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# The Failure of Liberal Democracy - Eudaimonia and Co

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15-19 minutes

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## What the Collapse of America and Britain Teaches Us About the Future of Political Economy



Right about now, we're entering an age of apocalypse. Everything from climate change to mass extinction to resurgent fascism is bearing down on us, like a tsunami of catastrophe. And that has everything to do with one of the greatest failures in history: the failure of liberal democracy. In this little essay, I want to tell you that story the best that I can.

**Take a look at the chart above. It's about Covid, but it could be about anything.** I could take literally any indicator whatsoever — trust, wealth, happiness, closeness, warmth, satisfaction, the health of democracy itself — and you'd see a clear, historic, era-defining trend emerging. America and Britain would be — and are — cratering — while societies like Canada and Europe pull decisively ahead.

Those statistics tell us something great and grave: liberal democracy has failed. Not “is failing,” but has failed.

You might think to yourself, “well, so what?” So *everything*.

**Meanwhile, social democracy is now a decisive, dramatic, historic success.** That's something every educated person should

a) know and b) reflect on. Because it is the result of a half century or more of one of the [greatest social experiments](#) — and contests — ever. Liberal democracy wasn't supposed to fail — and social democracy wasn't supposed to succeed as [dramatically as it has, either](#). This is a big wake-up call — about the future of political economy, how we organise societies, what kinds of cultures we have, *everything*.

Let me begin at the beginning.

The theory went like this. Liberal democracy was the “end of history,” if you asked American pundits — and the British “cousins” who had a “special relationship” with them. It was the telos — the endpoint of all political economy. It was what “developing countries” were evolving to, and having created it, America and Britain had no further work to do, only to sit back and enjoy the fruits of their ingenuity. Europe and Canada, meanwhile, were seen as black sheep, distant, bohemian relations, who were irresponsible spendthrifts — and couldn't possibly succeed, with their childish fantasies of social democracy, which amounted to *people caring for one another*.

**An historic experiment — and contest — took place in the latter half of the 20th century, in other words, between three kinds of democracy. Liberal democracy — the Anglo kind. Social democracy — the Euro kind. And authoritarian democracy — the Russian kind.** That one we can, of course, count out — which left scholars and observers with two kinds of democracy. And each was very, very different from the other.

So what was — is — this thing called “liberal democracy”? Liberal democracy said something like this. One, everything in society was to be private, as much as possible, because that is how “freedom” was maximized. People were not to have public goods, like public healthcare, retirement, education, transport, media, even parks and libraries. The theory behind it was straightforward, if a little baffling. Your public healthcare infringed on my “freedom” and reduced my “choices,” because I'd have to “pay for it.” Meanwhile, at the same time, you having things “for free” would make you lazy, indolent,

selfish, greedy, and foolish.

Utilising this particular definition of “freedom,” the leading liberal democracy — America — proceeded to institutionalise it in a way history had never really seen before. Everything that was possible was privatized — and public goods never developed. America privatised everything from [energy grids](#) to transport systems to highways to healthcare to retirement. It created peculiar institutions which didn’t exist anywhere else in the world to privatise these things — “401Ks” are privatised retirement, “HMOs” are privatised healthcare.

**Americans were also taught, from the day of their births, the value of liberal democracy. Life was competition.** A bitter, brutal one. A person was an atomised individual, whose primary responsibility was not “infringing on freedom” by becoming a “liability,” sponging off the “nanny state.” Hence, Americans soon enough internalised the norms and values which are now associated with liberal democracy — they became intensely self-centered. Greed became good. Everyday cruelty became something to shrug at. You got a million dollar medical bill? LOL — *stand on your own two feet!* Pull yourself up by your bootstraps!

The invention of liberal democracy, in other words, was about what the philosopher

“fatuous” and “not clearly thought through.” I could be free from anything...having to have a drivers’ license...having to send my kids to school...*being a decent person*. But what would that make of me? *Not much*.

That was because in Europe, social democracy had been a century-old dream. Social democracy was a distinctly different vision from liberal democracy — and, truth be told, an older one. **It said something like this. Everyone is most free when each person has basics.** That’s when a society begins from a place of true equality, and true equality is a precondition for democracy itself, because without it, imbalances of power, wealth, and access [render democracy over before its even begun](#).

So Europe — and its cousin, Canada — set about building a very, very different kind of democracy than America and its cousin Britain. There, grand systems and institutions were constructed, which gave everyone — *everyone* — generous, expansive public goods. Today, Europeans and Canadians are renowned for having cutting edge [healthcare](#), [retirement](#), [education](#), [transport](#), [media](#).

**This was about what Berlin called “positive freedom” — the “freedom to.”** Ironically, again, he meant it as *a bad thing*, which shows you how deep down the rabbit hole Anglo thinkers really went. The freedom *to* was a bad thing for Berlin because it imposed obligations upon people. My “freedom to” be educated, or have dignity, or healthcare — all these require something from *you*. You would have to treat me *like a human being, not a commodity*. For Berlin, that was a bad thing, because it minimised my “liberty,” which was being able to do whatever you like, without constraint, thought, responsibility, meaning, purpose.

But did that idea of freedom — freedom as “liberty” even *make sense*? Nobody in the Anglo world was asking.

**And yet the freedom “to” was the central foundation of social democracy. Europe and Canada explicitly wanted to be societies where *everyone* had the “freedom to.”** The freedom to what? The freedom to be educated. To be healthy. To be sheltered, to be informed, to be able to get from place to place, to be able to

have medicine, to retire — the list goes on and on.

Later, this would come to be called [“the capabilities perspective.”](#) The UN would learn the lesson of the power of the “freedom to” — and enshrine in the Millennium Development Goals. The whole world, it said, should have the freedom to be healthy and fed and sheltered and so on.

**Let me now try and crystallise the differences between social and liberal democracy.** Liberal democracy is about “liberty,” meaning negative freedom, which is freedom from any kind of constraint or interference, particularly by “the nanny state.” People are to act as atomised individuals in perpetual, endless competition with one another. They are not to grant one another resources like healthcare and retirement and education as *rights*. They must fight each other for those things, because, well...that’s what liberty is.

Wait...LOL....does that even make any sense? Freedom is liberty is...*me fighting you forever*, a little more desperately each day, for the basics of life?

*Of course not*, said Europe and Canada’s social democrats. They said that freedom was freedom to — to live a decent and dignified and humane life. For everyone to access social resources like healthcare and education and retirement on a level playing field, which were to be public goods, provided for all by social-scale institutions, like France’s retirement system, or Canada’s Medicare.

**So. For liberal democrats, freedom was about *competition*. For social democrats, it was about *cooperation*.** For liberal democrats, life was to be private, atomized, individualistic, about what you could acquire, gain, earn, own — and the values of cunning, brutality, cruelty, selfishness were virtues, aka living embodiments of the human *good*. For social democrats, life was to be public, joined by what people shared, which wasn’t just abstractions like national identity, but very real social systems and public goods, which were going to not just equalise life, but further, develop in people a sense of trust, warmth, friendship, and the common good.

Do you see how starkly different these two conceptions of

democracy were — and are?

Now the surprising part. This grand experiment began after World War II. Then, Europe was ashes and rubble, and Canada, just an afterthought, if a pleasant enough one. America and Britain were *the most powerful nations in the world*, by a very, very long way.

**And so nobody much expected liberal democracy to fail, and social democracy to outdo it. Not even, really, Europe and Canada.** Sure, there, the fringes of social democratic movements would point to fissures in liberal democracy — old ones, which Marx had talked about — like inequality and indifference and ignorance and greed. Still, for most of the 20th century, and even well into the 21st, the attitude of everyone from leaders and scholars to everyday people was that liberal democracy was going to win, in the end, and social democracy was some kind of *cul-de-sac* along the way.

That attitude was so pervasive that even leaders like Sarkozy and Merkel idolised liberal democracy, and seemed to place it on a pedestal above social democracy.

**So nothing could be more surprising, really, at this juncture in history than the fact we're confronted with.** Liberal democracy has failed. And social democracy is *history's greatest success*.

I don't say that lightly — and it's not just “my opinion.” It's a fact, which every educated and thoughtful person should know and reflect on.

How is it a fact? Well, let's just think again, empirically, about the state of these two kinds of nations. [America](#) and [Britain](#) are failing states. America's a failed one, and Britain's well on its way. Brits can't get basics, [thanks to Brexit](#) — meanwhile, in America, having to choose between medicine and a place to live is [a daily reality for millions](#). America and Britain are experiencing catastrophic, prolonged falls in every single kind of [social indicator](#) there is. These falls have been going on for *decades* now.

**In America, trust began [collapsing](#) in the 80s — and it *hasn't stopped*.** What happens when people don't trust one another, or

any institution? Fascism does. America's much vaunted middle class became a minority, and is now a giant underclass moving from one kind of debt to another, first "student debt" then "mortgages" then "credit card debt" then "medical debt." The average America is now a pauper, meaning they [live and die in debt](#), and all that debt is owned by billionaires. Britain is maybe a decade behind in these dystopian stakes, if that.

Meanwhile, in Europe and Canada... [standards of living keep on rising](#). Every single year, people live longer, healthier, wealthier, happier, saner lives. *Every single year.*

Think about that. That is the dream that was originally ascribed to *liberal* democracy, not social democracy — the idea that life would keep on getting better. That's the old myth of progress. Only it isn't a myth, as long as you're lucky enough to be European or Canadian. Sure, there are bad years here and there — but by and large, the trend holds true.

**It's Europeans and Canadians who are living the American Dream today. They're the genuinely free ones.** They're free to have healthcare, retirement, education, to go from city to city, to live with dignity and meaning and truth and goodness. Americans and Brits, meanwhile, have forced each other into a peculiar kind of degradation — everyone fights everyone else for the very things Canadians and Europeans have simply given each other. American and Brits compete, and only go backwards, because they're trying to pull each other down, always being negative, bickering, squabbling, enraged, resentful, angry. Canadians and Europeans, meanwhile, are busy lifting each other up — and so life gets better, year on year.

**That is a *miracle*. Not a God-given one. A human-made one.** It is something we political economists have been seeking since time immemorial. If Aristotle was the first Western political economist, then he set the pursuit in motion — of eudaimonia, a good life. We've spent millennia seeking the formula for eudaimonia, and we've tried everything under the sun. We've made some foolish, backwards attempts — the serfdom of the middle ages, the

theocracy of the Dark Ages. We've made some catastrophic attempts — Nazism, communism. The search for eudaimonia has gone on and on.

So history came to the 20th century, which was when Americans, and their British cousins, said they'd found the answer. History had ended. Liberal democracy was the answer to the age old question of eudaimonia. Everyone was to have a good life, paradoxically, through the daily exercise of individualism, competition, self-absorption, greed. Set that chain in motion, and the means might be a little vulgar, but the ends would be progress: the dream of living standards rising, year upon year.

**Now we know that was wrong. Let me emphasise *know*. We didn't know this great and beautiful lesson until now, the early 21st century. Before, we could have theorized — but we didn't have evidence, data, facts. Now we do, and so we *know*.**

Liberal democracy has resulted in living standards falling year after year — so much so, so perilously, that [America turned fascist, and is still on the brink](#), while Britain drove itself mad, chose Brexit, and now can't get everything from [chemicals to treat sewage](#) to food, which cue further falls in living standards. Sewage is literally flowing into British waters because of Brexit. Liberal democracy has failed. At eudaimonia. Which is the point of all political economies. Life didn't get better year after year. Now, it only gets worse in America in Britain.

In Europe and Canada, though, something remarkable, something special, beautiful, and amazing is happening. Life is getting better year after year after year. The old question — the most elusive one in social history — of eudaemonia appears to have been finally solved. What's the magic recipe for a good life for all — which gets better and better? *Social democracy is*.

Or at least it's the best answer we've got so far.

**That is a momentous, astonishing thing for us human beings to have discovered. A recipe for eudaimonia — after all these terrible, painful centuries of searching for one.** Now we have an answer to the most vexing question of all: how should we live



together? It is a moment that every sane and thoughtful person should recognise — the end to the great social experiments of the 20th century is finally here. Communism failed. Fascism failed. Liberal democracy failed.

But social democracy didn't. It is the philosopher's stone of political economy. Are we wise enough [to learn the lesson](#) — even those of us lucky enough to live in social democracies? That, my friend, only time will tell — and it's a cruel mistress.

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