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LEVEL 1 - 10 OF 21 STORIES

FROM DAVID
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HEADLINE: Is there a crisis?

HIGHLIGHT:

After the collapse of communism, the world saw a surge in the number of new democracies. But why are the citizens of the mature democracies meanwhile losing confidence in their political institutions? This is the first in a series of articles on democracy in transition

BODY:

EVERYONE remembers that Winston Churchill once called **democracy** the worst form of government -- except for all the others. The end of the cold war seemed to prove him right. All but a handful of countries now claim to embrace democratic ideals. Insofar as there is a debate about **democracy**, much of it now centres on how to help the "emerging" **democracies** of Asia, Africa, Latin America and Eastern Europe catch up with the established democratic countries of the West and Japan. The new **democracies** are used to having well-meaning observers from the **mature democracies** descend on them at election time to ensure that the voting is free and fair. But is political life in these **mature democracies** as healthy as it should be?

If opinion research is any guide, the **mature democracies** have troubles of their own. In the United States in particular, the high opinion which people had of their government has declined steadily over the past four decades. Regular opinion surveys carried out as part of a series of national election studies in America show that the slump set in during the 1960s. The civil-rights conflict and the Vietnam war made this an especially turbulent decade for the United States. But public confidence in politicians and government continued to decline over the next quarter-century. Nor (remember the student unrest in Paris and elsewhere in 1968) was this confined to the United States.

It is hard to compare attitudes towards democracy over time, and across many different countries. Most opinion surveys are carried out nation-by-nation: they are conducted at different times and researchers often ask different sorts of questions. But some generalisations can be made. In their introduction to a forthcoming book ("What is Troubling the Trilateral Democracies?", Princeton University Press, 2000) three academics -- Robert Putnam, Susan Pharr and Russell Dalton -- have done their best to analyse the results of surveys conducted in most of the rich countries.

Chart 1 below summarises some of these findings. The downward slopes show how public confidence in politicians seems to be falling, measured by changes in the answers voters give to questions such as "Do you think that politicians are trustworthy?"; "Do members of parliament (MPs) care about voters like you?"; and "How much do you trust governments of any party to place the needs of the nation



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above their own political party?" In most of the **mature** democracies, the results show a pattern of disillusionment with politicians. Only in the Netherlands is there clear evidence of rising confidence.

Nor is it only politicians who are losing the public's trust. Surveys suggest that confidence in political institutions is in decline as well. In 11 out of 14 countries, for example, confidence in parliament has declined, with especially sharp falls in Canada, Germany, Britain, Sweden and the United States. Worldwide polls conducted in 1981 and 1990 measured confidence in five institutions: parliament, the armed services, the judiciary, the police and the civil service. Some institutions gained public trust, but on average confidence in them decreased by 6% over the decade (see 2 below). The only countries to score small increases in confidence were Iceland and Denmark.

Other findings summarised by Mr Putnam and his colleagues make uncomfortable reading:

In the late 1950s and early 1960s, Americans had a touching faith in government. When asked "How many times can you trust the government in Washington to do what is right?", three out of four answered "most of the time" or "just about always". By 1998, fewer than four out of ten trusted the government to do what was right. In 1964 only 29% of the American electorate agreed that "the government is pretty much run by a few big interests looking after themselves". By 1984, that figure had risen to 55%, and by 1998 to 63%. In the 1960s, two-thirds of Americans rejected the statement "most elected officials don't care what people like me think". In 1998, nearly two-thirds agreed with it. The proportion of Americans who expressed "a great deal of" confidence in the executive branch fell from 42% in 1966 to 12% in 1997; and trust in Congress fell from 42% to 11%.

Canadians have also been losing faith in their politicians. The proportion of Canadians who felt that "the government doesn't care what people like me think" rose from 45% in 1968 to 67% in 1993. The proportion expressing "a great deal of" confidence in political parties fell from 30% in 1979 to 11% in 1999. Confidence in the House of Commons fell from 49% in 1974 to 21% in 1996. By 1992 only 34% of Canadians were satisfied with their system of government, down from 51% in 1986.

Less information is available about attitudes in Japan. But the findings of the few surveys that have been carried out there match the global pattern. Confidence in political institutions rose in the decades following the smashing of the country's old politics in the second world war. Happily for democracy, the proportion of Japanese voters who agree that "in order to make Japan better, it is best to rely on talented politicians, rather than to let the citizens argue among themselves" has been falling for 40 years. However, the proportion who feel that they exert at least "some influence" on national politics through elections or demonstrations also fell steadily between 1973 and 1993.

Although it is harder to generalise about Western Europe, confidence in political institutions is in decline in most countries. In 1985 48% of Britons expressed quite a lot of confidence in the House of Commons. This number had halved by 1995. The proportion of Swedes disagreeing with the statement that "parties are only interested in people's votes, not in their opinions" slumped from 51% in 1968 to 28% in 1994. In 1986 51% expressed confidence in the Rikstad (parliament); by 1996 only 19% did. In Germany, the percentage of people who



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said they trusted their Bundestag deputy to represent their interests rose from 25% in 1951 to 55% in 1978, but had fallen again to 34% by 1992. The percentage of Italians who say that politicians "don't care what people like me think" increased from 68% in 1968 to 84% in 1997.

Such findings are alarming if you take them at face value. But they should be interpreted with care. Democracy may just be a victim of its own success. It could just be that people nowadays expect more from governments, impose new demands on the state, and are therefore more likely to be disappointed. After all, the idea that governments ought to do such things as protect or improve the environment, maintain high employment, arbitrate between moral issues, or ensure the equal treatment of women or minorities, is a relatively modern and still controversial one. Or perhaps the disillusionment is a healthy product of rising educational standards and the scepticism that goes with it. Or maybe it is caused by the media's searchlight highlighting failures of government that were previously kept in the dark. Whatever the causes, the popularity of governments or politicians ought not to be the only test of democracy's health.

Moreover, there is encouraging evidence to put beside the discouraging findings. However much confidence in government may be declining, this does not seem to have diminished popular support for democratic principles. On average, surveys show, more than three out of four people in rich countries believe that democracy is the best form of government. Even in countries where the performance of particular governments has been so disappointing as to break up the party system itself (such as Japan and Italy in 1993-95), this has brought no serious threat to fundamental democratic principles. It may seem paradoxical for people to express strong support for democracy even while their confidence in politicians and political institutions crumbles. But it hardly amounts to the "crisis of democracy" which political scientists tend to proclaim from time to time.

Nor, though, is it a ringing endorsement, especially given that the evidence of opinion surveys is reinforced by other trends. These include a decline both in the membership of political parties and in the proportion of people who turn out to vote. Numbers compiled by Martin Wattenberg, also at the University of California, show that in 18 out of 20 of the rich established democracies the proportion of the electorate voting has been lower than it was in the early 1950s (see 3), with the median change being a decline of 10%. More controversially, some political scientists see the growth of protest movements since the 1960s as a sign of declining faith in the traditional institutions of representative democracy, and an attempt to bypass them. Others reckon that the most serious threat comes from the increasingly professional pressure groups and lobbying organisations that work behind the scenes to influence government policy and defend special interests, often at the expense of the electorate as a whole.

What is to be done? Those who believe that government has over-reached itself call on governments to become smaller and to promise less. Thus, it is hoped, people will come to do more for themselves. But whatever the appropriate size and reach of governments, there is also scope for making the machinery of democracy work better.

Indeed, some commentators see the public's declining confidence in political institutions as an opportunity for democratic renewal. Pippa Norris, at Harvard University's Kennedy School of Government, hails the advent of a new breed of



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"critical citizens" (in a book of that name, Oxford University Press, 1999) who see that existing channels of participation fall short of democratic ideals and want to reform them.

There are some signs of this. Countries as different as Italy, Japan, Britain and New Zealand have lately considered or introduced changes in their electoral systems. Countries around the world are making growing use of referendums and other forms of direct democracy. Many are reducing the power of parliaments by giving judges new powers to review the decisions that elected politicians make. And governments everywhere are introducing new rules on the financing of politicians and political parties. The rest of the articles in this series will look at some of these changes and the forces shaping them.

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LEVEL 1 - 8 OF 21 STORIES

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HEADLINE: Empty vessels?

HIGHLIGHT:

Alexis de Tocqueville called political parties an evil inherent in free governments. The second of our briefs on the **mature democracies** in transition asks whether parties are in decline

BODY:

WHAT would **democracy** look like if there were no political parties? It is almost impossible to imagine. In every **democracy** worth the name, the contest to win the allegiance of the electorate and form a government takes place through political parties. Without them, voters would be hard put to work out what individual candidates stood for or intended to do once elected. If parties did not "aggregate" people's interests, politics might degenerate into a fight between tiny factions, each promoting its narrow self-interest. But for the past 30 years, political scientists have been asking whether parties are "in decline". Are they? And if so, does it matter?

Generalising about political parties is difficult. Their shape depends on a country's history, constitution and much else. For example, America's federal structure and separation of powers make Republicans and Democrats amorphous groupings whose main purpose is to put their man in the White House. British parties behave quite differently because members of Parliament must toe the party line to keep their man in Downing Street. An American president is safe once elected, so congressmen behave like local representatives rather than members of a national organisation bearing collective responsibility for government. Countries which, unlike Britain and America, hold elections under proportional representation are different again: they tend to produce multi-party systems and coalition governments.

Despite these differences, some trends common to almost all advanced democracies appear to be changing the nature of parties and, on one view, making them less influential. Those who buy this thesis of decline point to the following changes:

People's behaviour is becoming more private. Why join a political party when you can go fly-fishing or surf the web? Back in the 1950s, clubs affiliated to the Labour Party were places for Britain's working people to meet, play and study. The Conservative Party was, among other things, a marriage bureau for the better-off. Today, belonging to a British political party is more like being a supporter of some charity: you may pay a membership fee, but will not necessarily attend meetings or help to turn out the vote at election time.

Running out of ideas



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Politics is becoming more secular. Before the 1960s, political struggles had an almost religious intensity: in much of Western Europe this took the form of communists versus Catholics, or workers versus bosses. But ideological differences were narrowing by the 1960s and became smaller still after the collapse of Soviet communism. Nowadays, politics seems to be more often about policies than values, about the competence of leaders rather than the beliefs of the led. As education grows and class distinctions blur, voters discard old loyalties. In America in 1960, two out of five voters saw themselves as "strong" Democrats or "strong" Republicans. By 1996 less than one in three saw themselves that way. The proportion of British voters expressing a "very strong" affinity with one party slumped from 44% to 16% between 1964 and 1997. This process of "partisan de-alignment" has been witnessed in most **mature** democracies.

The erosion of loyalty is said to have pushed parties towards the ideological centre. The political extremes have not gone away. But mainstream parties which used to offer a straight choice between socialists and conservatives are no longer so easy to label. In the late 1950s Germany's Social Democrats (SPD) snipped off their Marxist roots in order to recast themselves as a Volkspartei appealing to all the people. "New" Labour no longer portrays itself as the political arm of the British working class or trade-union movement. Bill Clinton, before he became president, helped to shift the Democratic Party towards an appreciation of business and free trade. Neat ideological labels have become harder to pin on parties since they have had to contend with the emergence of what some commentators call post-material issues (such as the environment, personal morality and consumer rights) which do not slot elegantly into the old left-right framework.

The mass media have taken over many of the information functions that parties once performed for themselves. "Just as radio and television have largely killed off the door-to-door salesman," says Anthony King, of Britain's Essex University, "so they have largely killed off the old-fashioned party worker." In 1878 the German SPD had nearly 50 of its own newspapers. Today the mass media enable politicians to communicate directly with voters without owning printing presses or needing party workers to knock on doors. In many other ways, the business of winning elections has become more capital-intensive and less labour-intensive, making political donors matter more and political activists less.

Another apparent threat to the parties is the growth of interest and pressure groups. Why should voters care about the broad sweep of policy promoted during elections by a party when other organisations will lobby all year round for their special interest, whether this is protection of the environment, opposition to abortion, or the defence of some subsidy? Some academics also claim that parties are playing a smaller role, and think tanks a bigger one, in making policy. Although parties continue to draw up election manifestos, they are wary of being too specific. Some hate leaving policymaking to party activists, who may be more extreme than voters at large and so put them off. Better to keep the message vague. Or why not let the tough choices be taken by referendums, as so often in Switzerland?

Academics have found these trends easier to describe than to evaluate. Most agree that the age of the "mass party" has passed and that its place is being taken by the "electoral-professional" or "catch-all" party. Although still



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staffed by politicians holding genuine beliefs and values, these modern parties are inclined to see their main objective as winning elections rather than forming large membership organisations or social movements, as was once the case.

Is this a bad thing? Perhaps, if it reduces participation in politics. One of the traditional roles of political parties has been to get out the vote, and in 18 out of 20 rich countries, recent turnout figures have been lower than they were in the 1950s. Although it is hard to pin down the reasons, Martin Wattenberg, of the University of California at Irvine, points out that turnout has fallen most sharply in countries where parties are weak: Switzerland (thanks to those referendums), America and France (where presidential elections have become increasingly candidate- rather than party-centred), and Japan (where political loyalties revolve around ties to internal factions rather than the party itself). In Scandinavia, by contrast, where class-based parties are still relatively strong, turnout has held up much better since the 1950s.

Running out of members

It is not only voters who are turned off. Party membership is falling too, and even the most strenuous attempts to reverse the decline have faltered. Germany is a case in point. The Social Democrats there increased membership rapidly in the 1960s and 1970s, and the Christian Democrats responded by doubling their own membership numbers. But since the end of the 1980s membership has been falling, especially among the young. In 1964 Britain's Labour Party had about 830,000 members and the Conservatives about 2m. By 1997 they had 420,000 and 400,000 respectively. The fall is sharper in some countries than others, but research by Susan Scarrow of the University of Houston suggests that the trend is common to most democracies (see). With their membership falling, ideological differences blurring, and fewer people turning out to vote, the decline thesis looks hard to refute.

Or does it? The case for party decline has some big holes in it. For a start, some academics question whether political parties ever really enjoyed the golden age which other academics hark back to. Essex University's Mr King points out that a lot of the evidence for decline is drawn from a handful of parties -- Britain's two main ones, the German SPD, the French and Italian Communists -- which did indeed once promote clear ideologies, enjoy mass memberships, and organise local branches and social activities. But neither of America's parties, nor Canada's, nor many of the bourgeois parties of Western Europe, were ever mass parties of that sort. Moreover, in spite of their supposed decline, parties continue to keep an iron grip on many aspects of politics.

In most places, for example, parties still control nomination for public office. In almost all of the mature democracies, it is rare for independent candidates to be elected to federal or state legislatures, and even in local government the proportion of independents has declined sharply since the early 1970s. When state and local parties select candidates, they usually favour people who have worked hard within the party. German parties, for example, are often conduits to jobs in the public sector, with a say over appointments to top jobs in the civil service and to the boards of publicly owned utilities or media organisations. Even in America, where independent candidates are more common in local elections, the parties still run city, county and state "machines" in which most politicians start their careers.



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Naturally, there are some exceptions. In 1994 Silvio Berlusconi, a media tycoon, was able to make himself prime minister at the head of Forza Italia, a right-wing movement drawing heavily on his personal fortune and the resources of his television empire. Ross Perot, a wealthy third-party candidate, won a respectable 19% vote in his 1992 bid for the American presidency. The party declinists claim these examples as evidence for their case. But it is notable that in the end Mr Perot could not compete against the two formidable campaigning and money-raising machines ranged against him.

This suggests that a decline in the membership of parties need not make them weaker in money and organisation. In fact, many have enriched themselves simply by passing laws that give them public money. In Germany, campaign subsidies to the federal parties more than trebled between 1970 and 1990, and parties now receive between 20% and 40% of their income from public funds. In America, the paid professionals who have taken over from party activists tend to do their job more efficiently. Moreover, other kinds of political activity -- such as donating money to a party or interest group, or attending meetings and rallies -- have become more common in America. Groups campaigning for particular causes or candidates (the pro-Republican Christian Coalition, say, or the pro-Democrat National Education Association) may not be formally affiliated with the major party organisations, but are frequently allied with them.

The role of the mass media deserves a closer look as well. It is true that they have weakened the parties' traditional methods of communicating with members. But parties have invested heavily in managing relations with journalists, and making use of new media to reach both members and wider audiences. In Britain, the dwindling of local activists has gone hand-in-hand with a more professional approach to communications. Margaret Thatcher caused a stir by using an advertising firm, Saatchi & Saatchi, to push the Tory cause in the 1979 election. By the time of Britain's 1997 election, the New Labour media operation run from Millbank Tower in London was even slicker.

Another way to gauge the influence of parties is by their reach -- that is, their power, once in office, to take control of the governmental apparatus. This is a power they have retained. Most governments tend to be unambiguously under the control of people who represent a party, and who would not be in government if they did not belong to such organisations. The French presidential system may appear ideal for independent candidates, but except -- arguably -- for Charles de Gaulle, who claimed to rise above party, none has ever been elected without party support.

The fire next time

Given the cautions that must be applied to other parts of the case for party decline, what can be said about one of the declinists' key exhibits, the erosion of ideological differences? At first sight, this is borne out by the recent movement to the centre of left-leaning parties such as America's Democrats, New Labour in Britain, and the SPD under Gerhard Schroder. In America, Newt Gingrich stoked up some fire amongst Republicans in 1994, but it has flickered out. The most popular Republican presidential hopefuls, and especially George W. Bush, the front-runner, are once again stressing the gentler side of their conservatism.

Still, the claim of ideological convergence can be exaggerated. It is not



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much more than a decade since Ronald Reagan and Mrs Thatcher ran successful parties with strong ideologies. And the anecdotal assumption that parties are growing less distinct is challenged by longer-term academic studies. A look at the experience of ten western democracies since 1945 ("Parties, Policies and Democracy", Westview Press, 1994) concluded that the leading left and right parties continued to keep their distance and maintain their identity, rather than clustering around the median voter in the centre. Paul Webb of Britain's Brunel University concludes in a forthcoming book ("Political Parties in Advanced Industrial Democracies", Oxford University Press) that although partisan sentiment is weaker than it was, and voters more cynical, parties have in general adapted well to changing circumstances.

Besides, even if party differences are narrowing at present, why expect that trend to continue? In Western Europe, the ending of the cold war has snuffed out one source of ideological conflict, but new sparks might catch fire. Battered right-wing parties may try to revive their fortunes by pushing the nationalist cause against the encroachments of the European Union. In some places where ideas are dividing parties less, geography is dividing them more. Politics in Germany and Britain has acquired an increasingly regional flavour: Labour and the Social Democrats respectively dominate the north, Conservatives and Christian Democrats the south. Disaffected Ossis are flocking to the Party of Democratic Socialism in eastern Germany. Britain, Italy, Canada and Spain have strong separatist parties.

So there is life in the party system yet. But the declinists are on to something. The Germans have a word for it. One reason given for the rise of Germany's Greens in the 1980s and America's Mr Perot in 1992 was *Parteienverdrossenheit* -- disillusionment with mainstream parties that seemed to have abandoned their core beliefs and no longer offered meaningful choices. A "new politics" of citizens' protests appeared to be displacing conventional politics.

In the end, far from undermining the domination of the parties, the German Greens ended up by turning themselves into one and joining the government in an uneasy coalition with the SPD. The balance of evidence from around the world is that despite all the things that are changing them, parties continue to dominate democratic politics.

Indeed, there are grounds for wondering whether their continuing survival is more of a worry than their supposed decline. Is it so very comforting that parties can lose members, worry less about ideas, become detached from broader social movements, attract fewer voters and still retain an iron grip on politics? If they are so unanchored, will they not fall prey to special-interest groups? If they rely on state funding instead of member contributions, will they not turn into creatures of the state? The role of money in politics will be the subject of another brief.

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LEVEL 1 - 5 OF 21 STORIES

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HEADLINE: You pays your money...

HIGHLIGHT:

Political parties need increasing amounts of money. The third of our articles on the **mature democracies** in transition looks at how different countries are trying to let them have it without allowing the rich and powerful to buy undue influence

BODY:

CHARLES KEATING, the boss of an American thrift, Lincoln Savings and Loan, was once asked whether the \$1.3m he had donated to five senators' campaigns had influenced their behaviour. "I certainly hope so," he replied.

The use of money to buy political influence is as old as **democracy** itself, and as fresh as today's headlines. In Britain this week, the Labour government unveiled new proposals to regulate political funding, just when (by coincidence, says the government) questions were being raised about Michael Ashcroft, a major donor and party treasurer of the Conservative opposition. In America, the Democrats have said that they aim to raise a record amount of money to compete with the enormous war chest of George W. Bush, the Republicans' front-running presidential candidate.

Just as Catholics believe that you cannot have humanity without original sin, so political scientists accept that you cannot have **democracy** without money. **Democracies** are based on political parties. And in order to exist, organise, campaign and communicate, those parties need money. Even in America, where raising and spending campaign money is overwhelmingly the business of individual candidates rather than their parties, parties provide an invaluable cover for the raising of unlimited "soft money". Speech may be free, but making oneself heard is not.

Indeed, the costs of politics keep going up. In America, political broadcasting accounts for a growing share of candidates' costs. Cable and satellite channels, and the Internet, offer new means of communication. Computers make possible the management of large databases and the analysis of complex opinion polls. Parties that fall behind in the technology race may end up falling behind at the polls.

Costs have also been pushed up by the professionalisation of politics. Just as the 17th century witnessed the transition from ad hoc militias to standing armies, so this century has seen a change in political parties. They now need to be permanent, expensively staffed organisations, not just groups that crystallise temporarily for elections and then melt away again.



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It is easy enough to legislate against (if not always to detect) politicians using public office for personal enrichment. It is much harder to prevent politicians becoming unduly beholden to the groups or individuals who finance their campaigns. Britain's present government has been attacked for changing its policy on fox-hunting and tobacco advertising in sport shortly after the Labour Party received big donations from interest groups. In America, the persistence of peanut and sugar subsidies has been directly linked to the political generosity of growers.

Raising the money

How can parties raise the cash they need without incurring these obligations? Some sources of money are unobjectionable. In most countries, parties will raise money from their supporters in membership fees. In some countries, such as Germany, parties require elected officials to give a proportion of their salaries to party funds.

So far, so uncontroversial. Parties that need to build a mass membership will be encouraging a healthily widespread political participation. No individual member can expect his membership fee to sway his party's policies. And if the levy on professional politicians is compulsory and uniform, their contribution does not give them greater influence on policy than they already enjoy through their position in the party.

But dues and membership fees inevitably fall short of parties' total needs. Membership fees cannot be set high without deterring potential members, and parties will be reluctant to bleed their own officials too hard. So what limits should be placed on parties' attempts to pass the hat around more widely?

One approach is to ban political donations from certain sources. America bans political gifts by foreigners, and the British government said this week that it planned to do the same. Others limit gifts by institutions. Japan, for example, prohibits political donations by companies most likely to be affected by public-policy decisions; money from subsidised private enterprise, for example, or from companies in deficit, is now taboo. In some countries firms or trades unions may need the consent of their members or shareholders before they can give money. And in Japan, only parties, not individual politicians, are meant to receive it.

Many countries now require donations to be reported. In America, candidates have to report the source and size of any donation over \$250. Although the requirement to report donations may not stop would-be influence-peddlers, it makes politicians and parties much more wary of taking their money, and ensures that they will have to justify any decisions that are in the interests of their donors. A number of countries feel that reporting, by itself, does not go far enough. So they impose limits on the size of individual contributions. Americans are not allowed to donate more than \$1,000 to the campaign of any individual candidate, although they are also allowed to give \$5,000 a year to a political action committee (PAC), which can then campaign on the candidate's behalf.

But limits are seldom watertight. Money can help a party or candidate without being paid directly into their funds. Interest groups associated with a candidate -- a union, for example, or an anti-abortion group -- can raise and spend money effectively on their behalf. And in America limits to donations



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apply only in federal elections. This allows state parties to raise unlimited amounts to spend on state elections, even though this cash, in reality, is often designed to help federal candidates too. Ensuring that this so-called "soft money" is used only for general campaigning purposes by the party or lobbying group concerned, and is not channelled to individuals, is a regulator's nightmare.

Enter the state

The tighter the restrictions on private fund-raising, the greater the likelihood that parties' or candidates' private incomes will fall short of their necessary expenditure. So in every democracy, some political finance is now provided by taxpayers. In Britain, apart from some small increases announced this week, taxpayers pay only for some token help for opposition parties in Parliament. Spain, in contrast, after a number of scandals in the early 1980s, passed a law to limit parties' private fund-raising to 5% of their state subsidy.

It is not hard to make a case for some public funding of political parties. If parties are necessary to democracy, citizens can reasonably be expected to contribute to the cost of keeping democracy alive. But the greater the taxpayer subsidy, the greater the risk that parties will become institutions of the state rather than voluntary associations of their members.

The most basic systems of state finance simply use the state as a collection agent. The so-called tax add-on allows individuals to indicate on their tax return that they want to pay extra, which the government then passes on to the relevant political parties. A variation is the tax check-off, where individuals pay no more tax, but a small amount of their existing tax (\$3 in America) goes towards a government pot to finance presidential candidates.

In some countries, the amount a party or candidate receives is proportional to the amount donors contribute. Tax credit or tax deduction systems increase the benefit to parties of contributions made out of post-tax income. However, these systems still give parties an incentive to chase the bigger donors, since the size of the tax bonus will depend on the size of the original gift. A more egalitarian method is government matching funds, where the government matches private donations, usually up to a low limit, with taxpayers' funds. In America, for example, candidates in presidential primaries have the first \$250 of each individual contribution matched by the government as long as they agree to limit their spending. George W. Bush, who doesn't want to cramp his style, has just decided to refuse government money; but he already has more than enough.

Some countries think it unfair to give further advantages to the parties whose supporters are most willing and able to contribute funds in the first place. So in Germany, for example, state help is proportional not to parties' fund-raising success but instead to their electoral support, usually using a formula based on the number of votes and seats.

Here, though, there is a danger that parties in power will rig the formula to help themselves. Any formula based on current political representation will tend to reward the parties and candidates voters chose in the past, rather than the ones they may wish to support in future. In Germany, where a proliferation of small parties under the Weimar republic eased the rise of Hitler, there is a



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high threshold of electoral support before parties can qualify for state help. In Spain, the biggest parties receive disproportionately the most money. State funding, in short, is just as problematic as private funding.

Spend, spend, spend

Parties and politicians do not get a political advantage just by having large sums sitting in a bank account. Money can pay political dividends only if it is spent. Some countries have therefore taken the view that it is less important to control fund-raising by politicians than to reduce the political advantages of being rich.

The most extreme example of this approach is Japan. The entire electoral system was overhauled in 1994 after Shin Kanemaru, the man alleged to have been the king maker behind four prime ministers, admitted receiving illegal political contributions. The government abolished the old system of three-member constituencies, which had encouraged candidates of the same party to compete expensively against each other. In its place came a mixture of single-member constituencies, where candidates would fight only against other parties, and huge multi-member constituencies. The government hoped that with less need to win a personal following, candidates would not need to fight such expensive campaigns.

Many other countries put restrictions on how politicians can spend money. Britain bans paid television and radio advertisements, with a view both to limiting the need to raise funds and to level the playing field. France does so too, but goes further: it outlaws press advertising, posters, and freephone lines. The hope is that by limiting the ways in which parties can spend money, regimes of this sort will limit their appetite for raising it in the first place.

An alternative to restricting the type of spending is to restrict the amount. But neither approach is uncontroversial. America's constitution protects free speech, and the Supreme Court has given a broad interpretation of what this means for political funding. A landmark ruling (*Buckley v Valeo* 1976) outlawed limits on political spending by candidates in federal elections unless they had received public funds.

America's objection to spending limits are philosophical. But there are practical difficulties too. One is timing. What period should be covered by the spending limit? Often, the earliest spending is the most effective. Money spent years before an election on party infrastructure or computerised databases may pay greater political dividends than a last-minute advertising splurge. But cumulative limits set several years in advance would prevent early-spending parties from adjusting their tactics towards the close of a campaign. In France, all spending in the year before an election counts towards the limit. In Britain, where the date of an election is set by the prime minister, often only weeks in advance, the limits apply only to spending after the official start of a campaign.

In addition, regulators need to decide whom the limits should affect. If a country has limits at all, they clearly should apply to parties and candidates. But spending by outside organisations can dwarf the direct spending of parties and candidates. Some countries address this by banning political advertising except by parties and candidates during a campaign. Others regard such bans as



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an infringement of free speech. Compromises between these extremes are possible, but awkward. Setting an overall total for third-party spending gives regulators the headache of apportioning allowable spending among different groups. But allowing any organisation to spend a fixed amount, as is planned for Britain, will simply encourage interest groups to sub-divide so as to qualify for several spending allowances under different banners.

One kind of third-party organisation, governments, need special funding rules. They have access to far greater resources than political parties. But this makes it all the more important to draw a line between proper governmental spending and the use of public money to keep the ruling party in power. Drawing this line is tricky. Naturally, the way that a government spends public money will affect its chances of re-election. Governments have a right to spend public money to implement their manifesto policies, or to test whether policies are working. But spending designed to test voters' attitudes to public policies seems more dubious. So does the use of public money to persuade the electorate to vote in a particular way (as when Britain's government circulated partisan documents to Welsh households in the referendum on Wales's new assembly).

Clamping limits on how, and how much, parties and candidates can spend creates some unintended consequences. For example, one of the traditional benefits of elections has been to force politicians to meet their electors face-to-face to explain their views. In big constituencies such as California, spending limits shift campaigning towards the mass media and away from grass-roots activity. Restricting spending by candidates may also benefit better-known incumbents over better-qualified newcomers (though in Canada's spending-limited elections of 1993, 215 out of 295 legislators elected were non-incumbents).

A more fundamental problem is enforcement. There is little point in having limits which are widely ignored. Yet, paradoxically, the more significant the election, the harder it is to enforce strict limits. In Germany, the courts can nullify the election of individual deputies who overspend. In America, Bill Clinton escaped with a rebuke from the Federal Election Commission when he spent way above his limit in 1996. But disqualification is hardly a practical alternative in such circumstances.

The pitfalls of reform

All systems of political finance reflect trade-offs. Parties and candidates have a legitimate need for money, but risk becoming too beholden to either individual donors or the state. The protection of free speech -- and the right to spend a lot putting over a particular view -- must be balanced against the right of all groups in a democracy to make their views heard. Even if it were possible to devise a perfect scheme, implementing it would be difficult. For rules on political finance in democracies can be changed only with the authority of governments consisting of elected politicians. And politicians will want to change rules only if it is in their interests. That is why America's attempts at reform have so far been stuck in a stalemate between Republicans wanting to limit the use of soft money and Democrats wanting to limit the role of PACs.

There is no single answer. Political finance goes to the heart of a country's political culture. The relative spending abilities and powers of parties and candidates affect their relative strengths: high-spending candidates and weak



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parties in America, low-spending candidates and strong parties in Britain. And in both America and Germany, it is no accident that key decisions on political finance have been referred to the supreme constitutional court. The role of judges in politics is the subject of next week's brief.

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HIGHLIGHT:

Established and emerging **democracies** display a puzzling taste in common: both have handed increasing amounts of power to unelected judges. The fourth article in our series on changes in the **mature democracies** examines the remarkable growth and many different forms of judicial review

BODY:

TO SOME they are unaccountable elitists, old men (and the rare woman) in robes who meddle in politics where they do not belong, thwarting the will of the people. To others they are bulwarks of liberty, champions of the individual against abuses of power by scheming politicians, arrogant bureaucrats and the emotional excesses of transient majorities.

Judges who sit on supreme courts must get used to the vilification as well as the praise. They often deal with the most contentious cases, involving issues which divide the electorate or concern the very rules by which their countries are governed. With so much at stake, losers are bound to question not only judges' particular decisions, but their right to decide at all. This is especially true when judges knock down as unconstitutional a law passed by a democratically elected legislature. How dare they?

Despite continued attacks on the legitimacy of judicial review, it has flourished in the past 50 years. All established **democracies** now have it in some form, and the standing of constitutional courts has grown almost everywhere. In an age when all political authority is supposed to derive from voters, and every passing mood of the electorate is measured by pollsters, the growing power of judges is a startling development.

The trend in western democracies has been followed by the new democracies of Eastern Europe with enthusiasm. Hungary's constitutional court may be the most active and powerful in the world. There have been failures. After a promising start, Russia's constitutional court was crushed in the conflict between Boris Yeltsin and his parliament. But in some countries where governments have long been riven by ideological divisions or crippled by corruption, such as Israel and India, constitutional courts have filled a political vacuum, coming to embody the legitimacy of the state.

In western democracies the growing role of constitutional review, in which judges rule on the constitutionality of laws and regulations, has been accompanied by a similar growth in what is known as administrative review, in which judges rule on the legality of government actions, usually those of the executive branch. This second type of review has also dragged judges into the



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political arena, frequently pitting them against elected politicians in controversial cases. But it is less problematic for democratic theorists than constitutional review for a number of reasons.

Democracy's referees

The expansion of the modern state has seemed to make administrative review inevitable. The reach of government, for good or ill, now extends into every nook and cranny of life. As a result, individuals, groups and businesses all have more reason than ever before to challenge the legality of government decisions or the interpretation of laws. Such challenges naturally end up before the courts.

In France, Germany, Italy and most other European countries, special administrative tribunals, with their own hierarchies of appeal courts, have been established to handle such cases. In the United States, Britain, Canada and Australia, the ordinary courts, which handle criminal cases and private lawsuits, also deal with administrative law cases.

The growth of administrative review can be explained as a reaction to the growth of state power. But the parallel expansion of constitutional review is all the more remarkable in a democratic age because it was resisted for so long in the very name of democracy.

The idea was pioneered by the United States, the first modern democracy with a written constitution. In fact, the American constitution nowhere explicitly gives the Supreme Court the power to rule laws invalid because of their unconstitutionality. The court's right to do this was first asserted in *Marbury v Madison*, an 1803 case, and then quickly became accepted as proper. One reason for such ready acceptance may have been that a Supreme Court veto fitted so well with the whole design and spirit of the constitution itself, whose purpose was as much to control the excesses of popular majorities as to give the people a voice in government decision-making.

In Europe this was the reason why the American precedent was not followed. As the voting franchise was expanded, the will of the voting majority became ever more sacrosanct, at least in theory. Parliamentary sovereignty reigned supreme. European democrats viewed the American experiment with constitutionalism as an unwarranted restraint on the popular will.

Even in the United States, judicial review was of little importance until the late 19th century, when the Supreme Court became more active, first nullifying laws passed after the civil war to give former slaves equal rights and then overturning laws regulating economic activity in the name of contractual and property rights.

After a showdown with Franklin Roosevelt over the New Deal, which the court lost, it abandoned its defence of *laissez-faire* economics. In the 1950s under Chief Justice Earl Warren it embarked on the active protection and expansion of civil rights. Controversially, this plunged the court into the mainstream of American politics, a position it retains today despite a retreat from Warren-style activism over the past two decades.

Attitudes towards judicial review also changed in Europe. The rise of fascism in the 1920s and 1930s, and then the destruction wrought by the second world



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war, made many European democrats reconsider the usefulness of judges. Elections alone no longer seemed a reliable obstacle to the rise of dangerously authoritarian governments. Fascist dictators had seized power by manipulating representative institutions.

The violence and oppression of the pre-war and war years also convinced many that individual rights and civil liberties needed special protection. The tyranny of the executive branch of government, acting in the name of the majority, became a real concern. (Britain remained an exception to this trend, sticking exclusively to the doctrine of parliamentary sovereignty. It is only now taking its first tentative steps towards establishing a constitutional court.)

While the goals of constitutional judicial review are similar almost everywhere, its form varies from country to country, reflecting national traditions. Some of the key differences:

Appointments. The most famous method of appointment is that of the United States, largely because of a handful of televised and acrimonious confirmation hearings. The president appoints a Supreme Court judge, subject to Senate approval, whenever one of the court's nine seats falls vacant. Political horsetrading, and conflict, are part of the system. Judges are appointed for life, though very few cling to office to the end.

Other countries may appoint their constitutional judges with more decorum, but politics always plays some part in the process. France is the most explicitly political. The directly elected president and the heads of the Senate and the National Assembly each appoint three of the judges of the Constitutional Council, who serve non-renewable nine-year terms, one-third of them retiring every three years. Former presidents are awarded life membership on the council, although none has yet chosen to take his seat.

Half of the 16 members of Germany's Federal Constitutional Tribunal are chosen by the Bundestag, the lower house of parliament, and half by the Bundesrat, the upper house. Appointments are usually brokered between the two major parties. The procedure is similar in Italy, where one-third of the 15-strong Constitutional Court is chosen by the head of state, one-third by the two houses of parliament and one-third by the professional judiciary.

Senior politicians -- both before and after serving in other government posts -- have sat on all three constitutional courts, sometimes with unhappy results. In March Roland Dumas, the president of France's Constitutional Council, was forced to step down temporarily because of allegations of corruption during his earlier tenure as foreign minister. The trend in all three countries is towards the appointment of professional judges and legal scholars rather than politicians.

Powers Most constitutional courts have the power to nullify laws as unconstitutional, but how they do this, and receive cases, varies. Once again, the most anomalous is France's Constitutional Council which rules on the constitutionality of laws only before they go into effect and not, like all other courts, after.

The 1958 constitution of France's Fifth Republic allowed only four authorities to refer cases to the council: the president, the prime minister,



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and the heads of the two houses of parliament. In 1974, a constitutional amendment authorised 60 deputies or senators to lodge appeals with the council as well. Since then, the council has become more active, and most appeals now come from groups of legislators. Individuals have no right to appeal to the council.

French jurists argue that judicial review before a law goes into effect is simpler and faster than review after a law's promulgation. But it is also more explicitly political, and leaves no room for making a judgment in the light of a law's sometimes unanticipated effect.

No other major country has adopted prior review exclusively, but it is an option in Germany and Italy as well, usually at the request of the national or one of the regional governments. However, most of the work of the constitutional courts in both countries comes from genuine legal disputes, which are referred to them by other courts when a constitutional question is raised.

The Supreme Courts of the United States, Canada and Australia, by contrast, are the final courts of appeal for all cases, not just those dealing with constitutional issues. The United States Supreme Court does not give advisory or abstract opinions about the constitutionality of laws, but only deals with cases involving specific disputes. Moreover, lower courts in the United States can also rule on constitutional issues, although most important cases are appealed eventually to the Supreme Court.

Canada's Supreme Court can be barred from ruling a law unconstitutional if either the national or a provincial legislature has passed it with a special clause declaring that it should survive judicial review "notwithstanding" any breach of the country's Charter of Rights. If passed in this way, the law must be renewed every five years. In practice, this device has rarely been used.

Judgments. The French and Italian constitutional courts deliver their judgments unanimously, without dissents. Germany abandoned this method in 1971, adopting the more transparent approach of the common-law supreme courts, which allow a tally of votes cast and dissenting opinions to be published alongside the court's judgment. Advocates of unanimity argue that it reinforces the court's authority and gives finality to the law. Opponents deride it as artificial, and claim that publishing dissents improves the technical quality of judgments, keeps the public better informed, and makes it easier for the law to evolve in the light of changing circumstances.

Also noteworthy is the growth in Europe of supra-national judicial review. The European Court of Justice in Luxembourg is the ultimate legal authority for the European Union. The court's primary task is to interpret the treaties upon which the EU is founded. Because EU law now takes precedence over national law in the 15 member states, the court's influence has grown considerably in recent years. The European Court of Human Rights in Strasbourg, the judicial arm of the 41-member Council of Europe, has, in effect, become the final court of appeal on human-rights issues for most of Europe. The judgments of both European courts carry great weight and have forced many countries to change their laws.

Despite the rapid growth of judicial review in recent decades, it still has plenty of critics. Like all institutions, supreme courts make mistakes, and their decisions are a proper topic of political debate. But some criticisms aimed at them are misconceived.



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Unelected legislators?

To criticise constitutional courts as political meddlers is to misunderstand their role, which is both judicial and political. If constitutions are to play any part in limiting government, then someone must decide when they have been breached and how they should be applied, especially when the relative powers of various branches or levels of government -- a frequent issue in federal systems -- are in question. When a court interprets a constitution, its decisions are political by definition -- though they should not be party political.

Supreme courts also are not unaccountable, as some of their critics claim. Judges can be overruled by constitutional amendment, although this is rare. They must also justify their rulings to the public in written opinions. These are pored over by the media, lawyers, legal scholars and other judges. If unpersuasive, judgments are sometimes evaded by lower courts or legislatures, and the issue eventually returns to the constitutional court to be considered again.

Moreover, the appointment of judges is a political process, and the complexions of courts change as their membership changes, although appointees are sometimes unpredictable once on the bench. Nevertheless, new appointments can result in the reversal of earlier decisions which failed to win public support.

Constitutional courts have no direct power of their own. This is why Alexander Hamilton, who helped write America's constitution, called the judiciary 'the least dangerous branch of government.' Courts have no vast bureaucracy, revenue-raising ability, army or police force at their command -- no way, in fact, to enforce their rulings. If other branches of government ignore them, they can do nothing. Their power and legitimacy, especially when they oppose the executive or legislature, depend largely on their moral authority and credibility.

Senior judges are acutely aware of their courts' limitations. Most tread warily, preferring to mould the law through interpretation of statutes rather than employing the crude instrument of complete nullification. Even the American Supreme Court, among the world's most activist, has ruled only sections of some 135 federal laws unconstitutional in 210 years, although it has struck down many more state laws.

Finally, it is worth remembering that judges are not the only public officials who exercise large amounts of power but do not answer directly to voters. Full-time officials and appointees actually perform most government business, and many of them have enormous discretion about how they do this. Even elected legislators and prime ministers are not perfect transmitters of the popular will, but enjoy great latitude when making decisions on any particular issue. Constitutional courts exist to ensure that everyone stays within the rules. Judges have the delicate, sometimes impossible, task of checking others' power without seeming to claim too much for themselves.

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Is the growing use of referendums a threat to **democracy** or its salvation? The fifth article in our series on changes in **mature democracies** examines the experience so far, and the arguments for and against letting voters decide political questions directly

BODY:

WHEN Winston Churchill proposed a referendum to Clement Attlee in 1945 on whether Britain's wartime coalition should be extended, Attlee growled that the idea was an "instrument of Nazism and fascism". The use by Hitler and Mussolini of bogus referendums to consolidate their power had confirmed the worst fears of sceptics. The most democratic of devices seemed also to be the most dangerous to **democracy** itself.

Dictators of all stripes have continued to use phony referendums to justify their hold on power. And yet this fact has not stopped a steady growth in the use of genuine referendums, held under free and fair conditions, by both established and aspiring **democracies**. Referendums have been instrumental in the dismantling of communism and the transition to **democracy** in countries throughout the former Soviet empire. They have also successfully eased democratic transitions in Spain, Greece, South Africa, Brazil and Chile, among other countries.

In most established **democracies**, direct appeals to voters are now part of the machinery for constitutional change. Their use to resolve the most intractable or divisive public issues has also grown. In the 17 major **democracies** of Western Europe, only three -- Belgium, the Netherlands and Norway -- make no provision for referendums in their constitution. Only six major **democracies** -- the Netherlands, the United States, Japan, India, Israel and the Federal Republic of Germany -- have never held a nationwide referendum.

The volatile voter

Frustrated voters in Italy and New Zealand have in recent years used referendums to force radical changes to voting systems and other political institutions on a reluctant political elite. Referendums have also been used regularly in Australia, where voters go to the polls this November to decide whether to cut their country's formal link with the British crown. In Switzerland and several American states, referendums are a central feature of the political system, rivalling legislatures in significance.

Outside the United States and Switzerland, referendums are most often called



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by governments only when they are certain of victory, and to win endorsement of a policy they intend to implement in any case. This is how they are currently being used in Britain by Tony Blair's government.

But voters do not always behave as predicted, and they have delivered some notable rebuffs. Charles de Gaulle skilfully used referendums to establish the legitimacy of France's Fifth Republic and to expand his own powers as president, but then felt compelled to resign in 1969 after an unexpected referendum defeat.

Francois Mitterrand's decision to call a referendum on the Maastricht treaty in 1992 brought the European Union to the brink of breakdown when only 51% of those voting backed the treaty. Denmark's voters rejected the same treaty, despite the fact that it was supported by four out of five members of the Danish parliament. The Danish government was able to sign the treaty only after renegotiating its terms and narrowly winning a second referendum. That same year, Canada's government was not so lucky. Canadian voters unexpectedly rejected a painstakingly negotiated constitutional accord designed to placate Quebec.

Referendums come in many different forms. Advisory referendums test public opinion on an important issue. Governments or legislators then translate their results into new laws or policies as they see fit. Although advisory referendums can carry great weight in the right circumstances, they are sometimes ignored by politicians. In a 1955 Swedish referendum, 85% of those voting said they wanted to continue driving on the left side of the road. Only 12 years later the government went ahead and made the switch to driving on the right without a second referendum, or much protest.

By contrast, mandatory referendums are part of a law-making process or, more commonly, one of the procedures for constitutional amendment.

Both advisory and mandatory referendums can usually be called only by those in office -- sometimes by the president, sometimes by parliamentarians, most often by the government of the day. But in a few countries, petitions by voters themselves can put a referendum on the ballot. These are known as initiatives. Sometimes these can only repeal an already existing law -- so-called "abrogative" initiatives such as those in Italy. Elsewhere, initiatives can also be used to propose and pass new legislation, as in Switzerland and many American states. In this form they can be powerful and unpredictable political tools.

The rules for conducting and winning referendums also vary greatly from country to country. Regulations on the drafting of ballot papers and the financing of Yes and No campaigns are different everywhere, and these exert a great influence over how referendums are used, and how often.

The hurdle required for victory can be a critical feature. A simple majority of those voting is the usual rule. But a low turnout can make such victories seem illegitimate. So a percentage of eligible voters, as well as a majority of those voting, is sometimes required to approve a proposal.

Such hurdles, of course, also make failure more likely. In 1978 Britain's government was forced to abandon plans to set up a Scottish parliament when a referendum victory in Scotland failed to clear a 40% hurdle of eligible voters. Referendums have also failed in Denmark and Italy (most recently in April) because of similar voter-turnout requirements. To ensure a wide geographic



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consensus, Switzerland and Australia require a "double majority", of individual voters and of cantons or states, for constitutional amendments.

The use of referendums reflects the history and traditions of individual countries. Thus generalising about them is difficult. In some countries referendums have played a central, though peripatetic, role. In others they have been marginal or even irrelevant, despite provisions for their use.

Hot potatoes

Although referendums (outside Switzerland and the United States) have been most often used to legitimise constitutional change or the redrawing of boundaries, elected politicians have also found them useful for referring to voters those issues they find too hot to handle or which cut across party lines. Often these concern moral or lifestyle choices, such as alcohol prohibition, divorce or abortion. The outcome on such emotive topics can be difficult to predict. In divorce and abortion referendums, for example, Italians have shown themselves more liberal, and the Irish more conservative, than expected.

One of the best single books on referendums -- "Referendums Around the World" edited by David Butler and Austin Ranney, published by Macmillan -- argues that many assumptions about them are mistaken. They are not usually habit-forming, as those opposed to them claim. Many countries have used them to settle a specific issue, or even engaged in a series of them, and then turned away from referendums for long periods. But this is mostly because politicians decide whether referendums will be held. Where groups of voters can also put initiatives on the ballot, as in Switzerland and the United States, they have become addictive and their use has grown in recent years.

Messrs Butler and Ranney also point out that referendums are not usually vehicles for radical change, as is widely believed. Although they were used in this way in Italy and New Zealand, referendums have more often been used to support the status quo or to endorse changes already agreed by political parties. Most referendums, even those initiated by voters, fail. In Australia, 34 of 42 proposals to amend the constitution have been rejected by voters. According to an analysis by David Magleby, a professor at Brigham Young University in Utah, 62% of the 1,732 initiatives which reached the ballot in American states between 1898 and 1992 were rejected.

Arguments for and against referendums go to the heart of what is meant by democracy. Proponents of referendums maintain that consulting citizens directly is the only truly democratic way to determine policy. If popular sovereignty is really to mean anything, voters must have the right to set the agenda, discuss the issues and then themselves directly make the final decisions. Delegating these tasks to elected politicians, who have interests of their own, inevitably distorts the wishes of voters.

Referendums, their advocates say, can discipline representatives, and put the stamp of legitimacy on the most important political questions of the day. They also encourage participation by citizens in the governing of their own societies, and political participation is the source of most other civic virtues.

The case against



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Those sceptical of referendums agree that popular sovereignty, majority rule and consulting voters are the basic building blocks of democracy, but believe that representative democracy achieves these goals much better than referendums. Genuine direct democracy, they say, is feasible only for political groups so small that all citizens can meet face-to-face -- a small town perhaps. In large, modern societies, the full participation of every citizen is impossible.

Referendum opponents maintain that representatives, as full-time decision-makers, can weigh conflicting priorities, negotiate compromises among different groups and make wellinformed decisions. Citizens voting in single-issue referendums have difficulty in doing any of these things. And as the bluntest of majoritarian devices, referendums encourage voters to brush aside the concerns of minority groups. Finally, the frequent use of referendums can actually undermine democracy by encouraging elected legislators to sidestep difficult issues, thus damaging the prestige and authority of representative institutions, which must continue to perform most of the business of government even if referendums are used frequently.

Testing any of these claims or counter-claims is difficult. Most countries do not, in fact, use referendums regularly enough to bear out either the hopes of proponents or the fears of opponents. The two exceptions are Switzerland and some American states, where citizen initiatives are frequent enough to draw tentative conclusions on some of these points, although both examples fall far short of full-fledged direct democracy.

Voters in both countries seem to believe that referendums do, in fact, lend legitimacy to important decisions. The Swiss are unlikely now to make a big national decision without a referendum. Swiss voters have rejected both UN membership and links with the EU in referendums, against the advice of their political leaders. Similarly, American polls show healthy majorities favouring referendums and believing that they are more likely to produce policies that most people want. Polls also show support for the introduction of referendums on the national level.

The claim that referendums increase citizen participation is more problematic. Some referendum campaigns ignite enormous public interest and media attention. Initiatives also give political outsiders a way to influence the public agenda. But in the United States, much of the activity involved in getting initiatives on the ballot, such as collecting signatures, has been taken over by professional firms, and many referendum campaigns have become slick, expensive affairs far removed from the grassroots (so far, this is much less true in Switzerland). Even more surprising, voter participation in American referendums is well below that of candidate elections, even when these are held at the same time. The average turnout for Swiss referendums has fallen by a third in the past 50 years to about 40%. On big issues, however, turnout can still soar.

Many of the fears of those opposed to referendums have not been realised in either country. Initiatives have not usually been used to oppress minorities. A proposal to limit the number of foreigners allowed to live in Switzerland was rejected by two-thirds of voters in 1988. In 1992 Colorado's voters did approve an initiative overturning local ordinances protecting gays from discrimination, but more extreme anti-gay initiatives in Colorado and California have been



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defeated by large majorities. Since 1990 voters have consistently upheld certain abortion rights in initiative ballots. Minorities and immigrants have been the targets of initiatives in some states, but voters have generally rejected extreme measures and have often proven themselves no more illiberal than legislators. Most initiatives are, in fact, about tax and economic questions, not civil liberties or social issues, although the latter often gain more attention.

While the frequent use of initiatives has not destroyed representative government, as some feared, it has changed it. Party loyalty among Swiss voters is strong at general elections, but evaporates when it comes to referendum voting. Initiatives, and the threat of mounting one, have become an integral part of the legislative process in Switzerland, as they have in California, Oregon and the other American states where they are most used. Referendums now often set the political agenda in both countries. In the United States they are frequently seen, rightly or wrongly, as a barometer of the national mood. And they can occasionally spark a political revolution. California's Proposition 13, for example, a 1978 initiative lowering local property taxes, set off a tax revolt across America. Elected officials themselves are often active in launching initiatives, and relatively successful in getting their proposals approved, which hardly indicates that voters have lost all faith in their politicians. Initiatives have made legislating more complicated, but also more responsive to the public's concerns.

There is some evidence that American voters, at least, are sometimes overwhelmed by the volume of information coming their way, and cast their vote in ignorance, as critics contend. Mr Magleby cites studies showing that on several ballots, 10-20% of the electorate mistakenly cast their vote the wrong way. Ballot material dropping through the letterboxes of residents in California is now often more than 200 pages long. According to one poll, only one in five Californians believes that the average voter understands most of the propositions put before him. Quite rationally, this has also bred caution. Californians approve only one-third of initiatives.

Hybrid democracy?

The Swiss and American experience suggests that in the future there is unlikely to be a headlong rush away from representative to direct democracy anywhere, but that, even so, the use of referendums is likely to grow. The Internet and other technological advances have not yet had much impact on referendums, but they should eventually make it easier to hold them, and to inform voters of the issues they are being asked to decide upon.

Representative institutions are likely to survive because of the sheer volume of legislation in modern societies, and the need for full-time officials to run the extensive machinery of government. Nevertheless in an age of mass communication and information, confining the powers of citizens to voting in elections every few years seems a crude approach, a throwback to an earlier era. In a political system based on popular sovereignty, it will become increasingly difficult to justify a failure to consult the voters directly on a wider range of issues.

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HIGHLIGHT:

The sixth and last article in our **series** on the mature democracies asks whether they are in danger of being strangled by lobbyists and single-issue pressure groups

BODY:

PREVIOUS briefs in this **series** have looked at the imperfections in democracy as it is currently practised in the rich countries, and at some of the efforts that different countries are making to overcome them. Evidence that all is not well includes declining public confidence in politicians, falling membership of political parties and smaller turnouts for elections. Ideas for improvement range from making greater use of referendums and other forms of direct democracy, to giving more power to courts to check the power of politicians. This article asks a different question: far from being too powerful, are elected politicians in modern democracies too weak?

When Alexis de Tocqueville visited the United States in the 19th century, he was impressed by the enthusiasm of Americans for joining associations. This, he felt, spread power away from the centre and fostered the emergence of democratic habits and a civil society. Until quite recently, most political scientists shared De Tocqueville's view. Lately, however, and especially in America, doubts have set in. At a certain point, say the doubters, the cumulative power of pressure groups, each promoting its own special interests, can **grow** so strong that it prevents elected politicians from adopting policies that are in the interest of the electorate as a whole.

A hitch-hiker's guide

A key text for such critics was a short book published in 1965 by Mancur Olson, an American economist. Called "The Logic of Collective Action", this took issue with the traditional idea that the health of democracy was served by vigorous competition between pressure groups, with governments acting as a sort of referee, able to choose the best policy once the debate between the contending groups was over. The traditional view, Olson argued, wrongly assumed that pressure groups were more or less equal. In fact, for a reason known to economists as the free-rider problem, they weren't.

Why? Take the example of five car firms, which form a lobbying group in the hope of raising the price of cars. If they succeed, each stands to reap a fifth of the gains. This makes forming the group and working for its success well worth each firm's investment of time and money. If the car makers succeed, of course, motorists will suffer. But organising millions of individual motorists



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to fight their corner is a great deal harder because it involves co-ordinating millions of people and because the potential gain for each motorist will be relatively small. Individual motorists will be tempted to reason that, with millions of other people involved, they do not need to do anything themselves, but can instead hitch a "free ride" on the efforts of everyone else.

This simple insight has powerful implications. Indeed, in a later book Olson went on to argue that his theory helped to explain why some nations flourish and others decline. As pressure groups multiply over time, they tend to choke a nation's vitality by impairing the government's ability to act in the wider interest. That, he argued, is why countries such as Germany and Japan -- whose interest groups had been cleared away by a traumatic defeat -- had fared better after the second world war than Britain, whose institutions had survived intact. With its long record of stability, said Olson, "British society has acquired so many strong organisations and collusions that it suffers from an institutional sclerosis that slows its adaptation to changing circumstances and changing technologies."

Olson's ideas have not gone unchallenged. But they have had a big impact on contemporary thinking about what ails American democracy. In "Demosclerosis" (Times Books, 1994), Jonathan Rauch, a populariser of Olson's work, says that America is afflicted by "hyperpluralism". With at least seven out of ten Americans belonging to at least one such association, the whole society, not just "special" parts of it, is now involved in influence peddling.

The result is that elected politicians find it almost impossible to act solely in the wider public interest. Bill Clinton wants to reform the health system? The health-insurance industry blocks him. China's membership of the World Trade Organisation would benefit America's consumers? America's producers of textiles and steel stand in the way. Jimmy Carter complained when he left the presidency that Americans were increasingly drawn to single-issue groups to ensure that, whatever else happened, their own private interest would be protected. The trouble is, "the national interest is not always the sum of all our single or special interests".

Pressure groups are especially visible in the United States. As Oxford University's Jeremy Richardson puts it ("Pressure Groups", Oxford University Press, 1993), "pressure groups take account of (and exploit) the multiplicity of access points which is so characteristic of the American system of government -- the presidency, the bureaucracy, both houses of Congress, the powerful congressional committees, the judiciary and state and local government."

Nevertheless pressure groups often wield just as much influence in other countries. In those where parliaments exercise tighter control of the executive -- Canada, Britain or Germany, say -- the government controls the parliamentary timetable and the powers of committees are much weaker. This means that pressure groups adopt different tactics. They have more chance of influencing policy behind closed doors, by bargaining with the executive branch and its civil servants before legislation comes before parliament. In this way pressure groups can sometimes exert more influence than their counterparts in America.

Political tribes

Many European countries have also buttressed the influence of pressure groups



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by giving them a semi-official status. In Germany, for example, the executive branch is obliged by law to consult the various big "interest organisations" before drafting legislation. In some German states, leading interest groups (along with political parties) have seats on the supervisory boards of broadcasting firms.

French pressure groups are also powerful, despite the conventional image of a strong French state dominating a relatively weak civil society. It is true that a lot of France's interest groups depend on the state for both money and membership of a network of formal consultative bodies. But a tradition of direct protest compensates for some of this institutional weakness. In France, mass demonstrations, strikes, the blocking of roads and the disruption of public services are seen as a part of normal democratic politics.

In Japan, powerful pressure groups such as the Zenchu (Central Union of Agricultural Co-operatives) have turned large areas of public policy into virtual no-go areas. With more than 9m members (and an electoral system that gives farming communities up to three times the voting weight of urban voters), farmers can usually obstruct any policy that damages their interests. The teachers' union has similarly blocked all attempts at education reform. And almost every sector of Japanese society has its *zoku giin* (political tribes), consisting of Diet members who have made themselves knowledgeable about one industry or another, which pays for their secretaries and provides campaign funds. A Diet member belonging to the transport tribe will work hand-in-glove with senior bureaucrats in the transport ministry and the trucking industry to form what the Japanese call an "iron triangle" consisting of politicians, bureaucrats and big business.

Pressure groups are also increasingly active at a transnational level. Like any bureaucracy, the European Union has spawned a rich network of interest groups. In 1992 the European Commission reckoned that at least 3,000 special-interest groups in Brussels, employing some 10,000 people, acted as lobbyists. These range from big operations, such as the EU committee of the American Chamber of Commerce, to small firms and individual lobbyists-for-hire. Businesses were the first to spot the advantages of influencing the EU's law making. But trade unions swiftly followed, often achieving in Brussels breakthroughs (such as regulations on working conditions) that they could not achieve at home.

The case for the defence

So pressure groups are ubiquitous. But are they so bad? Although it has been influential, the Olson thesis has not swept all before it. Many political scientists argue that the traditional view that pressure groups create a healthy democratic pluralism is nearer the mark than Olson's thesis.

The case in favour of pressure groups begins with some of the flaws of representative democracy. Elections are infrequent and, as a previous brief in this series noted, political parties can be vague about their governing intentions. Pressure groups help people to take part in politics between elections, and to influence a government's policy in areas that they care and know about. Pressure groups also check excessive central power and give governments expert advice. Although some groups may flourish at the expense of the common weal, this danger can be guarded against if there are many groups and



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if all have the same freedom to organise and to put their case to government.

Critics of Olson's ideas also point out that, contrary to his prediction, many broad-based groups have in fact managed to flourish in circumstances where individual members stand to make little personal gain and should therefore fall foul of his "free-rider" problem. Clearly, some people join pressure groups for apparently altruistic reasons -- perhaps simply to express their values or to be part of an organisation in which they meet like-minded people. Some consumer and environmental movements have flourished in rich countries, even though Olson's theory suggests that firms and polluters should have a strong organisational advantage over consumers and inhalers of dirty air.

Moreover, despite "demosclerosis", well-organised pressure groups can sometimes ease the task of government, not just throw sand into its wheels. The common European practice of giving pressure groups a formal status, and often a legal right to be consulted, minimises conflict by ensuring that powerful groups put their case to governments before laws are introduced. Mr Richardson argues in a forthcoming book ("Developments in the European Union", Macmillan, 1999) that even the pressure groups clustering around the institutions of the EU perform a valuable function. The European Commission, concerned with the detail of regulation, is an eager consumer of their specialist knowledge. As the powers of the European Parliament have grown, it too has attracted a growing band of lobbyists. The parliament has created scores of "intergroups" whose members gain expertise in specific sectors, such as pharmaceuticals, from industry and consumer lobbies.

Governments can learn from pressure groups, and can work through them to gain consent for their policies. At some point, however, the relationship becomes excessively cosy. If pressure groups grow too strong, they can deter governments from pursuing policies which are in the wider public interest. The temptation of governments to support protectionist trade policies at the behest of producer lobbies and at the expense of consumers is a classic example supporting Olson's theories. But problems also arise when it is governments that are relatively strong, and so able to confer special status on some pressure groups and withhold it from others. This puts less-favoured groups at a disadvantage, which they often seek to redress by finding new and sometimes less democratic ways of making their voices heard.

In Germany, for example, disenchantment with what had come to be seen as an excessively cosy system of bargaining between elite groups helped to spark an explosion of protest movements in the 1980s. In many other countries, too, there is a sense that politics has mutated since the 1960s from an activity organised largely around parties to one organised around specialised interest groups on the one hand (such as America's gun lobby) and broader protest and social movements on the other (such as the women's movement, environmentalism and consumerism). One reason for the change is clearly the growth in the size and scope of government. Now that it touches virtually every aspect of people's lives, a bewildering array of groups has sprung up around it.

Many of Olson's disciples blame pressure groups for making government grow. As each special group wins new favours from the state, it makes the state bigger and clumsier, undermining the authority of elected parties, loading excessive demands on government in general, and preventing any particular government from acting in the interest of the relatively disorganised majority of people. By



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encouraging governments to do too much, say critics on the right, pressure groups prevent governments from doing anything well. Their solution is for governments to do less. Critics on the left are more inclined to complain that pressure groups exaggerate inequalities by giving those better-organised (ie, the rich and powerful) an influence out of all proportion to their actual numbers.

So what is to be done? A lot could be, but little is likely to be. There is precious little evidence from recent elections to suggest that the citizens of the rich countries want to see a radical cut in the size or scope of the state. As for political inequality, even this has its defenders. John Mueller, of America's University of Rochester, argues that democracy has had a good, if imperfect, record of dealing with minority issues, particularly when compared with other forms of government. But he claims that this is less because democratic majorities are tolerant of minorities and more because democracy gives minorities the opportunity

to increase their effective political weight -- to become more equal, more important, than their arithmetical size would imply -- on issues that concern them. This holds even for groups held in contempt by the majority, like homosexuals. Moreover, the fact that most people most of the time pay little attention to politics -- the phenomenon of political apathy -- helps interested minorities to protect their rights and to assert their interests.

Adaptability

This series of briefs has highlighted some of the defects in the practice of democracy, and some of the changes that the mature democracies are making in order to improve matters. But the defects need to be kept in perspective.

One famous critic of democracy claimed that for most people it did nothing more than allow them "once every few years, to decide which particular representatives of the oppressing class should be in parliament to represent and oppress them". When Marx wrote those words in the 19th century, they contained an element of truth. Tragically, Lenin treated this view as an eternal verity, with calamitous results for millions of people. What they both ignored was democracy's ability to evolve, which is perhaps its key virtue. Every mature democracy continues to evolve today. As a result, violent revolution in those countries where democracy has taken deepest root looks less attractive, and more remote, than ever.

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