

Chapter 6

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 transcending capitalism.

A fourth criterion of considerable political importance will not be of central concern here: the *achievability* of the proposal. Some of the institutional proposals 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 and the next seem fairly far-fetched politically and are quite unlikely to be achievable in the form discussed. This is the case, for example, for the proposal formulated by John Roemer for equal-ownership market socialism discussed in chapter 7. 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.

There are two strategies we will adopt for exploring real utopian designs and proposals. The first is empirical, focusing on concrete cases around the world which embody in different ways the principles of social empowerment elaborated in chapter 5. A full analysis of such empirical cases involves a number of tasks: first, establishing that indeed the case does embody processes of social empowerment; second, analyzing in as fine-grained a way as possible precisely how the institutional design in question actually works; third, distilling some general principles from the case that constitute elements of a more abstract institutional design; fourth, exploring the facilitating conditions that made the case possible; and finally, revealing the contradictions, limits, dilemmas faced by the real utopian design. A critical danger in this kind of analysis is that the study of such examples degenerates into propagandistic cheerleading. Radical critics of

capitalism are desperate for empirical models that embody their aspirations; wishful thinking can triumph over sober assessments. The complementary danger, of course, is cynicism. There is great caché among intellectuals in debunking naïve enthusiasm. What is needed, then, are accounts of empirical cases that are neither gullible nor cynical, but try to fully recognize the complexity and dilemmas as well as real potentials of practical efforts at social empowerment.

The second strategy of analysis in these chapters is to propose purely theoretical models of new institutional designs that are not represented by any real world cases. This does not mean that such analyses cannot draw on empirical evidence of one sort or another, since in general there will be empirical phenomena that are relevant to understanding such proposals. But the core of the analysis concerns the elaboration of a logical structure based on explicit premises and theoretical arguments. Here too the critical task is to directly engage dilemmas, limits, problems. The idea is for the models to be *real* utopian models, and we know in advance that in the world the implementation of any such design would have unintended consequences. A fully elaborated theoretical analysis would try to explore these as well.

The set of proposals we will examine in these two chapters 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 DEMOCRACY¹

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

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 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.

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.

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.

Associational Democracy. The third general form of democratic governance, associational democracy, is much less familiar to most people. 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 and governance. 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.

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. 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 and party organizations that are internally democratic, 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 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 associational 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 6.1.

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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

² There is a current in political thought which defends thin forms of representative democracy. The classic defense 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). For critique, see Archon Fung and Joshua Cohen. “Radical Democracy.” *Swiss Journal of Political Science*. Vol. 10, No. 4 (Winter 2004).

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).

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 democracy since this is the institutional form of democratic governance that is generally considered the least tenable in the world today, but all three forms are important.

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 direct democracy “empowered participatory governance”, or EPG. To understand the logic of EPG we will first look in more detail at the celebrated example of innovative direct democracy that we briefly discussed in chapter 1, municipal participatory budgeting in Porto Alegre, and then examine the general principles of the EPG model.

An Example: Municipal Participatory Budgeting

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, constitutes a move in the direction of robust direct democratic institutions.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

The system of participatory budgeting was instituted by the Worker’s Party (the PT), a Leftwing Socialist Party that unexpectedly won the election for Mayor in 1988 and adopted the

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 Santos, “Participatory Budgeting in Porto Alegre: Towards a Redistributive Democracy,” *Politics & Society* 26:4: 461-510.

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 sports 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 street paving and repair, sewage, day care centers, public housing, and health care clinics. 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 regular 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, 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

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.

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. Over time, therefore, the participatory budget has become a kind of amalgam of direct democracy and associative democracy.

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 patterns 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.
- 4) *Corruption largely disappeared: this is a transparent, clean process*. The political opposition to the Worker’s Party was 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

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

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) *The 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 with histories of corruption and bureaucratic incompetence in the machinery of tax surveillance. 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.¹⁰

It is, of course, far from clear how widely this innovative experiment can be extended 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. In any case, a wide range of other places are experimenting with various forms of participatory budgeting – in other cities in Brazil, in other Latin American countries, and in Europe – and preliminary research suggests that in at least some of these other cases the adaptations have been successful.¹¹

General principles of institutional design: Empowered Participatory Governance

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 cautiously.

¹⁰ Margaret Levi, *Of Rule and Revenue* (Berkeley: University of California Press, 1989), argues that high levels of tax compliance require that two conditions be met: first, most people believe it is a civic obligation to pay taxes because the taxes are used for legitimate purposes and, second they believe most other people fulfill this obligation. Corruption by public officials erodes the first condition. This in turn increases the levels of tax cheating which erodes the second condition.

¹¹ For a discussion of participatory budgeting in Europe, see Yves Sintomer, Carsten Herzberg and Anja Rocke, "Participatory Budgeting in Europe: potentials and Challenges," *International Journal of Urban and Regional Research*, volume 32:1, March, 2008, pp. 164-178. For a discussion of participatory budgeting in other Brazilian Cities, see Leonardo Avritzer, "New Public Spheres in Brazil: local democracy and deliberative politics", *International Journal of Urban and Regional Research*, 2006, volume 30:3, 623-37. For a discussion of cases elsewhere in Latin America, see Daniel Chavez and B. Goldfrank, *The Left in the City. Participatory local governments in Latin America*. (Latin America Bureau. London, 2004)

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.

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 which contributes to their robustness and stability.

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 desire to accomplish certain concrete, practical goals even if they also have significant conflicts of interests outside of the immediate problem-solving agenda. The underling assumption here is that if actors can for a time suspend their attachment to specific conceptions of their interests and get down to the practical issues of solving problems, then in the course of deliberation and experimentation their interests are likely to evolve along with their discovery of solutions to problems. While this may not result in some broad, general consensus,

it can reduce the sharpness of antagonistic interests in ways that facilitate collaboration.¹²

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 people are too apathetic, ignorant, or busy to participate. Evidence from empirical cases discussed in *Deepening Democracy*, 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. 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 and decentralization*

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 councils are not merely advisory

¹² The importance of a pragmatic orientation has been stressed most systematically by Charles Sable in his various works on what he calls “democratic experimentalism”. See in particular, Michael C. Dorf and Charles F. Sabel, “A Constitution of Democratic Experimentalism”, *Columbia Law Review*, March, 1998.

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” is not. Usually discussions of governance structures draw a fairly sharp contrast between centralized and decentralized patterns of decision-making. A distinctive feature of EPG, however, is a specific way of understanding the articulation of centralized and decentralized processes. 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 decision-making. 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 do not 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 institutional innovations like the participatory budget 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. EPG 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 workers and bosses, citizens and government officials, wealthy and poor citizens — 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. It requires popular mobilization to work.

The most enthusiastic supporters of pragmatist approaches to invigorating democratic institutions through collaborative problem-solving tend to minimize the importance of countervailing power. Michael Dorf and Charles Sable, for example, believe that the interests of actors are sufficiently underdetermined by their social positions that once they are embedded in the on-going process of democratic experimentalist problem-solving their interests will evolve along with the solution to problems. Interests, therefore, are basically endogenous to the dynamics of problem-solving institutions rather than given exogenously by power relations within the society at large. This is how Dorf and Sable frame the problem:

Facing urgent problems that none can solve alone and seeking methods of establishing joint accountability, parties will often prefer to explore a potential solution, even if they are unsure of its outcome, than to do nothing. ... Once begun, pragmatic problem solving loosens the hold of interest by fitfully darting, as it were, beyond its reach, thereby discovering solutions bit by bit in the unfamiliar territory beyond the reach of bounded rationality and habitual calculations of advantage. Such discoveries beget others: The value to all of the current, partial innovation (measured as improvements in the performance of current problem-solving institutions) will likely be increased substantially by the next innovation, and (as in the case of learning by monitoring in firms) the continuous exchange

of operating information among the collaborators will reduce the risk that any party can use the novel arrangements for self-dealing. In time, therefore, emerging solutions change what the actors do and how they rely on one another. Their very ideas of what is possible come to reflect these entanglements; ‘self’-interest assumes as the starting point for subsequent calculations the surprises of practical deliberation that formerly confounded it. Thus, it is the very practical particularity of this deliberation - above all the novelty that results when diverse standpoints are brought to bear on unfamiliar alternatives - that advances the good of all participants.¹³

This extremely optimistic view of the plasticity of interests might be plausible if the persons engaged in the pragmatic problem-solving activities of democratic experimentalism were somehow insulated from the broader power-relations of the society in which they lived. This is simply not the case: pragmatic problem-solving always occurs within social structures with powerful collective actors connected to pre-given interests continually interacting with people engaged in the problem-solving process. Unless forms of countervailing power exist which can at least partially blunt those intrusions, empowered participatory governance is unlikely to generate solutions that sustainably advance the wellbeing of subordinated groups.

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

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 – such as single-member districts with plurality voting, various forms of proportional representation, and instant runoff elections – is basically about how alternative rules affect various political values: representativeness of elected officials, efficiency, stability, democracy, and pluralism. Debates over how best to draw the boundaries of electoral districts are fundamentally about the meaning of “representation” and “representativeness.” 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 recent proposals for enhancing the democratic quality of representative democracy: egalitarian public financing of politics, and randomly selected citizen assemblies.

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

¹³ Michael C. Dorf and Charles F. Sabel, “A Constitution of Democratic Experimentalism”, *Columbia Law Review*, March, 1998, p. 322

more deeply egalitarian form of financing politics in general, not just conventional electoral campaigns.¹⁴ While the proposal was specifically designed to remedy the inadequacies of campaign financing in the United States under the very strong constraints of Supreme Court rulings that financial contributions to political campaigns constitute a form of “free speech,” the general idea behind the Ackerman proposal is relevant to any political system in which citizens have unequal resources to contribute to political activity. 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 \$11 billion per year in the United States. 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.¹⁵ 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 any funds from *any* other source.¹⁶ 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: First, 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” for funding than in the private funding market, and since the two sources of funding cannot be mixed, most candidates will find it advantageous 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.

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 card money from citizens, and second, a phase in which parties and candidates would use those funds 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

¹⁴ Bruce Ackerman, *Voting with Dollars: a New Paradigm for Campaign Finance* (New Haven: Yale University Press, 2004).

¹⁵ While the democracy card proposal is specifically directed at financing elections, a modified version of the proposal could allow funds to be used for other forms of political action – referenda, lobbying, social movements. The central issue is creating a mechanism in which inequalities generated in the economic sphere are less easily translated into inequalities in financial resources for actors in the political sphere.

¹⁶ This prohibition on mixing private and public funding while allowing unlimited private funding for those who receive no public funds is what makes the Democracy Card consistent with the existing U.S. Supreme Court rulings on the Constitutional issues over restricting private spending on elections.

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 non-electoral 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 without ceding control over allocation of political financing to the state. It would thus deepen the political equality and efficacy of citizens. The state provides the funds, but citizens determine the allocations.

It might first appear that the Democracy Card proposal is really just a small, almost technical reform, mainly relevant to electoral systems as in the United States that are deeply corrupted by the role of wealth in private campaign finance. In many countries, without the peculiar constitutional rule that spending money is a form of free speech, there are sufficiently effective constraints on private funding that electoral democracy works reasonably well. A Democracy Card system might seem of little relevance in such cases. I think this is a mistake. While of course the details of a Democracy Card would need to vary depending upon national contexts, creating an egalitarian mechanism through which individual citizens can contribute resources to political purposes would constitute a move towards greater political justice and deeper democracy in *all* capitalist democracies. The Democracy Card 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, the Democracy Card 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.¹⁷

¹⁷ 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

Random Selection Citizens 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 in many countries, and it was how legislative bodies were selected in Ancient Athens. The question, then, is whether such Random Selection Citizens Assembly (or Citizens 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 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 Citizens Assembly can, by design, be 50% women. Elected legislatures generally under-represent disadvantaged minorities. Again, a Citizens Assembly can by design insure such representation – or perhaps even over-representation for certain purposes.

Third, *if* the Citizens 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 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

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. For details, see Bruce Ackerman and James S. Fishkin, *Deliberation Day* (New Haven: Yale University Press, 2005).

resulting decisions are more likely to reflect the “will of the people” than 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 Citizens Assemblies. Objections run something like this: Members of the Citizens Assembly will generally not be very well informed about the issues under discussion at the time they are chosen. 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 the quality of 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 describes 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.¹⁸

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 Citizens 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

¹⁸ James S. Fishkin, “Deliberative Polling: Toward a Better-Informed Democracy”, <http://cdd.stanford.edu/polls/docs/summary>.

potential of the Citizens Assembly as a new model of democratic representation and deliberation it would thus be necessary to examine how such an assembly would function in a real world setting with meaningful stakes. One such experiment occurred in the Canadian Province of British Columbia.

In 2003 the provincial government of British Columbia created a randomly selected Citizens Assembly whose mandate was to formulate a referendum proposal for a new electoral system for the provincial parliament.¹⁹ British Columbia had a typical single-member district first-past-the-post parliamentary system. Many people in the province 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 could undermine 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 “first nations” people.

The work on the Citizens Assembly was carried out in three phases. From January to March of 2004 the Assembly met every other weekend in Vancouver for delegates 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 Citizens Assembly met again every other weekend for intensive discussions at the end of which the delegates drafted a referendum proposal for the new electoral law. To the surprise of many they did not choose a straightforward system of 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 from that district.”²⁰ 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.²¹

¹⁹ This account is based on research by Amy Lang, “But is it For Real? The British Columbia Citizens’ Assembly as a model of state-sponsored citizen empowerment” *Politics & Society*, 35:1, March 2007, pp. 35-70, and *A New Tool for Democracy? The Contours and Consequences of Citizen Deliberation in the British Columbia Citizens’ Assembly on Electoral Reform* (PhD dissertation, Department of Sociology, University of Wisconsin, 2007)

²⁰ Amy Lang, *A New Tool for Democracy?* pp. 18-19.

²¹ The major reason the vote failed, according to analysts, was that voters at large were not sufficiently informed about the process and the proposed system. The Provincial government had refrained from a heavy information campaign about the election fearing that this would undermine the autonomy of the process by suggesting that the government was behind the specific proposal. From the analysis of exit polls, those voters who were well informed

The British Columbia 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 narrow policy question – the formulation of a new electoral law – but one can imagine extending this idea to a wide range of other settings, including national legislatures. Many legislative systems have two chambers. 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: either you want a second chamber because you do not really trust democracy and want to impose constraints on democratic power, or because you do have faith in democracy, but believe that a second chamber is needed to make the political system more deeply democratic. A good example of the first rationale is the British House of Lords, which was based on the belief that electoral democracy is prone to excesses, so some kind of sober institutional check is needed. The device should block or, at least, slow down the process by which representative institutions generate new laws and regulations. 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 1999.²²

The second answer to the question “why a second chamber?” 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 standard *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 Citizens Assembly of *randomly selected* members is another possible form of a second chamber. There are many ways of doing this, but here is 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.
- Remuneration would be set at a high enough level to create strong financial 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.

about the Citizens Assembly and the proposal voted strongly for the referendum whereas the level of support among people uninformed about the process was much lower.

²² 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.

- The Citizens 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.
- The Citizens Assembly would have a vigorous professional and technical staff to facilitate information, hearings, seminars and other mechanisms through which assembly members would both learn to function in the assembly and acquire the needed information to participate in deliberations.

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.

There are many other possible uses of “randomocracy”, as these kinds of randomly selected, empowered assemblies are sometimes called.²³ One idea is to use “Citizen Juries” in various kinds of policy-making contexts. A jury, after all, is a random selection of citizens empowered by the state to exercise one important type of state power: the power to pass judgments in court cases. There have been proposals to use juries for other kinds of decision-making. For example, in cities where there are often complex and conflictual issues over land use and zoning regulations, a citizen jury might be a more effective body for deliberation and consensus formation over these issues than an elected city council or a professional bureaucratic planning department. The problem with city councils and land use policy, at least in the United States, is that both elected councilors and professional planners are often overly influenced by land developers and associated business interests. A deliberative body of ordinary citizens might better be able to deliberate on “the public interest” and balance the contending claims and aspirations.

One final, very interesting idea for a random Citizens Assembly is to use such assemblies as a way of deepening the democratic character of a long-established kind of institution for direct democracy, citizen initiatives and referenda.²⁴ Conventional citizen initiatives and referenda work like this: a group of citizens wants to see a new law passed or an existing law repealed, so they develop a proposal, get a required number of signatures, and then this proposal appears on a ballot and is voted on by the electorate. This kind of ballot initiative has been widely used in certain states in the United States, most notably California and Washington. It has all the appearance of direct democracy: ordinary citizens decide through direct participation what

²³ The term “randomocracy” was used by Assembly member Jack MacDonald in a pamphlet about the Citizens Assembly, *Randomocracy: a citizens guide to electoral reform in British Columbia* (Victoria, BC: FCG Publications, 2005).

²⁴ “Initiatives” is the term for citizen-proposals to pass new laws; “referenda” is the term for citizen-proposals to repeal existing laws.

legislation is passed. There are, however, two critical problems with initiatives and referenda as typically organized in the United States. First, just as in ordinary representative elections, private money plays an inordinate role in disseminating information about these initiatives, especially through the purchase of TV ads. This distorts democratic equality by giving interests backed by money vastly disproportionate influence in the referenda process. This problem is intensified by the second issue: most voters are not deeply engaged with the ballot issues and thus they rely mainly on cheap information to make up their minds on how to vote. This is the classic problem of “rational ignorance” in electoral politics.²⁵ The result is that many voters vote on the basis of very poor quality information about the issues in a referendum and make choices which, if they had been well informed, they would not have made.

Democracy activists in the states of Washington and Oregon have proposed using a randomly selected Citizens Initiative Review (CIR) council to address this problem, and have developed model legislation to make this possible.²⁶ John Gastil describes the idea this way: “In a nutshell, the CIR would gather a paid random-sample of Washington residents to scrutinize each statewide ballot measure. The results of each panel would be published in the official Voters Guide, which is distributed to every Washington household that has one or more registered voters.”²⁷ The idea here is that this council would hear testimony about the pros and cons of the proposed legislation, read documents, position papers and other relevant materials on the subject, and then deliberate on the issues in the manner of James Fishkin’s deliberative polling. At the end of the process they would vote on the proposal and the results of their vote would be reported to the electorate. The electorate would then have a new kind of signal about how to vote: this is how ordinary citizens like me decided to vote after spending a few days seriously studying and talking about the problem. The results of the CIR council’s vote could be widely disseminated in public service ads on television as a counterweight to the cheap information provided by interest groups. This signal would potentially inoculate the electorate from the effects of propaganda in the service of private interests.

ASSOCIATIONAL DEMOCRACY²⁸

²⁵ “Rational ignorance” is a term used by political scientists to describe the problem of acquiring information to make a reasoned choice in political contexts. Since for most people their individual actions are unlikely to make a big difference in the outcome of most political processes, most people are unwilling to spend a lot of time and resources acquiring good quality information about the issues in play (unless, like academics, they enjoy being well-informed for its own sake). The result is that they rely on cheap information, which mainly means information from TV. The resulting ignorance is rational in the sense of being the outcome of a decision that reflects a rational assessment of individually-born costs and benefits.

²⁶ The idea for a randomly chosen Citizens Initiative Review council to deliberate over referenda was initially proposed by Ned Crosby and Pat Benn as an extension of Crosby’s earlier work on Citizens Juries. For a careful exposition of the theoretical rationale for a CIR and of the model legislation, see John Gastil, J. Reedy, and C. Wells. “When good voters make bad policies: Assessing and improving the deliberative quality of initiative elections”. *University of Colorado Law Review*, 78, 2007, pp.1435-1488. For a related discussion of citizen’s juries, see Crosby, N., & Nethercutt, D. (2005). Citizens Juries Creating a trustworthy voice of the people. In J. Gastil, & P. Levine (Editors), *The Deliberative Democracy Handbook* (pp. 111-119). San Francisco, CA Jossey-Bass, 2005.

²⁷ “Citizens Initiative Review”, by John Gastil. <http://faculty.washington.edu/jgastil/CIR/cir.html>.

²⁸ The section draws heavily from the first book in the Real Utopias Project: Joshua Cohen and Joel Rogers, *Associations and democracy*, the Real Utopias Project, volume I (London: Verso 1995).

Of the three forms of democratic institutions, associational democracy has the least prominent place in public consciousness. Indeed, when secondary associations are considered at all in the discussion of politics and government they are often viewed negatively as subverting democracy by lobbying policy makers on behalf “special interests” and in other ways fostering “mischiefs of faction” rather than promoting rule by the people and the general interest. Nevertheless, for better or worse, as Joshua Cohen and Joel Rogers write: “Such associations play a central role in the politics of modern democratic societies. They help to set the political agenda, to determine choices from that agenda, to implement (or thwart the implementation of) those choices and to shape the beliefs, preferences, self-understandings and habits of thought and action that individuals bring to more encompassing political arenas.”²⁹ It is obvious how the capacity for action and strategy of associations can undermine democracy, hijacking power in the service of elites and particularistic interests. The question is whether political institutions can be designed in such a way as to enable secondary associations to play a positive role in deepening democracy.

Cohen and Rogers argue that there are four principle ways in which associations representing the interests of particular social groups can potentially enhance democracy: they can partially *remedy inequalities in resources* across individuals by enabling otherwise disadvantaged people to pool resources for political purposes; they can contribute to *citizen education* by functioning as “schools of democracy”; they can solve a variety of *information problems* for policy makers; and they can become the central actors within new forms *collective problem solving*.³⁰ The first and second of these enhance the extent to which state policies respond to the will of the people; the third and fourth enhance the extent to which state power effectively contributes to solving collective problems that affect the lives of people. A deep democracy is one in which the state is both controlled by the people and serves their interests, and this requires that states be competent. Democracy means rule by the people *over the collective conditions of their lives*, and this requires that the state be effective shaping those conditions in response to the will of the people. This is where associational democracy is likely to play its most distinctive role in enhancing democracy: enhancing the creative and effective problem-solving capacity of democratic institutions.

Secondary associations can potentially help democratic states solve very tricky problems of social and economic regulation. The basic issue is this: Legislative bodies pass laws to establish various kinds of economic and social regulations to deal with a wide range of problems, but in order for these laws to be actually carried out, all sorts of detailed rules, standards and procedures need to be specified which can only be gestured at in the legislation itself. Traditionally, this task of detailed rule setting has been delegated to bureaucracies with professional staffs and technical experts whose job it is to specify such rules and implement them. There are situations in which centralized bureaucracies can do this fairly well, but as economic and social conditions have become more complex, this kind of centralized command-and-control process of rule specification and implementation has become much less effective. Centralized administrations are good at imposing uniform rules over homogeneous contexts, but have great difficulty in creating effective rules to deal with highly heterogeneous concrete

²⁹ Cohen and Rogers, *Associations and democracy*, the Real Utopias Project, volume I (London: Verso 1995), p.7

³⁰ Cohen and Rogers, pp. 42-44

contexts. When they try to do so they typically create heavy-handed regulations that are ineffective and often damaging. This is a chronic problem, for example, in environmental regulation and health and safety regulation: ecologies and workplaces are so diverse and complex, that one-size-fits-all regulations are rarely satisfactory.

One reaction to these difficulties is to argue for deregulation. If the state cannot competently create standards and effective regulations it should abandon the effort. Let the market solve the problem by having businesses regulate themselves. This is the typical response of conservatives to regulatory failures. However, as Cohen and Rogers observe,

“In many areas of economic and social concern – from the environment and occupational safety and health to vocational training and consumer protection – egalitarian aims are badly served by the state-market dichotomy....Often the right answer to the question, ‘Should the state take care of the problem or should it be left to the market?’ is a double negative.....Where these sorts of problems are encountered, associative governance can provide a welcome alternative or complement to public regulatory efforts because of the distinctive capacity of associations to gather local information, monitor behavior and promote cooperation among private actors. In such cases, the associative strategy recommends attending to the possibility of enlisting them explicitly in the performance of public tasks.”³¹

The basic idea, then, is to formally include secondary associations systematically in the central tasks of governance: policy-formation, coordination of economic activities, and monitoring, administering and enforcing regulations. Associations would not simply provide external pressure by lobbying politicians and agencies for specific rules; they would be integrated as active participants into these core state functions.

The most familiar way this has occurred (in places other than the United States) is national level policy formation processes involving organized labor, business associations and the state through what are usually called neo-corporatist institutions. In the past in much of Europe, especially Northern Europe, such bargaining processes have often played a pivotal role in incomes policy, labor market policies, and other public policies that affect the interests of capital and labor. Many analysts have argued that such corporatist institutions have outlived their usefulness in an era of increasing globalization. Cohen and Rogers argue, to the contrary, that such national level corporatist bargaining institutions could be even more important in formulating policies in response to the challenges of global economic forces. Consider the key domain of “active labor market policies” concerned with the supply, demand, and quality of labor. For such policies, they write,

Cooperation among worker and employer representatives [in neo-corporatist policy-making institutions], again in the context of the availability of state assistance, can help in (1) targeting new skill needs in the population and identifying the necessary public and private components of skill delivery; (2) establishing feasible incentive structures across firms and regions – for workers, unions, employers and the unemployed – for developing or upgrading skills within such a structure; (3) providing early warning on the distributive consequences of policy choices; (4) devising programs of subsidy across different

³¹ Cohen and Rogers, pp. 45

regions, or even firms, to respond to leads and lags in labor market adjustments; and (5) hammering out minimal national standards for the transferability of credentials across different local labor markets.³²

The effectiveness of such national policy formation processes involving the associations representing employers and workers depends upon the extent to which three conditions are met: first, the associations must be *relatively encompassing*, representing a substantial proportion of the relevant social category; second, the association leadership must be *accountable to membership* through meaningful internal democratic processes; and third, the associations must have significant *powers to sanction members*. Where associations are encompassing, the policy bargains worked out among associations are more likely to constitute genuine compromises across the conflicting interests involved. Where leadership is democratically accountable, the policy compromises are more likely to be seen as legitimate. Where associations have powers to sanction members, compliance with the results of policy bargaining is likely to be higher and free riding less likely to occur. These are all conditions that can be facilitated by public policies, both by creating general legal rules which make the formation of such associations relatively easy and by creating high standards that must be met before an association claiming to represent a relevant group can participate in a state-organized policy-formation process.

While these kinds of neo-corporatist policy formation processes are most strongly associated with issues of economic policy involving capital and labor, it is possible to extend this model to other policy domains. The Province of Quebec in 1996 held a “Summit on Employment and the Economy” to discuss and formulate policies around a range of social questions. At this summit meeting community-based social movements were represented along with the traditional “social partners” of labor and employer organizations. Out of the 1996 summit, an organization, the *Chantier de l'économie sociale* (the social economy taskforce)³³ was formed to coordinate the participation of social movements in this policy formation and implementation process. A few years later the *chantier* became a permanent, autonomous organization, whose elected board of directors as described by its director, Nancy Neamtam, “consists of 28 individuals, elected by different electoral colleges in order to represent the diverse realities of the social economy,...The membership and board of directors includes representatives of co-operative and nonprofit enterprises, local and community development networks, and the large social movements.”³⁴ As we will see in chapter 7, the *chantier* has played a pivotal role both in formulating a set of public policies to deepen and expand the Quebec social economy and in directly coordinating activities within the social economy.

The Quebec case illustrates a very important theme for the process of deepening the associational dimension of democracy: the associational environment for democratic governance is not a fixed parameter; it can be changed by design. The critical encompassing association in this case, the *Chantier de l'économie sociale*, did not exist when the process was initially begun in the mid-1990s. It was created by design in order to strengthen both the effectiveness of the

³² Cohen and Rogers, p. 57

³³ The literal meaning of “*chantier*” is “building site” or perhaps “workshop,” but the in this context it is sometimes translated as “taskforce.”

³⁴ Nancy Neamtam, “The social Economy: finding a way between the market and the state.” *Policy Options*, July-August 2005, p. 74

policy-formation process and its democratic character. The rules of its own governance were created to insure its encompassing character with respect to the social economy through the creation of an electoral college reflecting the diversity of constituents in the social economy.³⁵ Its integral role in problem-solving, public deliberation and practical coordination has insured a relatively high level of commitment of participants in the social economy to the on-going work of the *Chantier*.

The possibilities of an expanded and deepened associative democracy are not limited to the role of encompassing associations in neo-corporatist peak-level public policy formation. Associative democracy can also function at the local and regional level to solve problems and to design and implement detailed rules and standards of various sorts. Two examples will illustrate this: skill formation within regional labor markets, and habitat conservation for endangered species.

As is well-documented by economists and economic sociologists, skill formation often poses a host of serious problems for both workers and employers in capitalist economies. Many of the skills needed on the job are best acquired through training linked to work rather than in specialized vocational schools. Vocational schools certainly have a role in teaching very general skills, but except in very stable and homogeneous technological environments, they are unlikely to train the skills needed on the job. Employers face a different sort of problem: if they devote resources to training skills that are at all portable – that workers can use in other firms – then they risk having their trained workers poached by other employers who have not bothered making such investments. This is a classical free rider collective action problem: all employers would be better off if they all devoted resources to upgrading the skills of workers, but each employer is tempted to refrain from doing so, saving the training costs, and then luring the trained workers from the firms that trained them. The result is that employers refrain from training workers with portable skills and opt instead for technologies that do not require such training.

One solution to this collective action problem is to form new associational institutions to govern skill formation in regional labor markets. One such institutional innovation occurred in the metalworking sector in the Milwaukee, Wisconsin, region beginning in the early 1990s. The United States does not offer an especially favorable environment for developing associational democratic solutions to economic problems. Unions are weak, employers are generally skeptical of cooperative solutions to problems of economic governance, and political institutions have relied more on top-down command-and-control regulations. In spite of this, some headway in developing new associational democratic institutions has occurred in the Milwaukee area. The Wisconsin Regional Training Partnership (WRTP) has brought together labor unions, employers, the state vocational school system, community organizations and academic researchers from the University of Wisconsin, to formulate a set of skill standards and training procedures for workers in the metalworking sector.³⁶

³⁵ In the electoral college of the *Chantier*, the different networks of specific kinds of social economy organizations are each constituted as an electoral body responsible for choosing representatives of that network for the board of directors of the *Chantier*.

³⁶ The WRTP was formed in 1992 through the initiative of the Center on Wisconsin Strategy, a research institute at the University of Wisconsin under the direction of Joel Rogers. For detailed information on the WRTP, see Annette

The WRTP is outside of the state system – it is not a state agency, nor an unofficial arm of the state. Rather, it is an autonomous nonprofit organization that makes contracts with various state entities, especially the technical college system, and receives significant levels of state funding from a variety of agencies which brings in its wake oversight and reporting requirements. Labor leadership, both from particular unions and from the union movement as a whole, has provided the most consistent source of initiative, information, and continuity. Employers are also critical participants, but generally their involvement is somewhat more episodic and reactive. The unions involved agreed to allow for greater flexibility in job classifications and the assignment of workers to jobs in exchange for employers accepting portable skill standards and providing training, and the employers agreed to cooperate with each other and the state vocational education system in creating such standards. The WRTP thus provides an associational device, rooted in a local economy, for engaging in sustained collective problem-solving over labor market and training issues and coordinating the development and execution of training programs that emerge out of these deliberations.

According to Laura Dresser, one of the academic researchers linked to the project, the WRTP has helped solve the free-riding problem over training.³⁷ All of the employers in the sectors involved, she believes, understood the free-riding problem and how this adversely affects the regional economy. Furthermore, there are real costs to employers for participating in the WRTP, both in terms of significant time commitments, especially of key managers, as well as training costs once programs get established. These costs of participation potentially add to the free-riding problem. Nevertheless, participation and cooperation from nearly all of the employers in the metalworking sectors has been reasonably high. Dresser feels that the WRTP softened the collective action problem less by imposing sanctions on bad faith employers -- although the WRTP does have some ability to exclude firms from access to some collective resources -- then by contributing to a normative environment in which at least a core of employers have come to see how working with the WRTP is a potential benefit to the region as a whole, not just themselves, and have developed a sense of obligation to contribute to this collective good.

A second example of associational democracy at a local level concerns the problem of habitat conservation for endangered species.³⁸ In the United States, the Endangered Species Act of 1973 established relatively stringent, simple rules for protecting endangered species by regulating development in the habitats in which such species lived. In general the rule was to prohibit all economic development within the boundaries of the protected habitat. The restrictiveness of this rule meant that there were always serious battles over listing new species as endangered, since such listings threatened the interests of land owners and developers, and once a species was listed, there was considerable pressure to draw the boundaries of the protected habitat as narrowly as possible. The overall result, from the point of view of species protection, was that fewer species were protected and the protection was less secure than

Bernhardt, Laura Dresser, and Joel Rogers, "Taking the High Road in Milwaukee: The Wisconsin Regional Training Partnership," *WorkingUSA*, Volume 5 Issue 3., August 2004, pp. 109 – 130.

³⁷ Personal interview, September 2008.

³⁸ This example is discussed in detail in Craig Thomas's contribution to the real utopias project, chapter 5, "Habitat Conservation Planning" in volume IV of the real utopias project, Archon Fung and Erik Olin Wright, *Deepening Democracy* (London: Verso, 2003), pp. 144-172

conservationists would have liked. An alternative would have been to have a less restrictive rule in which a standard of *compatible development* – development that was compatible with the protection of the species – rather than no development would be allowed. The problem with this standard, however, is that it is much more difficult to specify for a given habitat what precisely is “compatible”, since this will vary tremendously across habitats depending on the fine-grained details of the context, and even if the rules for compatibility in a given habitat are specified, it is a more complex condition to monitor and enforce than “no development.” It is easy to observe a violation of no development; it is harder to identify a violation of compatible development.

Habitat conservation is thus a good example of the problem of the weakness of bureaucratically centralized command-and-control regulations: uniform regulations are suboptimal, but regulations highly tailored to individual contexts are difficult to formulate and expensive to monitor. An associative democracy solution could look like this: Every habitat which is regulated by the endangered species act would have a habitat planning council consisting of representatives of local environmental conservation groups, landowners and developers, local government, and technical experts from the environmental protection agency. This council would have two responsibilities: first, to formulate a set of rules for compatible development, and second, monitor compliance with those rules. Proposed rules would be reviewed by the supervising government agency, but the presumption would be to accept them. The default in the case of failure of the habitat planning council to agree on a set of habitat management rules would be the imposition of uniform no-development rules. This would give an incentive for all parties to agree with the more flexible rules. Although the interests of environmentalists and developers engaged in formulating the rules are opposed, they would both benefit from finding appropriate compatible-development rules and this provides the basis for the process of deliberation, pragmatic problem-solving and consensus formation. The process of sitting at the table and working through the issues can also potentially build the kind of micro-level trust needed for effective monitoring of the rules once they have been adopted.³⁹

A regulatory process very much along these lines was developed by the U.S. environmental protection agency in the 1980s and used on a selective basis in the 1990s. As analyzed by Craig Thomas, the experiment had decidedly mixed results. In some cases, where there already existed strong local environmental groups, councils were able to devise and implement effective rules of habitat management consistent with the goals of both environmentalists and developers. In other cases the councils were basically a sham, dominated by developers who manipulated the process to their own advantage.

The limitations of the habitat planning council experiments reflect the inherent difficulty of deepening associational democracy. In the absence of vigorous grass roots secondary associations, efforts at constructing associational democratic problem-solving institutions are highly vulnerable to domination by small groups of well-resourced actors, typically representing already powerful interests. This is why the project of using associational processes to enhance

³⁹ Similar associational stakeholder councils have been used for a variety of other environmental regulations, such as watershed management and forestry management. For an example of a network of stakeholder watershed councils with some elements of associative democracy, “2007 Watershed Councils in Oregon: An Atlas of Accomplishments” (<http://www.oregonwatersheds.org/publications/2007atlas>). For an example of a controversial forestry council that has had a significant impact in the management of a forest in the Sierra Mountains of California, see the discussions of the Quincy Library Group at <http://www qlg.org/>.

democracy must be attentive to the problem of invigorating associations rooted in working class and popular constituencies rather than simply relying on the existing array of associations.

DEEPENING DEMOCRACY AND SOCIAL EMPOWERMENT

Four of the seven pathways to social empowerment discussed in chapter 5 directly involve the state: statist socialism, social democratic statist regulation, associational democracy, and participatory socialism. In all of these the pivotal issue is the relationship between social power in civil society and state power. Unless there are effective mechanisms for subordinating state power to social power in civil society, none of these pathways can effectively translate social power into control over the economy. If socialism as an alternative to capitalism is, at its core, economic democracy, it is essential, to use the words of Boaventura Santos, that democracy itself be democratized.⁴⁰

The three forms of democracy we have looked at in this chapter – direct democracy, representative democracy, and associational democracy – constitute three solutions to the problem how to subordinate the state to civil society. In direct democracy this occurs by delegating aspects of state power to the empowered participation and collective deliberations of ordinary citizens. In representative democracy the subordination of state to civil society is accomplished by democratically selected representatives of citizens making decisions on their behalf. And in associational democracy, subordination of the state occurs by associations rooted in civil society being empowered to perform various kinds of public functions. A thoroughly democratized democracy will involve deepening all three of these forms of democracy.

Traditional Marxist accounts of the state and democracy are generally highly skeptical of the possibility for this kind of democratic deepening so long as the economic structure remains capitalist. The central thesis of most Marxist theories of the state is that the state in a capitalist society has a distinctively capitalist character: it is a *capitalist state*, not just a *state in capitalist society*.⁴¹ This means that the institutions of the capitalist state are structured in such a way that they strongly tend to reproduce capitalist relations and to block anti-capitalist possibilities. Deviations from this functionally-integrated configuration are possible, but when they occur they set in motion disruptions of the functioning of capitalism. These disruptions in turn tend to trigger counter measures to restore reproductive functionality. The limits of stable deviation of the capitalist state from a form that is functionally compatible with capitalism, therefore, tend to be relatively narrow.

If these arguments are correct, then a meaningful, sustainable deepening of democracy within capitalism is just not possible. Empowered participatory governance may be a reasonable

⁴⁰ See Boaventura Santos (ed), *Democratizing Democracy: beyond the liberal democratic cannon*. (London: Verso, 2006).

⁴¹ The rhetorical contrast between “the state in capitalist society” and “the capitalist state” comes from an influential debate between Nicos Poulantzas and Ralph Miliband in the 1970s. See, Nicos Poulantzas, “The Problem of the Capitalist State,” *New Left Review* No. 58 (November/December 1969): 67-78; Ralph Miliband, “The Capitalist State: Reply to Poulantzas,” *New Left Review* No. 59 (January/February 1970): 53-60; Ralph Miliband, “Poulantzas and the Capitalist State,” *New Left Review*, No. 82 (November/December 1973): 83-92. The most systematic account of the structural properties of the state that give it a distinctively capitalist form is by Göran Therborn, *What Does the Ruling Class Do When It Rules?* (London: NLB, 1978).

design for citizen participation in direct democracy, but within capitalism this will be confined to marginal niches. A robustly egalitarian system of representative democracy in which the people more profoundly control the process of representation may enhance the democratic quality of representation, but again, in capitalism such devices would have little effect on the extent to which the state could actually empower civil society over capital. And while associational democracy may be an important ingredient in a radical democracy, in capitalism the asymmetries of power across associations means that associational democracy within a capitalist economy will always engage in problem solving on terms favorable to capitalism.

These are important criticisms of the possibilities of social empowerment and the state within capitalism. They depend centrally on the idea that societies are coherent, integrated systems in which the parts must fit together fairly well in order for the system to function tolerably. The alternative perspective is that societies are loosely coupled systems rather than tightly integrated totalities. They are more like an *ecology* than an *organism*: quite hostile elements can coexist in shifting uneven equilibria without the system exploding. We have already encountered this idea in the notion of a hybrid economic structures in which capitalist, statist, and socialist economic structures coexist in complex ways. The same kind of argument concerns forms of the state. This means that although it does make sense to elaborate the theoretical concept of a capitalist-type of state, actual state institutions can combine capitalist and noncapitalist forms. The state can contain internally contradictory elements pushing the state to act in contradictory ways. States, like economic structures, are structural hybrids. So, while it is indeed the case that the state in capitalist society is a capitalist state, it is not *merely* a capitalist state: it is a hybrid structure within which capitalist forms are dominant.

This leaves open the question of how contradictory these elements within the state might become without the state becoming a chaotic institution incapable of reproducing existing class relations. There are undoubtedly limits. The nature of those limits and their implications for emancipatory transformation will be a central concern in Part III of this book.

Chapter 6 figure

Figure 6.1
VARIETIES OF DEMOCRATIC GOVERNANCE

THE DEGREE OF DEMOCRATICNESS

		Thin Democracy	Deep Democracy
		Representative Democracy	Elite dominated electoral democracy
Associational Democracy	Bureaucratic corporatism	Associative Democracy	
Direct Democracy	Plebiscitary elections	Empowered participatory governance	

FORM OF DEMOCRATIC RULE