

democracy flat and lifeless. It made it reckless and cavalier. The democracies went wrong because they got carried away with their success. They mistook it for a positive achievement. It wasn't. The triumph of democracy during the twentieth century had essentially been a negative one. Democracy didn't come out on top because of all the good it did, but rather because of all the bad it avoided. Churchill was speaking the truth when in 1947 he called democracy 'the worst system of government apart from all the others that have been tried from time to time'.

Modern democracy remains at root a politics of restraint. It is a good way to stop the worst from happening. This can make an enormous practical difference. As the Indian economist Amartya Sen has shown, democracies do not suffer from famines, because the potential victims can let their governments know what is happening in time to prevent it. The historical record indicates that democracies do not go to war with each other. Democracies allow individual citizens the opportunity to register discontent with their politicians. Fukuyama thought the recognition of personal dissatisfaction was a key reason for the general satisfaction with democracy, because it confers dignity on the individual citizen. Democracy lets people let off steam, which stops them boiling over. Nonetheless, these remain negative achievements. They are not sufficient to count as an answer to the problems of politics.

What has happened since Fukuyama proclaimed the end of history shows that the politics of restraint cannot do everything. Big mistakes are made when we assume it can. Democracy has not, for

instance, solved the problem of inequality. Since the mid-1970s, and more rapidly since the end of the Cold War, the Western world has seen inequality widen. This has been most noticeable in the United States. The rich have got much richer over recent decades. Economic gains have been largely confined to the wealthiest 1 per cent of the population, and even within that group it is those at the very top who have seen the biggest advances in their net worth. The richest 0.01 per cent, or just 16,000 households, now own nearly 5 per cent of America's total wealth (for an average of \$23,000,000 each), a proportion of the spoils not seen for more than a century, since the last age of the robber barons. At the same time the poor are not much better off than they were a generation ago. Many of the middle classes are significantly worse off. Wages have stagnated while investment income has boomed.

It looks like a politically toxic combination: to those who have shall be given more, while to those who are struggling shall be given nothing at all. Why do the not-so-rich put up with it? Why don't they use the political system to redress the balance? After all, the 99 per cent could easily outvote the 1 per cent. The US is meant to be a democracy. But American democracy was not designed to allow largescale redistributions of income at the behest of the voters. If anything, it was designed to prevent it. The founders of the American republic were worried that the democratic majority might use its power to take money from the wealthy minority. (Their most acute fear was that the poor would vote for a cancellation of all debts.) So they organised a complicated political system intended to make it