

How Can We Keep Direct Democracy and Avoid “Kolotoumba”

Comment on “Proposals for a Democracy of the Future” by Bruno Frey

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Received: 27 November 2017 / Accepted: 15 April 2018 / Published online: 7 May 2018
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Abstract The issue of divisive referendums, which Professor Frey identifies as one of the problems of “Democracy of the Future”, is a special case of emerging tribalism (division into non-communicating competitive groups in political and social life). This article proposes an alternative institutional solution to address tribalism in both direct and representative democracy. It introduces competition for agenda setting in referendums such that more inclusive solutions emerge; it also proposes the adoption of an electoral system that multiplies the options of the public both in direct and representative democracy in order to further empower the general public.

Keywords Direct democracy · Approval voting · Democracy · Referendums · Electoral systems · Polarization

JEL Classification D72

A derogatory Greek term for summersault, which in this case means an unexpected U-turn. First used for the transformation of the Greek population’s NO vote in the 2015 referendum into a resounding YES by PM Tsipras.

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1 Introduction

Professor Frey makes a series of interesting “Proposals for a Democracy of the Future” all of them revolving around the idea of direct democracy. All of his suggestions ought to be considered and debated, because it is a common assessment that dissatisfaction with political results is mounting.

Some of Frey’s suggestions are iconoclastic. For example, the idea of weighted voting, which includes a smooth transition inside or out the electoral body, but violates the fundamental credo of democracy “one person one vote.” I think that for such a discussion we may want to consider besides Frey’s suggestions for weighing (such as time in or area of residence, or the age of the voter), the amount of information of the voter (using education as a proxy?). Another example is the idea of random selection of candidates to occupy politically important positions, which, assuming rationality of individuals is a suboptimal position.¹ On the other hand, if one does not assume rationality, random processes may be preferable over current political results. For example, a random choice among candidates would have improved the results of the recent American Presidential election (at least in the eyes of almost all international observers as well as political newspapers and magazines in the US). But the introduction of random procedures should be considered in politics as a solution of last resort. (I will return to this point in the end of my essay.)

In this rejoinder I will first focus on the suggestions revolving around referendums, particularly the ones that produce very divisive results (Part IV of Frey’s essay), and then propose improvements for mediated democracy of the future.

2 Addressing some Problems of Referendums: it is Agenda Setting

Referendums have the indisputable advantage of enabling the population as a whole to select outcomes that are closer to their preferences than the status quo, assuming that they are rational and well informed. This means that the mere existence of a referendum as an alternative will produce results more in agreement with popular preferences (Gerber 1996; Hug and Tsebelis 2002; Tsebelis 2002). This does *not* mean that running a series of regressions with referendums as an independent variable and a list of dependent variables demonstrates empirically the existence of a cause and effect relationship between referendums and the specific dependent variable. For example, the relationship between referendums and economic results or low deficits are not causal relationships like some Swiss authors claim. Matsusaka and John (1995, 2000) has demonstrated that the effects of referendums on deficits are positive in the first half and negative in the second half of the twentieth century in the

¹ Exceptions from this statement are cases where the position is not considered a privilege that people seek (jury duty), or has side payments like body of electors which could be corrupted (as in Venetian elections). Finally, while a lottery as the final stage of voting is a system that produces strategy-proof electoral system according to Gibbard’s Theorem it is not clear why one would want such system (Gibbard 1973).

REFERENDUM OUTCOME DEPENDS ON AGENDA SETTER

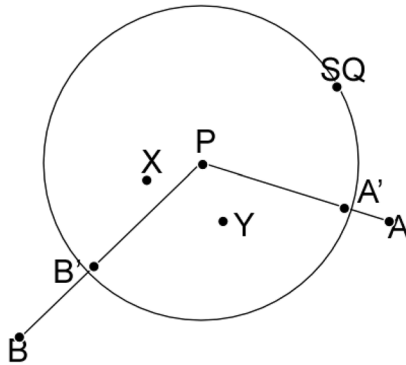


Fig. 1 Referendum outcome depends on agenda setter

US states, findings that are in agreement with proximity of the outcomes to the preferences of the population at large, but not with any deficit-ameliorating effects of referendums. The effects of referendums on happiness are even more tenuous. The argument that “foreigners who have no voting rights are *cet. par.* less satisfied with their lives than are Swiss citizens” (Frey 2017) leaves the reader perplexed about the *meaning* of “*cet. par.*” (not the translation, which is: everything else being equal) and how such a parity of “*cetera*” could possibly be asserted or verified.

So, while the mere availability of referendums may bring outcomes closer to the preferences of the population “median”,² *how* close they will be is determined by who controls the agenda of the referendum (Tsebelis 2002). Tsebelis (2002: chapter 5) demonstrates that the choice the people make in a referendum can be approximated by Fig. 1. Indeed, if the status quo is located at point SQ, and the center of the yolk of the public is in P, the public will select any proposed point that is closer to P. If the agenda setter is in point A he will propose point A', if she is in B she will propose B'. The proposals A' and B' barely improve satisfaction of the public compared to SQ. If however the agenda setter is located inside the circle (P, SQ), then, the public will enjoy a significant advantage from voting “Yes”. Indeed, points X and Y represent a net improvement in terms of the proximity of the proposal to citizens' preferences.

In most cases, the institutional structure partitions the agenda setting into two categories: who triggers the referendum and who asks the question. However, in plebiscites (as well as in some cases of popular initiatives) the two are merged and assigned to the same individual (or interest group). Such are the cases that Professor Frey finds problematic.

² The word is in quotation marks, because in multidimensional spaces the probability that there will be a median in all dimensions is zero, but one could consider some other central location like the center of the yolk (Ferejohn et al. Ferejohn et al. 1984).

I will point out that Frey's concerns about divisive results can be addressed by modifying the institutional arrangements of agenda setting institutions. Frey's suggestion is that divisive outcomes should immediately trigger negotiations for the identification of mediating solutions. The problem with the suggestion is that this mediation is between winners and losers with common knowledge about their status. Why would a winner in a divisive referendum prefer to negotiate when the alternative is victory? And even if there is an institutionally mandated negotiation, why would such a negotiation succeed?

My argument is that the common factor of what Frey calls "divisive" referendums is not the 50–50 split of the vote, but the plebiscitic nature of the referendums. One actor decided the question and triggered it (either as a unilateral decision, e.g. Tsipras and the Greek referendum, Cameron in the UK, Puigdemont in Catalonia) or one actor decided the question and used an automatic triggering mechanism (i.e. interest groups collected signatures and as a result a referendum was proclaimed on the question they had selected). However, the results are not always "divisive" in the sense Professor Frey uses the term: for example, Tsipras "won" his referendum with 62% of the vote, not to mention the overwhelming support of the Catalan referendum among the minority that participated. What is common in these cases is monopolistic agenda setting, and the (sometimes) reckless disregard of the political consequences. For example, Tsipras called for a referendum on two non-official texts of the European Union, which he referred to without providing voters the possibility of reading.³ Equally reckless was the choice of Cameron, who wanted to resolve internal problems of the Conservative Party regardless of the national consequences, or of Puigdemont, who wanted to maintain his own coalition regardless of the consequences for Catalonia.

What is the solution in these situations? Professor Frey suggests an institutionalized renegotiation. The actual political actors involved sometimes select a more direct solution known internationally by its Greek name: "kolotoumba". Tsipras advocated a "No", which, after being approved by 62% of the Greek people, he transformed into a "Yes". Voices from England, as well as Catalonia, suggest kolotoumbes (plural) are desirable in these cases, too.⁴

My suggestion would be to take care of the agenda setting process ahead of time, in order to enable the voters to express their preferences in a meaningful way. In order to break down the monopoly of agenda setting, we should enable multiple proposals, and/or not consider the process over until a final vote is taken on the specific

³ The text said: "Should the text submitted by the European Commission, the European Central Bank, and the IMF to the Eurogroup of 25/06/15 and composed by two parts representing their complete proposal be accepted?" (the titles (alone) of the two parts in English and Greek follow, and can be seen in the photocopy below

<http://www.tanea.gr/news/greece/article/5253525/ayto-einai-to-pshfodeltio-toy-dhmopshfismatos-ths-5hs-ioylioy/>

The interested reader should notice that the negative response endorsed by the government is presented on top.

⁴ The results of the recent election in Catalonia, where a majority of voters supported the side of remaining in Spain, is forcing a kolotoumba of the separatists, since a referendum would not support their goals.

proposal that prevailed. A “directional” referendum where people say they would prefer to exist as a country or a union would not be binding until it becomes a concrete plan, just like how the approval process of EU Treaties (whether by referendum or not) works once the proposal is final.

Here is how we would enable several proposals to be submitted: Once a referendum is triggered (either because the government makes a proposal or an interest group collects the required number of signatures) other actors (such as parties or interest groups) make alternative proposals on the same subject, with a lower approval threshold and these proposals are set for a vote as alternatives. This step alone will multiply the proposals, and force the strategic actors engaging in agenda setting to introduce proposals likely to win, as opposed to pure ideological plans. Then, the voters should decide.

At this point what remains to be decided is the electoral system and all electoral systems may have significant disadvantages. Felsenthal (2012) identifies some 15 voting paradoxes, and shows that all electoral systems have at least 6 of them. However, these shortcomings are generated in mental experiments as possibility theorems.⁵ Given that there is no clearly best system, I would select Approval Voting. Approval Voting (AV) is a system in which each voter can accept or reject any proposal they want and the winner is the proposal with the most votes, see (Laslier and Sanver 2010).

The reasons for my choice of electoral system are the following: First, AV multiplies the choices even further. Indeed, according to this method if there are n proposals, every voter has $2n - 2$ options (the voter can vote up or down each one of the proposals, but there is no reason to go and vote if they would reject all of them, and accepting all of them would not produce any difference in the results from rejecting all of them). Second, the nature of the question reduces polarization. Instead of requiring the voter to point out the “best” alternative (or even the alternative they “identify” with), AV is merely asking for the approval of any combination of proposals. The proposals should not be considered exclusive from one another, and the voter should only identify a cutoff point below which proposals are not acceptable. Third, the multiplicity of choices will increase satisfaction, and possibly participation. Indeed, many more voters will have selected the winner as one of their options, and will be pleased that their selection became the socially accepted result.

Felsenthal (2012) demonstrates that AV does not always select the Condorcet winner, which is the alternative that defeats all the others in pairwise comparison (see fn 5 and note in addition that such an alternative does not always exist; for a more general discussion see Nurmi (1999)). However, Regenwetter and Grofman (1998: 520), analyzing seven different three candidate elections under approval voting, find “strong evidence that AV would have selected Condorcet winners when they exist and would have always selected the Borda winner”.

⁵ The typical demonstration goes like this: 1. assume that the preferences have a certain profile; 2. assume that voters vote in a certain way. Under these conditions some paradoxes follow. See the debate between Saari, and Van Newenhizen (1988) on the one hand and Brams et al. (1988) on the other.

It is this competition to capture the “median” of the electorate that will eliminate extreme proposals, and will force convergence, so that even if the result is close to a tie (outcomes of higher than 50–50 are possible) the proposals will be substantively close to each other in order to approximate the median. But would not a system with n proposals, and $2n - 2$ options be too complicated for voters to handle?

Approval voting was introduced by Lycurgus in elections for the 28 Spartan elders according to Plutarch:

“The manner of their election was as follows: The people being called together, some selected persons were locked up in a room near the place of election, so contrived that they could neither see nor be seen, but could only hear the noise of the assembly without; for they decided this, as most other affairs of moment, by the shouts of the people. This done, the competitors were not brought in and presented all together, but one after another by lot, and passed in order through the assembly without speaking a word. Those who were locked up had writing-tables with them, in which they recorded and marked each shout by its loudness, without knowing in favour of which candidate each of them was made, but merely that they came first, second, third, and so forth. He who was found to have the most and loudest acclamations was declared senator duly elected.” (Plutarch 1888 p. 40)⁶

It is interesting to contrast an electoral system of such primitive means with contemporary solutions and see that today we are still second-guessing ourselves, discussing renegotiations and kolotoumbes.

So, I propose the elimination of the agenda setting monopoly in referendums through an institutionalized competition for agenda setting. This competition marginalizes extreme proposals, so that the elected proposal will be more acceptable to the whole population.

An additional improvement would make referendums on intentions or directions only consultative, and the binding referendums would require consideration of the specific legislation implementable after approval, just like how treaties are not considered by legislatures before negotiation and adoption of a specific draft. Instead of referendums for independence where the status quo is compared with whatever idea each voter has about independence, the real referendum would take place after the specific proposal of departure (for the EU) or secession (from Spain) is specifically designed and ready to be enacted, so that the consequences become specific and commonly understood. This is what some parties in Germany do (e.g. the SPD regarding the 2013 coalition agreement). The consequences of my proposal would be that a Brexit-style outcome is not possible unless the concrete agreement is accepted by the British people, either directly or through their parliament.

The problem with divisive referendums is not the result, but the distance of the competing proposals, that is, polarization. And in order to eliminate polarization I

⁶ Actually, if we take into account the fact that each person may use a different voice volume to support each candidate, this is a form of “range” voting, similar to the way the jury scores Olympic athletes today. But approval voting is a special category of range voting.

propose the combination of three measures: First, multiple proposals are considered in order to create competition among agenda setters; second, approval voting in order to further multiply the number of proposals, intensify competition, and increase satisfaction and participation of voters; third, for cases of approval of texts (treaties, constitutions, etc.), the referendum should follow the publishing of the complete proposal. Each one of these steps reduces polarization, and produces more acceptable results. The same problem of polarization exists today in mediated democracies, and to this I now turn.

3 Addressing some Problems of Mediated Democracy: it is the Electoral System

The combination of globalization and rapid technological development has been modifying our living conditions at high rates. Think of the speed at which economic crises propagate throughout the global system, or the economic dislocations likely to ensue following the introduction of self-driving cars (i.e. millions of taxi and truck drivers, but also postal and other service employees, will become unemployed). It is understandable how people left behind in these rapid processes become scared or even angry, channeling their anger against the political elites who are considered responsible, and orienting themselves towards new parties with simple solutions to the perceived threats: the banks, foreigners, globalization, unfair trade, and other scapegoats. Such phenomena are not new in the history of mankind (think of the response of Luddites to the industrial revolution) but I think their breadth and speed today are unprecedented. There is an urgent need for any political system to address important problems like the environment and inequality in order to tame this anger.

However, there is also a need for electoral systems to be redesigned in order to draw people's attention to real problems and their solution, as opposed to mere ideological slogans. Different electoral systems have different capacities to address these problems. Compare the electoral system used in the Presidential election of the US, France and Austria. In the US, because of the Electoral College, there have been two Presidents in the twenty-first century elected against the will of the majority of citizens (once in 2000 and again in 2016). This should (and it has) generate questions about the lack of direct elections in the country. However, a more significant difference is that the US electoral system is a plurality one (that is the winner may not have the majority of votes if there are more than two candidates), while in France and Austria there is a run-off election among the first two candidates, so the winner is guaranteed to have the support of a majority of voters. In recent years, this requirement saved France and Austria from the selection of extreme candidates twice, while in the US the candidate elected (both in 2000 and 2016) would not have survived a runoff election.

More to the point, in the US Congressional elections the primary system often produces extreme candidates from one or both major parties, eliminating Condorcet winners, and leading to an extremely polarized composition of Congress, where Republicans and Democrats rarely vote together. Two US States (Washington

and California) identified the problem, and modified their electoral law in order to address it.

The process took more than a decade to be completed, and it involved referendums and Supreme Court decisions. The modification was called a “first-two primary” and it involved two steps: first, the primaries took place together—rather than separately by party—and voters select candidates of their choice; second, only the first two candidates (regardless of party) in the primary participate in the general election. The outcome of this modification is that if, in a constituency, two candidates of the same party are selected for the final confrontation, then the more moderate will prevail, because the voters of the other party will select that candidate (along with their initial supporters). Empirical research indicates that there is a moderating effect of the electoral system on California Democrats, but not on Republicans, and not in Washington, and confounding variables (redistricting, term limits) are difficult to parse because of the small number of cases (McGhee and Shor 2017). The attempts to introduce first-two primaries in Washington go back to the 1930s and the attempts in California led to a successful referendum in 1996 that was rejected by the U.S. Supreme Court. A modified (where candidates could not claim that they belonged to any particular party) first-two primary was introduced in Washington and upheld by the Court, and California passed its own (identical) provision by referendum in 2010.

The first-two primary system is a big improvement over the primaries of other states, because it will lead to the election of the Condorcet winner every time that the first two candidates come from the same party (lots of constituencies are solid Democratic or Republican), but it may still lead to the elimination of the Condorcet winner in the first round.

Better than all these systems in the promotion of the Condorcet winner would be an approval voting system (just like the one described in the referendum section of this rejoinder). While approval voting may also eliminate a Condorcet winner, the probabilities are very low. The main advantages of this system are first that it asks the voters a non-polarizing question: “who are the candidates that you could accept”, as opposed to “who is the best candidate”, and second that it gives them a large set of options to choose from.

But what about countries without a plurality electoral system, that is, the majority of the EU and other countries? We can apply the approval voting system regardless of how we will divide the seats among winners (whether the constituency has one seat like in plurality systems, or many, or even if the whole country is the size of the constituency as is the case in Israel and the Netherlands). The essence of approval voting is that it provides multiple votes to the voter, and they can be used in any way they like. In Tsebelis (2014),⁷ I proposed such a system for my own country. It can be grafted to any country and include all the particular provisions of a proportional

⁷ With no success, but given the US record of electoral system change it is not disappointing or even surprising. Actually, it would be a re-introduction because, as stated in Tsebelis (2014), “Approval voting has been the most stable electoral system in the history of our country (1864–1920). It was imported from Eptanisa, which got it from the Venetian Empire.”.

electoral system (thresholds, aggregation in multiple tiers, etc.).⁸ The procedure reduces polarization, and increases choices exponentially. This increase in choices makes each individual voter more likely to vote sincerely (since strategic voting requires knowledge of the behavior of other voters). Any particular voter is likely to have single-peaked preferences, so, in addition to their most preferred party, they will also vote for the ones closer to them, up to the point that they consider one of the remaining parties unacceptable. Centrist voters will give multiple votes to centrist parties, extremist voters will give either to their own party alone, or will expand towards more centrist parties, and as a result centrist parties will be strengthened by the voting procedure. Of course organized interests will try to create pre-electoral coalitions and advise their voters for their second and third etc. choices, but the more the voters and the options, the less successful such attempts will be.

4 Conclusions

Professor Frey likes direct democracy, but he has been able to identify some aberrations in its uncritical application, and had the thoughtfulness to propose a corrective mechanism through renegotiation of divisive outcomes. I do not think that his solution of renegotiation between certified winners and losers will work, because there is no incentive for winners to renegotiate their hard-earned victory. Even if the constitution requires some quorum and/or a qualified majority for victory, (in which case winners and losers may be reversed) there is no reason for winners to renegotiate, given the common knowledge popular support. I also think that the practical solution of kolotoumba that the Greek prime minister introduced in the international political vocabulary demeans and debases the institutions of direct democracy.

It is true that the possibility of a referendum as an alternative legislative procedure will select outcomes that are closer to the preferences of the public, but the most important variable in a referendum is the identity of the agenda setter, and the people cannot enjoy the benefits of the procedure unless we eliminate the agenda setting monopoly from governments (in the case of plebiscites) or interest groups (in the case of popular initiatives). Elimination of agenda setting monopoly can be done by introducing competition among agenda setters, by making sure that multiple proposals are being considered at the same time. The procedure may be improved if combined with approval voting which reduces polarization among voters, and increases their choices exponentially.

The same drawbacks that Professor Frey identifies in direct democracy exist and are becoming exacerbated in mediated democracy too. Here too I propose the same solution of the modification of electoral systems.

But the problem is even more general than direct and mediated democracy. We're entering a phase of tribalism supported by the new technologies and the social media. Each citizen is living in an artificial world generated by the images, ideas, and opinions of a selected environment. This sphere is practically impermeable not

⁸ The interested reader can see a model of this electoral system. By changing names and percentages of parties one can calculate the results for their own country. Visit <https://sites.lsa.umich.edu/tsebelis/data/> and click on "Multiple Vote Electoral System".

only by other ideas, but also by news, or by facts. Information is disputed as fake news, science is disputed as “theories”. We have to invent institutional solutions to fight tribalism. I believe that asking people questions in ways that will force them to see beyond their artificially created environment, and enable them to answer in ways that express their opinions, instead of their “identities” will help in this endeavor.

However, no institutional solutions by themselves are going to address the important policy distortions that we are facing at the national and international levels: increasing inequality and destruction of the environment. These issues have to become part of our political debates.

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