

Book Review: The Confidence Trap: A History of Democracy from World War I to the Present by David Runciman

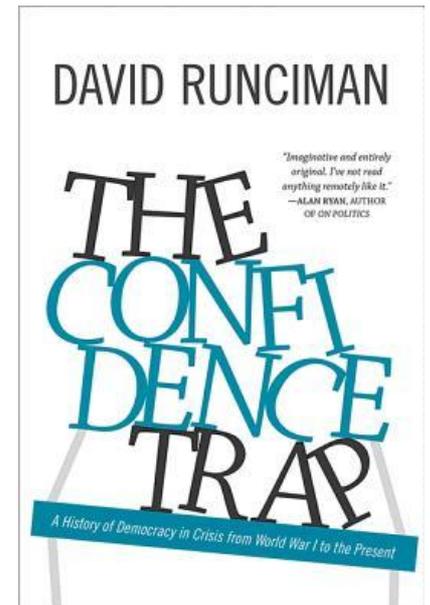
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In **David Runciman's** new book on the nature of democratic crisis, the author looks at a history of such events from the early 20th Century to today. In doing so, he makes the argument that democracy is good at 'muddling through' crises, but less good at the long-term planning which averts them. **Sean Kippin** argues that it is a useful resource for understanding the nature of the particular events covered, though not necessarily a unifying theory of democratic crisis.



The Confidence Trap: A History of Democracy from World War I to the Present. David Runciman. Princeton University Press. October 2013.

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The events of 2008 represented a crisis of democracy as much as they did a crisis of finance, or capitalism. In this, it follows in the footsteps of the myriad moments of acute danger that marked the 20th Century: 1918 (the aftermath of the Great War) 1933 (the onset of the Great Depression), 1947 (the latter stages of the Second World War), 1962 (the Cuban Missile Crisis) the "memorably awful" 1974 and 1991 (the end of the Cold War), which all had ramifications which far exceeded the events that triggered them.

In *The Confidence Trap*, Cambridge University's [David Runciman](#) explores the nature of democratic crisis with reference to the events of these years. In doing so, he seeks to illustrate how democracies deal with crisis, and what they fail to do in averting the next one. A simplified version of his argument is that democracy as a system is very well calibrated towards making politically astute decisions, grounded in the short-term, which makes it well positioned to tackle crises head-on as they emerge. However, the inherent short-termism wrought by the tyranny of public opinion and the relentless election cycle makes long-term planning more difficult, in turn making crisis more likely.

The trigger for the book was the financial crisis of 2008, which illustrates perfectly the Runciman thesis. Politicians of left and right had been complicit in the creation of a socio-economic system which was so highly leveraged and combustible that an enormous crisis, with the benefit of hindsight, became inevitable. They had done so in pursuit of political and electoral gain; the sub-prime mortgage explosion in the United States had been embraced by Republicans and Democrats alike, as it provided a way onto the housing ladder for poorer Americans and also made the banks a lot of money.

Likewise, the rise of cheaply available credit worked as a useful counterweight to stagnating wages following the liberalisation and de-unionisation of the 1980s and 90s. Politicians on both sides of the Atlantic proclaimed the end of [boom and bust](#), or the impossibility of another Great Depression. The crisis that followed saw policymakers do as best they could to simply muddle through, and in doing so, managed to narrowly avert an altogether more serious worldwide collapse.

In the wake of the immediate crisis, an initial willingness to 'future proof' the financial sector through measures like the [Dodd Frank Act](#) in the US, and the proposals to introduce a 'ring fence' between investment and retail banking in the UK, has give way to a renewed embrace with the circumstances which were responsible for the crisis. As the UK Coalition Government's creation of the 'Help to Buy' scheme neatly illustrates, the kind of necessary structural change to the economy has been pushed aside in favour the quick shot of economic adrenalin which the Government hopes will help it win the forthcoming General Election. Another housing bubble is seen as a small price to pay.



Housing bubble? Credit: [greything](#) CC BY-NC-ND 2.0

Meanwhile, America continues to flounder through partisan gridlock, and Europe struggles through a currency crisis. Those Governments who follow the path of austerity are thrown out by their electorates, while those who come to power opposing it are often driven by the perverse logic of crisis to perform a volte-face. The current crisis in democracy is in no small part due to the electorate's failure to change the political reality, even if they do succeed in changing the Government of the day. It is inevitable that anger and hostility towards political elites will follow, and inevitable that [extreme](#) political programmes on the one hand, or calls to [apathy](#) on the other, will begin to rear their heads.

However the section on the current crisis only takes up a relatively small portion of the book. Structurally, it relies on detailed accounts of the crises of the various years it tackles. Each one is a treasure trove of facts, comments and analysis from the various figures of the period in question, all of which Runciman neatly ties together to create supporting arguments for his theory of democratic crisis. He begins with an admiring and enlightening chapter on Alexis De Tocqueville, and his seminal work on American democracy at its outset, which sets the scene for what is to come.

One question that does arise is why the author fails to include the events of 1968. It was most certainly a crisis of democracy marked by the United States simultaneously mismanaging short-term domestic and international affairs, culminating in riots and public disorder on an enormous scale at home and unthinkable loss to human life abroad. It then contrived to elect a confrontational US President in Richard Nixon who escalated tension both at home and abroad, and whose [top priority](#) in office was a long-term reshaping of the international order. Although the author is up front about not including all of the eligible crisis points, its exclusion feels somewhat arbitrary.

This is ultimately a very readable and enjoyable piece of work, which takes its place next to Philip Coggan's [The Last Vote](#) the best explanation of democracy in the context of crisis. It is not an academic work, which allows the author more freedom to be discursive and anecdotal, and the work is stronger for that reason. It provides a useful guide to several moments of acute crisis, and its strength is in explaining what happened and why those moments were so dangerous. The author also poses the question as to whether this crisis is unique and distinct, or whether it is the culmination of a number of other crises

and thus destined to rumble on until it foreshadows a larger change. It is a question that it would do us all well to reflect upon

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