

*Some paradoxes of democracy*  
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Workshop Democracy in the real world:  
Epistemic challenges and behavioural insights

*1. Why I am here*

Jacopo Marchetti, the organizer of this workshop, and I share a concern about the endangered role of truth in democracy. That is how I got to know Jacopo, here in Pisa, in May of 2017, when I gave a talk at a seminar with the title *Democrazia senza verità? Etica, politica e informazione*. Let me remind you that at the time, Trump had been president for the first time for 3 months. During the 8 years that have passed, my concern about truth in democracy has only grown. Not only; now that we are in the eleventh month of Trump's second presidency, I, like many others, am concerned about the future of democracy itself.

Now that I am reminiscing about the recent past, perhaps you will allow me to add some of my personal experiences that go much farther back. I have seen 4 crises during my adulthood. The first was the decision by Richard Nixon, on August 15, 1971, to suspend the convertibility of the dollar in gold. That decision put the Bretton Woods system on hold and created a lot of turmoil in the global financial system. Americans considered the ensuing depreciation of the dollar as an advantage. That contributed to Nixon's re-election in 1972. But for other countries, cutting the rigid tie of the dollar to gold was an emergency. (Full disclosure: I benefited both from the exchange rate turmoil that preceded the dollar "getting off gold" and its aftermath by a couple of modest speculations.)

The second crisis, this time a political one was Watergate. Nixon's arrogant scorning of the rule of law and democratic procedures was discovered, further investigated and made public by journalists of whom Bob Woodward and Carl Bernstein of the Washington Post are the most well-known. Every night, I watched the senate hearings that led to Nixon's impeachment, and I will never forget the role of Sam Ervin, the chairman of the Senate committee that interrogated the main players of the Watergate affair. Nixon resigned before his impeachment became effective and the way "Watergate" was handled with the support of both parties was considered a triumph of American democracy.

The third crisis that I have witnessed was the financial and economic crisis of 2007. Whereas in 1971 the dollar being taken off gold created considerable turmoil, this latest crisis risked the implosion of the international financial system. It was only prevented from doing so by concerted action of the major central banks and the huge injections of liquidity into the economy by the Obama and other governments. For me, this crisis was a mixed benefit; as a private citizen, I suffered its consequences as much as anybody else, but for me as an economist it was a unique occasion to study the fragility of the financial system, discover its roots, and look for remedies. It started me thinking more thoroughly about money, and I discovered – and published - a couple of surprising and interesting results.

The fourth crisis, a political one again, is in full course. I refer, naturally, to Trump's attempts to destroy American democracy. There is an important parallel with the financial and economic crisis. That crisis started in the USA and spread to other countries. Given the role that American democracy has played as an example to follow by the whole free world, the current political crisis not only risks spreading beyond the American borders, too, it already has.

Rahm Emanuel (I think) said that the financial and economic crisis was too good to waste, and that goes for the current crisis of American democracy, too. So, what can we learn from it?

## 2. *Democracy and (some of) its paradoxes*

What we see in action in the US is what Karl Popper in *The Open Society and its Enemies* (OS) has called the **paradox of democracy**. In note 4 to chapter 7 he describes it as follows:

“Another of the less well-known paradoxes is the *paradox of democracy*, or more precisely, of majority rule; i.e., the possibility that the majority may decide that a tyrant should rule.” (OS: 265)

Let me make a couple of comments. The first volume of OS is dedicated to a detailed analysis of Plato and the city of Athens, where he lived, taught, and wrote. Athens was a direct democracy: the perhaps 30.000-60.000 (male) citizens who had the right to participate in the discussions in the ekklesia voted directly about the most important decisions (for which the quorum was 6000). Those included the decision to delegate the power over the city-state to a tyrant. And even if a candidate-leader was not proposed as a tyrant, the city was small enough so that a would-be tyrant who posed as a benevolent and non-tyrannical leader would easily be unmasked. So, as Plato feared - and this was his main criticism of democracy - a democratic assembly may - and according to Plato, is likely to - elect a tyrant. In Plato's book, a tyranny is the worst of the five forms of government that he discusses (the other three are oligarchy, timocracy and aristocracy). So, the merit of putting the paradox of democracy on the map is Plato's, as Popper recognizes. In fact, Popper indicates other democracy-related paradoxes to Plato.

As the quotation indicates, Popper distinguishes more paradoxes. The second (if we want to number the paradoxes and assign first place to the paradox of democracy) is the **paradox of freedom**. Referring to Plato, Popper describes it as follows:

“The so-called *paradox of freedom* is the argument that freedom in the sense of absence of any restraining control must lead to very great restraint, since it makes the bully free to enslave the meek.” (OS: 263)

These two paradoxes can be found in a lengthy note (number 4) to chapter 7 of OS. The main text (after the note) describes another (?) but anyway closely related paradox, the **paradox of sovereignty**. It says that “All theories of sovereignty are paradoxical.” (OS: 124, italics deleted.) By theory of sovereignty Popper means the idea that the majority should rule.

“In his criticism of democracy, and in his story of the rise of the tyrant, Plato raises implicitly the following question: What if it is the will of the people that they should not rule, but a tyrant instead? The free man, Plato suggests, may exercise his absolute freedom, first by defying the laws and ultimately by defying freedom itself and by clamoring for a tyrant. [note 4, where Popper introduces the two paradoxes that we have just seen] This is not a far-fetched possibility; it has happened a number of times; and every time it has happened, it has put in a hopeless intellectual position all those democrats who adopt, as the ultimate basis of their political creed, the principle of the majority rule or a similar form of the principle of sovereignty. On the one hand, the principle they have adopted demands from them that they should oppose any but the majority rule, and therefore the new tyranny; on the other hand, the same principle

demands from them that they should accept any decision reached by the majority, and thus the rule of the new tyrant. The inconsistency of their theory must, of course, paralyse their actions.” (OS: 123)

Of course, the three paradoxes are closely related. And as if three was not enough, Popper introduces another paradox (number 4). The passage that mentions the paradox of freedom that I have quoted continues:

“Less well-known is the *paradox of tolerance*: Unlimited tolerance must lead to the disappearance of tolerance. If we extend unlimited tolerance even to those who are themselves intolerant, if we are not prepared to defend a tolerant society against the onslaught of the intolerant, then the tolerant will be destroyed, and tolerance with them.” (OS: 265, bold mine).

Popper is rather optimistic about the possibility to resolve these paradoxes:

“All these paradoxes can easily be avoided if ... [w]e demand a government that rules according to the principles of equalitarianism and protectionism [by which he means the protection of the weakest citizens]: that tolerates those who are willing to reciprocate, i.e., who are tolerant; that is controlled by and accountable to, the public. And we may add that some form of majority vote, together with institutions for keeping the public well informed, is the best, though not infallible, means of controlling such a government.” (OS: 265-6)

He also writes: that “it is not difficult to show that a theory of democratic control can be developed that is free from the paradox of sovereignty.” (OS: 124) The sketch that follows proposes to replace the idea that a majority rule is intrinsically good by the idea that a tyranny is bad and should be avoided. For that purpose we need a type of government

“of which we can get rid without bloodshed – for example, by way of general elections; that is to say, the social institutions provide means by which the rulers may be dismissed by the ruled, and the social traditions [n. 7] ensure that these institutions will not easily be destroyed by those who are in power.” (OS: 124)

The recent developments in the USA throw more than a bit of doubt on Popper’s optimism. They also show that the paradox of democracy may be realized in a different way than he describes. Popper thinks of a vote that explicitly abolishes democracy by electing a tyrant. I don’t believe that a significant part of those who voted for Trump did so because they wanted to abolish American democracy or because they wanted a tyrant to rule their country. Nor could they – or many of his opponents – foresee the lengths to which Trump would go to effectively become a tyrant.

But before examining some of the aspects - and paradoxes - of the kind of democracy Popper has in mind, let’s look at the background of his ideas.

### 3. *Governance: what is the question?*

Let’s stop for a moment to consider the context in which Popper distinguishes the four paradoxes. He holds Plato responsible for putting more than 2,000 years of political philosophy on the wrong track. (No wonder that OS was met with a storm of criticism from established Platonists.) He does so by posing as the central question of political philosophy

“who should rule?” Given that question, it is not surprising that Plato gave the answer: “the best”, by which he means the wise philosopher-king. Aristocracy is for Plato the best form of political governance because it pursues justice (in Plato’s sense) and the happiness of citizens. Aristocracy, however, is likely to degenerate into a timocracy, where the pursuit of honor is the central objective. When the timocratic rulers allow themselves to be compromised by wealth, a timocracy degenerates into an oligarchy, the rule by a limited number of billionaires (or, we might add, politicians who are backed by them; Putin was not rich when he began his political career, and there are also legitimate doubts about Trump’s net worth when he started his run for the office of president.) These super-rich oligarchs find it difficult to agree with one another (think of Trump and Musk), and the poor majority of the population benefits from their discord by overthrowing the oligarchy and establishing the rule of the people, democracy. In their lack of wisdom and foresight, the majority of the democratic assembly may vote to install a tyranny. A tyrant is a man who rules without law or reason.

Plato’s description has a modern ring to it, but today we would say that he gets the order wrong. For the USA 250 years ago, it was aristocracy  $\Rightarrow$  democracy, which now seriously risks being turned into an oligarch-backed tyranny. Nixon never tried to overthrow one of the pillars of democracy, free elections. But Trump spread the lie that he had won the elections of 2020 and he actively encouraged a mob to assault the Capitol on 6 January 2021. The House of Representatives impeached him but Congress failed to reach the two-thirds majority necessary to convict him. The Republicans in the Senate blocked a bill for creating a bipartisan committee to investigate Trump’s role. Republicans dragged their feet so that the activities of the select investigative committee that was installed in its stead and the indictments of Trump by the special counsel came too late to convict him before the next elections. He won them and that was the end of the criminal proceedings against him. Since the beginning of his presidency, he is doing everything he can to abolish the political system that has been an example for the rest of the world for two and a half centuries. The current state of American democracy is very different, indeed, from that of the times of the Watergate hearings! “The once exemplary US – a paradigm lost” writes Simon Tisdall in The Guardian of 12 October.

But let’s leave all that for the moment and let’s return to OS and Plato’s question. Popper observes that the fact that Plato admits that the rulers are not always good or wise puts a different question at the center of political philosophy. Popper proposes to replace Plato’s question of who should rule by the question: “How can we so organize political institutions that bad or incompetent rulers can be prevented from doing too much damage?” (OS 121, italics deleted; Popper credits J.S. Mill for a very similar proposal). Underlying this question are the following considerations:

“I am inclined to think that rulers have rarely been above the average, either morally or intellectually, and often below it. And I think that it is resonable to adopt, in politics, the principle of preparing for the worst as well as we can, though we should, of course, at the same time try to obtain the best.” (OS: 122)

*Prepare for the worst, aim for the best.* We may call this Popper’s maximin rule. And in fact, a guiding principle of his social and political philosophy is the idea that instead of the state having the task of maximizing the happiness of its citizens, it should limit itself to reducing their suffering. John Watkins has coined the label of *negative utilitarianism* for this (cp. Acton & Watkins 1963). A variant of welfare economics that puts the minimization of

negative utility in the place of the maximization of utility – if such a thing is possible at all – is still waiting to be developed.

#### 4. *Two models of democracy (I)*

Popper's move to change the question turns out to be very fruitful<sup>1</sup>. For one thing, Popper's idea or model of democracy, of which the equality of citizens, the rational discussion of policies and the function of politics as a means to get rid of a government by non-violent means are the central features, makes us aware of the existence of a different model or type of democracy. This second model is what most people have in mind when they think of democracy: democracy is an instrument, a set of institutions and procedures, through which citizens can express their political preferences. I will call it *deliberative democracy* (DD; another name is participatory democracy). For lack of a better name (I am open for suggestions), I will call Popper's type of democracy, in which rationality and a critical attitude play central roles, *critical democracy* (CD)<sup>2</sup>.

There is an affinity between the traditional question "who should rule?" and DD. Put very crudely, according to the popular image of DD, the answer is: "we, the people." And the objective that is associated with DD is finding the best possible solutions for collective problems. The idea, or impression, that individuals have a say in matters political and that it is possible to find the best solutions explains, in all likelihood, its popularity. Whether that impression is correct, is something I will turn to now.

#### 5. *Two mechanisms for the aggregation of individual preferences*

The market and politics are two alternative mechanisms for transforming, or aggregating, individual preferences into collective outcomes.<sup>3</sup> In the market system, individual preferences are aggregated into products and services that are accessible to anybody who is willing to pay for them. Individuals "vote" with their money. In politics, individuals vote with a pencil<sup>4</sup>. The aggregation process depends on the specific political framework that defines the rules that transform these votes into collective outcomes. Simple majority, two-thirds majority, first past the post, and electoral colleges are only a few of a great variety of electoral systems.

The economic aggregation mechanism may be subject to market failures, which can almost always be remedied. Its political alternative, on the contrary, suffers from at least two defects that are impossible to repair. To me, that makes **the popularity of DD paradoxical: P5**. One

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<sup>1</sup> As is the case with his philosophy of science, where he replaced the traditional question "how is certain knowledge possible?" by "how can we eliminate false hypotheses?" It is no accident that Popper's approach in both disciplines share these more modest and "negative" or "eliminative" formulations.

<sup>2</sup> The principle of CD that citizens should be able to remove from power a government that violates their rights and prevents them from pursuing their objectives is a central part of the American Declaration of Independence; see the *Conclusion*.

<sup>3</sup> They are also alternative mechanisms for coordinating individuals' actions. The market does so through Adam Smith's spontaneous invisible-hand mechanism, politics through deliberate action. This is an important topic, too, but even though it is related to the issues discussed here, I will not further go into it.

<sup>4</sup> There is a fundamental asymmetry in the kind of commitment under the two systems: money allocated to the purchase of something reduces the individual's capacity to realize other preferences; a vote can be given and taken away without opportunity costs, at least in the present. The link between individual actions and their consequences is more immediate in economics than in politics. Mancur Olsen has analyzed the problems related to the latter issue. It may be interesting to investigate these problems in confrontation with the alternative system of aggregation.

is Arrow's impossibility theorem. Kenneth Arrow in 1950 *proved mathematically*<sup>5</sup> that it is impossible to have a decision mechanism for voters who have a list of preferences in order of importance<sup>6</sup> that respects some basic democratic requirements: the domain of choice is unrestricted, *i.e.*, no ranking or ordering of alternatives is excluded from the social choice procedure; no individual can veto a majority decision (no-one can be a dictator); if the choice is between alternatives A and B, the preference for C, which is no part of the set of alternatives that is put to the vote, should not influence the outcome of the choice between A and B (irrelevant alternatives don't matter); and if all voters prefer A over B, then A should be ranked over B in the collective outcome (the social choice function), too.

A second defect of the political aggregation mechanism in a democracy is *empirical*, yet it cannot be remedied, either. In a community that exceeds the dimensions of Athens, it is inevitable that citizens be represented by political parties if they want to see their preferences realized.<sup>7</sup> Let's suppose citizen A has the (not ranked) preferences a, b, c, d and e. Before the elections she shops around and compares the election programs of the political parties. As a rational voter, A will choose to vote for the party that has the greatest number of her preferences on its program. Party 1 has the most, a, b, c and d. Now suppose that the party gets enough votes to make it into the coalition from which a government will be formed. In the negotiations with other parties, Party 1 has to sacrifice c and d. Items a and b make it into the government program. But even now A cannot rest assured that her preferences a and b will be realized. The government has to defend its program in Parliament. In the discussions with the opposition, the government is compelled to sacrifice a and b to allow it to realize d, which is not part of A's preferences. It may even be a measure to which she is strongly opposed. So, paradoxically, A needs parties for a chance to see her preferences realized, but the very same (multi-) party system may make it impossible that this will occur. (A two-party system is different because of its binary character, but even there the government may have to defend its program against the opposition of the rival party.) We may call this **6th paradox** the **paradox of representation**. Albert Hirschman in *Exit, Voice and Loyalty* of 1970 describes it in terms that emphasize the need for political parties - "élites" - to have enough manoeuvring space to avoid political paralysis:

"according to another line of reasoning [than the idea that a democratic system needs a mix of active, outspoken – outspokening/loud-speaking – and passive citizens], the democratic political system requires "blending of apparent contradictions": on the one hand, the citizen must express his point of view so that the political elites know and can be responsive to what he wants, on the other, these elites must be allowed to make decisions. The citizen must thus be in turn influential and deferential." (Hirschman 1970: 32)

## 6. *Two models of democracy (2)*

One of the reasons, if not the main reason, why most citizens have in mind DD when they think about democracy is that they have been personally involved in decision processes in sports clubs, school councils, homeowners associations and other assemblies "close to

<sup>5</sup> His PhD thesis, published in 1950 as *Social choice and individual values*, created a new economic discipline, the theory of social choice. Jon Elster identifies this discipline – wrongly, I think – with one of the three models of democracy he distinguishes. See the Appendix.

<sup>6</sup> For example, I find military aide to Ukraine more important than building a bridge across the Strait of Messina but I would rather see that bridge built than giving public money to the construction and maintenance of places in Albania for the detention of illegal immigrants.

<sup>7</sup> Even in Athens the problem of representation existed. Cp. Ober 1989.

home". But these are part of civil society, the often spontaneously evolved field or level of social aggregation between the market and regional and national government. In many of these associations, the distance between individual members and the governing board is much shorter than in national politics and the likelihood that a participant sees his or her proposal or a personal preference being realized is much greater. Many of the associations of civil society are, or are similar to, closed social networks with strong ties. The market is a primary example of an open network with weak ties. As to national politics, it seems to me to be a relatively open network of weak ties between the closed networks with strong ties of political parties, the cabinet, ministries with their departments, etc. If true, that is a much more complex structure than either the market or civil society, that are complex structures by themselves. The projection of the type of democracy in civil society that most citizens have direct experience with can be seen as an attempt to keep matters comprehensible. At the level of national politics, however, things are different. There, the paradox of representation together with Arrow's impossibility theorem, throws a bucket of ice-cold water on the idea that citizens in a DD can influence the collective outcome of the democratic choice process.

There is another problem for DD at the national level, one that has to do with its epistemic challenge. For citizens to participate *meaningfully* in the national deliberation process, they must dispose over the necessary knowledge about the issues under discussion and up for decision, even more so than in the assemblies of civil society: DD is very knowledge-intensive. That automatically means that DD is also very vulnerable to fake or pseudo-knowledge.

CD works very differently from DD: citizens judge the effects that the actions of government have on them and if they are not to their liking, they will not vote (again) for the party or parties that have held the power of government. Since most citizens are capable of forming an impression of how policies affect them, CD is epistemically less exigent and (perhaps) vulnerable than DD. Its core epistemic feature is that "although a few may originate a policy, we are all able to judge it." (the passage from the lengthy quotation from Pericles' funeral oration that Popper italicizes, OS 186).

Of course, these are considerations about the two models of democracy in their pure, idealized forms. Real, empirical political systems contain elements of both. For instance, when drawing up their electoral programs, political parties will take into consideration what they think voters want, by listening to their members or reading the outcomes of polls and surveys. This is similar to how DD works. As to CD, a free and independent press is necessary for it to function, as is the availability of information about government policies. CD in its pure form as envisaged by Popper seems to be backward looking, but he never entered into the details of how it might work: voters have the possibility of getting rid of a government whose actions they do not like by non-violent means. In reality, the opinion of voters are also expressed in a forward-looking way: they judge the electoral programs of political parties on their moral merits and their expected social, economic and political effects. Now, predicting the outcomes of policies is surrounded by problems but it is not impossible. In The Netherlands it has become an integral part of the electoral process.

### 7. *Informed voters, truth and the success of democracy*

Before the Dutch elections of 1977, three journalists conducted a series of interviews with the leaders of the four main political parties. The interviewers had studied the electoral programs thoroughly, and they put critical questions to the politicians about their economic and financial feasibility and internal consistency. Not all politicians always knew the answer to all of their

questions. When the following elections were organized in 1981, the parties were better prepared for a repeat of the interviews by two of the journalists. Some had even asked CPB, the official government office for policy research, to calculate the effects of their policies with the help of its big macroeconomic model. For the first time, all major parties included at least some quantitative estimates in their election programs. Gradually, in the series of subsequent elections, more and more parties voluntarily submitted their programs to an independent econometric check. This spontaneous process turned into a tradition. It was formalized in a standardized analysis and estimate by CPB. This procedure makes it possible to systematically compare the predicted economic and financial effects of the electoral programs of all participating political parties. From 1998 they are always published before the elections and under the same name: *Charted Choices*.<sup>8</sup>

It is the task of the press (radio, TV and newspapers) to summarize and translate in understandable form the outcomes, and they readily do so. Nevertheless, comparing the programmes and their expected effects puts considerable epistemic demands and strains on the conscientious voter who wants to ponder critically which of the considerable number of parties on the Dutch political scene (27 at the elections of 2025) deserves his or her vote. Of course, not all voters are that conscientious, rational and willing or able to devote the necessary time and effort to such a comparison, or they may simply care more about the moral and ideological features of party programs than their financial and economic aspects. Perhaps this a **7th paradox, the paradox of information**. It affects both DD and CD. While information is necessary for rational discussion and deliberation and all voters have in principle equal access to it, the abundant availability of information may lead voters to shut themselves off from it because they cannot process it. Herbert Simon proposed the same argument for agents in a market economy, concluding that individuals are not maximizers (of utility) but satisficers: they stop seeking information once they have reached an acceptable level of satisfaction of their preferences. The paradox becomes more incisive by the diffusion of false information and fake news, which have disorientating and polarizing effects.

In the rational discussions on which DD and CD are based, truth plays a fundamental role. That includes the recognition and elimination of fake information and the demand that politicians should not lie. Rationality requires that voters can *know* the truth and that politicians *tell* the truth. But informing citizens of all the details of governing would make the work of government impossible. Politics is a profession and political leaders need the skills for managing their parties, the relations with voters, and those with other parties. As everyone who has managed an organization knows, telling the full truth about everything to its members can easily be counterproductive and have paralyzing effects. In politics, this is further complicated by the existence of diplomatic relations and the work of secret services, which involve a certain level of deceit. We may call these facts of political life the **paradox of truthfulness, P8**. It may be considered to be a variant of P6, the paradox of representation, especially in Hirschman's perspective. So, it is of fundamental importance that people can trust politicians enough to accept a certain level of untruthfulness.<sup>9</sup>

Closely related is **the paradox of time, or of the time horizon, P9**. Governments have a limited term of office, usually 4 or 5 years. It is in the collective interest of society that policies with a remote time horizon be developed and implemented (think of defence and infrastructure). But by their nature, such policies don't produce results during a government's

<sup>8</sup> *Keuzes in kaart* is the Dutch title. Almost all government policy documents are also published in English. For a detailed description and a critical discussion of this "quiet revolution" in The Netherlands, cp. Birner 2020.

<sup>9</sup> This is an understatement, if not a gross simplification. Cp. Ellsberg 2002.



term of office. Yet, to be re-elected, a government must produce results that are to the liking of (a majority of) the electorate (many of whom have short time horizons). All promises and zero results is an infallible recipe for a government to be ousted. Governments also operate under a budget constraint: money allocated to short-term policies is money taken away from long-term policies, and vice versa. A safety valve is the possibility to borrow, but debt is expensive: interest must be paid, and to do so, governments must levy taxes. Raising taxes does not help to attract the votes of citizens who have to pay them. So, governments that really want to realize long-term policies find themselves in a dilemma. Paradoxically, it must give priority to short-term policies for being able to realize long-term policies.

Another paradox of democracy might be called **the paradox of its success, P10**. The very success of liberal democracy has led to its decline, and may end up destroying it. During what the French call *les trente glorieuses*, roughly the three decades between 1945 and 1975, the mix of democracy and capitalism has created the welfare state. This has raised expectations that this would endure. When endogenous developments such as increasing inequality and exogenous factors such as the oil crisis interrupted and even reversed this trend, these expectations were disappointed. This diminished trust in democratic politics opened the way for populist politicians who promised easy solutions to very complex problems. One of these is putting a full stop to immigration, something that in societies whose populations are ageing is a threat to what remains of the welfare state (just think of pensions).

That brings me to what is perhaps the most paradoxical of all paradoxes, except for Popper's paradox of democracy. **P11, the paradox of the attractiveness of democracy**. Democracy is still very popular in the whole world, at least in name: "The Democratic Republic of: the Congo, Korea, Vietnam", "The People's Republic of China". The names are reminiscent of Abraham Lincoln's slogan "government of the people, by the people, for the people", but the substance often has little in common with its realization in North America and most of Europe. Some nations even seem to try and quell possible doubts about their democratic character by using a double label: "The People's Democratic Republic of: Yemen, Ethiopia, Algeria, Afghanistan, the Philippines". Many of these countries also have their "people's armies".). The word "democratic" clearly has a strong appeal. If, however, it refers to our Western, liberal democracy (or what is left of it), is very doubtful if not outright **paradoxical** in the light of the research by Joseph Henrich<sup>10</sup>. That is because the principles of Western liberal democracy are inconsistent with the basic values in the non-WEIRD world. WEIRD is Henrich's acronym for Western, Educated, Industrialized, Rich and Democratic societies. Popper would call them open societies. Now, *pace* Popper, democracy may function in an open society, but it cannot be transplanted to a closed non-WEIRD society without being eroded.

#### 8. *Liberal democracy: a product of the West*

Henrich's main thesis, backed up by a host of (often behavioural-economic) research, is that many of the social and especially psychological mechanisms and attitudes that make social, economic and political institutions work and that we, members of WEIRD societies, take for granted and think are valid in the entire world, are really limited to our Western-European and North-American WEIRD societies. That goes for liberal democracy, too. But despite these differences, he writes, democracy has a strong appeal:

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<sup>10</sup> Published for instance in *The WEIRDEST People in the World. How the West Became Psychologically Peculiar and Particularly Prosperous* of 2020.

“... especially in more recent centuries, sophisticated societies responded to the evident economic and military power of European and European-descent societies (e.g., the United States) by voraciously copying their formal institutions, laws, and practices, ranging from democratic elections to the bizarre habit of wearing neckties.” (p. 263)

According to Henrich, the advance of the market went hand-in-hand with the increase in “impersonal trust”, the idea that most people can be trusted, trust that is not based on relationships with people you know personally or through your next of kin or friends. Popper would include impersonal trust among the characteristics of the open society. Impersonal trust is also important for representative democracies (see the discussion of **P5**, the paradox of representation). So in Henrich’s perspective, it does not come as a surprise that the spread of democracy occurred together with the diffusion of the market. But they are both influenced by and have influence on the psychology of citizens in Western-european societies. Transplanting democracy to societies where this psychological co-evolution has not taken place (cp. Popper’s “tribal instincts”) will inevitably create tensions.

“Even in countries without much real democracy or broad political representation, autocratic governments now often put on a big show that involves, elections, political parties, and campaigns. In places where the rule of law is weak, there are still written statutes and even inspiring constitutions that look like what you find in the United States, the United Kingdom, Germany, and France.” (p. 395)

But instead of considering this as a triumph of reason and rationality, as so many do - or did (remember that until Obama, and, of course Trump, the exportation of democracy was an important item on the official post-war agenda of US foreign policy)<sup>11</sup> - Henrich argues that it is an alien imposition that clashes with the psychology and many of the social values of non-WEIRD societies.

### 9. *Some other problems*

Now, the relationship between WEIRD and non-WEIRD societies may not be one-directional, at least conceptually. Populist politicians and parties in the West may be said to re-import elements of non-WEIRD societies: they appeal to voters’ emotions and tribal instincts while rejecting or redimensioning reason, knowledge and the rule of law. And they are having success. This **paradox of populism, P12**, is consistent with Popper’s “psycho-analysis” of Plato that he was gravely suffering from the transition from a tribal to an open society in Greece. Popper signals the tension between the modern institution of democracy and the tribal instincts that still dominate people’s outlooks, attitudes and behaviours. (We find the same idea in Hayek’s social, political and legal philosophy.) Populists use the nostalgia for an often imaginary and idealized past (“make America great *again*”), in which countries were populated by its “original” citizens. That these do not include native Americans or aborigines but only white immigrants indicates that this nationalist criterion is arbitrary<sup>12</sup> apparently does not bother much of the electorate; many black Americans and Latino’s voted for Trump. That indicates that in the ranking of their preferences, they put

<sup>11</sup> But as the meddling with, for instance, the politics of Chile shows, the fear of “communism” had a higher priority.

<sup>12</sup> It is also inconsistent with one of the accusations against King George III that are listed in the Declaration of Independence, viz., that “He has endeavoured to prevent the population of these States; for that purpose obstructing the Laws for Naturalization of Foreigners; refusing to pass others to encourage their migrations hither, and raising the conditions of new Appropriations of Lands.”

other – mostly economic – items higher on their list. Out of a long-lasting delusion with the economic policies of the Democratic party, poor and middle-class voters, including those from ethnic minorities, have voted for Trump, even though his economic promises don't stand up to critical scrutiny and his economic policies are contradictory with one another. But the electorate does not listen to economists who demonstrate this, or if they do, they don't seem to care. We may call this short-sighted, but in order to help realize other, longer-term objectives, citizens must survive: "it's the economy, stupid!" Under difficult or desperate circumstances, voters are all too happy to believe a candidate who promises that things will get better for them. This paradox of populism may be the most insidious of all because it may lead to the destruction of liberal democracy from within. This is a variant of Popper's paradox of democracy. It operates through a creeping process of erosion of the principles that underly liberal democracy: equality and rationality, by elevating popular (narrowly defined) sovereignty above the non-violent dismissal of a government.<sup>13</sup>

#### 10. *Solutions?*

So, we have seen the following paradoxes:

Popper's four (if they are independent) paradoxes of democracy, freedom, sovereignty, and tolerance;

P5: the paradox of representation;

P6: the paradox of the popularity of DD;

P7: the paradox of information;

P8: the paradox of truthfulness;

P9: the paradox of time, or of the time horizon;

P10: the paradox of the success of democracy;

P11: the paradox of the attractiveness of democracy;

P12: the paradox of populism.

How to solve at least some of them? Perhaps the introduction of an even more decentralized federalism than Hayek proposes (cp. Birner 2025) points in the right direction. Hayek quotes Lord Acton with approval:

"Of all checks on democracy, federalism has been the most efficacious and the most congenial... The Federal system limits and restrains sovereign power by dividing it, and by assigning to Government only certain defined rights. It is the only method of curbing not only the majority but the power of the whole people...) (quoted in Hayek 1961: 18)

We may say that this is a development in Hayek's thought from the advantages of distributed knowledge in a market economy to the independence and autonomy of distributed power in politics, a system of checks and balances. It has two elements. One consists of the institutions of a democracy, that are organized according to the principle of the separation of the four powers (legislative, executive, judiciary and informative). The other element is procedural and encompasses everything to do with elections and the limits to terms of office and the possibility of re-candidature.

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<sup>13</sup> The assault of the Capitol on 6 January 2021 by a violent mob that wanted to annul Joe Biden's electoral victory indicates that this is far from imaginary. Several people were killed. In times when the Rule of Law is respected, the fact that Trump, who lost the elections, encouraged it, would at the very least have led to his exclusion from all future elections. But no criminal investigation of his role was undertaken and he and the majority of the Republican senators and members of the House of Representatives have continued to sustain the falsehood that the election was stolen.

What is happening in the USA under Trump's second presidency illustrates the importance of a decentralized and multi-level legal system. Judges, even those appointed for partisan motives, often act according to what Popper calls the logic of the(ir) situation, which is to apply the law, not to please the president.

Of course, we have good reasons to be extremely worried about Trump's onslaught on American democracy. I concur with Robert Reich, who shows that he satisfies all the criteria of a fascist. (Reich and Paul Krugman are two of my heroes. In their daily blogs they analyze what Trump and his Republicans say and do, and demonstrate the inconsistencies, mistakes, falsehoods and outright lies of their acts and parables.) On the other hand, it has proved to be resilient in the past. We may draw hope from the fact that the relatively young democracy of the USA continues to be a live experiment (it certainly is lively, even though most of the Democratic Party continues its lethargic slumber) of putting into practice the principle of "government of the people, by the people, for the people." (Abraham Lincoln, Gettysburg address, 1863) in accordance with the principle that is stated in the Declaration of Independence:

"That whenever any Form of Government becomes destructive of these ends [the inalienable rights of the citizens and their pursuit] it is the Right of the People to alter or to abolish it, and to institute new Government..."<sup>14</sup>

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<sup>14</sup> The central idea of what I have called critical democracy is the justification of the decision by the American colonies to seek independence from England. Cp. also: "But when a long train of abuses and usurpations, pursuing invariably the same Object evinces a design to reduce them [*i.e.*, the natural rights of men] under absolute Despotism, it is their [the citizens'] right, it is their duty, to throw off such Government, and to provide new Guards for their future security." (ibid.) Under the name of accountability, the same idea is also the foundation of the Constitution of the newly founded republic.

### Appendix

Elster 2005 uses market and forum as synonyms of economics and politics (“I have been discussing three views concerning the relation between economics and politics, between the market and the forum.” - Elster 2005: 154). He rejects a market approach to politics; his criticism is that it – in the form of the theory of social choice – is based on *exogenous*, *fixed* and *private* preferences. “The economic theory of democracy ... rests on the idea that the forum should be like the market, in its purpose as well as in its mode of functioning.” (*ibid.*). Elster prefers a type of democracy between the Market and the extreme musyawarah-like participatory of deliberative democracy of Habermas’ Forum idea. Politics for Elster is an interactive process between individuals that may change their preferences for *public* issues, which are *variable* and *endogenous*. This is what I would call deliberative democracy. Social choice theory provides a powerful set of instruments to model the aggregation aspects of this process, and I think it can deal with changing individual preferences, too. It would also have no difficulties with individuals’ preferences about the public sphere. If Elster means that the alternative to the political process for aggregating preferences, the market, cannot be imported into political deliberative processes, I agree.<sup>15</sup> The *instruments* of economics, however, may be very useful for analysing politics; Hirschman’s *Exit, Voice and Loyalty* is another example. So, Elster is wrong to think that the link between political theory and economics limits itself to the fact that many political decisions are about economic arguments. The fact that he does raises the suspicion that he confounds the object-level of economic arguments in politics with the meta-level of economic instruments for analysing political processes.

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<sup>15</sup> For instance, so-called prediction markets, whose promoters say are very accurate, pose serious problem of manipulation, corruption and self-fulfilling or self-destroying prophecies. Cp. Kelly 2025.