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LIBERAL DEMOCRACIES ARE ALSO SOCIAL DEMOCRACIES

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Abstract. Contemporary democracies have evolved over the course of two centuries, stemming from the democratization of representative government following significant revolutions in America (1776) and France (1789). However, it was the aftermath of World War II (1945) that marked a pivotal shift, as democracies embraced liberalism by adopting principles of human rights and the rule of law as foundational requisites. Concurrently, within the most successful Western democracies, the concept of the welfare state emerged as an essential prerequisite for effective democratic governance. This text argues that contemporary democracy constitutes a political regime in which liberal democracy and social democracy are inherently interconnected and indivisible.

Keywords: representative government, democratization, democracy, liberalism, socialism.

Introduction

Modern democracy is a political system that does not merely continue the ancient form of democracy as described by Aristotle. The Athenian democracy, a pioneering experiment in human history, endured for a century. However, transferring this unique political experience across the 2500-year gap separating us from the era of Pericles is implausible. In the European tradition, this ancient democracy was often termed "direct democracy," contrasting with the modern concept of "representative democracy."[1]

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[1] Cf. Bernard Manin, *Principes du gouvernement représentatif* [Principles of Representative Government] (Paris: Calmann-Lévy, 1995), 39, 61.

Today, we are convinced that the pure form of ancient democracy is impractical. It is argued that *direct* democracy is unattainable in populous societies, where only *representative* democracy is feasible, built upon electoral processes. The Belgian historian David Van Reybrouck presents a compelling case in his thought-provoking book, *Against Elections*.[2] Drawing on prior research, he contends that ancient democracy was also representative, though not through *elections* as in contemporary democracy. It was "aleatory," relying on lots. We must refrain from juxtaposing direct and representative democracy, as the core issue lies elsewhere.

In the book *The Principles of Representative Government* by the French historical sociologist Bernard Manin, the author commences with:

> "Contemporary democratic governments have evolved from a political system that was initially conceived in opposition to democracy."[3]

This is because classical democracy is rooted not in elections but in the drawing of lots. For a long time, we misunderstood this lottery-based democracy, interpreting it as an expression of divine will. Recent studies, such as those by Bernard Manin, have unveiled that this method of government selection in ancient democracies embodies a fundamental democratic principle – the genuine equality among the city's citizens. The idea is that if you are a citizen, you should be capable of holding any political position within the government. Today, for various reasons, we struggle to embrace this seemingly straightforward notion.

During the early modern era in Europe, two distinct political regimes emerged: absolutism and later, representative government. Absolutism brought an end to protracted religious wars and political fragmentation in Europe, resulting in the establishment of modern centralized states. Representative government, originating in the English kingdom during the English Civil War, initially marked the aristocracy's counterbalance against an absolute monarchy. It was far removed from the concept of representative democracy.

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[2] David Van Reybrouck, *Contre les élections* [Against Elections] transl. Isabelle Rosselin et Philippe Noble (Arles : Actes Sud, 2014).

[3] Bernard Manin, *Principes du gouvernement représentatif*, 11.

Democracy rests upon a fundamental principle: the equality of citizens. Modern democracy is the outcome of the democratic transformation and evolution of one of the two modern political systems – the representative government. The primary mechanism for this transformation was the expansion of voting rights, as elections emerged as the main means to achieve the "consent of the people," a cornerstone of democratic governance.[4] This process of democratizing the representative government traversed two centuries, catalyzed by the American Revolution of 1776 and the French Revolution of 1789. Throughout the nineteenth century, the representative government became the prototype for European states, gradually evolving into representative (parliamentary) democracies by the early twentieth century. While some of these democracies embraced a liberal character, such as those in the UK and France, civil liberties remained restricted.

Following the Great Depression of 1929-1932, certain Western democracies began adopting policies toward social democracy for the first time (*e.g.*, the Popular Front in France, the "New Deal" in the United States of America). These initial endeavors aimed to harmonize liberal capitalism with an evolving democracy that was not yet fully liberal or social.

The cataclysm of world wars shook these fragile democracies, and post-1945, with the defeat of Nazism, parliamentary democracies in most Western European nations concurrently embraced both liberal and social dimensions. In the aftermath of the atrocities of the Second World War, democratic nations embraced an expanded set of human rights and institutionalized them as a cornerstone of their democratic framework. The rule of law similarly became an inseparable principle, a prerequisite for a liberal democracy. Concurrently, in many Western European democracies, the welfare state emerged as an integral aspect of democratic governance – a means to uphold social coherence and foster a social democracy as a vital component of liberal democracy, a form of essential condition for existence.

Having in view the present debates on the difficult coexistence of political freedoms and growing inequalities in the Western democracies, which nourishes today the main populist rejection of this political regime, this article claims that there is no fundamental opposition between the

[4] Bernard Manin, *Principes du gouvernement représentatif*, 115-117.

liberal and the social roots of the contemporary democracies. The symbiosis, even the coherence of the liberal and the social principles of the democratic regime, seems to be the main method for the improvement and the preservation of the Western democracies, which are today in risk.[5]

What Kind of Democracy Are We Talking About?

In post-communist societies (and by this the author means the societies that survived several decades under the conditions of Soviet communism), democracy is understood as a positive form of government, the antipode of the communist regime. But mostly as a successful political form in the most developed countries of the West. We associate democracy with social progress, understood as both increasing economic well-being and expanding political freedom. Therefore, the most frequently mentioned models today are Sweden, Germany, France, Finland.

We rarely ask ourselves questions about how this democracy actually developed? Traditionally, we associate it with the Athenian democracy from before 2500 B.C. as a political regime of fundamental civil equality. There, the main positions in the city were distributed by drawing lots, an institution almost forgotten today. And the drawing of lots means one thing – as soon as you are a citizen, you must be able to perform any public functions.[6] Of course, such a form of government was possible because at that time the great part of the Athenian population had no civil status, and hence no rights (the women, the strangers, the slaves).

Modern democracy in name only is based on the ancient one, because it originates from a modern political regime – representative government. This type of government has parliamentarism as its main institution, and modern democracy is a parliamentary democracy. In it, majority elections are the main tool for the selection of the rulers, being both based on the expectation that the election is mostly meritocratic, but also

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5 Chanu Peiris and Natalie Samarasinghe, "Open Society Barometer. Can Democracy Delover," Open Society Foundations, 2023, accessed January 13, 2024, https://www.opensocietyfoundations.org/uploads/e6cd5a09-cd19-4587-aa06-368d3fc78917/open-society-barometer-can-democracy-deliver-20230911.pdf.

6 Bernard Manin, *Principes du gouvernement représentatif*, 42.

because through the election, the *consent of the people* is confirmed. At the same time, parliamentary democracy is based on another principle – political pluralism. Guaranteeing it means tolerating even critics of democracy, something no other political regime accepts.

Initially, representative government was aristocratic, representation was limited by numerous qualifications, participation in elections was treated as a *civil service*, but not as a right. For more than two hundred years, representative government, established initially in Western countries such as Great Britain, became representative democracy with the expansion of voting rights.

This parliamentary Western democracy, established in most countries of Europe by the middle of the nineteenth century, remained largely marked by its aristocratic origins until the end of the Second World War. It still contains numerous electoral qualifications that limit universal suffrage. Only then did it undergo two fundamental changes that make it so attractive today. The first change is related to the construction of the rule of law (state power is also subject to the law and guarantees equality through the law), and the guarantee of a wide range of human rights and freedoms. Parliamentary democracy thus becomes a liberal democracy based on freedom. But after the Second World War, in the most developed democracies, the welfare state was also built as a guarantor for the existence of society and its integration. Thus, parliamentary democracy also becomes social, based on equality, not only political, but also social in a broad sense.

The beginnings of these changes began after the First World War, a first-of-its-kind conflict based on mass mobilization. As Thomas Piketty notes in his study *Capital in the Twenty-first Century*, wars generally lead to an equalization of wealth.[7] The succession of two world wars within a generation that lived through both (only twenty years separated the end of the first and the beginning of the second) led to a leveling of European societies, but also to expectations of greater equality. To respond to this,

[7] Thomas Piketty, *Capital in the Twenty-First Century*, Trans. Arthur Goldhammer (Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 2014), https://dowbor.org/wp-content/uploads/2014/06/14Thomas-Piketty.pdf, 55, 190.

and to the Soviet model's claim to have eliminated inequalities, the West turned to liberal and social democracy.

Parliamentary democracy developed as a political model throughout the world after 1945, although we cannot speak of a permanent process of democratization. Samuel Huntington theorized the process of democratization in the nineteenth and twentieth centuries as three successive waves of the spread of democratic regimes.[8] The first *long* wave of democratization began in the 1820s and lasted almost a century, during which time twenty-nine democracies emerged. The Allied victory in World War II ushered in a second wave of democratization that reached its zenith in 1962, with thirty-six democracies. The current era (1974-1990) of democratic transitions represents the third wave of democratization in the history of the modern world, with democracies reaching a number of sixty. Of course, Huntington notes that there are periods of regression between these waves, we can probably also assume such a possibility after the third wave.[9]

The Liberal Democracy

The main thesis of this text is that liberal and social democracy are two indivisible faces of contemporary democracy. But traditionally, liberal democracy and social democracy are seen and explained as two distinct political ideologies, not really as political regimes, even understood as opposed. In this traditional understanding, liberal democracy seeks the respect of individual rights, political freedoms, the rule of law, and limited government intervention. The same understanding for social democracy: it has emerged as an alternative ideological approach, seeking to balance free-market economies with social justice, equality, and solidarity. So, according to this traditional approach these two types of democratic ideologies are opposed, or at least social democracy is somehow additional possible development of the liberal democracy.

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[8] Samuel Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman OU: University of Oklahoma Press, 1991).

[9] Samuel Huntington, *The Third Wave*, 15.

This understanding of the opposition of liberal and social democracy in fact speaks about the opposition between two main modern ideologies: liberalism and socialism. Nevertheless, this text discusses the contemporary democracy as specific political regime, even though every political regime has some ideology of the polis. Contemporary democracies remain a structure of liberal and social elements despites the type of government, which could be liberal, conservative, or socialist.

Contemporary democracy established after 1945 is mostly liberal, because it includes human rights as one inseparable element. In fact, the world legal framework for the implementation and the respect of a large set of human fights, together with the enlargement of the voting rights during the first two decades following the end of the WWII, transformed the democratic representative governments in liberal democracies. In this sense, "liberal" is not an ideological characteristic: there is no "illiberal democracy" as the present PM of Hungary Victor Orban claims. Because democracy is a political regime whose existence is impossible without the respect of individual freedom and human rights. Democracy is just liberal, otherwise it is not democracy, but just a kind of representative government.

Liberal democracy has some essential features. One of the fundamental advantages of liberal democracies is the protection of individual rights. Citizens enjoy various civil liberties, such as freedom of speech, freedom of assembly, and freedom of religion. This fosters an environment where diverse opinions can be expressed without fear of persecution, encouraging innovation, and social progress. Liberal democracies provide opportunities for citizens to actively participate in the political process. Through voting, advocacy, and engagement with elected representatives, individuals can influence policy decisions and hold leaders accountable. This fosters a sense of ownership and responsibility among citizens, leading to more responsive and representative governance.

The rule of law is a cornerstone of liberal democracies, ensuring that all individuals, including government officials, are subject to the same laws. This prevents the concentration of power and guards against abuses of authority. Independent judiciaries act as checks on executive and legislative actions, guaranteeing the protection of citizens' rights. Liberal democracies recognize the importance of protecting the rights of minorities and marginalized groups. Equal treatment under the law

ensures that all citizens are entitled to the same opportunities and protections, regardless of their background or beliefs.

Liberal democracies are generally characterized by peaceful transitions of power. Regular elections allow for leadership changes without resorting to violence, fostering political stability and continuity. This stability contributes to economic growth, attracting investments and promoting social cohesion. Liberal democracies often embrace free-market economies that promote entrepreneurship and innovation. With limited government intervention, businesses can thrive and adapt to changing market demands. This environment encourages economic growth, job creation, and technological advancement.

Why did liberal democracy become the main democratic model after the Second World War? Samuel Huntington's arguments to explain the third wave of democratization that began during the Cold War are interesting, especially the "snowballing" effect, or the impact of transitions made earlier during the third wave that affect other transitions as well, especially in the age of the Internet, when information spreads instantly.[10] Among other arguments, Huntington argues, are the increasing problems with the legitimacy of authoritarian regimes in a world where democratic values are already widely accepted. This is also the result of the incorporation of most democratic values into such international documents as the UN Charter and the series of human rights conventions. But no less important was the unprecedented global economic growth in the 1960s, which raised living standards and the level of education. This leads to the growth of social expectations in societies, including expectations for more visible participation of citizens in politics or at least demands on the rulers to comply with the wishes of the citizens. Last but not least, he points out that poverty is actually the biggest obstacle to democratization, which raises the question of whether or not democracy is the political regime of rich countries, difficult to implement in poor ones. And is the issue only about the average level of wealth of nations, or is it more about the great social inequalities, much greater in the poor than in the developed rich countries of the West?

[10] Samuel Huntington, *The Third Wave*, 46.

Liberal democracies have been confronted to many different risks, but among them one seems to be essential: the basic contradiction between the democratic principle of political equality of citizens and the capitalist logic of continuous production and maintenance of social inequalities. This contradiction, over long periods of time, is not so obvious because it is tempered by the usual conflation of capitalism with the market economy, which is the basis of citizen autonomy. But capitalism has transformed the market into a machine of inequality, and this is increasingly difficult to reconcile with the democratic principle of fundamental civil equality. This is the main mechanism that produces the conviction of more and more citizens in democratic countries that democratic governance is actually a great hypocrisy, that the proclaimed equality is formal, while the real levers of power are in the hands of the rich only.

Capitalism and Democracy

Robert Kuttner, a famous American liberal journalist, chose the title *Can Democracy Survive Global Capitalism?* for his 2018 book.[11] According to the author, this present-day "predatory capitalism" is reprehensible because it limits workers' rights, frees the hands of bankers, allows corporations to avoid taxation, and prevents nations from providing economic security, and consequentially, this harsh capitalism undermines the very foundations of a healthy democracy.[12]

Two major crises in a row have shaken a rule-governed world of global capitalism: the 2008 financial crisis, and the 2019-2021 COVID-19 pandemic. Both crises have prompted many researchers and observers to question the legitimacy of power of large corporations over societies, the naive trust in the (self)regulatory power of markets, the universality of market competition as the main regulator in societies.

In the book published in 2010, *Market Without Morality. The Fiasco of the International Financial Elite*, Susanne Schmidt, professor at University

[11] Robert Kuttner, *Can Democracy Survive Global Capitalism?* (New York/London: Norton, 2018).

[12] Robert Kuttner, *Can Democracy Survive Global Capitalism*, 211, 283 and 309.

of Bremen, professor and daughter of former Chancellor of the German Social-Democratic Party, Helmut Schmidt, analyzes the causes and consequences of the 2008 crisis, drawing on her own experience in the City of London.[13] In the introduction, she poses the question: "How did it become possible for the carefree raving of financial managers for more benefits and higher bonuses to push the world towards such a catastrophe?"[14] But does the question rest only on the greed of these "addicted to risk" as the cause of the crisis? In the 2012 book *What Can't Money Buy? The Moral Limits of the Market*, Michael Sandel points out that this is only a partial diagnosis of the problem, though "partial" means that greed is undoubtedly part of the problem.[15] Sandel argues that the issue is not the growth of greed, but the "expansion and penetration of markets and market values into areas of life where they do not belong."[16]

To what extent do all these processes influence the established post-World War II liberal-democratic political systems of the Western world? The consequences of this series of crises seem at first sight to affect only market relations, but the latter are much more closely linked to the form of political government than it appears. The present world economic order is the order of the global corporate capitalism, which has not specific preferences for the needed political form. It is able to adapt to any possible political regime if the government guarantees the expected profit. Capitalism is perfectly compatible with both parliamentary democracy, and the one-party communist regime in China, but also absolute monarchy in Saudi Arabia or dictatorship in Myanmar.

Despite the many benefits of liberal democracy, it faces many challenges and criticisms.[17] Unregulated capitalism can lead to income disparities, where a small segment of the population amasses significant

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13 Susanne Schmidt, *Markt ohne Moral. Das Versagen der internationalen Finanzelite* [Market without morality. The fiasco of the international financial elite] (München: Droemer Knaur, 2010).

14 Schmidt, *Markt ohne Moral*, 6.

15 Michael Sandel, *What Money Can't Buy: The Moral Limits of Markets* (New York: Farrar, Straus and Giroux, 2012).

16 Sandel, *What Money Can't Buy*, 10.

17 Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Equality is Better for Everyone* (London: Penguin, 2010).

wealth, while others struggle to meet basic needs. This concentration of wealth can undermine social cohesion and create divisions within society. Free markets are not infallible, and they can experience market failures, such as environmental degradation, monopolies, and economic recessions. Addressing these failures often requires government intervention and regulation. Not all citizens feel equally represented, and certain groups may experience political marginalization. Additionally, political apathy among citizens can weaken democratic participation and lead to reduced accountability of elected officials.

For a long time, the West saw the Soviet model as an alternative to capitalism, and in some respects a successful attempt to modernize societies. The latter is argued at length by Branko Milanovic, a well-known American researcher on inequalities, in his book *Capitalism Alone*.[18] But his thesis is that the world during the last five centuries has lived only in a capitalist system. His understanding is radical and challenges Soviet communism's claim that it was an alternative to capitalism. Milanovich explains that Soviet society was also a class society, subject to the general capitalist logic. He points out that in Soviet communism there are market relations, money, measurement of contribution through labor, the presence of a de facto owner of the "public property," such as the *nomenklatura* (the upper layer of Soviet-type societies). In any case, the Soviet system was not a "free and equal association of the producers," according to Engels' definition of communism.[19] Milanovich's thesis is that capitalism has always existed in recent centuries, and in the twentieth century in two varieties: liberal (Western) capitalism and political (Soviet) capitalism. For today's Popular Republic of China, the author points out that it is a typical political capitalism, regardless of the political form of the communist regime.

For the past forty years, the dominant form of capitalism has been global corporate capitalism operating according to the demands of neoliberal economic philosophy. Since the 1960s, the general tendency of

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18 Branko Milanović, *Capitalism, Alone: The Future of the System That Rules the World*, (New York: Harvard University Press, 2019).

19 Frederick Engels, The *Origins of the Family, Private Property, and the State* [1884], https://www.marxists.org/archive/marx/works/1884/origin-family/index.htm, accessed January 13, 2024: 1993, 1999, 2000.

capitalist development has been towards the structuring as the main economic agents of multinational and transnational companies, which gradually become giant corporations. The logic is monopolistic, it implies the elimination (including buyout, acquisition) of competitors and continuous growth as capital and material assets, and recently, also through the growth of intangible assets, which is a new phenomenon, the consequences of which we do not know enough yet.[20]

What is new in the situation of corporate neoliberal capitalism since the end of the twentieth century is that market competition becomes a universal principle for society, and it gradually subordinates other relations. The implications of this have been debated by many authors, but go far beyond what Karl Polanyi predicted in 1944, the ubiquitous "market society" he called "the great transformation."[21]

The increased power of corporations weakens nation-states, limits their resources, and generally shifts the weight of power from the public to the private sphere. But this is not for the benefit of that part of the private sphere that we usually define as civil society, but for the benefit of the corporate private sphere. A consequence of this displacement is the weakening of democracy in many countries of the world, because as a political regime it has its foundations in the modern nation-state, and there are still no real supranational political democratic institutions (the European Parliament is an exception, but it is still not fully empowered), or as Colin Crouch notes in his famous study of post-democracy, "the real power of the political system has passed into the hands of a small elite of politicians and corporate rich people."[22]

All this creates the conditions for growing inequality in various dimensions, not only economic, but generally socio-political and cultural. The market is based on competition and the principle of elimination of the weaker. When this spreads to the non-market spheres throughout society, the consequences are above all in the rapid growth of inequalities. The most visible stratification is between the top 1% and the rest –

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[20] Jonathan Haskel and Stian Westlake, *Capitalism without Capital: The Rise of the Intangible Economy* (Princeton, N.J.: Princeton University Press, 2017).

[21] Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001).

[22] Colin Crouch, *Post-Democracy: After the Crises* (Cambridge: Polity Press, 2020).

according to research by Oxfam in 2015, 1% of the world's population owns almost 50% of the world's wealth.[23] For 2021, World Inequality Database data shows that the top 1% of the world's population receives 19% of total income and owns 38% of the world's wealth. And the top 10%, owns respectively 52% of the income and 86% of the wealth.[24]

The question is, has capitalism become incompatible with the principles of modern liberal-social democracy? A 1988 study by the philosophers Agnes Heller and Ferenc Fecher points out that, from their inception, democracy and capitalism have been two parallel but autonomous logics of the Western world.[25] According to the logic of their reasoning, capitalism is neither a prerequisite nor a consequence of modern democracy. On the one hand, democracy is undoubtedly related to the market economy, because the latter provides autonomy and freedom to individuals. But democracy is not logically connected to two essential characteristics of capitalism – the pursuit of monetary profit and the elimination of competition in the market. On the other hand, capitalism is such a system that adapts to a wide variety of political regimes, including totalitarian ones. Modern democracy and capitalism converge only in the demand to abolish the old social stratification based on ancestry, and democratic movements have never raised capitalist demands.

Inequality as the Main Challenge

Democracies are generally a political regime based on the greatest possible equality between citizens. Modern democracy in economic terms is based on the market economy. The reason is that such a system ensures the independence of the citizen-producers, autonomy in relation to the

[23] Deborah Hardoon, "Wealth: Having It All and Wanting More," Oxfam International (2015), accessed 13 January, 2024, https://www.oxfam.org/en/research/wealth-having-it-all-and-wanting-more.

[24] World Inequality Database (2017), accessed January 13, 2-24, https://wid.world/world/#sptinc_p99p100_z/WO;BG/last/eu/k/p/yearly/s/false/1.1170000000000002/30/curve/false/country.

[25] Agnes Heller and Ferenc Fecher, *The Postmodern Political Condition* (Cambridge: Polity Press, 1988).

rulers. Civil independence is the basis of civil equality. But with its development in the last five centuries, capitalism, as a modern variety of the market economy, changes its content. Although it has always legitimized itself with free economic initiative, it changes the purpose of economic activity – from meeting the needs of producers to accumulating profit measured in money. With this, the holders of money, which becomes investable capital, acquire a higher social status. By removing the old stratifications based on origin or religion, capitalism does not eliminate inequalities, but transforms them mostly into economic inequalities.

Global corporate capitalism, the model of which has become mainstream over the last forty years, has deepened world inequalities despite the modern liberal and social democracies established since the end of World War II. As Colin Crouch rightly argues,

> "There is a contradiction between the equality of citizens' electoral votes and the inequality of their economic conditions - the main unresolved problem of liberal democracy."[26]

Numerous comparative studies show that societies where equality is effectively realized are also societies where the rule of law is the most solid and freedom the greatest.[27] But this undoubtedly raises again the classic question of the compatibility of capitalism with democracy.

As for market-based capitalism, after the collapse of the Soviet bloc and especially after the inclusion of Communist China in the world market, there is almost no country in the world that is not socio-economically capitalist. But not all capitalist countries are also democratic. Which shows that the relationship between democracy and capitalism is asymmetrical – all democracies are also capitalist, but the reverse is not true.

In a special study of the relationship between democracy and inequality, Daron Acemoglu, Suresh Naidoo, Pascual Restrero, and James Robinson note that there is an expectation in the available research that democracy reduces inequality, but that this expectation is not borne out by the available data because democracy can exist in different modes: it

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[26] Crouch, *Post-democracy*, 37.

[27] Jean-Pierre Derriennic, *Les inégalités contre la démocratie* [Inequalities Against Democracy] (Québec: Presses de l'Université Laval, 2019), 67.

can be seized and limited by the plutocracy; it can express the desires of the middle class, which incites redistribution only in its favor; it can open up new economic opportunities for the excluded. In the three cases, the effect of democratic governance on inequality is different.[28]

In another text, Acemoglu and Robinson again explain that the influence of the democratic political regime on inequality is not unambiguous.[29] But in fact, in the first case, they look for the influence of democracy on redistribution, and in the second, the influence of democracy on taxation and hence on inequality. The question, therefore, must be asked differently – how inequality affects democracy, what are the limits of inequality compatible with democratic governance.

Why is there still a well-established and even increasingly enforced understanding in the literature that inequalities undermine democracy, that democracy is a political regime that is based on the principle of equality? Even Robert Dahl argued that inequality in the ownership and control of large enterprises over public life leads to unequal political resources in society and to severe violations of political equality.[30] A similar thesis is also advocated by John Rawls in *Theory of Justice*, who notes that a form of democracy corresponding to this theory would be the "democracy of owners," *i.e.*, a democracy based on equality of ownership.[31]

These general philosophical reflections on inequality and democracy, however, cannot necessarily be confirmed empirically. Or rather, the impact of inequality on the functioning of democracy is complex, ambiguous, manifesting itself in different modes. There is undoubtedly an influence, but two questions arise: a) which dimensions of democracy are influenced by inequalities; b) which dimensions of inequality in society can affect democracy?

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[28] Daron Acemoglu, Suresh Naidu, Pascual Restrepo, and James A. Robinson. *Democracy, Redistribution and Inequality.* NBER Working Paper No. 19746 (Cambridge, MA, NBER, December 2013), accessed January 13, 2024, https://www.nber.org/system/files/working_papers/w19746/w19746.pdf.

[29] Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: The Crown Publishing Group, 2012).

[30] Robert Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989), 183.

[31] John Rawls, *Theory of Justice* (Oxford, New York: Oxford University Press, 1999), 242.

Some studies indicate that societal inequalities have different effects on democratizing societies and on the stability of established democracies, as Christian Houle, professor at the University of Michigan, notes in his research:

> "Inequalities do not systematically affect the likelihood that non-democratic societies will transition to democracy, but once established, egalitarian democracy is unlikely to collapse." [32]

Other studies show that inequalities are not the most active factor in democratization, or to put it simply: revolutions are not the work of the poor. But, on the other hand, social equality is a factor in the stability of democracies, the more equality, the more stable democracies. One recent study once again recalls that "a democratic regime is usually assumed to implement freedom and equality as the key and most important values," a well-known idea developed by scholars and thinkers like Norberto Bobbio in 1980s.[33]

Other studies distinguish modes of inequality and look for the impact of each on the functioning of democracy. John Ferejohn, professor at the University of New York, distinguishes different types of moods in society according to relations of inequality: (1) concern for the social bottom and those who fall from it; (2) concern about the amount of poor people; (3) concern about the enormous wealth concentrated at the top of society etc.[34] These different sentiments, according to Ferejohn, produce different risks to the legitimacy of the democratic regime. His approach is rather through the prism of the "objective legitimacy" of the democratic regime. He notes:

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[32] Christian Houle, "Inequality and Democracy: Why Inequality Harms Consolidation but Does Not Affect Democratization," *World Politics* 61, no. 4 (October 2009): 589-622, accessed January 13, 2024, https://christianhoule.files.wordpress.com/2014/06/houle-wp-2009.pdf.

[33] Leonardo Morlino, *Equality, Freedom, and Democracy. Europe After the Great Recession* (Oxford: Oxford University Press, 2020), 1; Norberto Bobbio, "The Future of Democracy," *Telos: Critical Theory of the Contemporary*, no. 61 (1984): 3-16.

[34] John Ferejohn, "Is Inequality a Threat to Democracy?," *The Unsustainable American State*, eds. Lawrence Jacobs, and Desmond King (Oxford: Oxford University Press, 2009), DOI:10.1093/acprof:oso/9780195392135.003.0002.

> "there are two distinct ways in which inequality can undermine the legitimacy of a regime: inequality can itself directly produce (or even constitute) injustice, or it can subsequently introduce a regime that enables or encourages it."[35]

Inequality today exacerbates the problems of political governance. In a democratic regime, decisions depend on the mass citizenry (the middle class when it is in the majority) who will always demand a redistribution of wealth. But the wealthy classes will resist in at least two ways: (1) by convincing the majority that redistribution is not in their favor because it will kill the initiative; (2) by using their wealth to influence the decisions of elected politicians and push them not to conform to the expectations of the majority. In the first case, it is about taking economic redistribution out of politics in order to maintain social peace. In the second case, it is a question of the seizure of the state by the rich and a crisis of the legitimacy of democracy. But a crisis of the legitimacy of democracy can also arise from the actual impossibility of satisfying all mass expectations in modern societies where there is a huge diversity of interests, and if Ferejohn calls the first case active corruption, the second case is passive corruption.

Again, Aristotle distinguishes democracy from oligarchy:

> "it is a democracy when those who are free are in the majority and have sovereignty over the government, and an oligarchy when the rich and more well born are few and sovereign."[36]

"All free" means accepting that democracy treats the well-to-do as well as the poor alike, although in his opinion "the greed of the rich destroys more than the greed of the poor."[37] Aristotle adds that democracy is based on measure, on the rejection of extremes:

> "Since then, it is admitted that what is moderate or in the middle is best, it is manifest that the middle amount of all of the good things of fortune is the best amount to possess."[38]

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35 John Ferejohn, "Is Inequality a Threat to Democracy?", 13-14.

36 Aristotle, *Politics*, in: Aristotle in 23 Volumes, vol. 21, trans. by H. Rackham. (Cambridge, MA, Harvard University Press; London, William Heinemann Ltd. 1944), accessed January 13, 2024, http://data.perseus.org/citations/urn:cts:greekLit:tlg0086.tlg035.perseus-eng1:4.1290b.

37 Aristotle, *Politics*, http://data.perseus.org/citations/urn:cts:greekLit:tlg0086.tlg035.perseus-eng1:4.1296b.

38 Aristotle, *Politics*, http://data.perseus.org/citations/urn:cts:greekLit:tlg0086.tlg035.perseus-eng1:4.1296b.

The very rich do not obey anything and rule with despotic power, the very poor have a slave mentality. Therefore, according to this ancient thinker, the good state aims to consist as much as possible of equal and similar citizens. Consequently, the ancient model of democracy, which we take as the prototype of our present-day democracy, is based on the principle of equality of citizens, not only politically, but largely also materially.

Inequality may be compatible with a democratic political regime, but high inequality necessarily creates obstacles to the functioning of democracy, because it creates prerequisites for the seizure of democratic institutions by the richest and their transformation into a facade of an essentially oligarchic government; it also spreads social cynicism, which causes citizens to withdraw from participation in public affairs, and democracy has as a principle exactly the opposite – that everyone participates. This certainly contradicts a conclusion in the famous Trilateral Commission report entitled "The Crisis of Democracy" (1975), in which Samuel Huntington, Michel Crozier, and Joji Watanuki observed that

> "the effective functioning of democracy requires a certain apathy on the part of some individuals and the non-participation of some individuals and groups."[39]

We see the effect of such social cynicism in the numerous manifestations of civic apathy, as says Thomas Courtot, prominent activist of the alter-globalist Attac movement): "decline in union membership, rise in authoritarian and traditionalist tendencies, cynicism and corruption of rulers, universal decline in electoral participation," because, "social insecurity in general drives people away from the polls."[40]

Conclusion

The integration of social democratic principles within liberal democracies presents a promising path towards more inclusive and equitable societies.

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[39] Samuel Huntington, Michel Crozier, and Joji Watanuki, *The Crisis of Democracy: On the Governability of Democracies. A report written for the Trilateral Commission*, 1975, 116.

[40] Thomas Coutrot, *Démocratie contre capitalisme* [Democracy against Capitalism] (Paris: La Dispute, 2005), 40-41.

Liberal democracies have undoubtedly contributed to safeguarding individual rights, political freedoms, and economic prosperity. However, they are not without their limitations, as evidenced by income inequality, the lack of social safety nets, and market failures.

Social democracy offers a complementary approach that addresses these shortcomings and promotes social justice, solidarity, and a more egalitarian distribution of resources. By advocating for a mixed economy, where the state plays an active role in providing essential services and social welfare programs, social democracies strive to create a society where all citizens have access to education, healthcare, and social support.

Ultimately, the complementary nature of liberal and social democracy offers a potential pathway for societies to address the shortcomings of pure liberalism while preserving the core values of individual rights and political freedoms. By striking a balance between personal liberties and collective well-being, nations can create governance models that are more resilient, inclusive, and responsive to the needs of their citizens. As we navigate the complexities of the modern world, a nuanced and thoughtful approach to governance - one that draws on the strengths of both liberal and social democracy - can help us build societies that strive towards prosperity, fairness, and a shared sense of responsibility for the common good.