

Democracy again!

The EU Megapolis and the challenge
of democracy

Table of Contents

0. Preface	13
The background	13
The purpose of this book	19
The structure	20
The annex	24
The acknowledgments	25
1. Democracy and its modern critique	27
Introduction	27
The essence of democracy	28
God and freedom	30
The rise of the polis and the birth of democracy	34
Instruments and institutions of democracy	38
The balance between the people and the expert	38
The polis, the state and the politicians	42
The individual, the collective and the majority rule	45
The limitations of democracy	49
The heavy stamp of Plato	51
The decay of democracy and the birth of representation	60
Democracy and individualism	63
The modern critique raised against democracy	67
Some weird monarchy nostalgia	73
The good things of representative governance	78
Conclusion	79
2. The individual and the collective	83
Introduction	83
Questioning the purpose of collectives	85
Can a collective be held responsible?	86
The case of social determinism	87
The dialectics of responsibility	89
The collective myth	93
The legacy of collectivism	98
The modern collective threats	100
The drivers of progress: individual leaders and institutions	106
The recent populist surge	114
The misery of the collectivist mind	117
The anti-science nature of the collectivist myth	118
Collectivism as a unique source of aggression	123

Aggression in the democratic world of the Hellenes	125
Conclusion	128
3. The market and the collective	131
Introduction	131
The triumph of the markets	132
Some typical and unjust criticism of markets	136
Tradable and non-tradable goods: a blurred line	139
Money can't buy you love...	143
The scale economy under siege	149
The market economy and capitalism	154
Capitalism, markets and the commons	156
Property and sharing	161
About intellectual property	164
The NAP and the trivia of purposeful behavior	166
Conclusion	170
4. The value of the collective	173
Introduction	173
Departing from and entering collectives	175
The sense of identity	177
The respect of the identity	179
The value of scale	183
Limitations of the free markets	186
The collective journey	187
Social innovation	190
The pertinence of redistribution within collectives	193
The generation of wealth	194
The truly voluntary exchange	196
Conflicts in the collective	197
Conclusion	203
5. The misdeeds of representation	205
Introduction	205
The justification of representation	205
The misfit between the needs of re-election and the needs of the collective	207
The inherent conflicts and inefficiencies of representation	213
A case study: representation and immigration	215
The non-aggressive collectivism of political correctness	220
The levels of decision making	222
Democratic conflict management	223

The polis rising again	225
The true challenge for democracy	228
Conclusion	231
6. The EU project	233
Introduction	233
The EU social model	235
Claiming both the scale and the decentralization value	238
Empowering the citizen and reducing representation	243
From just-in-time to down-to-size	244
Towards a collective responsibility?	246
Claiming the identity value	247
From labor specialization to social mobility	250
Claiming the journey value	255
Managing redistribution	256
Conclusion and epilogue	260
Rejoicing in uncertainty	261
Experiencing social mobility	264
Living innovatively	265
Epilogue	266
ANNEX: How statism looted Greece	269
The Future	276

o. Preface

The background

The ten richest countries of the world, in terms of PPP (purchasing power parity) have, all of them, a population of less than 10,000,000¹. This is a unique statistic, in the sense that one has to go 2500 years back, to the polis of the Hellenic world, to meet again such a systemic possibility of the small to exist and to prosper.

It is also a statistic highlighting the economic but especially the moral superiority of the free, global, market economy, which is a key difference between our times and all previous ones. It is not the only difference but it is a highly important and a spectacular one indeed. For in all previous times, some large collective would have immediately shown up to devour anything small and prosperous. Collectives, founded on some great idea, would have never allowed it to survive or even happen. Their, so proclaimed, great and divine purpose would have granted them all moral superiority pretexts to justify its elimination, in ways that, outside their godly mission, may have seemed a monstrous atrocity.

In all this long period, free spirited individuals suffered. God, nation, race and class would go after any, even slightly misaligned, individual, anyone contesting their doctrine and their

¹ [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(PPP\)_per_capita](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)_per_capita)

authority, even in the most mild way, even by just suggesting that the world is round and not flat. Small collectives typically shared a similar fate, from the larger and more muscular ones.

A long time ago however, a different world existed. One where the small survived and prospered. In the small world of the Hellenes, the big had a hard time, and eventually failed to enslave the small. Instead, it was humiliated by it in Marathon and Thermopylae. The small would not surrender its far different way of life nor would it buy into any divine mission, promises or bribes from the big.

That small world was where individualism was first, fervently, practiced. That was its distinctive trait. Or at least one viewpoint on it. For individualism could not exist without a passion for freedom; that was what really empowered individualism and established it as a superior model with spectacular scientific and artistic production that shaped the modern western world.

However, a closer look at the foundations of this rare world will show that it was not just based on pure individualism itself. It was something well beyond that. This world somehow received a great sense of fulfillment by being a part, an active member, of its collective. Even if this required it to set boundaries to its individualism, boundaries that would never be perceived as oppressive but as an essential condition of individualism itself. Boundaries that took the form of the law. This also echoes Castoriadis' views, who steadily emphasizes² that there is not the slightest evidence that individual freedom in the Hellenic world was thought to be restricted by the participation in the polis.

² Cornelius Castoriadis, "Ce qui fait la Grèce". Greek edition, Kritiki editions, volume 2, page 49.

What I see as especially remarkable with this small world of the polis was its unique balance between the individual and the collective. A balance that fueled a most impressive intellectual produce and a remarkable material well-being and prosperity.

To moderate this balance, the Hellenic polis invented a new instrument.

Democracy.

Democracy is often exclusively associated with Athens and the Classical Age. That is however a very narrow perception and essentially a wrong one. Democratic institutions, even if only intermittently, even if in a fragmented and non mature way, appeared a long time before and were exercised in a vast area, which the Hellenes had reached in their colonization outreach. In this sense, one is justified in saying that democracy was not a moribund construct, nor any short-lived trick. It was what made the difference between “us” and “them”. When Ulysses, in the depths of time, encounters the Cyclopes, he despises them for not being aware of the Agora, where citizens got together, debated and reached decisions³.

Another frequent misconception, important for the discussion in the book, is the claim that democracy inherently conflicted with deeper knowledge and technical expertise. A view wide spread as far behind as democracy itself.

I will object to this idea. The democratic process included two distinct elements: the experts who scrutinized and analyzed diverse options and the people who made the selection, following debate and via a fundamental decision making instrument, the rule of majority. Clearly, it does not belong to democracy to claim that people may make decisions regardless

³ Homer, “Odyssey”, IX, 112 “τοῖσιν δ’ οὐτ’ ἀγοραὶ βουλευφόροι οὔτε θέμιστες” (these - the Cyclopes - are unaware of the Agora and the Law).

of skills, or that skills and capabilities are, in this decision making process, redundant. Besides, the fundamental requirement for participation in the democratic process was to be able to bear weapons and to be skillful enough to defend democracy and the polis.

For many centuries this small world of the polis withstood the expansionist pressure from the big collectives of the time. It was only in the aftermath of the most destructive Peloponnesian war that democracy entered into decline. It would never again reach the past glamour.

The era that would follow would be dominated by collectivist aggression of many kinds and origins. At some moments, later on in this era, representation would, now and then, be established as a decision making instrument. For many, representation was the successor of democracy. A model that would stand out and defend individual rights against all collective aspirations and their divine mandates. To some extent, in the long period of collectivism that would follow, this would truly be the case.

I will disagree however with the view that representation is the modern, the one and only feasible version of democracy. I will rather side with Jean-Jacques Rousseau, who highlighted the fundamental difference between these two constructs, claiming that democracy was the only genuine form, although something suitable only for perfect beings, for Gods⁴.

The explicit or implicit argument in equating representation to democracy has been and, as I think, still largely is, the argument of scale. On our now huge scale, in a world inhabited by seven billion, what can democracy mean? How can it be possible? In his best known work "Du contrat social" Rousseau talks about the illusion of the British who consider that they enjoy true freedom, when in fact, this is only the case for the few election days.

sible outside representation? And there is some good reason in this argument. Imagine, for example, even ancient Rome, then many times greater than Athens, trying to practice democratic decision making.

However, in time, many things have changed with regard to scale. I will put some good emphasis on highlighting these great changes that led to the unique statistic highlighted in the very first sentence of this preface.

In short, the big scale does not nowadays immediately result in some benefit, as it did in a most straightforward and obvious way in all past periods. Scale still goes with certain important benefits, which in economics are referred to as scale economies; it does however also have certain disadvantages. All this is what makes small possible, if not even desirable, in some cases.

In addition, technology provides all the means to overcome the technical shortcomings that existed in the old times and that made the practice of democracy impossible as soon as scale increased, making representation the only viable alternative to tyranny and other forms of authoritarian governance.

Although scale may be no true issue any more in proposing democratic governance, our modern era is also characterized by a profound complexity. Societies are now faced with a daunting number of often strongly conflicting interests, while nurturing a great variety of preferences and opinions and experiencing diverse challenges and pressures.

Besides scale, complexity is also called upon by representation as a further justification for its existence. And for the fact that it has pushed aside both aspects of democracy: expertise as well as people. Take a look at the immigration problem that has hit the door of Europe in recent years. To what extent was this problem moderated by the two mechanisms of democra-

cy: by experts and by the people?

Representation moderated this crisis, in full, with no scientific evidence to back up its decisions and with no true recourse to the citizen's view. Politicians took all decisions, as soon as the problem started growing out of control. Politicians decided on the how many, the where, the who and the when. On practically everything. It is impossible to discern any scientific evidence in all these decisions. They were taken under great pressure; no time was made to consult experts or people, let alone engage them in the decision process.

On this occasion I would agree with how libertarian Hoppe commented on the immigration issue⁵, some twenty years ago.

The current situation in the United States and in Western Europe has nothing whatsoever to do with “free” immigration. It is forced integration [...] The power to admit or exclude should be stripped from the hands of the central government and reassigned to the states, provinces, cities, towns, villages, residential districts, and ultimately to private property owners.

All this is not just a bad moment in time. It is the norm. Representation has established an arbitrary modus operandi, has created oceans of personal interests and agendas, has grown the size of the state it has under its grip, has skyrocketed the sovereign debt it needs to fund this excessive size, has created fat and waste and corruption.

And, most importantly, it has created citizen disillusionment and helplessness on an unprecedented scale, along with a sense of passivity and detachment from the civic processes.

That is exactly where populism sets in. That is exactly what multiple breeds of populists have identified as a unique opportunity to launch an offensive on the so called “system”. Which

⁵ Hans-Hermann Hoppe, “Democracy, the God that failed”. Transaction Publishers, page 148.

more or less is about building a personal power agenda rather than restoring any democratic process. An agenda that, if successful, will just add a few more layers of representation, on the ridiculous premise that this time it will be a good and anti-systemic one.

All sorts of leftist and extreme right wing parties compete to dominate this promising scene in the EU. Very often they collaborate to do the job. Eventually, who really cares about the ideological pretexts? The only thing that matters is to get things under their grip and beat the system. And to bestow, upon us, some additional representation to celebrate their victory.

Populism is exactly as rampant as representation is failing.

And it is failing, as we will see, because it has set an impossible mission for itself. To manage the complexity of our times. Although it has no true skill to do so. Although no such skill may even exist.

Instead, I will argue that the management of this complexity can only be achieved by reducing the scope of decision making. Something that, if effected, is bound to subvert representation and propel democratic governance.

The purpose of this book

My primary ambition in this book is to decipher the origin and the nature of the many misdeeds of representation. How stranded away from democracy its contemporary workings are. How wrong and unfair it is to credit the failures of representation to democracy. To highlight that what we need are markets, experts and people engagement - and not representation. And that for all this to come together in a powerful mix, we need to manage contemporary complexity by drastically reducing the scope of our decision making. From the large one, suitable

for the impossible - as I will argue- mission of representation; to the small one, of the city or the region, which is meaningful for citizens.

And finally, with a focus on the EU project, to suggest that democracy is not only far from being utopian but that it also holds the best promise to overcome the current impasse in the EU convergence process and to have the many populist cries subside: muted into indifference and eventually oblivion.

The structure

In the first chapter I try to lay out some historical perspectives of democracy. How did democracy appear and why did it vanish; what was it really about? I will highlight the emergence and the impressive impact throughout history of the anti-democratic philosophy of Plato, that, ironically, emerged and was allowed to flourish amidst the greatest moments of democracy. I also try to establish the very subtle and unique balance that democracy proposes in order to reconcile individualism with the collective.

I will then argue why there is only a limited overlap between democracy and representation. I will, therefore, reject the idea that representation is a, so claimed, feasible interpretation of democracy, adapted to the requirements of our modern times. The rationale behind this chapter is to elaborate on what I see as a widespread contemporary confusion on democracy and, especially, its irrational and unfair equation with representation. My main ambition has been to draw a clear line between these two terms.

In the second chapter the point of focus is that of the collective. Having introduced above the unique way in which democracy moderates the relationship between the individual and the

collective, I try here to demystify all the great myths that collectivism has been spreading in its long and malicious offensive on the individual. Collectivism, as a mindset, establishes the collective as a carrier of some divine message towards some sort of perfection. It has always attempted to create an inflated and totally untrue image of the collective. To assign it attributes that it can never possess. Rejecting this idea of a glorious, divine, privileged, superior, chosen by history, collective, I try to establish why a collective cannot even bear any responsibility at all. Why it is, therefore, necessarily deprived of all these supernatural capabilities, with which the various versions of collectivism have been so fervently crediting it, throughout history.

I will then also discuss the legacy of collectivism throughout history with an emphasis on the forms it assumes in our days; populism, especially, which I consider as the most important contemporary manifestation of the collectivist mind-set and action.

The third chapter introduces markets and juxtaposes the market economy with the individual and the collective, both with some historical perspective as well as, primarily, with regard to the present times. I wish here to establish the key role of the markets and the services they offer. Their unique role in individual transactions, in capturing value and setting prices in the most effective way. Clearly, I will try to highlight the liberating nature of the markets and in doing so I fear I will utterly disappoint socialist minded people. I will also highlight some important phenomena of our times, such as the emerging sharing models, which I see as an important and symbiotic rather than antagonistic complement to traditional market exchanges. I will also discuss how the importance of scale economies is changing and how this affects, in a radical way, the organization

of life and work.

This chapter serves, however, also as an important introduction to the next one, where I will investigate the ability of the markets to optimally moderate our collective processes. To do this, I have first to clearly establish the rationale behind collectives. Are they in any sense useful or are they even non-existent, as Margaret Thatcher suggested, in her famous quote below?

And, you know, there's no such thing as society. There are individual men and women and there are families...

Here, I will elaborate on the distinctive services that collectives have to offer and on the unique value they generate. Most importantly, I will suggest, to the disappointment now of my libertarian friends, that some of these collective services cannot be optimally moderated by market instruments. Very much linked to this discussion is the hot topic of redistribution. I will present what I see as the logic and the ethics behind redistribution. Approving the concept does not, however, automatically imply that I also approve the mainstream practices of our times, which I see as stamped by the wasteful practice of representation.

Which brings us to the fifth chapter and to my critique on modern representation. I describe why it has failed and why it can only fail, in delivering any of these unique collective services. The void left will highlight the new role for democracy, will sketch its powerful network model; the so called EU megapolis. A non-aggressive network of democratically self-governed nodes - cities or regions. I will also discuss here what I see as the one and only true difficulty in putting aside representation and allowing democracy to flourish.

The sixth and last chapter is a refocus of all the previous

elaboration on the EU project. How this can move on, gathering steam again, how it can reconcile the various conflicting interests and how it can establish rational, ethical, accountable and effective decision making. Unfortunately, none of these elements are really in place. This is why populism, of all colors, is rampant and this is why these principles have to be achieved, if populism is to be taken out of the picture and the news headlines. Obviously, if representation is the fuel of populism, as I staunchly believe, getting rid of populism will require us to put representation under scrutiny and have it drastically reduced. This, in its turn, will create an impressive decision making void that will have to be filled in by radically revamped decision making structures, fostering an increased role of markets in optimizing the transactions, of experts in shaping the solutions, and of people in making the decisions. For all this to take place, the scope of the decisions has to be radically reconsidered. It has to be reduced, via a pervasive decentralization, in order to control and manage complexity. Citizen engagement and participation in the democratic process has to be linked to tangible issues, whose cost and benefit can be understood by people in the same natural way as when one is buying a specific car model. There is no sense in voting on things when nobody can understand what they are about and what their impact will be. This just results in representation ridiculing the democratic process and reinforcing its “unique” role, and in populism manipulating people’s wills and pushing forward with its agenda.

Regions and cities will have to be drastically empowered and emerge as the carriers of the true decision making powers. The EU center will have to be reduced in size and perform only there where it has a clear competitive advantage to offer. As I will discuss, I believe this advantage relates primarily to scale,

innovation and identity services.

I have no idea about the time it will take to complete this process; I do not even think such a concern makes any sense. It is all rather about maintaining the wondrous balance of the true democratic process and leveraging it consistently to the new and continuously moving frontiers allowed by technology.

I also have no idea of the reduction of representation that will eventually be required. Nor do I have any plan to establish some wishful theory about a zero state or a zero representation, which in my view are about the same.

I only have a few moves to suggest on the chessboard, aiming towards the end goal: that of freedom, non-aggression, prosperity, fairness and rationalism. The fundamental condition of which, I think, could be concisely summarized in just one word.

Democracy.

The annex

I have decided to include a short review of the Greek crisis, or rather financial and social collapse. It represents an excellent case, validating, as I believe, in full the conclusions in this book. Snapshots of this crisis will also be inserted in the main text, whenever relevant and supportive to the argument.

I fully understand Greece is an extraordinary case and represents the deeds of a most useless kind of representation. I have avoided any projection of the situation in Greece to the EU as a whole. As I travel and work in many places in the EU and beyond, I think I can fully realize the differences and avoid any subconscious and unfair generalization.

However, I am convinced that the essence of the broader problems I discuss here is very much the same as in Greece. The

role of representation is equally wasteful wherever it is active in the world. As I see it, it is its mandate that is impossible, rather than its staff that is incompetent. Greece, additionally, experienced an incompetent and corrupt human factor that made things as bad as they can possibly be and currently are.

The reader, of course, will judge whether I have successfully maintained my calmness and clear mind, as I claim here.

The acknowledgments

Behind any undertaking such as this book, one can always trace the usual suspect: family. My wife, Georgia, and my two boys, Dimitris and Nikitas, in this particular case. I feel that the ways they assist such a process are the most unique, diverse and complex. So much so that any attempt to touch upon them in a few lines would be unfair and impossible. I would rather go by them swiftly and in gratitude and get on with contributors whose role is more traceable.

I would like to thank my father for opening to me the door of the great thinkers of the democratic era, even if some of them were among its fiercest opponents (Plato). Then, philosopher Cornelius Castoriadis, whom I never came to meet, but whose books have had a most profound impact on me, in acquiring knowledge on the essence of democracy and even on transposing some of it to my personal life. Also, my friend Lambros Mitropoulos who is the architect of the unique Internet music experience offered by radioart.com, that has been my most loyal companion throughout this endeavor. I would also like to thank the many people, some of whom have now become good friends, with whom in the recent years of the crisis in Greece I have shared despair, anger, frustration and even shame. They have all largely contributed to shaping the ideas

that follow. More than this, however, I thank them that they have been something like a moral bastion in trying to bear with and fight back the endless waves of populism and their numerous lies and unbearable slander to which we have been continuously exposed.

Last, I have a large apology for all my many EU friends with whom I have enjoyed the privilege of indulging in very interesting exchanges in recent years. I confess it has been very awkward indeed, trying to explain what seems to be a very dumb behavior on the side of the Greek state. It is of course not just about being dumb; it is also about a web of interests woven together during 40 years of statism and clientelism. I would like to ask them to bear with us, although unfortunately I am unable to make any prediction as to how much time it will take to neutralize the monster of populism.

I would also like to remind them that besides democracy, Europe is also a Greek word and we will not let it go as easily as the agenda of statist of all colors would like us to do. We will uphold liberal and democratic values all the way through!