

The Open Society and Its New Enemies

Critical Reflections on Democracy and Market Economy

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I. The Open Society: After Sixty Years

Sixty years ago Karl Popper, a Viennese philosopher in exile in New Zealand, wrote his celebrated and controversial magnum opus in political philosophy, *The Open Society and Its Enemies*. In attacking totalitarianism, the book identified three enemies of “the open society”: Plato, Hegel, and Marx. When the work was published in 1945 some months after the end of World War II, and its author had taken up a new position at the London School of Economics on January 1946, a new ideological battle, the Cold War, was already beginning between the Western market economy democracies and the socialist block led by the Soviet Union. Popper’s work, together with his economist friend Friedrich von Hayek’s manifesto *The Road to Serfdom* (1944), became a standard text of postwar liberalism in its fight against communism. The 1957 book edition of Popper’s *The Poverty of Historicism* (published originally in 1944-1945) was dedicated to the memory of “the victims to the fascist and communist belief in Inexorable Laws of Historical Destiny”. When Sir Karl died in 1994, the Berlin Wall had already tumbled down and the Soviet Union had collapsed.

In *Conjectures and Refutations* (1963), Popper identified himself as a “liberal” in the classical sense: not a sympathizer of any political party, but “simply a man who values individual freedom and who is alive to the dangers inherent in all forms of power and authority” (p. viii). But soon this term gained special flavour when the British conservative party started to advocate what is usually called economic neoliberalism or philosophical libertarianism.¹ In the 1980s, during the Reagan-Thatcher era,

¹ It is interesting to note that an external observer, the Chinese philosopher Li Tieying (2002), mentions Keynes and Roosevelt as “neo-liberals” and classifies Hayek and Friedman as “neo-conservatives”.

Popper's and von Hayek's views were regularly linked to these political doctrines of the New Right. Thus, again Popper was used as a weapon in ideological debates, now against the Western models of welfare society.

But it is important to observe that some philosophers have interpreted Popper's position as a "social democracy", as Brian Magee, later a MP of the British Labour Party, put it in his *Popper* (1973), or as an articulation of what Ralf Dahrendorf named "the Social Democratic Consensus" in 1979. It is also interesting to note that recent scholarship on the formation of Popper's views has emphasized his youthful socialist background in the Red Vienna. Malachi Haim Hacoen (2000) argues convincingly that while writing *The Open Society* during the war Popper knew nothing about the Soviet Union. He was launching a defence of democracy against fascism, not a "charter of cold war liberalism". Popper found the totalitarian fascist drive in Plato and Hegel, but Marx was treated as a progressive democrat whose main failure was historicism (cf. Popper, 1957): the belief in historical inevitability weakened the socialists' ability to confront fascism and left Central European democracies defenceless (Hacoen, 2000, p. 383).

Popper contrasted the open society with "the magical or tribal or collectivist" closed society whose laws and customs are felt to be unchanging and inevitable. In the open society, "individuals are confronted with personal decisions" and thereby have responsibility in approving public policies (Popper, 1966, vol. 1, p. 173). Such a society tolerates and fosters the critical attitude that is characteristic to scientific thinking. It has to be democratic in the sense that the people in power may be criticised and replaced by others without violence. The open society is liberal and anti-totalitarian, as it involves a belief in "the possibility of a rule of law, of equal justice, of fundamental rights, and a free society" (Popper, 1963, p. 5).

Popper, who supported "piecemeal social engineering" with the principle of "minimizing avoidable suffering", did not propose the open society as an ideal or utopian goal. But it is still interesting to ask where we stand today with Popper's project of the open society. Has this form of society been realized or even approximated anywhere in the world? And who are currently its most dangerous enemies?

II. The Prospects of Democracy

No one can deny that democracy has significantly improved its position in the latest two decades: according to David Held's classification,

the number of authoritarian states has dropped from 101 to 43, partial democracies (with institutionalised voting rights) increased from 11 to 43, and full liberal democracies (with basic civil rights and freedoms) from 35 to 78 (see Held et al., 1999).

On the other hand, one must admit that the progress of the Western model of democracy has also met many difficulties.² Political dictators, military governments, and dogmatic religious leaders have not vanished from the earth. Democratic openness may still be limited both in poor developing countries (several countries in Africa, Asia, and Latin America) and relatively rich growing economies (Singapore). Discipline rather than liberty is often taken to be the “Asian” tradition of government (cf. Ishiguro, 2003). The new Russia with a privatized market economy has not been able to establish a stable democracy with civil security and free press. The Marxist theory, which contrasts “the capitalist individualistic democracy” or “the bourgeois democracy” with “people’s democracy” or “people’s democratic dictatorship under the leadership of the working class”, is still alive in China (see Li Tieying, 2002) – in spite of the fact that China has cautiously opened the way to market economy.

In addition to such more or less familiar cases of closed societies, and the problems with building new sustainable democratic states, it is important for us also to exercise self-assessment and to critically evaluate our own nations. Perhaps we are able to locate new enemies of the open society? It is this issue that I take up in this paper. I shall consider four relevant topics: (i) the welfare society and social justice, (ii) the information society, (iii) the market economy, multinational corporations, and globalization, and (iv) the world after 9/11.

III. Welfare Society, Freedom, and Social Justice

A social organization may be evaluated on two grounds. First, is it effective in producing the desired results, and does it perform this task *efficiently* in the cost-benefit sense? Secondly, is it *just* or at least more just than its alternatives? I think the Nordic model of welfare society

² I am not going to discuss in this paper technical problems in implementing democratic elections (e.g., the famous voting machines in Florida) or conceptual difficulties in the analysis of democratic procedures, related to the social choice theory (e.g., Arrow’s paradox, voting paradoxes).

scores on both of these points (cf. Niiniluoto, 1995). It is the latter aspect that is directly relevant to the question of openness, but it is relevant to consider the former as well. I will conclude that the welfare society is not an enemy of the open society, and the recent criticism against it is in many ways unfair.

The building of the Nordic model of welfare state was effectively started in the 1960s, even though its roots in Sweden date back to the early years of the 20th century. In Finland, it was mainly a joint project of the Social Democrats and the (formerly agrarian) Centre party. It has involved a conception of a strong state and large public sector which takes care of security networks, allowances, and many other welfare services to all citizens. In contrast, the Catholic model of welfare has given more emphasis to the family and the church, while the American model relies largely on private insurance policies and the market. All of these models accept the basic principles of democracy and market economy, and their implementation in different countries has presupposed the growth of national economy.

Finland was able to build its welfare society until the end of the 1980s without a large foreign loan. It successfully avoided the depressing lack of freedom in the Eastern socialism and the immense inequalities of wealth in the American capitalism. It also gave room for a relatively large “third sector” – besides the state-centred public sector and the private business sector. The welfare society gets credit for its overall and long-term efficiency: ability to sustain the equality between the sexes, rights of cultural minorities, social security and safety of the citizens, balance between social groups, and low degree of social diseases like poverty, violence, and criminality.

What went wrong in the latter half of the 1980s was the overheated economy, due to selfish and greedy values in the market opened for free international competition. The growth of expenses in the social sector was an effect of the economic recession, not its cause. The New Right movement reached Scandinavia along with these events in the early 1990s. It gained impetus from the collapse of the socialist system and the difficulties created by the economic recession. It started an ideological campaign against the welfare state: the public sector is too large and ineffective, the role of the state and the local government is bureaucratic and prevents the active operation of the free market and enterprising citizens. The neoliberalist critics thus claimed that the welfare society, especially the state-centred model developed in the Nordic countries, is a protective and paternalistic system that suppresses the freedom

of individual citizens. As a cure, they are proposing privatization and reductions in order to “save” the welfare society.³

A compromise, called “the third way”, has been proposed by Anthony Giddens (2000). It attempts to combine demands of global market economy, individual rights and responsibilities, and the social functions of nation states in a manner that is close to the political lines in the Nordic countries.

Today the welfare state is often blamed for excessive paternalism and domination which subjects its citizens to serfdom. This is the view of the *libertarian* philosophy: it wants to restrict the tasks of the state merely to a “nightwatchman” (Robert Nozick, 1974) which only guarantees the continuing opportunities of selfish competition in the free market. This emphasis on the value of liberty fails to distinguish between socialism and welfare society – when socialism as “the enemy” is disappearing from the scene, the new target is chosen to be the Nordic model (and similar principles of justice and equality in other societies).

This libertarian criticism confuses two notions of freedom: *negative freedom* (“freedom from”) as the absence of constraints and prohibitions, and *positive freedom* (“freedom to”) as the possibility and capability of doing something.⁴ The basic rights of the citizens of liberal Western democracies include many negatively defined freedoms – such as the freedom of speech, thinking, and trade. The view of a libertarian is restricted to this domain of rights. On the other hand, welfare society is characterized by principles of positive freedom as well – such as the rights to education, work, child care, aid to the elderly, and health care.

3 In reading about such cuts, one is reminded of the old story about surgery: the operation was successful, but the patient died.

4 Joel Feinberg (1973) has argued that there is only one concept of freedom, since positive freedom can be defined as the absence of negative constraints. But I think it is artificial to describe, e.g., wealth as the lack of lack of money. Quentin Skinner (2002), who defines “a third concept of freedom” as the autonomy of citizens with respect to the arbitrary will and mercy of the rulers, fails to appreciate the significance of positive freedom. Here is an example of a negative freedom without positive freedom: even if no one prevents me from buying a house in London or writing an essay on radio astronomy, I am not free to do so if I so decide, since I lack the relevant financial or educational resources. The importance of the idea of positive freedom is very prominent in the account of justice by Amartya Sen: instead of discussing the means of material wealth, his theory of justice is based on the distribution of human capabilities and abilities (see Nussbaum and Sen, 1993).

The existence of such rights give opportunities and capabilities to the citizens. It is of course an important issue how large domain of positive freedom a society can afford to guarantee, but it is clearly a mistake to urge that such freedoms or rights would be examples of domination and serfdom (Niiniluoto, 1997).

The basic formal ingredient of justice is the Rule of Equity: persons in the same or similar situations have to be treated equally. As Joel Feinberg puts it in *Social Philosophy* (1971), “like cases are to be treated alike and different cases differently”. For example, equality with respect to law, and the right to vote in parliamentary elections are applications of this principle.

However, equity should not be understood to require that all people ought to be like each other in all respects. Equity is compatible with the rule that persons may be treated in different ways, if their positions differ in relevant ways. Substantial theories of justice should tell what a “relevant difference” may mean in areas like wealth, health, and political power. The most usual proposals for relevant differences include human needs (e.g., handicapped persons need more health care than others in order to have good life), merits and achievements (e.g., the most qualified applicant is appointed to a job), contributions and efforts (e.g., business profit is shared in proportion to the investment and amount of work by different parties).

John Rawls characterized justice as fairness in his *A Theory of Justice* (1971). His ingenious device was the suggestion that the principles of society should be fixed behind a “veil of ignorance”, without knowing in advance one’s own position in the society. Rawls did not demand that everything should be distributed to the citizens in equal portions. Rather, he combined the condition of “the most extensive basic liberty” with a Difference Principle: “All social values – liberty and opportunity, income and wealth, and the bases of self-respect – are to be distributed equally unless an unequal distribution of any, or all, of these values is to everyone’s advantage” (in particular, to the benefit of those people who are worse off). With some simplification, the justice of a society depends on the well-being of those who have the worst position.⁵ By this standard, the Nordic model of welfare society is more just than its rivals.

5 In my view, the Rawlsian Difference Principle should be amended by placing restrictions to unfairly large differences in resources (cf. Niiniluoto, 1995).

IV. Democracy, Corporations, and the Media

A widely accepted doctrine, formulated by Montesquieu in 1748, states that a good constitutional monarchy or democracy should separate its executive, legislative, and judicial powers. However, in modern societies these three powers (i.e., government, parliament, and courts of law) are not the only influential actors of the social system, and these other actors may turn out to be threats to the open society.

One alternative to the Montesquieu-type of constitutional democracy is the *corporatist* model, where the society is divided into separately functioning orders - such as estates, classes, guilds, churches, professions, trade unions, and other corporations (in the broad sense) – and democratic participation is replaced by the representation of such corporations. In fascist politics, in Mussolini's Italy and Franco's Spain, such corporatism was implemented by the totalitarian one-party regime whereby the people lost their power to influence political decisions.

One of the corporations in modern society is the technological elite, often in co-operation with the military profession. Even though technology may be directed by democratic interventions and assessment to yield benefits to the quality of life and social progress (Niiniluoto, 1997), *technocracy* – or a society ruled by the technologists – is an enemy of the open society. In the technocratic perspective, the organization of the society is seen merely as a kind of engineering problem and the issues about justice are reduced to mere efficiency. Thereby social problems are assigned to technical experts, and their relations to citizens' values and deliberation is suppressed. Here Popper's own style of speaking about "social engineering" may give too technocratic impression of his views.

An example of an additional social force which upsets the democratic order is *organized crime*. The Sicilian mafia is a remnant of the premodern tribal or feudal social order, but its extension to the American *cosa nostra* shows that such a threat to the open society may exist and grow in the modern capitalist society as well. It is clear that the normal operation of society is biased or suppressed if the gangsters "hold in their pockets" important politicians, congress members, senators, or trade union leaders – by using violence, bribery, corruption, and blackmail as their principal methods instead of public and rational argument. Another recent example is the Russian mafia, created immediately with the collapse of the communist power and the opening of the private market. In the age of globalization, organized crime continues its operations effectively on an international scale.

The *press* has sometimes been called “the Fourth Estate”. The significance of journalism has been great in modern states, but it has definitely further increased within the “information society”, created through communication by the electronic media (telephones, radio, TV, cinema, videos, CD-roms, mobile phones, internet) and the processing of digital data by computers.

The information society has several different impacts to the conditions of democracy. On the positive side, following the noble goals of the enlightenment and its principles of the “freedom of information”, the new media may help to disseminate genuine knowledge (i.e., true and justified information), and thereby to educate people and to improve their critical thinking. The development of ICT may also have dramatic political consequences: as Manuel Castells (2000) has argued, the citizens’ access to non-censored information strengthened the position of liberal democracies and helped to overthrow the closed system of Soviet socialism. Hence, the information society can be, in some important respects, a friend of the open society.

More specifically, it has been proposed that computers could re-establish a form of direct democracy, instead of parliamentary or representative democracy, by allowing all citizens to immediately cast their votes on all interesting questions by using their mobile phones and web connections. I find these suggestions about “tele-democracy” unrealistic: democracy presupposes open critical discussion by well-informed participants, and this condition can be satisfied by all citizens only in relatively small communities.

On the other hand, Adolf Hitler in his *Mein Kampf* has already recognized that the media can be used for the purposes of totalitarian political propaganda. Thus, the media may become an enemy of the open society even in a civilized society. Still, the best “vaccination” against such ruthless propaganda is education. In the information society it is a crucial political question who owns and controls the media. At one extreme, the democratic control of political leaders will be weak or even prevented, if the press is dominated by the existing power elite. This is largely the case in Russia, where President Putin has gained a lot of centralized power, but also in another form in Italy, where Prime Minister Berlusconi is the owner of the largest TV channels. In a healthy multiparty democracy, which wishes to avoid “infocracy”, there should be both private independent media channels and public service companies functioning upon parliamentary trust.

The fragmentary postmodern society, where the subjects are losing their critical abilities and autonomy in the flow of meaningless informa-

tion, also suggests that the power of the media may turn out to be a new kind of threat of the open society. The free market alone is not a cure for this syndrome. Warnings in this direction were already given in the criticism of mass media by the Frankfurt School, in particular by Herbert Marcuse in *One-dimensional Society* (1964). The popular success of dull and passive TV programs and the endless labyrinth or mycelium of the internet has even intensified the problem that the liberal policy of allowing anything in the media market that can be sold may make the citizens helpless floaters in the seamless semiotic processes.

V. Democracy, Economy, and Globalization

The gradual progress of free trade and enterprise, promoted by liberalist economic theories during two centuries, has mostly walked hand in hand with political democratization. It is evident that these two processes have mutually supported each other in the United States and in many European countries. Still, the relation of economy and politics is open to several alternatives.

According to the traditional view, economy is an instrumentally valuable tool in sustaining life, making a living in a household, guaranteeing work and employment, and producing common goods, commodities and services for consumption. National economy is important for states, as it promotes the well-being of individual citizens and allows a state to secure its sovereignty and political power.

The famous declaration of neo-liberalist economy is Milton Friedman's slogan: "The business of business is business". In other words, "the social responsibility of business is to increase its profits", and to speak about its other "social ends" is "preaching pure and unadulterated socialism" (Friedman, 1970). This view implies that economy should be left to operate upon its inner logic: the primary and only goal of business is to make more money for the owners. Thereby economical success becomes an intrinsic value, an end in itself. The role of the state in the national economy is minimal: to establish and guarantee conditions for free competition between corporations, where freedom is understood in the negative sense as the absence of external constraints. When the restrictions on international trade and monetary transactions were abolished in the 1980s, and the capital was allowed to restlessly seek the best profits that can be found in the world-wide market, the internal logic of the free trade gained a new impetus. At the same time, the new information and communication technology has made a global information economy

possible. The results of this process of globalization have brought profits to some regions and some groups, but disasters to some others. The new political role of international actors like the World Trade Organization (WTO) is to guarantee the conditions of free competition on a global scale. By neo-liberalist lights, the regulations of the welfare society concerning conditions of work and taxation are seen as a hindrance to the free movements of the homeless capital.

This growth of the market economy has encouraged an ideological credo that wishes to subsume all aspects of human and social life under the principles of cost-effect-efficiency and accountability. Terms borrowed from economy are now vital in all fields – examples include entrepreneurial university, culture industry, content production, and social capital. This libertarian ideology is surprisingly similar to what Karl Marx called “historical materialism”: the sphere of economy, the means and relations of production, determine the course of history and society.

The dominance of economy over politics has created serious problems for democratic governance. In the 1960s left-wing critics suspected that parliaments have lost their power to rich families that own the factories - and proposed the abolition of private property as a remedy. Today the states have a very limited choice, as they have to adjust their policies of corporate taxation and employment and to cut their welfare services to please the interests of the owners of trans-national companies and foreign investment banks. New coalitions like the European Union still try to save something of the social projects that are now too large for nation states to handle, and attempts are made to strengthen the position of the United Nations and to establish new kinds of institutions to implement democratic principles in the world government. In the UN Development Program there is still hope about “globalization with a human face” (see Jolly at al., 1999). But the loud critics of WTO negotiations see globalization as process where the world is ruled by multinational corporations (see Korten, 1995): more freedom for corporations means less freedom for nation states and less political power for their citizens. Besides active protests, low voting rates are also an indication of the feeling that ordinary citizens of formally democratic countries have lost their opportunities to influence political decisions.

An interesting criticism of *laissez-faire* capitalism has been presented by George Soros, a former student of Popper in the LSE and the founder of the Open Society Institute (OSI). Soros is himself a leading rich market capitalist, “the man who broke the bank of England” in 1992 and intervened and exploited the Asian financial crisis in 1997. The OSI and the Soros

Fund are running philanthropic programs in Eastern Europe and Russia, Asia, South Africa, and Latin America to improve the civil society, human rights, education, media, and public health. In 2004 Soros was personally active in a campaign against the re-election of George W. Bush.

Soros accepts a kind of double standard. In an interview in the State of the World Forum in 2000 he urged that “the businessmen need to separate their business interests from their interests as citizens”, so that it is appropriate for people to pursue their profit motive in business. This sounds like Friedman’s neo-liberalist slogan that we quoted above. But Soros also argues that the economic system does not satisfy the ideal theoretical assumptions of perfect knowledge and rationality, and therefore its stability can be preserved only by deliberative efforts of the state. This is urgent, as the breakdowns of economy may give rise to totalitarian regimes. In this sense, capitalism threatens to be a *new* enemy of the open society (Soros, 1997). Soros further opposes the libertarian assumption that the free market is always beneficial to society. Against such excessive individualism and “market fundamentalism” he advocates the idea that, outside the domain of business, the open society should respect principles of justice and allow the greatest possible freedom to all of their citizens.

The position of Soros can be compared to what Popper originally stated in *The Open Society*. Popper claimed that “the unrestrained capitalism” discussed by Marx has “completely withered away in the twentieth century” (vol. 2, p. 335). It has given way to political and economic “interventionism”, which – besides the collectivist “Russian” and fascist forms – is exemplified by the New Deal in America and has reached its highest democratic level so far in Sweden (*ibid.*, p. 140). This is not only a historical remark, but Popper urges that “we must demand that unrestrained *capitalism* give way to an *economic interventionism*”. The reason is what he calls “the paradox of freedom”: freedom defeats itself, if it is unlimited, since “unlimited freedom means that a strong man is free to bully one who is weak and to rob him of his freedom”, and therefore all citizens have the right to be protected by the state (*ibid.*, pp. 124-125).

Some authors have proposed a conceptual distinction between capitalism and the market economy. *Capitalism* is the economic system that allows private ownership and fosters ruthless egoistic competition for one’s own advantage. The only sense of justice is derived from Thrasymachus: the strongest and the greediest defeat the weaker ones.⁶

6 Plato’s *Republic* is opened by the sophist Thrasymachus who asserts that “the just is nothing else than the advantage of the stronger” (338c).

At the same time, it sounds like a revival of the 19th century (ill-named) “social Darwinism”: society is seen as a jungle of egoistic beasts playing a zero-sum game of the survival of the fittest. The so-called casino economy, where corporations act like beasts, is uncontrolled capitalism in this sense. It is this form of unrestrained capitalism that Popper clearly rejected in *The Open Society*.⁷ The *market economy*, on the other hand, is based on free economic competition where some internal legal and ethical principles govern the fairness of competition: you are not allowed to cheat your partners and competitors, you should not take advantage of internal information for your personal benefit, etc. It is this minimal protective function that the neo-liberals allow for the state and for the entrepreneur’s ethical commitment - and to this extent they are not advocating the crudest form of capitalism. Free economic competition should mean freedom from manipulation (e.g., by big international companies), which may partly explain the paradox that free trade in Europe has to be guaranteed by an enormous amount of rules and directives.

But, in spite of the wish of some Popperians to read their master in a libertarian way, it is also clear that Popper’s “economic interventionism” allows the state to have a more significant role than the neo-liberalist “night guard”. In the open society, for Popper and Soros, fair economic competition and co-operation should be viewed as means to common good and social justice – without assuming with Adam Smith that this important function is as if automatically realized by “the invisible hand”.

To become an open society, a market economy has still to be enriched by further principles of fairness. The attempt to construct a fair market economy comes close to the communitarian ethics that seeks, against the individualist emphasis on struggle and competition, the advantages in mutual co-operation and respect between citizens and nations. Economic agents enter voluntarily into competitive actions and take risks, but they also rely on the infrastructure provided by the society. Following the Rawlsian conception of justice, such economic activities should give advantages to all: by democratically designed means they should redistribute parts of the gains to all members in the society, so that they are defined as co-operative non-zero-sum games – and the same idea should be repeated on the international global level.

7 For the tension between Popper’s methodological individualism and his account of the reality of human-made social constructions in the “world 3”, see Niiniluoto (2006).

In addition to legislation and democratic procedures, ethical and social principles are also needed. As the recent failure of Russian post-Soviet capitalism shows, the lack of the “social capital” and an underdeveloped civil sector can be a serious defect. The success of the economy has to be based upon the mutual trust between the regime, the economic agents, and the citizens. *Pace* Friedman, the fair market economy in this sense should be based upon principles concerning the balanced ethical responsibilities of business enterprises with respect to their stakeholders, employers, consumers, and the natural and social environment. It acknowledges the fact that firms normally give profit to their owners, but regards the neo-liberalist over-emphasis of shareholder value as a one-sided and unhealthy feature of the economic system.

Sometimes the market economy is defended by claiming that its manner of operation in itself is “democratic”. There is some truth in this thesis, if the citizens as customers are able to influence the behaviour of firms and companies. The enlightened customers “vote” by buying products of companies which behave morally with respect to environment and employees. For this reason, ethics and social responsibility have become urgent matters for corporations who wish to be successful. But the reality today is still that “money talks” and the shareholder values are stronger than the power of the customers. In order to be moral agents in a genuine sense, sheer utilitarian profit cannot be the ultimate motive, but corporations should adopt their ethical values on the conviction that we all are together seeking a world with a better quality of life for all.

VI. Historicism and 9/11

Francis Fukuyama proclaimed in 1989 that history has come to a happy end with the permanent victory of liberal democracy (see Fukuyama, 1992). By Popper’s standards, Fukuyama’s thesis is unfalsifiable due to its ambiguity: it may concern the actual historical position of political systems in the “material world” or the theory of such systems in the “ideal world”.⁸ To the horror of the Popperians, Fukuyama also revital-

⁸ The problems in establishing democratic regimes in many countries count against Fukuyama’s optimistic thesis, if it is understood as a historical claim about the actual victory of democracy among nations. The problems in the theory of democracy (see note 2), and the need to develop its new forms for international politics, disprove Fukuyama’s thesis, if it is interpreted as the claim that our ideal of liberal democracy has reached its final form.

ized Hegelian historicism by his belief that the world is destined to come to an end – even in a finite time.

A similar historicist view among the Marxists, with the belief that the proletariat with its developing class consciousness will actually reach the final stage of “self-identity”, was defended by Georg Lukács in 1923 (see Lukács, 1971). Interestingly, Lukács is mentioned neither in *The Open Society* nor by Fukuyama. Thus, Fukuyama can be characterized as the Lukács of the bourgeoisie.

The dramatic events in the world after the end of the Cold War cannot be understood as mere sidetracks and disturbances within the victorious march of liberal democracy. Ulrich Beck’s “risk society” and Samuel Huntington’s “clash of civilizations” seem to characterize the new world order after the tragic terrorist attack of 9/11.

President Bush’s declaration of a war against terrorism has led to the bombing of the rocks of Afghanistan and the invasion of Iraq. In Russia, President Putin is fighting terrorism by weakening the fragile democracy. But the enemy is still alive, and it is feared that it can attack suddenly from anywhere. Even Bush has suspected that this new kind of war cannot ever be brought to an end. The terrorists have been successful in creating an atmosphere where the leading democratic power in the world is violating its own ideals about freedom and human rights.

The fight against terrorism cannot be won, unless its causes are correctly analysed. It may be the case that on both sides the basic issue is about political self-determination and the control of natural resources (such as oil). But it may be dangerous to think that the terrorists or their leaders are acting on what we would regard as instrumentally rational goal-directed strategies.⁹ Their violence is not irrational, either. It is more plausible to see them acting on what Weber called value rationality: they are willing to sacrifice themselves for a higher purpose which is defined by their religious attachment to a historical destiny. In Popper’s terms, their approach is based upon historicism: their belief in the objective value of their actions is justified by a belief in the predetermined end of the history. In the 1961 Addenda to *The Open Society*, Popper warned against the dangerous assumption that someone knows objective values and standards: such “moral historicism” leads to “the identification of standards either with established

9 See the introduction by Anatol Rapoport to Clausewitz (1968).

10 After Bush’s re-election, it was argued by David Klinghoffer, a columnist in *Jewish Forward*, that Bush was supported by a majority of Americans, Christians and Jews, who believe in objective values defined by God’s will.

might or with future might” (Popper, 1966, vol. 2, p. 393).¹⁰

To defend liberal democracy against opponents who rely on moral historicism, a crusade of teaching the gospel by swords and bombs is not likely to succeed. Terrorism should not be combatted by bringing in another kind of historicism - belief in the historical destiny of Western democracy. The result is a clash between an established might and a projected future might. The alternative is to promote the open society by education, rational argumentation, freedom of thought, recognition and self-respect, economic wealth, and social justice.

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