low threshold, 0, 1, 2 percent, something like that.

MR. GALSTON: If I could just add to that, as I recall, Germany has a 5 percent and they thought that through very carefully and I think they ended up in roughly the right place. They struck roughly the right balance between eliminating the fringe, fringe parties, and the possibility of excessive fragmentation, the sort of thing that one sees in Israel all the time, for example, but without distorting the process of representation and screening out smaller parties like the Free Democrats who do have an authentic vote -- voice, and deserve to be heard in the parliament.

So, on the basis of that kind of experience, I think something like 5 percent is arguably the right result.

MR. MANN: Don and then Pietro.

MR. NIVOLA: If I could just add to what Bill said. I mean, the thing about Germany is it has very good reason for going to 5 percent. It's the path dependency stuff you mentioned earlier.

MR. GALSTON: Israel does too, but it just doesn't know it.

MR. NIVOLA: Right, right, exactly. But the difficulty -- I think the difficulty in these new -- other -- new democracies is going to be how to justify a threshold, any -- I mean, how do you actually -- what's the rationale for it?

MR. MANN: Don?

MR. HOROWITZ: There's nothing to prevent a country that has uneven levels of political organization from starting out with no threshold or a 1 percent threshold and providing for an ascending threshold up to what ultimately is a more reasonable number. And it seems to me Egypt and Tunisia might very well be in --

MR. GALSTON: That's interesting.

MR. HOROWITZ: -- that where the parties are not organized yet. You let them get into parliament, you understand and they understand that down the road they're going to have to consolidate if they're going to survive, and you essentially put off the question of perfect organization of the parties by allowing them in in the first instance.

MR. MANN: Yes, over in the back.

SPEAKER: Hi. In my own observations I see some of the -- one of the major problems in democracy in many places is that it basically is a system whereby the elite and the middle class are basically those who are making the decisions and that the extremely disadvantaged segments of the population just are discouraged and really don't take part in the political system. I wonder if you have any comment on the extent to which you see that in the Middle East and what kind of institutional arrangements can help overcome that problem?

MR. MANN: Anyone want to --

MR. GALSTON: Well, I'll take a crack at it. In every country that I know of, there is an asymmetry of political participation even in free and unencumbered

systems based on resources and there has been a lot of terrific American political science committed on exactly this question.

So, I don't think it will ever be the case that political participation is unaffected by socioeconomic status. So then the question becomes, how can you lean against that -- as far as I can tell -- universal political tendency? One answer to that question is to try to reduce the barriers of entry, the cost of participation, as much as possible. That's one of many reasons why I'm in favor of local districts as the locus of representation, particularly for countries emerging from this kind of legacy, because that makes it more likely that non-expert local knowledge will be enough to enable people to participate well. It also means that what you need to do in order to develop the networks and support to present yourself as a candidate for office to represent one of these neglected groups is -- that cost is also less. And as we know from our own experience, there are ways of designing electoral districts so as to try to guarantee at least some representation for people who otherwise would be without a voice. And one of the very important aspects of the American Voting Rights Act as it's played out over time is not only institutionalizing the idea of one person, one vote, not only removing illegitimate barriers to individual participation, but also ensuring that districts are drawn in such a way as what the Supreme Court once called discrete and insular interests are -- have a voice in local and national legislatures.

And so those are three ideas off the top of my head but no doubt there are many others.

MR. MANN: Danny and then Pietro.

MR. KAUFMANN: I agree with Bill. The inequality of political influence exists everywhere. But since we are all obsessed with data, some years ago with a

colleague we tried to create indices and quantify the extent of inequality of political influence around the world, and the fact is, there are enormous differences where the U.S. ranks pretty poorly but the Scandinavians are a completely different model. So, there are very different models around the world.

I agree, also, we found in the data that the extent of political contestability and increasing political (inaudible), what system you have does matter, but let me also add economic contestability, where the country is transiting to a market-based economy or to a captured economy by some elites and oligarchs matters enormously, the difference between the Russians and the new European -- former Eastern European countries makes a huge difference. In that context, very, very important from our lessons from previous transitions is how privatization takes place and how the -- particularly the gems that have been still either in private hands and a lot in military hands. The military plays an important role like in Indonesia, in Egypt, in the economy.

What's going to happen in the next five, ten years in terms of that transition, how privatization takes place, whether that basically ends up in a few oligarchs or not is very important. Let's face it, this is not going to be the invisible hand of Adam Smith in any of these countries, like it hasn't been, however, it makes a huge difference if one manages those type of transitions or one ends up with 30 to 50 "oligarchs" as opposed to 3.

So, thinking very realistically and practically in terms of how these assets are going to be basically (inaudible), it will matter enormously of what kind of regime ends up. But there are also social compact issues. Will these evolve to a more Scandinavian type of, of course, ultimate objective or will it be more like a North American model? So, those are very different.

MR. HOROWITZ: Well, let me just -- you know, just spinning off your remark and then I'll yield the floor to my colleague, Professor Nivola. One thing that can make a big difference for people down the income scale is the existence of civil society organizations whose business it is to organize and represent them. And so in that context it's no accident that the National Endowment for Democracy, on whose board I am privileged to sit, focuses on free labor as one of the integral building blocks of a free political system, because one of the things that free labor does is to internalize the costs of organizing people who otherwise would probably be excluded from the political system. And so one -- and it is encouraging, particularly in a place like Tunisia, that organized labor has played a significant role in the political change thus far.

MR. NIVOLA: Yeah, well I agree with my other colleagues here that, you know, inequality of direct political influence is a fact of life in any democracy, but it's not clear how much that ultimately matters where you have highly competitive elections with highly viable political parties because that is what creates the incentive system for part -- competitive party system is what creates the incentives to widen their constituencies to take in the interests of non elites as well as elites. So, that's sort of the fundamental question, is whether you can create, you know, highly free but actually competitive elections.

MR. MANN: We're running out of time but we're going to take a question all the way in the back there. Yes.

SPEAKER: (inaudible) from Turkish press. I just want to ask the role of secularism in the creating the constitution and democracy, especially in Middle East, and the notion is still under discussion in Turkey even though Turkey has been there with the (inaudible) party, democracy for 60 years and 100 years.

And second question is the threshold, 10 person, again Turkey, one of the most common used argument for this 10-person threshold is for -- bring the stability to Turkey and there is a great -- this great allergy against the coalition governments. Would you please elaborate on that, whether this could be justified with this stated argument? Thank you.

MR. HOROWITZ: I missed the first part.

MR. GALSTON: I didn't get that first question either. Why don't you take the second?

MR. HOROWITZ: Let me answer the second question. I think that 10 percent is an unreasonably high threshold because it penalizes small parties, it penalizes small regional interests. There are important minority interests in every country. And I'm not just speaking of ethnic or religious minorities, there are all sorts of minorities of taste and style and lifestyle that can't get representation of the 10 percent threshold and I think it's just plain unreasonable, and it has the capricious result of producing a very great seat bonus for the largest party.

I didn't get the first -- the brunt of the first question. I'm sorry.

SPEAKER: Role of secularism on (inaudible).

MR. HOROWITZ: Here what I have to say comes straight out of Indonesia. Indonesia is a country that is very deeply divided between serious Muslims and secular nationalists and minorities on the other side. Among serious Muslims there are further divisions between so-called traditionalists and so-called modernists, so this is a country that could bifurcate between Muslims and secularists. And what prevented it from doing that was the creation of certain institutions over a very long period of time. They just took their time to make the new constitution; they didn't do it all at once. And

as a matter of fact, they had no choice because they had a veto group and they couldn't possibly have worked without a consensus rule because they would not have gotten any constitution, they would have been deadlocked.

So, over the course of several years, they made it a practice to consult each other regularly and actually a side benefit of this was to learn about each other's apprehensions and preferences so that that stood them in good stead afterwards. They decided in Indonesia that they wanted to maintain a secular constitution and various Islamic parties voted in favor of it -- actually, there were no votes taken on this, but only one or two Islamists -- two Islamist parties were in favor of adding a clause saying that Muslims would have the obligation to practice Islamic law. That clause was -- there was never a vote on it because it was bound to go down to defeat.

But a lot of this has to do with the constitutional process, which shouldn't be just about producing a good document, it should be about producing understanding among the participants and also producing a document that politicians can live with because they're the ones who are going to have to work it.

There is a lot of literature by Jon Elster about making ideal constitutions and what he says is that those people who are going to benefit from the constitution shouldn't be involved in making it because they have a conflict of interest. I want to say that this is a nice position, there's something to it, but I think that the benefits on the other side far outweigh having a neutral detached body make your constitution. And in any case, a neutral detached body today that makes the constitution may tomorrow find its way into the legislature anyway.

MR. GALSTON: Let me just add something to that based on a fascinating personal experience I've had. For a piece of the past 10 years I've been

involved in a discussion between American scholars and Muslim scholars from the Middle East and North Africa called the Malta Forum. And in the very first meeting I attended, after about half a day of sort of wrestling for a common framework and vocabulary, a light bulb went off in my head and that is that these scholars were viewing the United States through the prism of France and they assumed that if you didn't institutionalize or establish Islam as the state religion, that the only alternative was French-style secularism. And I then spent the rest of the two days trying to persuade them that the United States represented something that was not just quantitatively different from France, but qualitatively different, that there are ways in which a political -- a constitutional democratic system can allow the religious sentiments of the people to play a real role in political life without giving it the kind of all powerful role that leads to such counterproductive and oppressive consequences. And it seems to me that because Turkey took France as its model, you know, secularism has gotten a bad rap; that there are ways of being a secular democracy without being a secularist democracy, and especially in circumstances where the religious sentiments of the people are profound and longstanding. The idea of screening that out of the political system is, I think, an illusion. And even in the French case, you know, secularism French style produced a century of all-out war between the forces of the republicans -- you know, republican parties and the Catholic Church. And it's not clear that any nation that could find a third way would want to replay that century of pitched warfare.

MR. MANN: I think on that note, which is actually pretty optimistic, we will declare our session over. Thank you all very much. (Applause)

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

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