THE CRISIS OF LIBERAL DEMOCRATIC SYSTEMS

The collapse of the liberal project?

A stocktaking and an outlook

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A firefighter works to put out a forest fire near Òdena (Anoia), 26 July 2015. Photo: Jordi Borràs

> The liberal, secularised state is sustained by conditions it cannot itself guarantee. That is the great gamble it has made for the sake of liberty
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> Ernst-Wolfgang Böckenförde [1]

In the circles of those who endeavour to interpret the present in political and social terms, one word in particular is currently being discussed: the polycrisis. Coined by Edgar Morin and circulated in particular by the economic historian Adam Tooze, this term describes a sum of heterogeneous, mutually reinforcing crises, from the pandemic to runaway inflation, from the wars in Ukraine and Gaza to global food insecurity, from the first visible effects of the climate catastrophe to political polarisation within Western democracies, from the

shaking of the global order to the effect of social media on democratic discourse and the destructive potential of artificial intelligence.

Tooze argues that this cumulative crisis is genuinely new because, in the course of the acceleration of history, global dynamics and entanglements, and the underlying ecological crisis, solution strategies can no longer be isolated or local. From a political and also historical perspective, one element stands out, because the floundering of global systems of order points to a central phenomenon: the collapse of the liberal project.

Neither merely economic nor political in the narrow sense, the liberal project is rather – as perceived by Isaiah Berlin, the Russian-British magus of liberalism – a striving for emancipation, freedom, the rule of law and autonomy rights in the tradition of the Enlightenment. It encompasses democracy and human rights, tolerance and civic engagement as well as a dynamic, never definitively fixed relationship between the state and the market.

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Historically, this project is closely associated with the 19th-century rise of the bourgeoisie, who also benefited most from its political agenda and whose self-image is closely interwoven with liberal principles. However, its exponents included not only the bankers and captains of industry of the heroic age, but also the dissenting voices and renegades who held up a mirror to it. This broad liberalism lived not only in Henry Ford and J. P. Morgan, but also in Friedrich Nietzsche, who condemned everything liberal.

Apotheosis

The apotheosis of the liberal project undoubtedly came in 1989 with the collapse of the Soviet Union and the conclusion of the Cold War between capitalism and communism. Soviet socialism had buckled under its own weight and had nothing left to oppose the gospel of freedom. Freedom had triumphed – a favourite maxim in the political rhetoric of those years.

The rest is well known. The political scientist Francis Fukuyama has spent a distinguished career commenting on, justifying or contradicting his 1989 article “The End of History?”. The thesis of the paper, expanded into a book in 1992, [2] spoke to the zeitgeist that prevailed in the United States and Europe in particular: following the victory of the liberal system, all states and economic systems would from now on succumb to the irresistible magnetism of liberal markets and liberal democracies.

Sooner or later, the liberal model would be more or less successfully established everywhere, creating a global market that would prosper through minimal political

interference and its propensity for self-regulation: “What we are witnessing is perhaps not just the end of the Cold War or the end of a particular period of post-war history, but the end of history as such, i.e. the end point of the ideological evolution of humanity and the universalisation of Western liberal democracy as the final form of human government.”

This was the “end of history” of Fukuyama’s title: conflicts between liberal market economies would become a rare occurrence, territories would no longer change hands, there would be no more revolutions and no more paradigm shifts. It was the end of the events that make up history, and thus also of the bourgeois culture that is sustained by this history. It should be noted that, though Fukuyama described it as inevitable, he was highly ambivalent as to whether this scenario was desirable.

The end of history became an integral part of the triumphant narrative of a Western world that believed itself to be the historical victor. Certainly, the achievements of civilisation, scientific and technological progress, economic growth and other indicators were breathtaking. Barely a century after the liberal revolutions of 1848, the so-called First World had become a liberal collective in the shadow of two world wars; and in the post-war period, societies were transformed, not only by prosperity, but also by a radical liberalisation of social models, more liberal laws and legal equality.

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The transformation of societies and economic systems in the so-called West after 1945 has no historical parallel. Not only in France were these the *Trente Glorieuses*, the glorious thirty years of economic growth and peace, in which social advancement became a reality for millions; countless libraries, hospitals, universities and theatres were built alongside motorways and industrial zones; and the civil rights movement in the United States, feminism and later gay pride set new social and moral milestones. Never had these societies been so rich, nor so rich in opportunities, education, consumer goods and rights.

Complications of history

This picture, of course, becomes much more ambivalent when viewed from outside the Western perspective. The heyday of these liberal societies of the West obscures the fact that this was also the era of decolonisation and post-colonial conflicts, that their prosperity and liberal order were not built exclusively on their own industriousness and noble principles, but rather still relied on exploitation, violence and oppression on a breathtaking scale, only these were now largely exported. The United States and with it Europe, now fought their wars in Vietnam and Korea, the Congo, Nicaragua, Afghanistan and Iraq. They found their raw materials and, increasingly, their cheap labour on other continents – which

also allowed them to outsource the destruction and contamination of entire landscapes and ecosystems far from their own idyll.

A postcolonial, global perspective of the liberal project is necessarily dominated by these factors, but it is also necessary to examine the extent to which anti-colonial movements and activists themselves thought and acted on the basis of the liberal project, and whether the entirely correct identification of the colonial and capitalist crimes of the West necessarily followed on from and perpetuated the liberal project. Western powers have always interpreted and applied liberal ideas, especially the principle of equality, in a highly selective manner.

The societies of the so-called West were fundamentally transformed during the post-war period, mainly because of immense economic growth. It is important to note that the social achievements of this period were also only made possible by increased prosperity. Large civil society movements and social conflicts over human and minority rights are the hallmarks of relatively prosperous societies. The struggle for civil and human rights rode piggyback on the oil boom.

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Nevertheless, it was not oil and global injustice that created the welfare state, enforced women's rights, and fought for the rights of indigenous peoples and against the destruction of nature. The liberal project had a momentum of its own that could not be derived exclusively from hegemonic structures, and the liberal order also allowed dissenting voices to become effective. This momentum was transformative and looked like progress, a secular messianism. The road map of the future had already been drawn.

Volte-face

In the space of just one generation, the apparent global triumph of liberal social orders and markets has proved to be a Pyrrhic victory. In the global context, the liberal order has failed and is being challenged by rising powers, while the globalisation of the economy has also robbed liberal democracies of their ability to shape the world within their own borders and transferred far more, democratically illegitimate power to multinational corporations and economic interests. As a result, the liberal project has become one model among others, and one which struggled for legitimacy in its response to the COVID-19 pandemic, for example.

Little remains of the triumph of 1989, not even in the self-image of the liberal project. Historically, it is deeply compromised. Slavery, imperialism and economic neo-colonialism make it impossible to trace its economic success back to fundamental liberal principles. In the context of post-colonial, feminist and intersectional analyses, the liberal project reveals

its blind spots, which continue to the present day.

Even more critical, however, is the fact that the liberal model has not even been able to establish itself globally as a social telos. Although the states of the “Alliance of the Willing”, for example, joined forces and utilised endless resources in their efforts to install a Western-style democracy and economy in Iraq and Afghanistan, the historical continuities and political fractures in these countries proved stronger. At the same time, actors such as China, Russia and Hungary are positioning themselves as ideological opposites to the Western society, which they describe as decadent, explicitly rejecting elements of the liberal project such as human rights or emancipative politics, and with considerable success. The number and quality of democracies is steadily declining worldwide.



Members of the order service in the large demonstration of ultra-nationalist and far-right groups on Poland’s Independence Day. Warsaw, November 11, 2023. Photo: Jordi Borràs

However, the most serious global catastrophe is occurring in natural systems, particularly with regard to climate change and the collapse of biodiversity. Both are direct results of the modern thirst for fossil fuels and industrial expansion, the side effects of the success of Western civilisation. Both are already contributing to the destabilisation of global systems and will do so to an even greater extent in the future. Rising sea levels, more frequent and more intense natural disasters, the migration of millions driven by desertification and drought, conflicts over water and arable land, political instability and fragile supply chains will all have an immense impact on the societies of the global North, exacerbating the polycrisis.

The aporia of progress

In this context, there also exists a phenomenon that could be termed the ecological self-contradiction of capitalism, to which liberalism is so closely linked. Liberal societies need economic growth, which they have used as the answer to almost all social and political problems, especially as the impetus of liberalism could not survive without the forward-looking idea of progress.

Economic growth has increased immensely in recent decades, and with it the amount of raw materials, pollutants, waste and landscape consumed each year. But infinite growth in a finite system is not possible, and this growth has long since exceeded its ecological limits. An economic area that grows three per cent per year will double its volume within 24 years; within 100 years, it will have increased tenfold.

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Economic theories that see qualitative as opposed to quantitative growth, green growth or growth only in added value and services have yet to explain how economic growth and resource consumption can be decoupled, and indeed no economic area has yet succeeded in actually decoupling them. Although resource consumption and pollutant emissions are growing less steeply than productivity, they are still growing and already disastrously exceed sustainable dimensions.

The only effective measure against impending ecological catastrophe is a reduction in raw materials consumed and therefore reduced consumption and growth. But how can a West with reduced growth and hence reduced prosperity continue to finance welfare states and the infrastructure of its democracies, not to mention defence against aggressors such as Putin’s Russia? These crucial questions also remain unanswered.

Can a liberal order even exist without growth? This is a philosophical as well as an economic question. Can the liberal project continue to exist without the idea of progress, or can it embrace the idea of progress conceived in a completely different way? Liberal thinking, like Marxist thinking, has a strong relationship to a better, rational, buildable future. What will become of it if such a future can no longer be plausibly presented?

Crisis of democracy

The real crisis of the liberal project is taking place within the societies that have emerged from it. The democracies of the global North were proud of their historical achievements and their unique constitution, which resulted not least in astonishing stability. However, the

political landscape that made this stability possible has faded to a vague memory within two decades under the pressure of events.

Popular parties that had helped shape political fortunes for long periods have collapsed or been hijacked and morally undermined by figures of the calibre of Boris Johnson and Donald Trump. Right-wing populists of the wildest variety are winning parliamentary elections in countries such as Brazil, Argentina, the Netherlands and India and being tasked with forming governments. In other former democracies such as Hungary and Turkey, the democratic process only serves to maintain a semblance of the rule of law.

Here it is essential to remember that democracies are an absolute historical exception; many of them only emerged in their full form (e.g., with the inclusion of women's suffrage) in European countries after the Second World War. They could disappear again much more quickly and easily than they were fought for.

The change in the party political landscape is only a symptom of a more profound and existential development, which manifests itself within society as a weakening of social trust and a strong polarisation of discourse. Mistrust and anger against the so-called "elites" is driving hundreds of thousands onto the streets. In addition to politicians, these elites include scientists, cultural workers and other figures associated with established knowledge. At the same time, the number of people who believe that democracy is the best form of society is decreasing, especially among younger people.

Archaeology of the causes

Although the developments that have led to this alarming conclusion have been more or less virulent underground for a long time, they have only made their way to the surface in recent years and in the wake of several crises, like lava in a volcano thought to be extinct.

Like the polycrisis itself, the reasons for the collapse of the liberal dream are hybrid and heterogeneous. Beginning with the economic dimension, the use of fossil fuels, and oil in particular, multiplied productivity and technological reach, making the explosive development of liberal societies, movements, materials, consumer goods and productivity possible in the first place. At the same time, however, the exploitation of fossil fuels has also led to an immense increase in CO_2 in the atmosphere (humanity has consumed more fossil fuels since 1990 than in all of previous history), microplastics in the oceans, fertilisers, pesticides and chemical waste in rivers and soil, and the catastrophic chain reaction of natural systems now known as the climate crisis.

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The triumph of the liberal project produced many losers, starting with the states of the former Soviet Union, whose sense of historic defeat was compounded by the fact that the introduction of free market principles, rather than leading to better living conditions, often led to anarchy and despotism at the behest of a few oligarchs. This brings into play a political motivation that is probably one of the most powerful of all: humiliation. A political history of humiliation has yet to be written.

A new aristocracy

In his epoch-making work *Capital in the 21st Century*, [3] in which the author deliberately plays with historical echoes, French economist Thomas Piketty demonstrated that, in the democracies of the global North, income from capital grows faster and is taxed less heavily than income from labour. An exclusive and increasingly impenetrable class of rentiers and the propertied is therefore forming in the liberal democracies of the global North. A caste of heirs determines the new political reality. The social permeability of post-war societies is a feature of the past.

Studies on the global distribution of resources and the rise of “super-wealth”, billionaires and tax havens suggest that Piketty’s analysis can be extended one step further. Liberal democracies have not only tolerated but actively promoted, through appropriate legislation, the formation of something like a new aristocracy, a caste of heirs accessed exclusively through exceptional careers such as those of CEOs, pop stars and sports and other celebrities who increasingly inhabit a parallel world, a gated community in the midst of society. Not only are their immense fortunes “protected” from taxes by various constructs, they also have a disproportionate influence on democratic decision-making through direct donations, foundations, think tanks, lobbyists, lawsuits, candidacies and other channels, thus reducing the principle of democracy to absurdity.

This development has taken place by leaps and bounds. Around 1960, the CEO of a large U.S. company earned around thirty times the average salary of his employees; today, the pay of top managers is almost four hundred times as high. According to Oxfam, the wealth of the ten richest men in the world doubled during the pandemic: they now own as many resources as the poorest 3.1 billion people combined. Voters, meanwhile, are losing faith in a system that produces more and more super-wealth but has broken the old democratic promise of possible social advancement.

The surge came in the 1980s, after the oil shock and along with Thatcher and Reagan. The globalisation of industrial production brought the countries of the global North prosperity and, above all, more cheap raw materials and consumer goods. At the same time, the economic harmonisation and coordination of so many elements at a global level required the interlocking of power politics and technocratic administration via international agreements and standards, increasingly curtailing the decision-making powers of individual democracies. The age of the technocrat dawned. Political questions were reformulated as technical problems to be solved by experts. The European Union probably owes its success to this principle. However, this technocratic management of social issues also means that

the political space is deprived of oxygen.

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Populism is also a reaction to the entirely justified perception of economic stagnation, cultural paternalism and lack of political participation. This multiple humiliation becomes political capital and paves the way to power for the populists. It is politics for “normal” people who, feeling threatened, despised and ignored, accept the images of the enemy offered to them in order to become political subjects again. Their anger is easily directed at the symbols of their alienation and humiliation – at migrants, alternative identities or “the elites”, when what they seek is the radical disruption of a system that seems unshakeable. From Brexit Britain to Narenda Modhi’s India and Javier Milei in Argentina, the same answer keeps coming up in the polls: we just want a change.

Winning makes you stupid

The above analysis is far from complete, and the role of social media in particular is worthy of consideration. Nevertheless, a picture emerges that is at once familiar and surprising: the liberal project is currently failing, not because of its opponents or its weaknesses, but precisely because of its strengths. Winning makes you stupid.

The short-lived triumph of liberalism blinded many of its protagonists to what winning does to the winners – and what losing does to the losers. The strengthening of personal freedoms, the juridification of social processes, the liberalisation of markets, the privatisation of state infrastructure, the globalisation of the economy, social progress, and the strengthening of individual freedom of choice and freedom of expression were central to the liberal project in its neoliberal interpretation. In fact, not only were these elements implemented in the democracies of the global North, so unrivalled was their power that they developed an irresistible momentum of their own. Their social virulence provokes a desire to abolish the current system as unreformable, a conclusion shared by right-wing populists and climate activists alike.

After six decades of the liberal project setting the tone in the global North and globally, the liberal project is now more damaged and less credible than ever before. Its historical justification has been stripped away, its expectations have not been realised, and its progressive ideas on sexual morality and identities have led to social polarisation. Its strong economic interpretation reinvented the polis as a marketplace and soon thereafter as an oligarchy, headed by immense, globally active fortunes and corporations whose influence lies outside any democratic context. The juridification of social processes led to a stasis whereby, especially in times of climate crisis, any political decision can be legally blocked;

and the emphasis on the individual resulted in an epidemic of loneliness and loss of trust. Any strength used excessively becomes a weakness.

The world afterwards?

The possible collapse of the liberal project as a system of rule of law and human rights is not merely an arbitrary aspect of the current polycrisis; such a collapse would directly jeopardise the continued existence of democratically constituted societies and thus add a new dimension of destruction to the crisis. If a sufficiently large proportion of a country's population no longer feels represented, no longer identifies with and even sees its interests violated by the ruling system, that system will fall, either through a violent revolution (as in the storming of the Capitol in Washington) or, more likely, through a takeover by authoritarian populists and a transition to "illiberal democracy" in the spirit of Viktor Orbán.

In the post-war welfare states that were favoured by economic growth, millions saw their opportunities and their hopes for a better future in the state and hence also in the liberal principles and democratic processes that made it function. In the democracies of the polycrisis, faith in the possibility of a favourable future is disappearing along with faith in democracy itself.

"The liberal, secularised state is sustained by conditions that it cannot itself guarantee. That is the great gamble it has made for the sake of liberty", wrote the theologian and political scientist Ernst-Wolfgang Böckenförde in 1961. His intention was not to attack the secular state or even to portray it as impossible, but to point out that a large polity cannot exist without some form of shared transcendence, as the remainder of the quote makes clear:

> "On the one hand, it can only exist as a liberal state if the freedom it grants its citizens regulates itself from within, from the moral substance of the individual and the homogeneity of society. On the other hand, it cannot seek to guarantee these internal regulatory forces of its own accord, i.e., by means of legal coercion and authoritative command, without giving up its freedom and – on a secularised level – falling back into the claim to totality from which it emerged in the confessional civil wars." [4]

Böckenförde's dilemma has become even more acute in the present day. So-called humanistic education has attempted to replace the authority of the Bible with Homer, Shakespeare, Beethoven and Goethe, with a canon of landmark works and the virtues and stories chiselled into their narratives. However, this framework has not held, because the commercialisation of all narratives has destroyed the idea of a canon and made all stories

equal and equally marketable. In the wake of this last, secular attempt at transcendence, all that remains is consumption, which promises participation in the world of brands, the cool and the rich.

While the messianism of socialist and liberal theorists has thus been refuted by history, populism, offers no more than a return to an imaginary past. It remains a challenge for liberal societies to create a sufficiently strong transcendence, a shared story, especially in complex societies characterised by migration and modern urbanity.

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The rapid decline of major democracies can be reversed only if a majority of citizens identify their own interests, their own life stories, with those of a functioning liberal democracy. This will only be possible if social and political participation is strengthened, monopolies are broken, the influence of globalised markets on local economies and ecologies is limited, the energy transition is implemented, and the influence of large fortunes on the political process is minimised. This may require other forms of democracy, in the form of citizens' councils, for example, and other forms of economic security in the face of automation and Artificial intelligence (AI), by virtue of an unconditional basic income, for example.

In its neoliberal interpretation, the liberal project has served as a justification for the transformation of large democracies into business subsidiaries. However, a liberal, emancipatory project fed by the sources of the Enlightenment and by the sciences could also provide elements of a strategy against social and political collapse. The Enlighteners of the 17th and 18th centuries knew all about the dangers of collapse. Despite all their metaphysical daring, they valued their stability.

A liberal, emancipatory *ethos* inspired by these philosophical rebels would see that freedom can only be achieved, if at all, by degrees, and within our ecological limits. There can be no emancipation, no freedom, and ultimately no democracy in systems that fail to adapt, no solution to any large problem without global redistributive justice. But there is creative space in democratic transformation and the reconstruction of the public interest as part of the wider ecosystem that *Homo sapiens* shares with other life forms. There is freedom and even hope in imagining possible futures, possible shared narratives and motivations for transformation in the face of growing crises.

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