

Frey on reforming democracy: a comment

Hannu Nurmi¹

Department of Philosophy, Contemporary History and Political Science

University of Turku

FI-20014 Turku

Finland

email: hnurmi@utu.fi

Abstract

Of Frey's ideas about expanding the scope of direct democracy we focus on the problems related to agenda formation, graded votes, random devices in elections and the majority principle. Hopefully these points will be addressed in further development of those ideas.

1. Motivation

Bruno Frey's views on expanding the scope of direct democracy are refreshing and thought-provoking. Those views are clearly based on extensive reading and research experience. While I find myself in agreement with much that Frey says, I would like to raise some issues that may be viewed as criticism of the ideas presented. This possibility should, however, not overshadow the basic point we agree on: democracy is a system of governance that benefits from occasional enrichment and reformation. New ideas, like those presented by Frey, deserve close scrutiny and discussion.

2. The domain of democracy

Most democracies of today are of representative variety. People elect representatives and these wield the ultimate political power – in some cases shared with a president – to legislate and control the executive branch as well as to fill the highest positions of the judiciary. In presidential systems of direct ballot type, the single 'representative' handles most of the above functions. It is not difficult to see the advantages of the representative governance. It enables those elected to concentrate on public policies on a full-time basis, specialize in some public policy areas, form networks needed for getting their (and their supporters') ideas heard and acted upon in public policy-making, formulate coherent political programs etc. Although all these could perhaps in principle be accomplished without representative system, this could only be done at enormous bargaining costs. Hence it is natural that some sort of political class emerges. People simply do not have the time or interest to devote large portions of their resources to political decision making.

However, we all have some issues in which we would like to influence the outcomes directly rather than through our representatives who may disagree with us on them. The representative systems may, thus, present the voters with a problem: should I vote for candidate or party A because I agree with A's political program more than any other's or should I vote for B because B agrees with me on issue x which is of

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particular interest to me, while A's stand is either not known to me or contrary to my position? A public choice theorist's answer would probably be: it depends on the weight you assign to x in your voting calculus.

This leads me to my first comment: who should decide which issues are subjected to a referendum or otherwise put on the agenda of direct democracy? Typically this falls to some representative body, like the parliament. It could be envisioned that a constitutional court would be responsible for the agenda formation. This would bestow some independence on the process, but would lead to another problem, viz. the separation of powers mix-up. Courts are primarily rule-applying, not rule-making institutions. In any event, the agenda formation is an often overlooked aspect of direct democracy and, yet, it is of crucial importance in determining the outcomes of voting.

But parliamentary review is also associated with theoretical problems. To wit, by legislating on the agenda of direct democratic decision making, a political body ipso facto determines the conditions under which its supreme power to legislate can be constrained. If this line of reasoning is extended beyond public politics proper, e.g., to private enterprises and employee participation, we are faced with a similar problem of demarcation: under what conditions is the management willing to constrain its own maneuvering room in making strategic decisions?

3. Graded votes

A particularly thought-provoking idea in Frey's paper is that of graded voting rights. People changing their country of residence would have voting weights proportional to the time they have spent in the country they have immigrated to so that at the end of a given period their weight becomes equal to that of the permanent citizens of the country. People leaving a country, on the other hand, would lose portions of their full voting weight in an analogous manner. I understand that this proposal is intended to facilitate the integration of new residents and that all measures that smooth the transition from non-citizenship to citizenship can be deemed cost-saving. I can, however, also see some complications. Firstly, adopting this initiative would entail a restriction in ballot secrecy. It would become immediately visible which candidates or parties have received fractional votes. Depending on the size of the ballot-counting districts, this might deter some voters to exercise their voting rights. Secondly, the immigrant voters might experience the fractional votes literally for what they are, viz. de-grading. The notorious 3/5 counting rule of African –American slaves in the U.S. House seat apportionments in the 19th century comes to mind.² Thirdly, the issue of how long it would take for a person to become qualified for casting a full vote remains open as does the number of steps in between non- and full enfranchisement.

That the older people would – in virtue of being older – have more weight in constitutional decisions than younger voters, is also proposed by Frey. The motivation for this seems like a version of Rawls's veil of ignorance principle: fairness is more likely if one doesn't know one's place in the environment being designed (Rawls 1971). So, Frey seems to say, older voters are more likely to be absent from the society in which the constitution is eventually to be applied. *Prima facie*, there is some obvious plausibility in this. On closer inspection, a counterargument comes to mind. To wit, while the point on fairness can be accepted, considerations pertaining to accountability point to the opposite direction. One (and in politics often the only) way of being accountable for one's decisions is to live through their consequences. If the constitution turns out to be a disaster, then those that in Frey's proposal had a diminished weight in drafting it will pay the price, while the deceased designers will not. What's the fairness in that?

² The rule was applied to the assigning of seats to the member states of the Union, not to attaching weights to ballots as in Frey's proposal.

Graded or weighted votes also call for more technical points inspired by the title of Banzhaf's classic article: "Weighted voting doesn't work", but these will be glossed over in this brief comment (see Banzhaf 1965; Felsenthal and Machover 1998; Holler and Nurmi 2013 for some of the most cited views).

4. Voting and randomization

Random mechanisms do play a role in voting. Best-known instances involve tie-breaking, but it is common to randomize the slots of numbers to be given to the parties and candidates in elections, in the determination of speaking orders in televised debates etc. Frey suggests a novel role for random devices by suggesting that these be used in determining winners in elections after the voters have cast their ballots. In theoretical social choice it is known that probabilistic voting, whereby instead of casting their votes 'deterministically' to candidates or parties, would avoid many incompatibility results in voting theory (Intriligator 1973; Coughlin 1992). In a way election results could be viewed as some sort of probability distributions over candidates or parties reflecting their collective desirability. But in the end winners have to be picked, seats filled and policies pursued by distinct alternatives, not distributions over them.

Frey is aware of this and suggests a more limited role to randomization: determining the winner or picking an individual to represent the others once the votes have been cast to the candidates (somewhat reminiscent of the ancient Athens, see Tangian 2014). The main problem encountered is the experienced legitimacy of the outcomes reached. Suppose that in a two-way presidential race, Mr. Smith wins over Ms. Jones by a clear margin, say 60-40. We then resort to a random mechanism yielding to outcomes A and B with 0.6 and 0.4 probability and say that if outcome A occurs, Mr. Smith is the winner, while if outcome B is observed, Ms. Jones wins. Suppose B comes out as it is bound to do eventually if the mechanism is repeated many times. Would the supporters of Smith deem this a legitimate outcome? Very likely not – even after having been given a thorough explanation of the unbiasedness of the mechanism. It may be that a mechanism turns out good or right outcomes on the average in the long run, but elections and referenda tend to be unique and deemed as such. So, it may be an uphill struggle to convince the voters that this is the way to go. But, as Frey says, random mechanisms ought to be used skillfully.

5. The majority principle

Section 4 of Frey's article discusses simple and qualified majorities, the main contention being that the closer the margin of victory of an alternative over its contestants the more emphasis ought to be placed on post-balloting bargaining to reach an outcome that could be accepted by all parties involved. From the wording of the section one gets the impression that at the decisive stage of balloting only two alternatives are faced with one another. Frey thus seems to gloss over the plethora of voting systems that can produce different outcomes when the number of alternatives exceeds two. How does one reach the stage where only two alternatives are left for comparison? Who determines the agenda of voting preceding the final binary comparison?

Perhaps a hint of the process can be obtained in the reference to Pareto optimality of outcomes (see e.g. Nurmi 1987). Fortunately many procedures (not the most common parliamentary systems, though) end up in some Pareto optimal alternative under sincere voting. Strategic voting may blur the picture a little, but overall what happens in the enormous space where some voters are strategic and others not, remains a

mystery. And yet, this is the space where most of the real world action takes place. Anyway, Frey doesn't discuss the voting systems in detail and we are thus left in the dark regarding his favorite one.

6. By way of conclusion

Bruno Frey's recommendations for reforming democracy appear at a time when calls for strong leadership and unquestioning loyalties are on the rise. Albeit not directly confronting these calls, his views are a welcome contribution to the discussion of future forms of democratic governance. In their present form Frey's ideas can best be viewed as initiatives for discussion rather than a full-fledged theory of government. And this must have been the author's intention.

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