



BACK TO DEMOCRACY

Rome, 01 May 2006

Democracy is in crisis. This view seems to be shared by political scientists, public opinion, the media and politicians themselves. However, we still lack an organized theory of what is happening. We know that the forms, processes and institutions of parliamentary democracy (political parties, elections, social phenomena and communication instruments) are no longer as effective as they used to be, and yet, we do not know how to replace them.

With the project “Back to Democracy”, Vision aims to contribute in greater detail to the understanding of where the processes of democracy, or “forming a collective will” became stuck, and to find out what specific innovations should be implemented as soon as possible if we want democracy to overcome its current crisis.

In Vision’s view, the value of democracy lies in its superior ability to **capture and elaborate information** (on people’s expectations, on their ideas and ideologies, on their dreams and their needs, on the existing competencies and possible projects) and **to transform this information into political will and reality**.

The crisis that democracy is witnessing nowadays is determined, according to Vision, by the fact that the institutional mechanisms that have not changed for decades, are increasingly unable to process the ever-growing quantity and complexity of information. With this essay, Vision starts identifying specific problems that lead to the crisis of democracy with the view to propose solutions through a smart combination of institutional reforms and technologies.

Does democracy still have a future?

Vision mission is to contribute to ideas dissemination. However, it is to be reminded that the not authorised utilization of any copyrighted document - like all the ones which are published by vision web site - is persecuted in all States.

Such a question would have been unthinkable only fifteen years ago.

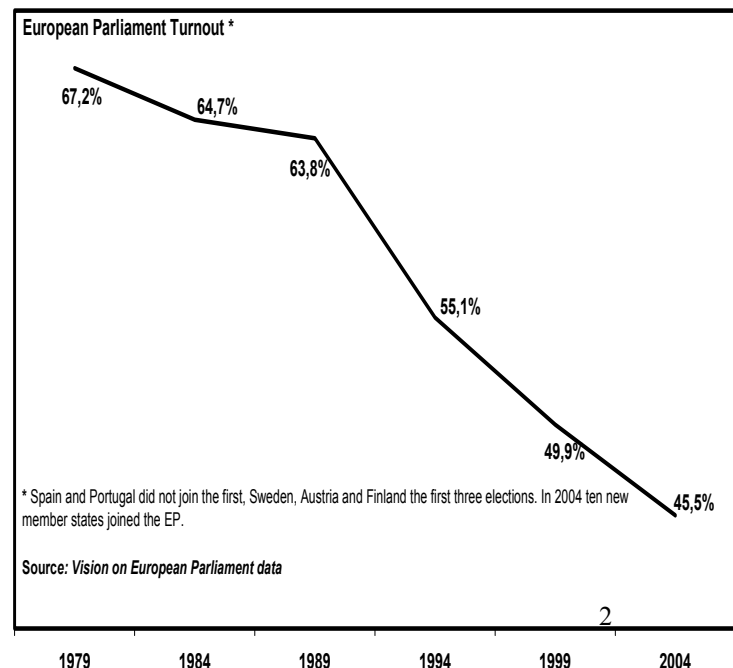
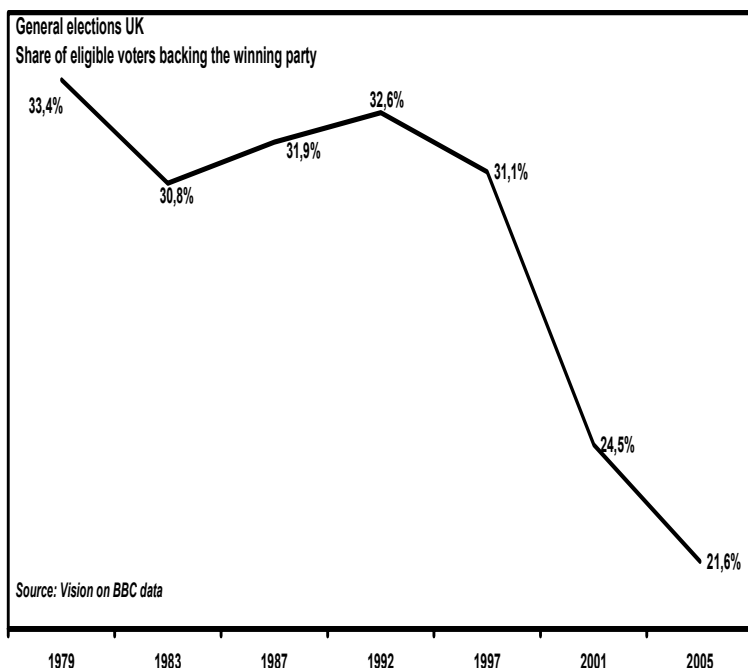
The fall of the Berlin wall seemed to signal the beginning of the end of every totalitarian state and democracy appeared certain to take over what was left of communism the Empire of Evil (that is too strong and judgmental) without any resistance. A peaceful invasion that would have, according to some, marked the end of History or at least of the history of a long conflict between two different conceptions of life and society.

After fifteen years, the situation seems very different.

Large areas and states (such as China) openly challenge democracy in some cases their economic successes seem to consolidate their power and strengthen their anti-democratic position. Even if dictatorships continue to be overthrown by democratic “revolutions” (as in Ukraine and Georgia), other even larger democratization processes seem to have been recently reversed (as in Russia) without any significant popular resistance and, some argue, tacit popular approval. Recent attempts to export democracy are being opposed by a large number of people (in the Middle East) and even slight forms of pluralism are rejected together with a modernization (this is too strong) (in Iran).

Not only is the ‘export of democracy’ problematic, but its very value is now questioned in its birthplace. In the Western hemisphere, in the nations that invented parliamentary democracy it seems to show clear signs of obsolescence.

To see this point, it is enough to consider the recent tendencies in the UK and at the EU level. The following tables show the share of British voters who have backed the winning party in the last seven general elections; and the number of European citizens who have voted at the elections of the European Parliament since its formation. In both cases the decline seems irreversible.



This comparison is particularly striking given that the UK and the EU represent nearly two extremes of the spectrum of parliamentary systems. On one hand, there is one the oldest form of democracy (UK) and on the other one of the most recent (EU). On one side, you have one of the champions of the “Nation State” concept, and on the other, the most advanced, if not the only one, experiment of transnational political participation. The two institutions also correspond, according to many, to the two visions between which western democracy should choose its model: the British often criticize the EU for being too bureaucratic and disconnected from citizens, while the EU advocates blame the British system for being too focused on economy and cynical.

However, the figures above demonstrate that neither idealism nor pragmatism in the parliamentary system is sufficient to avoid a decline in popular interest in it. The trend seems to suggest (as we will develop further) that neither nation states nor supranational organizations are escaping the crisis of citizens indifference.

This is a paradoxical outcome. Democracy seems to fall short of some of its objectives in the British society that has until recently distinguished itself by the ability to produce innovation and wealth increase (and this confounds the many who reduce democracy health to economics). Also, it seems unattractive with respect to the institution, the EU, whose powers have been gradually increased and made more sensitive to people’s quality of life (and this refutes the argument that institutional reforms are a proper the response to the democratic crisis).

The outcome suggests that the causes of the problem we are analyzing are much more structural than many wish to believe.

Statistical evidence about election turnouts is not the only evidence to the democracy’s crisis. Vision is looking at broader indicators of the importance that citizens give to politics. As we will see shortly, people’s feeling towards democracy is mixed: they think political decisions are very important, probably more important than ever; and yet they never felt so incapable to impact these decisions. In response, people refuse to participate in the system, in which they do not feel represented or often are not satisfied of their political elites, without knowing how to change it or what to propose instead.

Political powerlessness is not a feeling limited to segments of the population that are marginalized from the political process, but it is a sensation that almost everyone appears to feel, and sometimes even those who hold governmental responsibilities

seem to share. The sensation of not being represented or being able to influence political processes eventually leads to the idea that democracy is no longer able to solve great social problems.

What is happening to the democratic political system, then? Is there a future for democracy in Western societies? Is it right to propose democracy to those societies that are not democratic?

Despite the falling popular appreciation of it, democracy remains the “least worse” possible political regime, as confirmed by the experience of the past decades. To prove this, three simple and meaningful facts may be enough:

1. among the twenty states¹ with the highest gross domestic product per capita², only one³ is not a fully operational parliamentary democracy;
2. among the states with most social inequalities, only three(Brazil, Mexico and South Africa) are on the list of democracies, which they have become relatively recently;
3. the number of nations professing democracy has grown from 35 (23.8 per cent of all states) in 1975 to 78 (47.6 per cent) in 1995.⁴⁵

Democracy seems to produce more wealth, to distribute it better and, consequently, it seemed to obtain an ever growing consensus until last century.

The classics of economic theory point to democracy’s superiority in terms of its capacity to produce wellbeing. A democratic country, as Adam Smith⁶ pointed with respect to American colonies, has more antibody mechanisms to resist consolidation of monopolies and favors the development of competitive conditions that are essential to allocate scarce resources to the most effective enterprise. With a more elegant argument, Amartya Sen reminds us that greater democracy means the incorporation of more “information” in the collective decision-making process and therefore guarantees better chances that those choices will produce greater wellbeing for a larger 0 number of people.

¹ The world fact book, Washington, D.C. – CIA, 2001 as for the statistics related to income concentration

² Gross Domestic Product as indicator of well being has, without doubt, some important limits (on these “errors” see Vision in “The paradoxes of GDP”, in Vision 2000 available on www.vision-forum.org). But when the differences are explicit, of some digits, the number is, still able to mark the boundaries between “families of Countries” to a different development stadium (and widespread poverty).

³ Hong Kong that moreover only recently has witnessed a lessening of its democracy “levels”

⁴ Potter et al., 1997 Democratization, Policy Press: Cambridge

⁵ Nations that have free elections and of some other fundamental rights defined by Dahl in ‘Democracy and its critics’, 1991, New Haven: Yale University Press.

⁶ The Wealth of Nations, 1776, Cambridge, Penguin Books

Amartya Sen, however, also warns us that democracy, or rather freedom, is not the best guarantee of development. It is also a worthy objective in itself, apart from the reflection in terms of wellbeing, to be pursued and defended.

Yet, as we have seen from the section above, we cannot talk about any unstoppable advance of democracy. Furthermore, if we go back to the numbers that we just saw, and if we change our angle a little, they tell a different story:

1. If instead of the absolute values of gross domestic product per inhabitant, we shift to growth rates⁷ the list of the fastest growing twenty nations⁸ presents the opposite situation: only one of the countries⁹ with the highest growth rate belongs to the group of consolidated democracies¹⁰;
2. If again we shift from the absolute comparison of equalities to in depth variations and evaluations, not only western democracies experience growing gaps; but the most serious aspect is that a relevant part of the best resources are on the wrong side (the smallest and innovative enterprises, and a relevant part of the best graduates) while, on the contrary, many of the “newly rich” emerge thanks to their private income or real estate investments which multiply their value. Inequalities within democracies are not only growing but also the *mobility* is decreasing, the shifting (based on merits) of individuals between different “income classes”; it seems, therefore, that the bond between democracy and competition seems to be weakened¹¹;
3. Finally, even if the number of parliamentary democracies seems to grow, it is within the more advanced group of States that the confidence in such a regime, together with the *turn over* in the elections, diminishes more sharply.

In reality, if it is true that democracy is the best regime possible, it could be that uncle Winston was wrong, that he was mistaken in his approach that was a little cynical and conservative. Most of all the feeling is that Churchill (or most recently Sartori or Dahrendorf) is neglecting a fundamental element. Democracy is not an absolute value. It has to be judged in relation to the expectations of mankind and of the complexity of the problems it has to “govern”. Most of all, what some of the great ‘elders’ are underestimating is the clear-cut separation between democracy’s forms and its substance, the necessity – that democracy has – to have to be always improved to be able to survive.

More in depth, to be persuaded of the supremacy of democracy does not mean one accepts its current configuration as unchangeable. If democracy – as a process through which the government answers to its citizens or as a mechanism that protects competition on a fair basis and not “disruptive” between groups that are fighting for the power – is to be saved, it has to, in our opinion, make a leap in quality and such a

⁷ Source The World FactBook, Washington, D.C. – CIA, 2001 and US Department of State

⁸ Last years leader was Turkmeinstan

⁹ Strangely San Marino’s republic (Italy) occupies the 17th position with last year’s GDP variation of 7.5%

¹⁰ Even if also Turkey and Albania are emerging democracies

¹¹ To this issue Vision has dedicated the work on the “Lisbon Strategy” for further details www.vision-forum.org

leap will probably shed some of its characteristics – parliamentary – that for decades have defined it.

What are the most serious limits of parliamentary democracy? Which one emerges with strength in respect to the characteristics of the new (Information) Society that we are building? And what does participative democracy really mean? Which are the reform ideas that before long could be experimented to open new perspectives for the democracy that we know?

The current limits of democracy's forms are related to the moment of participation (and of formation of the political will) and to that of the government (and of realizing that will).

In both areas there are both opportunities that have not been taken, as well as expectations that seem to be ignored.

Our analysis is articulated as follows:

<i>VISION'S APPROACH, THE QUESTIONS AND THE LIMITS OF THE ANALYSIS</i>	7
The framework	7
The limits	11
<i>1. ARE ELECTIONS STILL A LEGITIMATE INSTRUMENT FOR POWER ALLOCATION? .. AND DEMOCRACY AS AN INFORMATION SYSTEM</i>	14
THE PROBLEM OF ELECTORAL CYCLES	15
THE ERROR OF THE ELECTORAL CONSTITUENCY BASED ON GEOGRAPHY	19
THE MISUNDERSTANDING OF THE GENERAL ELECTIONS.	28
THE QUESTION OF THE SCOPE OF OPINIONS.....	33
<i>2. DO POLITICAL PARTIES HAVE STILL A FUTURE? .. AND THE RISE OF NEW POLITICAL ACTORS</i>	36
<i>3. ARE CONSTITUTIONS STILL USEFUL? .. AND THE PARADOX OF THE FLEXIBLE INSTITUTIONS</i>	37
<i>4. ARE PARLIAMENTS STILL WORTHY THEIR COST? ..AND PROBLEM SOLVING AS APPROACH TO NEW POLITICS</i>	38
<i>5. DOES TELEVISION STILL MATTER? ..AND THE MODIFICATION IN LANGUAGE AND MEDIA</i>	39
<i>THE FUTURE OF DEMOCRACY: VISION 2020</i>	41

Our research will start from a framework we developed in order to structure our analysis. The approach we are going to use will make explicit a number of limitations of the study that we will be going to gradually lift.

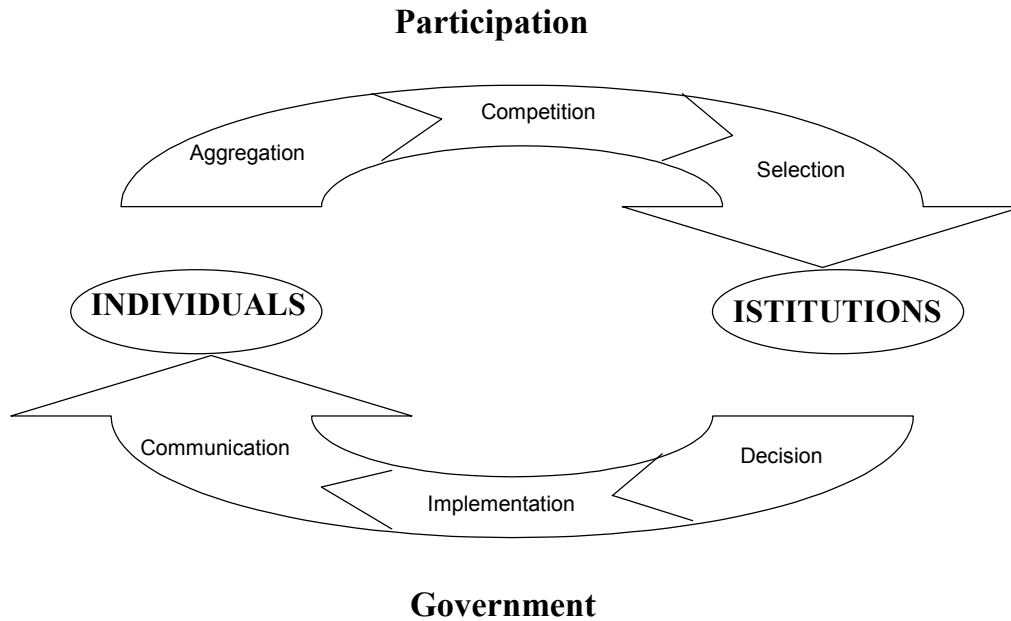
The framework

How can we distinguish between substantial modifications in the performance of democracy from the “rumour” that surrounds the concept of the “decline” of democracy itself? How do we distinguish the concrete changes in a debate that is polarised into the ‘doom-mongers’ (that maintain democracy is no longer tenable in a world dominated by financial oligarchies) and those expecting miracles from technology?

Perhaps we should start from the beginning, by trying to describe what, in its narrowest sense, is a democratic ‘process’. This is the basis for then understanding where and in what channels, lies the greatest potential and the biggest hope for change.

We mentioned earlier that democracy is an ‘**information process**’: this definition describes one part of what democracy is but above all it describes the aspects that are most striking and distinctive. **Information** are, then, the many single individual preferences that together form the collective will that then becomes government legislation and investment decisions. Such an activity, therefore, is a **process** in the sense that embodies a series of distinct moments meant to transform, in an ordered way (because it is regulated, therefore, legitimate and accepted) individual opinions into political actions, that then come back to the citizens in the form of services, rules, incentives.

DEVELOPING AN INFORMATION BASED THEORY OF DEMOCRACY
Democracy as a process and



Source : Vision

The diagram shows the “value chain” that articulates the ‘policy’, or rather, the process of constructing and implementing policy (so called ‘policy making’). So when we talk about collective choices and about policy, we are discussing activities that are different from each other.

There is therefore:

1. A mechanism for aggregating individual preferences into collective decisions (thus, in parallel, a transformation of individuals into “communities” founded on ‘social contracts’) and
2. a procedure of translating such collective wills into government legislation meant to impact the well-being of the society and in the last instance of the individuals.

Our way of viewing policy would be to segment the first activity into three phases, being the first:

1. The aggregation of individual ideas and of people into fewer proposals that can be presented as the available political options; followed then by
2. the competition between such political products in some form of arena, and then finally
3. an election phase, choosing which proposal to adopt.

But also the second activity can be divided into three steps

1. The definition of the political decisions (to be taken by elected assemblies and the governments);
2. the implementation of the decisions taken; and finally
3. the communication of the results achieved (which will then be measured against the objectives given in the above first phase during which the political proposals were aggregated).

Such a description is a simple, rational vision of what is meant by politics. A description which is somehow different from reality because reality is, in fact, more complex and flexible, capable of channelling ideologies and even of embodying feelings and values.

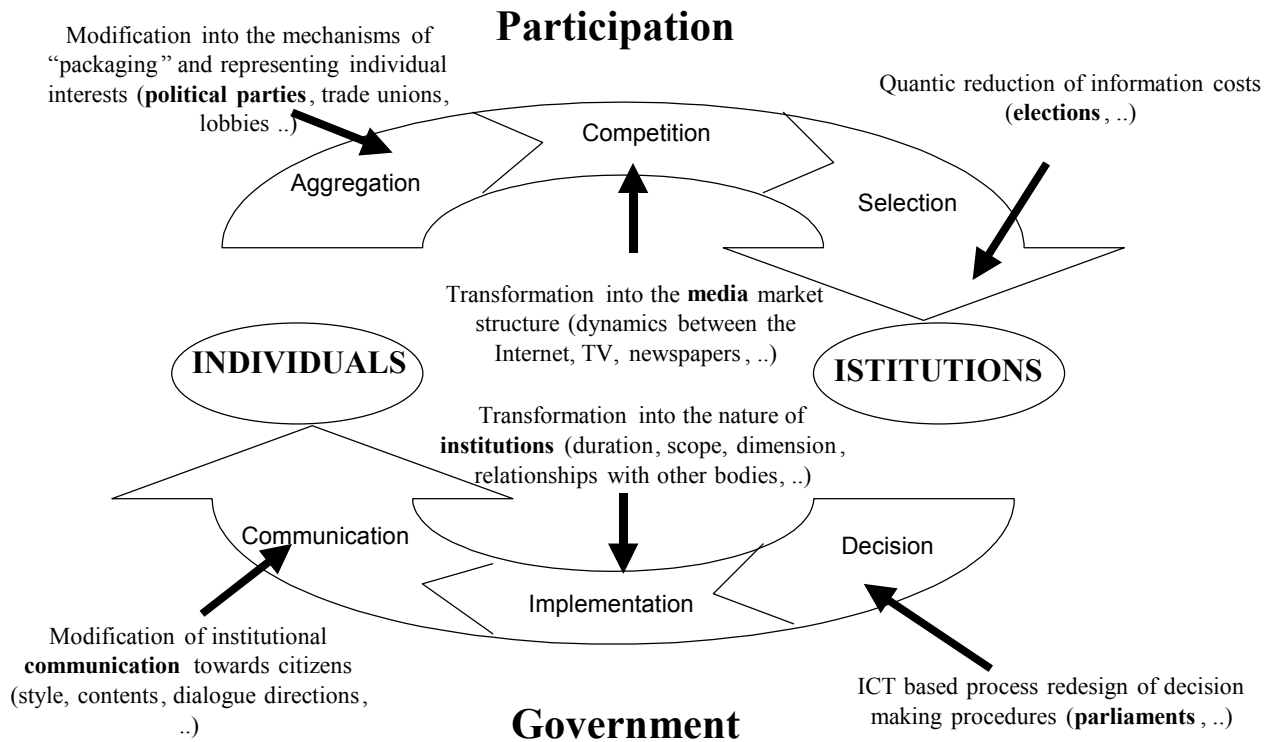
In theory (and as we will see soon also “in practice”) globalisation and technology imply discontinuity along the entire path of forming and implementing political wills. Even more radically, they impose a revision of the process which we have described above. We will see that in a ‘network society’, individuals and institutions are no longer so apart from each other; information flows that transform – in the participation phase - people and ideas into governments and programmes, and that transform such programmes - in the government phase - into decisions and public investments, are no longer a ‘one-way’ flow. In a sense “institutions” dis-integrate and individuals increasingly self govern themselves blurring the boundaries between “participation” and “government”.

This is not yet the reality that democratic procedures continue to represent, but it is the logic where cost of accessing, elaborating and transmitting information has been reduced of, probably, ten times in less than ten years.

In any case our simplification, our, even traditional, scheme could still serve to articulate an analysis by which understand the health of a system in its components, and identify specific solutions to be experimented.

The changes of a democracy that ‘reacts’ to the progress (and to the threats) of technology can be, then, simplified as follows.

DEVELOPING AN INFORMATION BASED THEORY OF DEMOCRACY
 Democracy as a process and ICT driven changes



Source: Vision

Nearly all the fundamental vectors along the democratic cycle change. More specifically:

1. The methods for aggregating and representing (that also work outside of elections) and the traditional function of the political parties become severely mistrusted; technologies make it possible to communicate (and therefore aggregate) opinions and people in much more efficient ways than traditional political parties did for decades; the internet has been, in fact, been long predicted to be about to take the place of parties meetings; the story has been much more interesting than the internet ‘prophets’ predicted but most recent American elections do show that technologies are here to stay;
2. The structure of the political arenas, that confront the different proposals against each other, changes also; some predicted television would have died (after having been a protagonist in the revolution that 20 years ago destroyed the importance of the ‘piazza’ in which most confrontations took place); the

- prediction was wrong in not taking into account that old champions do survive revolutions and yet in order to survive to the end of their life cycle they need to adapt themselves to the new situation; as we witness the progress of the 'network' and its technology, from election to election, it becomes ever more probable that part of the political confrontation will take place in a virtual environment with completely different rules and lower 'barriers to entry';
3. the electoral rules change greatly, or rather expectations have been raised that they should use the opportunities that technology provides and that they should respond to an information complexity that has greatly increased; Vision's first 'release' on democracy is dedicated to this theme;
 4. the ways through which those elected take decisions should also change; obsolete structures (in the sense that they are costly and ineffective) such as parliaments must be reconfigured to recuperate productive capacity (and consensus);
 5. technologies do, also, modify - at an even more fundamental level - the "nature" of the institutions; the reduction to zero of the costs of accessing information gets rid of the most important competitive advantages of institutions; the optimal level to which policies should be allocated can not be established for good and it changes continuously in "time" (in the sense that it is modified by technological advancements) and in "space" (meaning by that that institutions of the same formal level will experience different success into retaining or expanding of the portfolio of their responsibilities);
 6. finally, the language change; technologies make much easier to monitor results and policy makers do feel that by establishing semi quantitative, semi managerial objectives, they will establish a "contract" (this approach was firstly experimented by the UK Labour in the mid 90s and was transformed into a proper "contract" with the electorates by the current Prime Minister of Italy).

As we said, the scheme has limits and for example, it is exactly the idea of 'specialisation' (between individuals and institutions) that has entered a crisis.

However the frame is proving to be useful. It provides the points to be developed. We will start from the elections. It is the "elections" and its results to be increasingly used by governments to legitimise their entire political activity: if we show that elections are not any longer a reflection of individual preferences, we will have started with a powerful demonstration that will call for a reform like the one we are talking about.

The limits

Vision's consideration consciously chooses to limit the sphere of investigation to the "formal" plane where democracy is intended as a mechanism for the aggregation of individual preferences in collective decisions. And therefore it analyses the limits of

democracy as an informative mechanism. With this in mind, we assume that the minimum expectations that are associated to democracy are the grounds for verifying its validity and its efficiency.

In fact, democracy is, at its most fundamental level, a mechanism – called “elections” - through which citizens should be able to express their individual preferences in a fashion so that they are relevant to the political decisions: does this procedure still work? Do elections work as a lever through which an enough large share of citizens express their preference individuals? And does the process make sure that these preferences are relevant enough for the political decisions to be taken? We are, then, at the moment focusing on elections as “core” to the democratic process. And we are not directly engaging with the other phases we have just described. These constraints will be removed at a later stage of our study, but at moment we are tackling participation and within participation the way people express their votes and the way these votes are accounted for.

This approach has two limits:

1. **Participation is not only elections**, since there are, in fact, many more forms and opportunities for joining political debate and influencing political decisions.

Participation consists of the confrontation of positions and this confrontation has moved, in time, from demonstrations and organized political parties towards media or internet enabled channels and civil society.

However elections are still the most important moment, the only legally, institutionally recognized instrument for participation to be directly accounted for towards the formation of politically relevant choices.

This is confirmed by the many politicians’ rhetoric that justifies any decision on the basis on the “investiture” obtained on the particular day on which elections took place.

2. **Democracy is not only participation**, even if we assumed the wider definition (not only elections, therefore relaxing the first limit of the analysis) of participation.

Democracy is also - as we have seen before - procedures that make sure that public choices are implemented in a certain way so that continuous scrutiny and transparency and division of power can limit the excess of power. And it is also a series of values (the sharing of a “common destiny” inside a certain community and of individual rights) and of further rules (even those economic regulations) that make it possible for a community to live in a democratic, fair and peaceful way.

However we once again limit ourselves to participation and more specifically to the formal procedure through which participation is realized. If the outcome of the analysis showed that even the formal procedures do not work, we would have questioned the building block of democracy and it would then be rather

plausible to expect that even the rest of the democratic infrastructure is affected.

We will speak of elections as a central moment of the democratic life, and as the unquestioned pole to which the legitimization of every choice is tied to.

We will assume a point of logical consistency between objectives and procedures in a fashion which is not very far from (even if with different means) the exercise that Arrow proposes with his theorem on the intrinsic impossibility to obtain democratic processes. However we will not concentrate on theorems, but on more evident demonstrations of the growing unsustainability of certain mechanisms *relative* to certain other social and technological evolutions.

We will not, thus, investigate other preexisting issues such as the creation of individual preferences (for example, that of the validity of the rational assumption as a criteria that guides the other individuals in their choices¹²) or the consistency between individual preferences and individual behaviors (for example, that of the possibility that the detected references diverge from the real choices inside the electoral “game”¹³).

In the second part of this work we will, in fact, start to investigate which technological and economic changes are impacting upon the second phase of policy making and thus the decision making and decision implementation (government) phase. Nevertheless, we will start with the participation part of the problem.

¹² The thoughts on rationality that coincide with the correctness of the democratic outcome are posed on two different levels. In the first level there is the doubt on the individual rationality as such in making choices that concern only him/her and eventually, another individual with which he/she hold a market transaction (see for example, “The rational fool” of Amartya Sen where the inconsistency of a rationality is demonstrated in its consistency meaning in respect to his own personal interest); to another level there is the criticism on the ground of the transformation of individual preferences into collective choices and therefore on the comparability of expressed preferences from different individuals see Samuelson in “Foundations of Economic Analysis”, Harvard Press, 1947 or Bergson “A reformulation of Certain Aspects of Welfare Economics”, Quarterly Journal of Economics, 1938 or again Robbins in “An Essay on the Nature and Significance of Economic Science”

¹³ We are referring to the great games theory (see for example, the development made by the classical Von Neumann and Morgenstern in “Theory of Games and Economic Behaviour, Princeton University Press, 1947) but also to the intuition of the impact that it can have on the outcome, like the participation in a “game” (in this case electoral) which constitutes a pleasure in itself and that it can therefore play a role in the expression of the preferences (in other words the preferences are modified by the mean through which it is communicated in Veblen “The Theory of the Leisure Class”, The Macmillan Co, 1899)

1. ARE ELECTIONS STILL A LEGITIMATE INSTRUMENT FOR POWER ALLOCATION?... AND DEMOCRACY AS AN INFORMATION SYSTEM

There are four limits of participation and we will quickly mention them before analyzing them one by one:

1. We vote for a given institution with frequencies that are not efficient.
2. The articulation of electorates is made exclusively on a territorial basis and this entails the impossibility of capturing other forms of aggregation and citizenship.
3. Elections are exclusively general¹⁴ and this makes it technically difficult to articulate preferences and opinions of individual sectors.
4. The choice is almost exclusively in terms of the acceptance or overall rejection of a given political decision (it is the same thing that happens with a proxy). However, in reality, individual preferences in respect to a given political decision are obviously distributed under the form of a configuration of a normal curve (Gaussian) in partial agreement with that choice.

These are technical limits of specific institutional “mechanisms”. They represent a loss of “information” (from the point of view of whoever makes the decisions) and of “influence” (from the point of view of the citizens) that at every step/error the gap widens between those who govern and those who are governed. They lower the overall quality and the efficiency of the political action.

We are exposing problems that are not new and that yet, become (which is the theory we propose) no longer “tolerable” whereas the costs of participation are drastically reduced and therefore, our expectations¹⁵ are increased by the same magnitude.

Democracy is – at its most basic – an “information system” which transforms individual preferences into collective wills and then these into political choices within a certain framework of regulations that will prevent abuses.

The problem is that it is as if we are using one of those huge IBM calculators from fifty years ago to process the amount of information handled by a modern Personal Computer. The costs of accessing information has been reduced drastically, the

¹⁴ With the exception of referenda.

¹⁵ On the question of the expectation it is our opinion that in fact the request for democracy has grown and has become more complex. It is natural instead that it is like this in a world in which information is accessible to everyone and that all the world’s problems enter with violence in everyone’s house. It is also true that the expectations not satisfied fold back on themselves and can transform themselves into their opposite - resignation and indifference.

complexity has been multiplied and we are still using the same mechanisms to aggregate individual opinions into decisions relevant to an entire community.

These are the limits of institutional mechanisms (especially elections) that were built for a Society totally different from the one we now live in. We should look more in depth at what the limits are and what could be the (very preliminary) hypotheses for solutions that could be experimented with, using a smart combination of technologies and politics.

In order to access the full version of the in progress paper, you are kindly requested to register with us through the reserved area window. This will allow Vision to share with you the next steps of the project and will give you the possibility to interact with the project team.