Chapter 5
Real Utopias I:
Social Empowerment and the State
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In this chapter and the next we will explore a range of real utopian proposals that try to satisfy three main criteria: First, the institutional designs are *desirable* in terms of radical democratic egalitarian emancipatory ideals. Second, the institutional designs constitute *viable* alternatives to existing arrangements. They are consistent with what we know about how institutions work and, if implemented, they would not generate perverse unintended consequences that would either negate the desirable properties of the institution or make it unsustainable. Third, the proposals should contribute in some way to movement along the pathways of social empowerment outlined in the previous chapter. While social empowerment may not be a necessary condition for an institutional change to be worth pursuing, these are the kinds of institutional changes that have the potential cumulatively of transforming the system as whole.

A fourth criterion of considerable political importance will not be of central concern here: the achievability of the proposal. Some of the ideas we will consider are certainly achievable in some form in the world today: some have been implemented in limited ways already and others are actively on the political agenda in certain places. Other ideas do not seem immediately achievable, but nevertheless it is not difficult to imagine circumstances in which they could become achievable if sufficient social forces mobilized around them. But at least some of the proposals discussed in this chapter seem fairly far-fetched politically and are quite unlikely to be achievable in the form discussed. This is particularly the case for the specific proposal formulated by John Roemer for equal-ownership market socialism. Nevertheless, I believe that it is worth thinking about such apparently unachievable possibilities both because it is so difficult to predict what the circumstances of political possibilities will be decades hence and because exploring the logic of viable but (apparently) not achievable institutional designs can contribute to the future formulation of achievable innovations.

The set of proposals we will examine does not constitute a comprehensive project of institutional designs for socialism or some other encompassing alternative to existing social structures and institutions. Nor are these proposals meant to constitute an integrated political program for an anticapitalist political party. While I do think that many elements of the institutional designs we will examine can and should be part of the political programs of socialist democratic egalitarianism, there remain many gaps and missing elements in what will be discussed here.

Since most of the pathways to social empowerment outlined in the previous chapter involve the state, we will begin in this chapter by examining proposals for real utopian institutional designs for deepening democracy in the state. The next chapter examines designs for new economic institutions.

Three Institutional Forms of Democracy[1]

The abstract idea of democracy as "rule by the people" is translated into actual systems of democratic governance through three primary institutional forms: representative democracy, associational democracy, and direct democracy.

Representative Democracy. This is the most familiar institutional form for realizing democratic principles. In representative democracy the people rule through their representatives, typically chosen through competitive elections within territorial districts. In most democratic countries, this is by far the most important way by which ordinary people play some role in the exercise of political power.

Associational Democracy. The second general form of democratic governance, associational democracy, is much less familiar to most people, but still important. In associational democracy, various kinds of collective organizations – like labor unions, business associations, or civic groups – are directly engaged in various aspects of political decision-making. This can occur in many ways – through involvement in government commissions, through what is sometimes called "corporatism", through organizational representation on various kinds of regulatory agencies.

Direct democracy. In direct democracy, ordinary citizens are directly involved in the activities of political governance. One form of this is what is sometimes called "plebiscitary democracy" in which citizens directly vote on various laws and policies. Another form would be the many ways in which citizens participate in public hearings and testimony over legislation in cities, or, more rarely, directly make decisions in town meetings.

Each of these forms of democratic governance can be organized in ways that deepen the quality of popular empowerment or that undercut rule by the people. For example, when electoral democracy relies mainly on private financing of electoral campaigns, particularly when there is a two-party system, this gives enormous influence to rich and powerful actors who are able to strongly influence the selection of viable candidates. Or, broad portions of the electorate may retreat into private life to leave the business of governing to a select class of anointed professionals.[2] On the other hand, certain kinds of public financing of elections, combined with systems of proportional representation, open up electoral competition to broader popular initiatives. When associations involved in democratic governance are themselves internally hierarchical and bureaucratic, when they represent only some interests in society and exclude the unassociated, when they are subordinated in various ways to elite interests, or when they are run

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[1] Parts of this section are drawn directly from an unpublished paper written with Archon Fung, "Participation, Associations, and Representation in a Deeper Democracy," 2004.

[2] For critique, see Archon Fung and Joshua Cohen. "Radical Democracy." (forthcoming, *Swiss Journal of Political Science*). The classic defense of thin democracy in the representative realm is Joseph Schumpeter's treatment of "elite democracy" in *Capitalism, Socialism, and Democracy* (New York: Harper and Row, 1942). For contemporary proponents of thin democracy, see George Kateb, "The Moral Distinctiveness of Representative Democracy," *Ethics* 91 (April 1981): 357-74; Richard Posner, *Law, Pragmatism, and Democracy* (Cambridge, MA: Harvard University Press, 2003); John R. Hibbing and Elizabeth Theiss-Morse, *Stealth Democracy: American's Beliefs about How Government Should Work* (New York: Cambridge University Press, 2002).

by professionals and membership consists of little more than financial donation,[3] governance through secondary associations can become very undemocratic. On the other hand, when the associations are open and inclusive, and when their participation in governance involves empowered forms of bargaining and problem-solving, then associative democracy can deepen the accountability and effectiveness of public action. Finally, direct democracy can be very thin, as when citizens are simply given a yes/no vote on a referendum policy dictated by elites, or it can become a form of significant popular empowerment when it involves the devolution of real decision-making authority and resources to popular councils of various sorts. These various possibilities are illustrated in Figure 5.1.

Figure 5.1
VARIETIES OF DEMOCRATIC GOVERNANCE

THE DEGREE OF DEMOCRATICNESS

		Thin Democracy	**Deep Democracy**
	Representative Democracy	Elite dominated electoral democracy	Robust egalitarian electoral democracy
FORM OF DEMOCRATIC RULE	**Associational Democracy**	Bureaucratic corporatism	Associative Democracy
	Direct Democracy	Plebiscitary elections	Empowered participatory governance

All democracies involve some elements of each of these forms of governance. A radical, deep, egalitarian democracy is not one in which direct democracy entirely replaces representative democracy or associational democracy. Rather, the project of realizing emancipatory democratic ideals requires transforming each of these forms of governance in a more deeply democratic direction, and, importantly, articulating the ways in which each kind of democratic engagement can support and reinforce the others.

In what follows I will discuss institutional designs for deepening democracy for each of these kinds of democratic institutions. I will give particular attention to the problem of direct

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[3] See Theda Skocpol, "Advocates Without Members: The Recent Transformation of American Civic Life" in *Civic Engagement in American Democracy*, ed. Theda Skocpol and Morris P. Fiorina (Washington, D.C.: Brookings and Russell Sage Foundation, 1999).

democracy since this is the institutional form of democratic governance that is generally considered the least tenable in the world today.

I. DIRECT DEMOCRACY: NEW FORMS OF EMPOWERED PARTICIPATORY GOVERNANCE

There is a sense in which direct democracy most purely embodies the radical egalitarian democratic ideal, for it constitutes "rule by the people" in the most transparent way. The idea that people should have the power to participate in making decisions over matters which shape their collective fate evokes the idea of direct participation, not proxy participation. Both representative and associational democracy seem one step removed from "real" democracy; they are practical accommodations to intractable problems of scale, complexity, and time constraints that occur whenever the problem of collective fate and democratic decision-making move beyond small scale, face-to-face communities. As a result, most people think that direct, participatory democracy is of little relevance for contemporary society.

I believe that there is much more scope for new forms of direct democracy that have the potential to contribute significantly to a broad reinvention of democracy and movement along the pathways of social empowerment. In my work with Archon Fung we have called these new forms of "empowered participatory governance", or EPG. We will first look at an innovative empirical case which embodies critical elements of direct democracy and then examine the general principles of the EPG model.

An Example: Municipal Participatory Budgeting

An extremely interesting empirical example that moves in the direction of robust direct democratic institutions is the case of the participatory budget in the city of Porto Alegre, a city of around one and a half million inhabitants in the southeast corner of Brazil.[4] This case provides the raw material for elaborating a set of general principles of institutional design for invigorating direct democracy. Since detailed descriptions of the Participatory Budget are readily available, I will only sketch the institutional design here.[5]

In most cities that are governed by democratic institutions, the Mayor's office prepares a city budget each year, which is then submitted to a city council for approval and amendment. But where does the mayor get the numbers? Usually this is done through a technical budgetary office filled with economists, city planners, political cronies and other associates of the Mayor. In Porto Alegre, in contrast, the budget is generated by a complex process centering on direct citizen participation in popular councils. This innovation was enacted by the Worker's Party (the PT), a

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[4] This case is at the center of volume IV of the Real Utopias Project, *Deepening Democracy: institutional innovations in empowered participatory governance,* by Archon Fung and Erik Olin Wright (London: Verso, 2003). Part of the description in the following paragraphs is taken from pages 10-12 from that book.

[5] For more detailed accounts, see, for example, Gianpaolo Baiocchi *Militants and Citizens: the politics of participatory democracy in Porto Alegre* (Stanford: Stanford University Press 2005), and "Participation, Activism and Politics: The Porto Alegre Experiment," in Fung and Wright, *Deepening Democracy*, pp.45-76;Boaventura Santo, "Participatory Budgeting in Porto Alegre: Towards a Redistributive Democracy," *Politics & Society* 4: 461-510."

Leftwing Socialist Party that unexpectedly won the election for Mayor in 1988 and adopted the Participatory Budget as a way of instituting a kind of "dual power" within city government.[6] Without going into details, the basic idea is that citizens meet in popular assemblies throughout the city to deliberate about how the city budget should be spent. Most of these assemblies are organized around geographical regions of the city; a few are organized around themes with a city-wide scope – like public transportation or culture. At the beginning of the budget cycle each year these assemblies meet in plenary sessions. City executives, administrators, representatives of community entities such as neighborhood associations, youth and health clubs, and any interested inhabitant of the city attends these assemblies, but only residents of the region can vote in the regional assembly. Any city resident participating in a thematic assembly can vote in those. These assemblies are jointly coordinated by members of municipal government and by community delegates.

At this initial plenary assembly the results of the previous years' budget process are reviewed by representatives from the Mayor's office. Also at this plenary assembly, delegates are chosen to meet in regional and thematic budget councils in order to formulate spending priorities. This is where the most intensely participatory work on the budget is done. These delegate meetings are held in neighborhoods throughout the region over a period of three months during which delegates meet with residents and representatives of secondary associations to hear proposals and consider a wide range of possible projects which the city might fund in the region. Typical projects include such things as transportation, sewage, land regulation, day care centers, public housing, and health care. At the end of three months, these delegates report back to a second regional plenary assembly with a set of regional budget proposals (or in the case of the city-wide thematic plenary assemblies with budget proposals on the thematic issues). At this second plenary, proposals are ratified by a vote of people participating in the meeting, and two delegates and substitutes are elected to represent the assembly at in a city-wide body called the Participatory Budgeting Council, which meets over the following several months to formulate an integrated city-wide budget from these regional and thematic budgetary proposals. It is mainly at this point that technical experts enter the process in a systematic way, making estimates of the costs of different projects and discussing technical constraints on various proposals. Since citizen representatives are in most cases non-professionals, city agencies offer courses and seminars on budgeting for Council delegates as well as for interested participants from the regional assemblies. At the end of this process, the Council submits a proposed budget to the Mayor, who can either accept the budget or through veto remand it back to the Council for revision. Once a budget has been agreed on by the Mayor and the Budget council, it is finally submitted to the city council for formal adoption. The whole process takes about six months and involves tens of thousands of city residents in active policy-making deliberations.

When the participatory budget was first introduced, it was conceived as a way for citizens as individuals to actively participate in core decision-making in city governance. Over time,

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[6] While the PT won the Mayor election in 1988, it did not win a majority of seats in the city council, which remained controlled by the traditional clientelist parties. The problem, then, was how to enact any meaningful progressive policies without controlling the city council. The PB was a central part of the solution – a kind of end run around the city council.

however, much of this participation became mediated by secondary associations in civil society. In particular, most of the people chosen within the plenary assemblies to serve as delegates in the regional and thematic budget councils are active participants in civil society associations of one sort or another. This means that the delegates are embedded in broader social networks and settings within which budget priorities are discussed, thus extending the social reach of the public deliberations on the issues. These connections of delegates to secondary associations also deepen the ways in which the participatory budget functions as a mechanism of social empowerment.

Of course, in practice, this process is often messy, with many conflicts and glitches. There have been times when particular regional assemblies were captured by traditional clientelistic political leaders and attempts made to use the budget for patronage purposes.[7] In other instances the participatory assemblies failed to produce a coherent set of proposals. Still, taken as a whole, the participatory budget process has been an enormous success, both in terms of its claims as an experiment in deepening direct democracy and its effectiveness in the practical tasks of formulating city budgets. A number of indicators suggest that this is a successful institutional experiment in deepening participatory democracy:

1) There has been a *massive shift in spending towards the poorest regions of the city*. As one would predict in a deliberative process where reasons and needs rather than power play the central role in allocations, the neediest parts of the city have gotten the most funding.

2) *Participation levels of citizens in the process have been high* and sustained. Although in recent years participation has declined significantly due to austerity budgets in Brazil (which have meant that there was very little discretionary spending available for budgetary allocations at the urban level), throughout most of the history of the participatory budget somewhere around 8% of the adult population participated in at least one meeting in a typical budgetary cycle. Furthermore, active participation is not limited to highly educated people with lots of "cultural capital." Gianpaolo Baiocchi demonstrates through his careful research on pattern of actual participation that while the most disadvantaged and uneducated segments of the population are under-represented among both the participants at meetings and among elected delegates and councilors, it is not the case that the participatory budget process is dominated by educated elites.[8]

3) *There has been a clear thickening of civil society stimulated by the participatory process.* Often sociologists believe that the density of social networks and vitality of secondary associations in civil society are largely the result of deep rooted cultural and historical factors and not subject to rapid transformation. As Baiocchi richly shows, there has been a steady development of associational life in the city as groups form to better articulate their needs through the participatory budget process.

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[7] See Rebecca Abers, "From Clientelism to Cooperation: Participatory Policy and Civic Organizing in Porto Alegre, Brazil," *Politics and Society,* 26:4 (December 1998), pp.511-37.

[8] Gianpaolo Baiocchi, "Participation, Activism and Politics: The Porto Alegre Experiment," in Fung and Wright, *Deepening Democracy*, p.54

4) *Corruption largely disappeared: this is a transparent, clean process.* The political opposition to the Worker's Party has been unable to demonstrate any significant corruption in the process in the city of Porto Alegre, in spite of considerable efforts at doing so. While there have been corruption scandals involving the Worker's Party at the National and State Level, the Porto Alegre city government was free of such problems.

5) T*he vote for the PT increased significantly over several electoral cycles within the city*, indicating that this process has generated high levels of legitimation. Left parties elected in poor countries typically have quite short tenures in office: they raise expectations which they cannot fulfill and trigger concentrated opposition by right wing political forces which leads to their defeat in fairly short order.. In Porto Alegre the PT was able to increase and then sustain its electoral support over three electoral cycles – 1992, 1996, and 2000. It was only in the context of scandals around the PT at higher levels of government, especially connected to the Lula presidency, that in 2004 its local support declined and it lost the Mayoral election.

6) There are some indications *that tax compliance has increased among the middle class and affluent* even though tax surveillance and enforcement has not really changed and even though the more affluent segments of Porto Alegre are not the principle beneficiaries of the participatory budgetary.[9] The problem of tax cheating is a universal issue in contemporary societies, but the nonpayment of taxes is a particularly severe problem in places like Brazil. The increase in apparent compliance in Porto Alegre suggests that the enhanced democratic legitimacy and transparency of the process may have begun to affect norms of civic responsibility and obligation.

It is, of course, far from clear that this innovative experiment is generalizable to other places, issues, contexts, or scales. But of course, in 1989 when this process was started by the PT in Porto Alegre, virtually no one would have imagined that it would work so effectively there either. The limits of possibility are not something about which we can have definitive knowledge before testing those limits.

General institutional design: Empowered Participatory Governance

Though the experience of Porto Alegre is remarkable, it offers lessons for democratic governance that extend beyond matters of municipal budgeting and beyond the particular political and cultural situation of Southern Brazil. The deep kinds of democratic engagement found in Porto Alegre can potentially be created in many different contexts, and generate similar kinds of benefits despite the differences of application. Empowered, participatory forms of direct democracy can increase the involvement and commitment of citizens in public life, make officials and politicians more accountable, improve the effectiveness of government, and make social policies more just.

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[9] The claim that tax compliance has improved was made to me by an economist in the Mayor's planning office in Porto Alegre and by several staff members involved in the participatory budgeting process. I have not seen any systematic research to verify this claim, so it should be treated as somewhat speculative.

Archon Fung and I call institutional designs like the one found in Porto Alegre "empowered participatory governance" (EPG). On the basis of our research on this and several other cases, as well as our understanding of broader issues in the theory of democracy, we have identified seven elements that characterize this kind of democratic process. The first six concern aspects of the internal design of empowered participatory governance institutions; the seventh concerns an important aspect of the socio-political environment of such institutions in order for them to be stable. These elements are summarized in Figure 5.2.

Figure 5.2

**CORE ELEMENTS OF THE MODEL OF
EMPOWERED PARTICIPATORY GOVERNANCE**

1. *Bottom-up empowered participation*
> Participation is not just voicing opinions, not just symbolic, but involves real direct popular empowerment

2. *Pragmatic orientation*
> Decision-making is oriented towards concrete problem-solving

2. *Deliberation*
> Decision-making involves a significant role for active deliberation rather than simply bargaining, strategic maneuvering, logrolling, and majority voting.

4. *Devolution*
> Decision-making is moved downward to the locus of problems as much as possible

5. *Recombinant decentralization*
> There is a strong role for central coordination of decentralized empowered bodies – both for enhancing learning capacity and for monitoring performance. EPG is not a form of atomistic decentralization.

6. *State-centered, not voluntaristic*
> EPG involves forms of empowerment mandated by the state, financed by the state, rather than simply voluntary arrangements within civil society.

7. *Countervailing power*
> Organized popular forces are sufficiently mobilized to at least partially neutralize the ability of elites to undermine EPG.

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1. Bottom-up empowered participation

The first design principle is perhaps the most obvious. In EPG many of government's decisions are determined through a process of popular participation. Ordinary people — perhaps as residents of neighborhoods or consumers of government services, certainly as citizens of a democracy — should participate in the details of decisions that affect their lives. In EPG, this participation usually occurs in face-to-face meetings.

Now, public participation is nothing new in government. In EPG, however, participation is *empowered* not simply *expressive* or *symbolic*. Participation in EPG institutions does not just give people a way of expressing their views on matters of public concern, but involves actual decision-making powers significantly involving direct participation. In the familiar institutions of representative democracy, ordinary citizens are involved in politics only to the extent that they chose decision makers – their representatives – through elections and voice their opinions through various channels of communication. The ideal of empowered participatory governance involves ordinary citizens directly in the deliberations and problem-solving through which decisions are made.

2. Pragmatic orientation

At the center of political decision-making in EPG institutions is what might be termed a pragmatic orientation towards concrete problem-solving. The idea is to bring people to the political table who share a common interest in accomplishing certain concrete, practical goals – in solving practical problems – even if they also have significant conflicts of interests outside of the immediate problem-solving agenda.

This may mean that certain issues are "off the table" because they are not tractable to such a practical orientation, and this in turn may mean that the pragmatic orientation deflects political energy away from more radical challenges to inequalities of privilege and power. This can become a significant limitation of EPG. But the idea is that pragmatic solutions to real problems are often possible in spite of these broader conflicts and inequalities, and further, that in the long run empowering people to deal with concrete problems can set the stage for more profound reconfigurations of power.

One common criticism of participatory democracy is that the People are too apathetic, ignorant, or busy to participate. Evidence from the empirical cases we studied, however, suggest that when there are opportunities for people to become involved in decisions that address practical problems that are deeply important to them, they do participate in substantial numbers. Surprising, poor people often participate more than wealthy ones when such opportunities are available.

3. Deliberation

The third principle addresses *how* decisions are made in EPG. In many political processes, decisions are determined according to the force of greater numbers – as when people vote according to their preferences or interests. In other contexts, for example government agencies and corporations, decisions are often made according to a hierarchy of expertise or status.

In a conventional liberal democracy, the basic idea is that political decisions are the result of majority rule, where majorities are constructed through various complex processes of mobilization of support and bargaining. Bargaining involves compromises, and through such compromises conflicts of interests may be resolved, but the bottom line is that the majority rules by exercising power.

In EPG, by contrast, participants make decisions as much as possible through deliberation.

In the ideal, participants offer reasons, appealing to common interests or commonly held principles, to persuade one another about the proper course of action or problem solving strategy.

In EPG decisions are made in a way that gives a significant place for listening to and accepting argumentation and good reasons — rather than simply bargaining, strategic maneuvering, exchanges of favors, and so forth. In deliberation, as social theorist Jurgen Habermas has written, the only force is the peculiar force of the better argument.

4. Devolution

In order for bottom-up participation to be meaningful, it is essential that significant aspects of real decision-making power within the machinery of the state be devolved to local units of action – such as neighborhood councils, local school councils, workplace councils, and so on. The people acting within these kinds of localized councils must be charged with devising and implementing solutions and held accountable to performance criteria. These bodies are not merely advisory bodies, but are rather endowed with substantial public authority to act on the results of their deliberation. Decision-making is moved downward to the locus of problems as much as possible.

5. Recombinant Decentralization

While the design principle of devolution and decentralization is familiar, the idea of "recombinant decentralization" may be less familiar because it is distinctive to EPG. Though basic decisions about means and ends are decentralized in EPG, there is a substantial role for central government and central authority as well. Local units do not operate as autonomous, atomized sites of decisionmaking. Instead the institutional design involves linkages of accountability and communication that connect local units to muscular central power. These central offices — for instance the mayor's office or the headquarters of a police department or school system — can reinforce the quality of local democratic deliberation and problem-solving in variety of ways: by coordinating and distributing resources; by solving problems that local units cannot address by themselves; by rectifying pathological or incompetent decision-making in failing groups; and by diffusing innovations and learning across boundaries.

Unlike ordinary bureaucratic, top-down, hierarchical models of organization, however, central authorities in EPG do not call the shots by developing plans and issuing orders for subordinates to execute. Instead, these central authorities *support* the problem-solving deliberations of more local, participatory entities and *hold them accountable* for operating in fair and effective ways.

Unlike more anarchist political models in which concerns for liberation lead to demands for *autonomous* decentralization, empowered participatory governance thus suggests new forms of *centrally-coordinated* decentralization that reject both democratic centralism and strict decentralization as unworkable. The rigidity of the former leads it too often to disrespect local circumstances and intelligence and as a result it has a hard time learning from experience. Uncoordinated decentralization, on the other hand, isolates citizens into small units, surely a foolhardy measure for those who don't know how to solve a problem but suspect that others, somewhere else, do. Thus these reforms attempt to construct connections that spread information

between local units and hold them accountable and this requires a strong, effective center.

6. State-centered institutionalization

A sixth characteristic of these experiments, already implied by the prior remarks, is that they are both deeply connected to formal institutions of state governance and involve significant transformations those institutions. Many spontaneous activist efforts or projects led by non-governmental organizations or social movement groups share some of the characteristics of EPG. However, they seek to influence state outcomes through outside pressure or sometimes to organize activities that operate parallel to official state programs. In both cases, they leave intact the basic institutions of state governance.

By contrast, EPG reforms attempt to remake official institutions. These experiments are authorized by the state to make substantial decisions, and, most crucially, they try to change the central procedures of power rather than merely attempt to occasionally to influence what the state does. These transformations attempt to institutionalize the on-going participation of ordinary citizens, most often in their role as consumers of public goods, in the direct determination of what those goods are and how they should be best provided.

This perpetual participation stands in contrast, for example, to the relatively brief democratic moments in both campaign-based social movements and electoral competitions in ordinary politics in which leaders/elites mobilize popular participation for specific outcomes. If popular pressure becomes sufficient to implement some favored policy or elected candidate, the moment of broad participation usually ends; subsequent legislation, policy-making, and implementation then occurs in the largely isolated state sphere. In EPG the goal is create durable institutions of sustainable empowered participation of ordinary citizens in the activities of the state rather than simply episodic changes in the policies of the state.

7. Countervailing power: The broader context of participatory empowerment

Many on the left would argue that EPG is impossible in most current societies because the differences of power — between worker and boss, citizen and government official, wealthy and poor citizen — are so great that fair deliberation is impossible. EPG institutions, from this perspective, are merely one additional arena in which the strong can dominate the weak. While I believe that the prospects for empowered participatory governance are not so dismal, I also believe that attempts at creating and consolidating institutions of empowered participation are very unlikely to be durable in the absence of what can be called *organized countervailing power* in the environment of such institutions. "Countervailing power" refers to a wide variety of processes that reduce – and perhaps even neutralize – the power advantages of ordinarily powerful groups and elites in the contexts of these governance institutions. Popular political parties, unions, and social movement organizations are the characteristic vehicles for such countervailing power. So, the argument here is this: empowered participatory governance requires some form of organized countervailing power in order to be sustained over time.

New institutions of direct democracy containing these elements of empowered participatory governance have the potential to significantly deepen the involvement of ordinary citizens in the

exercise of sate power. Direct democracy, however, cannot be the only pillar of a socially empowered democratic state. It is also essential to formulate real utopia designs for representative democracy and for associational democracy.

II. REPRESENTATIVE DEMOCRACY: SKETCHES OF TWO PROPOSALS

More has been written about the problem of deepening and revitalizing representative democracy than any other form of democratic institution. The longstanding discussion in political science about the relative merits of different electoral rules of the game – single-member districts with plurality voting, various forms of proportional representation, instant runoff elections, etc. – is basically about how alternative rules affect various political values: efficiency, stability, democracy, pluralism, etc. Similarly, the vigorous discussion, especially in the United States, about campaign finance reform is primarily about the thinness of representative democracy when private money plays such a preeminent part on shaping electoral outcomes.

Here I will not review these relatively familiar discussions, but instead briefly sketch two proposals for enhancing the democratic quality of representative democracy: egalitarian public financing of politics, and randomly selected citizen assemblies.

1. Egalitarian public financing of electoral campaigns

Bruce Ackerman has proposed a novel institutional device which potentially would have the consequence of both marginalizing the role of wealth in electoral politics and create a much more deeply egalitarian form of financing politics in general, not just conventional electoral campaigns.[10] The basic idea is simple: At the beginning of every year every citizen would be given a special kind of debit card which Ackerman dubs a *Patriot Card*, but which I would prefer to call a *Democracy Card.* He proposes putting $50 in each card. With 220 million people above the age of 18 this would cost a total of roughly $10 billion per year. The funds on this card can be used exclusively for electoral campaigns: to contribute to a candidate for a specific electoral campaign or to a political party that participates in elections. However – and this is the pivotal condition that makes this a radical egalitarian proposal – any candidate or party accepting funds from democracy cards cannot accept funds from any other source. But why should candidates and parties opt for this restriction? Why not still court the fat cats and rely on private funding? There are two reasons for this: If the funding level of the democracy cards is sufficiently high, it will swamp other sources of funding. There simply will be much more money to be had through the democracy card political market than the private funding market, and since the two courses of funding cannot be mixed, most candidates will find it easier to raise funds from voters. Second, once the system is in place and becomes part of the normative order of political life, using private funding is likely to itself become a political issue. Candidates who rely on the democratic mechanism of seeking funding from equally endowed citizens will have a potent weapon to raise against candidates who seek funding from corporations and wealthy individuals.

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[10] Bruce Ackerman, *Voting with Dollars* (New Havens: Yale University Press, 19xx).

The Democracy Card would set in motion a very different kind of electoral process. In effect, all elections would have essentially two phases: first, a phase in which candidates and parties attempt to recruit democracy dollars from citizens, and second, a phase in which parties and candidates would use those dollars in electoral competition. Of course, under current conditions electoral politics also have these two phases. Electoral campaigns in any democratic system require financial resources, so the question is whether the mechanisms available for providing these funds are consistent with democratic principles of political equality. Under the existing rules of the game, the first phase is a radically inegalitarian process: wealthy people and corporations are major players in the game of recruiting funding. What the system of democracy cards does is restore a strong notion of political equality to both phases of the electoral process. In addition to one-person-one-vote in the casting of ballots, there is now one-person-one-card in the funding of elections. The mechanism therefore provides public funding for electoral politics based on a radically egalitarian principle – each citizen has exactly the same capacity to contribute financially to political activity.

The actual mechanics of a democracy card system as elaborated by Ackerman has many other components. For example, one problem in a democracy card system of election financing is how candidates can acquire the necessary funds to be able to campaign for democracy dollars in the first place. Ackerman proposes a mechanism by which candidates, after getting a certain number of signatures, can get initial direct public funding in the form of a campaign grant. This would provide the necessary start-up funding for the democracy-dollar recruiting phase of the electoral process. There would also need to be rules to prevent scams, situations in which a pseudo candidate recruits democracy dollars for personal consumption rather than electoral campaigns. One can also imagine additional rules by which some or all of a citizen's democracy dollars could be used to fund nonelectoral political activity of activist groups and lobbying groups. If the scope of funding targets for the cards was expanded, perhaps the amount in the card would also have to be increased. The rules might also have to vary under electoral systems in which parties played a bigger role than in the United States, and it might have to be modified in various ways to accommodate local as well as national politics. The key thing is that a well designed system of public financing of electoral campaigns through system of democracy cards would largely remove private money from the political process and thus deepen the political equality of citizens.

Democracy cards would contribute to a broad process of social empowerment in two primary ways. First, it would reduce one of the pathways through which economic power currently affects the use of state power. This would increase the potential for state power to be more fully subordinated to social power and thus be a more effective mechanism for the social control over economic processes. Second, by strengthening the sense of citizen equality and citizen political capacity, democracy dollars would encourage wider and deeper forms of citizen participation. Particularly if the democracy card idea was extended to a broader range of political activities

than just elections, this could contribute to a more egalitarian structure of political associations in civil society which would enhance the prospects for social empowerment.[11]

2. Random Selection Citizen Assemblies

The conventional way of understanding the idea of representative democracy is that representation is accomplished by citizens choosing political officials through elections to represent them in legislative and executive office. An alternative notion of representation would select political decision-makers through some kind of random selection process. This is more or less how juries are selected, and it was how legislative bodies were selected in Ancient Athens. The question, then, is whether such Random Selection Citizen Assembly (or Citizen Assembly for short) might be desirable and workable in the world today.

For certain situations, there are several potential advantages of a randomly selected assembly over and an elected legislature. First, the members of such an assembly are ordinary citizens, not professional politicians. Their interests are thus likely to more closely match those of population as a whole. Electoral processes inevitably generate what economists call principal-agent problems in the decision-making process: the elected representative is the agent of the citizens (the principal), but since their interests are not identical there is always the problem of the extent to which the agent will actually carry out the wishes of the principal. A randomly selected assembly directly empowers a subset of the principals and thus minimizes this problem.

Second, not only are the assembly members ordinary citizens, but with appropriate sampling techniques one can insure that they are a fully representative sample of certain demographic characteristics. Elected legislatures are almost always male dominated; a citizen assembly can, by design, be 50% women. Elected legislatures generally under-represent disadvantaged minorities. Again, a citizen assembly can by design insure such representation – or perhaps even over-representation for certain purposes.

Third, *if* the citizen assembly is capable of engaging in a genuine process of deliberation based on reason-giving and consensus seeking, then the resulting decisions are more likely to reflect some kind of "general" interest of the citizens than the special interests of particular social forces with strong ties to politicians. In ordinary elected legislatures the problem of the

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[11] Ackerman has a second proposal for institutional innovation which deals with another "democratic deficit" in contemporary liberal democracies: the lack of active citizen participation in public deliberation over political issues. An effective democracy depends upon informed citizens engaged in active deliberation over political issues, but such active involvement seems to be an increasingly marginal part of the lives of most citizens.   To counter this problem, Ackerman proposes introducing a new holiday called "Deliberation Day" which would be held several weeks before national elections. This holiday would be devoted to organized, intensive public deliberation of the issues in play in the election. Citizens would be paid a reasonable amount – Ackerman proposes $150 – to participate in an all-day event, held in convenient public venues such as public schools, at which a variety of activities would take place: nationally televised presentations by leading political figures; debates among local politicians; small group discussions; question-and-answer sessions with candidates. The objective would be both to raise the level of information acquired by the average voter, but even more importantly, to contribute to a shift in norms of the political culture towards more active, public involvement of ordinary citizens in political discussion.

relationship of the legislators to the citizens is not simply that the politicians who are in the legislature have interests and preferences distinct from those of ordinary citizens, but that they are embedded in strong social networks and social milieus typically dominated by various types of elites. This is a particularly salient problem where lots of money is needed for electoral campaigns so that politicians are elected as much on the basis of one-dollar-one vote as one-person-one-vote. But even apart from the money problem, social networks of professional politicians shape the kinds of deliberations that take place in legislatures. If, then, the decisions made by a citizens assembly come out of a deeply deliberative, consensus-seeking process, the resulting decisions are more likely to reflect the "will of the people" then decisions made by professional politicians.

This, of course, is a very big "if." There are many reasons to be skeptical that a deliberative process of consensus-formation is likely to occur in Citizen Assemblies. Members of the Citizens Assembly will generally not be very informed about the issues under discussion. Their initial views, therefore, will reflect the kinds of information disseminated by powerful interests through the general media. During the Assembly meetings new information will be presented by experts of various sorts, but most Assembly members will be ill equipped to evaluate such information, to sift the good from the bad. They will generally not have the education needed for such evaluations, nor the professional experience to know what kind of information is trustworthy and what is not. The quality of decisions made by a democratic body depend not just on the process through which interests are clarified, but also on the quality of the information and information processing that links interests to decisions. However flawed the configuration of interests might be among professional politicians, at least they are equipped through their staffs and party organizations, as well as generally their own education and experience, to handle the information problems of decision-making.

These are real issues and should not be dismissed. Nevertheless, there is good evidence that with suitable conditions, ordinary citizens are capable of assimilating large amounts of information, evaluating it in a reasonable manner, and using that information to make well reasoned collective decisions. James Fishkin, a political scientist whose research centers on the possibilities for public deliberation of complex problems, has conducted a series of experiments in what he terms "deliberative polling." He desribes the experiments this way:

> A random, representative sample is first polled on the targeted issues. After this baseline poll, members of the sample are invited to gather at a single place for a weekend in order to discuss the issues. Carefully balanced briefing materials are sent to the participants and are also made publicly available. The participants engage in dialogue with competing experts and political leaders based on questions they develop in small group discussions with trained moderators. Parts of the weekend events are broadcast on television, either live or in taped and edited form. After the deliberations, the sample is again asked the original questions. The resulting changes in opinion represent the conclusions the public would reach, if people had opportunity to become more informed and more engaged by the issues.[12]

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[12] James S. Fishkin, "Deliberative Polling: Toward a Better-Informed Democracy", http://cdd.stanford.edu/polls/docs/summary.

While this research does not show that the changes in participants' opinions through the public discussions move those opinions towards some genuine consensus, it does demonstrate that ordinary people are able to assimilate information, engage in sustained discussion, and change their minds in light of that discussion. This, at least, suggests that a Citizen Assembly, if well organized with appropriate supporting staff, might be able to generate decisions based on a reasoned evaluation of information.

The Fishkin research occurs in the artificial settings of single weekend gatherings of people who know that no real decisions come out of their deliberations. To get some inkling of the potential of the Citizens Assembly as a new model of democratic representation and deliberation it would thus be necessary to examine how they function in a real world setting with meaningful stakes. One such experiment occurred in the Canadian Province of British Colombia.

In 2003 the provincial government of British Colombia created a randomly selected Citizens Assembly whose mandate was to formulate a referendum proposal for a new electoral system for the provincial parliament.[13] British Colombia had a typical single-member district first-past-the-post parliamentary system. Many people had grown increasingly dissatisfied with the system, some on the grounds that it did not accurately reflect the preferences of voters, others on the grounds that small changes in voting preferences could generate very large changes in parliament, resulting in exaggerated political swings. The problem, then, was to choose an alternative from the range of electoral rules. One procedure, of course, would be for parliament itself to have chosen the new rules, but since in such a situation the existing politicians would tend to support new rules that would advantage their specific political interests, this was seen as undermining the legitimacy of the change. The solution was to create a Citizens Assembly on Electoral Reform, consisting of 160 randomly selected delegates—one man and one woman from each of the 79 electoral districts in the province plus two delegates of aboriginal decent.

The work on the Citizens Assembly was carried out in three phases. From January to March of 2004 they met every other weekend in Vancouver to learn about alternative electoral systems through intensive lectures, seminars and discussions. Delegates expenses were paid along with a $150 honorarium for each weekend. In the second phase, during the summer of 2004, the delegates participated in a series of public hearings around the province to bring the issues before the broader public and get public reactions. In the third phase, in the fall of 2004, the Citizen's Assembly met again every other weekend for intensive discussions at the end of which they drafted a referendum proposal for the new electoral law. To the surprise of many they did not choose straightforward proportional representation, but rather what is known as the Single Transferable Vote (STV) system. Amy Lang describes the mechanism as follows: "Single Transferable Vote is organized around multimember districts, which increases the proportional distribution of seats, if the districts have enough members. STV also uses a preferential ballot to rank-order candidates in each district. In practice, candidates from the same party compete against one another for voter's preferences, as in a primary system, giving voters more choice about who will be their representative, and undermining a party's ability to control the candidate

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[13] This account is based on unpublished research by Amy Lang, "XXXXXXX"

from that district."[14] This proposal was then submitted for a popular vote in May of 2005. As things turned out, the referendum received 57.3% of the vote, just short of the 60% needed for immediate passage.

The British Colombia experiment was very successful as a process, even though the referendum did not pass on its first try. As an experiment it was focused on a very specific policy question – the formulation of a new electoral law. One can imagine extending this idea to a wide range of other settings. For example, consider the general issue of the rationale for two chambers in a conventional parliamentary system. What, precisely, is the purpose of having a second chamber in the legislative institutions of a democracy? Roughly, there are two broad kinds of answers to this question: The first, embodied in the historic principles of the British House of Lords, is based on the belief that electoral democracy is prone to excesses, so we need some kind of sober institutional check. The device should block or, at least, slow down the process by which representative institutions generate new laws and regulation. The old House of Lords, dominated by hereditary, and then appointed, peers was just such a brake on electoral democracy. This was only modestly altered when the House of Lords was converted to a House of Appointed Notables by the Tony Blair government in 199x.[15]

The second answer to the question imagines that democracy can be invigorated and deepened by the addition of a second chamber. The argument here is not that democracy needs to be checked, but rather that a single mechanism of representation cannot fully realize the ideal of democracy. The two chambers of a legislative system, therefore, are designed to embody different mechanisms. For example, one chamber could be elected through a system of territorial-district representation and a second chamber could be elected on the basis of some principle of *functional representation*, where members represent organized groups (unions, business associations, economic sectors, etc.). A system roughly along these lines exists in Austria.

A Citizens' Assembly of randomly selected members is another possible form of a second chamber. There are many ways of dong this, but here's a rough sketch of one possibility:

- Members would serve staggered terms, say three years in length.

- The random selection process would be organized to ensure salient demographic groups roughly proportionate representation.

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[14] Amy Lang, "xxxxxxx", p. ?

[15] In a Federal system such as the United States, the second chamber of the national legislature – the Senate -- serves a different sort of function since it is meant to reflect the quasi-sovereign status of the states in the federal structure. While this certainly violates principles of political equality at the national level it *could* in principle help preserve this principle at the more local level. In any case, it is still a brake on national level democracy by imposing a check on the chamber which in principle more directly represents citizens with equal voting power. Of course, given the peculiarities of the American system with the serious distortions of equal representation generated by the way voting districts are drawn, it is not clear which chamber is actually more democratic.

- Remuneration would be set at a high enough level to create strong incentives for most citizens to agree to participate, and employers would be required to reinstate members at the end of their terms with no loss of seniority.

- The Citizen Assembly would function in a manner similar to the existing British House of Lords, being able to slow up legislation, send it back for reconsideration, but not ultimately veto such legislation.

Prime Ministers could not manipulate this system, and nor could their parties. It provides what elected chambers, by their nature, cannot: true diversity of the kinds of people involved in the legislative process. The citizens are neither career politicians nor their cronies. A randomly selected Citizens Assembly would have the legitimacy that its members were 'of the people', but would always be clearly a secondary chamber. The process of legislating would be improved, but its coherence would not be threatened. The crucial thing is that it affirms the central value of democracy as rule by the people and envisions a democratic order in which ordinary citizens are empowered to be directly involved in the crucial work of law making rather than simply the task of choosing their law-makers. It counters the limitations of competitive party-based electoral democracy by deepening democracy, not constraining it.

Add discussion of citizens juries for referenda evaluation and other purposes from Gaskil's work.

III. ASSOCIATIONAL DEMOCRACY [still to be written]

Of the three forms of democratic institutions, associational democracy has the least prominent place in the public consciousness. Of course, there is wide public awareness of a variety of ways in which secondary associations play an active role in government, particularly in terms of the way they lobby policy makers on behalf of the "special interests" represented by the association, but this is generally viewed as a mild form of corruption, not the embodiment of a particular democratic institutional form.

Issues to be discussed:

1. Traditional neo-corporatism, tripartite governance

2. Key problem: gap between democratic law-making by legislative bodies and democratic rule-specification and rule-implementation by command-and-control bureaucratic bodies.

3. Associational participation can improve the quality of rule making and implementation. Risk = bureaucratic capture, rent-seeking, self-regulation, etc.

4. Examples:

- Health and safety regulations within workplaces

- Watershed and habitat management

- Vocational education, skill formation: WRTP