

THE PROGRESS REPORT

Democracy Needs Reforming

By Fred E. Foldvary

Ever since the 1996 elections, we have had wave after wave of revelations about improper or suspicious political campaign finances. Campaign contributions from Asia, soliciting contributions from government offices, overnight stays at the White House, diversion of "soft" money to political parties -- all this money sloshing and influence peddling points to the corruption of government, whether it was strictly legal or not.

The finance reform bill now being considered may be blocked by Democratic opposition to the "paycheck protection act" that would bar unions from using dues for political contributions without the members' approval. Even if it passes, the problem will remain. We've had campaign finance reforms every few years, and 114 votes on the issue by the Senate during the last ten years, but nothing really changes.

The basic problem is the way we elect our representatives. Our system is mass democracy: a large mass of voters elect a Congressman or Senator, or the President. The voters' don't know the candidate personally, so the candidate relies on advertising in the media to project a favorable image. This costs money, and the special interests are happy to contribute the funds.

No matter what laws are passed, the special interests will find ways around them, because of the tremendous gains they can get. Government financing of campaigns only gives more power to the two major parties, reducing even further the opportunity for smaller political parties to challenge the system and come up with new ideas. The problem is the corrupt incentives built into the system. To solve the problem, the whole voting system has to be changed.

Since the key problem is mass democracy, the only remedy is to change it to small-group democracy. Have every election take place in a small group. That would eliminate the need for mass media, and therefore the need for mass campaign funds, and thus the opportunity for special interests to buy out the election. Also, wealthy candidates would no longer have such an advantage.

But if a Congressional district has several hundred thousand people, how can we elect the representatives with small groups? The solution is multi-level voting. Divide cities and counties into small neighborhood districts. Each district elects a council. Then the council members elect one of their members to a higher-level council made up of a dozen neighborhood districts. These then elect members to the next higher level, and this continues on up to the representatives to the city council, state legislatures and Congress. One of the rules is that a lower-level council may recall a representative at any time if they are not satisfied.

Now you the voter are electing someone from your neighborhood for the neighborhood council, somebody you might know or easily have access to. Instead of mass mailings and TV commercials, the candidates would hold neighborhood meetings. All the higher-level elections

would also be personal, since only a dozen or so councils would elect representatives to the next higher level council. The President himself would be elected by Congress, and the House of Representatives would only have, say, some 60 members instead of 435. And let's cut the Senate to 50 members, while we're at it. We want smaller groups, right?

Somebody might object that he or she wants to be able to elect the President directly. But one vote out of tens of millions does not amount to much. One vote in a neighborhood election of about 200 voters does count for something, plus your voice will be heard, and those who want to be representatives don't need to raise money.

This bottom-up multi-level voting system would also profoundly change the incentives for taxation. Power would shift dramatically to the neighborhood councils. Decentralized voting would lead to decentralized government and decentralized taxation. With local funding that gets sent to higher-levels of government, income and sales taxes would not longer be practical. Taxation would shift to real estate, especially to land, which does not flee when taxed.

Small-group democracy would be a radical change, but if we want to eliminate special-interest influence and the corruption of government, campaign-finance laws alone won't do it, because of the incentives built into the system. Either we change the voting system, or we will continue to let the special interests have their way.