

Redefining Democracy

On a democratic system designed for the 21st century, and
disrupting democracy for good

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Abstract: This paper identifies fundamental flaws in our current democratic systems and explains that while they were useful previously, no longer serve their purpose and need to be replaced. We will explain how authority in democracy acts as a restriction on political progress, and describe a new model of democracy which removes authority from decision making, allowing a new era of political prosperity.

Introduction

Over the last 30 years, the world has witnessed revolutions in almost every single field of human endeavour. And while our species is preparing for its first interplanetary colony¹ in the near future, one of our most vital institutions, democracy, has managed to remain largely unchanged for centuries. However, the time for change has come.

This article will discuss the challenges faced by our current democratic political systems, and why these challenges cannot be solved with small adjustments. It will describe a new system of democracy called ‘Issue Based Direct Democracy’ (IBDD) and make a case for why it is not only preferable to representative and direct democracy, but essential for the continued prosperity of the human race well into this century and beyond.

The most successful and widespread flavour of democracy is representative democracy, however, it was not the first, and it will not be the last. It’s worth remembering that the ancient roots of democracy lie in a far more participatory system than our current models. Ancient Athenians² enjoyed a deeper level of involvement in their own governance than we are afforded today. This observation is not intended as an indictment on representative democracy, since it has served its purpose well in the past, but rather meant to illustrate that ‘democracy’ can come in many different shapes and sizes.

When representative democracy was first established it solved many political and practical problems. Hundreds of thousands of workers could rely on only a handful representatives to champion their cause at a governmental level, since 18th century constraints on long distance communication and education made it impossible for all to participate. Furthermore, 18th century society was far less specialised than it is today, and representatives could afford to be policy generalists, participating in decisions on a variety of matters competently.

From the 18th century right up until the middle of the 20th, representative democracy has been closely associated with the vast improvement of people’s lives all around the world. The challenges faced by representative democracies’ founders, however, no longer affect most developed nations. Communication over long distances can be conducted instantaneously, and a highly educated, specialised society affords many citizens the ability to meaningfully engage with policy matters. Most importantly, the narrow range of issues which concerned most citizens has drastically expanded to a multitude of highly specialised policy areas as society has developed.

Problems with Canonical Democracy

Representative democracy today suffers from a series of endemic challenges. These challenges are the result of representative democracy’s very nature and cannot be solved merely by checks and balances, or other minor iterations.

¹ See <http://www.spacex.com/mars>

² Or, rather, Athenian male landholders.

The heart of democracy's ills is, of course, corruption. It is the gap between how things *are* and how most intuitions hold they *ought* to be. Corruption is often associated with developing nations, though it permeates even the world's most enviable democracies. Selectorate theory, pioneered by Bruce Bueno de Mesquita, et. al. provides a way to understand this problem³:

“The fundamental premise in selectorate theory is that the primary goal of a leader is to remain in power. To remain in power, leaders must maintain their winning coalition. When the winning coalition is small, as in autocracies, the leader will tend to use private goods to satisfy the coalition. When the winning coalition is large, as in democracies, the leader will tend to use public goods to satisfy the coalition.”⁴

Leaders using public goods, or introducing favourable legislation, in order to remain in power is, by definition, corruption. For now, we suggest that as long as representatives are elected to a position of authority, or authority exists in any form⁵, corruption will persist.

By observation, we can see most representative democracies tend toward two party systems, and even highly proportional systems form semi-permanent coalitions, effectively creating a two party system. This means many voters are necessarily required not to choose the party that best represents them, but rather the party that misrepresents them the least⁶. Two party systems are highly divisive, and oversimplify the political landscape, yet they prevail. While minor parties are not uncommon (especially in Australia, where the authors are based), many voters regard voting for these parties as wasting one's vote, since they are unlikely to win a seat. Since the balance of power to form a majority often rests on a small section of the voting public, voters continue to elect major parties, often just to avoid endowing their political opposition with power.

This centralisation is not exclusive to representative democracy. Rather, it is a result of one particular rule many people feel strongly about: one person, one vote. Traditional democratic intuition holds that one vote should be distributed to each voter and no redistribution should occur: that the set of voters should be *static*. However, this ignores that the distribution of *interest* in different issues is not even. When a voter is not seriously interested in an issue they are able to use their vote as leverage against those voters who are interested. This leads to a curious result: to be sure you can pass a bill in a diverse group of voters you *must* form a bloc large enough to be *the* deciding factor in whether the bill passes or not. If *you* are not in that bloc, someone else will be, and they will use your bill as leverage on other bills that you aren't interested in, forcing you to participate anyway. Thus the optimum strategy in a static⁷ democracy is to

³ See *The Dictator's Handbook*, and *The Logic of Political Survival* for more.

⁴ Summary quoted from wikipedia Jan 4th 2017 - https://en.wikipedia.org/wiki/Selectorate_theory

⁵ For example, in Liquid Democracy, a highly delegated individual with a casting vote on a particular proposal is in a unique position of authority, as they alone hold the decision in their vote. Put another way, for that particular proposal to pass, the suggesting party would need the permission of this highly delegated individual.

⁶ Perhaps best expressed by Winston Churchill's famous quote: "Democracy is the worst form of government ... except for all those other forms that have been tried from time to time."

⁷ Here 'static' refers to the lack of redistribution of votes, that is to say that every issue (within a short period of time) has an identical set of voters.

become the largest bloc, as it gives you the greatest chance of being responsible for whether any given bill passes or doesn't.

Interestingly, this is not just true of representative democracy, but also direct and liquid⁸ democracy. Any system which forces a static set of voters *will* produce these results⁹. It's not that this is the only way to get policy passed (if you can convince the entire set of voters to *care* you might get a different result¹⁰) but it is certainly the path of least resistance. This is especially true because a bloc formed like this will *persist*, whereas education on a single matter evaporates (politically) once that matter has been resolved. The root of this centralisation problem is, however, deeper.

At a fundamental level, buried beneath many 'oughts' and 'shoulds', is a question all democracies share. It is at their heart, and is instrumental in understanding how to build a better democracy; a future-proof democracy. It hides beneath phrases like 'will of the people', beneath every election, every voting system; the mere idea of *measuring* public preference without discrimination implies this question:

Who should rule?

The problem with this question, with the idea of choosing our rulers, is that authority is baked in. The question of 'who should rule?' is *essentially* the same question as 'who (or what) is the authoritative source of good policy?'. In a representative democracy we choose rulers; in direct and liquid democracy we choose policy, but "the people" are treated as the authority on what good policy is (regardless of whether it is good for them or not). To illustrate exactly why this question is so poisonous we need to take a detour into the philosophy of science.

"*Progress* that is both rapid enough to be noticed and stable enough to continue over many generations has been achieved only once in the history of our species. It began at approximately the time of the scientific revolution, and is still under way. It has included improvements not only in scientific understanding, but also in technology, political institutions, moral values, art, and every aspect of human welfare."

- Opening lines to *The Beginning of Infinity* (2011) by David Deutsch

The scientific revolution carried with it a profoundly anti-authoritarian zeitgeist, and this is arguably the main reason we were able to break free from centuries of stagnation¹¹; it was an intellectual rebellion and the beginning of a tradition of criticism. Particularly, scientists stopped asking 'what is the authoritative source of knowledge?' and began to engage in a cycle of conjecture and criticism that allowed good explanations to be created, tested, debated, and eventually adopted into scientific canon -- until they were superseded by better ideas, that is.

⁸ Liquid democracy, also known as delegative democracy, is essentially direct democracy where voters can elect a delegate to act on their behalf instead of voting. Delegates can also elect a delegate.

⁹ One caveat is that this doesn't happen when every voter is concerned with every issue, as might be the case in a small town, or perhaps even ancient Athens, however, this is rarely, if ever, the case with any national policy.

¹⁰ As in an important national referendum, perhaps

¹¹ It's not that we were totally void of progress, but that it occurred so infrequently that it was nearly impossible to observe over a single lifetime.

The truth is: there is no authoritative source of knowledge¹². This is a *universal* truth. If we do not acknowledge this in politics and political theory at a fundamental level we will be doomed to never reach our democratic potential. Thus, treating “the people” as the final authority makes the same mistake as asserting *anything* is a final authority, including dictators, monarchs, and the flip of a coin¹³.

The task of redefining democracy therefore *requires* dealing with this problem of authority. Until now, no system of democracy has achieved that¹⁴. This is why no small change can radically improve¹⁵ the democracies of today: authority is a fundamental part of these systems.

Issue Based Direct Democracy

Issue Based Direct Democracy (IBDD) is a system which has been designed with these challenges in mind. It does not take a fundamentalist approach to the foundation of democracy. Rather, it applies pragmatism to our current problems. There are three key components of the system, with the third unique to IBDD. It does not natively have anything like a legislature (rather, all voters have the opportunity to vote on all issues) but can be layered over an existing legislature, using representatives as proxies¹⁶.

The first aspect is taken from direct democracy: for each issue a single vote is distributed to each voter. This is not a new concept and is as old as democracy itself. Fundamentalist direct democracies hold that this aspect is sacred, and that it is paramount no reorganisation of power takes place. While empowering all voters with direct access to the decision making process is important, it is not *sufficient* to produce good policy outcomes, and it is for this reason that IBDD goes several steps further. Fundamentalist direct democracy may be appropriate for small, highly aligned groups, but is insufficient for large, complex societies. Prosperity is intrinsically linked to specialisation, and society’s high degree of specialisation demands a more nuanced system. Particularly, one which is able to make the best use of the available knowledge held by voters¹⁷.

The second aspect of IBDD is vote delegation. Similarly to liquid democracy (LD), this is included to reduce the human labour cost of participation, and to allow some people to specialise in particular areas of policy. The advantage here is that every voter will be able to find a delegate with similar views to them.

¹² There are some very good reasons for this which are laid out in *The Beginning of Infinity*, though they won’t be included in detail here. An easy contradiction to spot: if there were such an authority it would need to be able to explain how it is the authority in the first place, and that would need to be correct for some reason other than “the authority said it” and therefore our hypothetical source of all knowledge and wisdom would have to rely on something other than itself; a contradiction.

¹³ The quality of decisions can still differ, but the mistake is the same.

¹⁴ Arguably quadratic voting came close, but has a few problems

¹⁵ Small improvements can be made, but without vanquishing the ‘who should rule?’ question no *breakthrough* is possible.

¹⁶ The political movement Flux (founded by the authors) uses this approach. Multiple party chapters are being formed around the world with the goal of winning seats in legislatures, where the representatives will act as proxies for an IBDD overlay.

¹⁷ Some might refer to this sort of thing as a ‘truth machine’.

Unfortunately, introducing delegation and nothing more does not stop blocs forming¹⁸, and it does not bias good policy.

It's important to note here that IBDD is not a system which denies the importance of leadership amongst human societies, but rather, embraces it. IBDD allows leaders to be tested in a way where the best continuously rise to the top, while poor leaders are quickly removed¹⁹. Interestingly, we start to select leaders based on different criteria. Presently representatives are often chosen for characteristics such as charisma, tenacity, and their promises. Since the challenges faced by leaders under representative democracy are not present in IBDD, they can be selected by a far more significant criterion: their ability to create good policy.

The third and most significant aspect of IBDD is the ability for participants to reorganise political power by trading votes. Under IBDD a voter can forgo their vote on a particular issue. In exchange they receive a variable number of liquidity tokens (LTs) they can use to acquire some number of votes²⁰ on a later issue. The exact number of LTs is dependant on supply and demand. This reallocation is done automatically and the voter is not involved in determining who will acquire their vote, which is important for optimal reorganisation. If voters could choose every recipient it could result in multiple groups forming, essentially becoming new political parties.

The vote trading feature is the magic behind IBDD, and this method of redistributing political power has numerous advantages. Votes for highly contentious issues are more 'expensive' to acquire than less contentious issues²¹, encouraging apathetic voters (of a particular issue) not to participate in that issue. It also allows small iterative improvements to legislation to be passed with little debate or fanfare. After all, debating the minutia in IBDD requires putting your money (or liquidity tokens) where your mouth is.

It's important to note that IBDD does not support or condone trading LTs for real cash. One of the reasons IBDD is able to efficiently reorganise power is that its economy is closed off from the rest of the world. By controlling the initial conditions of the IBDD vote market we can ensure it remains insulated from outside influences, like corporations²², the super rich, and oligarchs.

As previously stated, as our societies become more prosperous and productive, they become more specialised. This high level of specialisation demands that in matters of politics, as with matters of science, industry, and other areas of society, we cannot be experts on everything. We must necessarily accept that some among us are better suited at making some decisions than others, but no one is the best

¹⁸ Some might suggest introducing categories of legislation can help in this respect, but this introduces authority in a different way.

¹⁹ The ability to remove bad leaders without violence is not specific to IBDD, but is certainly enhanced. Karl Popper has argued that this ability is what has allowed democracies to progress and remain stable in spite of the authority held by Government.

²⁰ The exact numbers here depends on supply and demand. Under IBDD both votes and LTs are highly divisible, so it's unlikely that any two issues' votes are worth the same (denominated in LTs).

²¹ This relationship based on supply and demand allows us to inherit the economic properties of opportunity cost and comparative advantage, two very important mechanics which allow resources (in this case political power) to move efficiently and meaningfully inside a market.

²² That said, they *can* participate in the process of *writing* legislation

at making every decision. Rather than shirking this reality, IBDD embraces it. Vote trading allows the best and brightest of a society in a specific field to excel in providing policy guidance and decision making, without the overwhelming barrier to entry currently faced under representative democracy. This is made possible because IBDD biases good policy; more on that later.

Another consequence of the vote market is that each vote must be taken seriously. By attaching *generic* political value to each vote²³ it's always in the interest of the voter to reorganise their personal power to match their personal political experience. If every participant were required to vote on every issue, those issues of perceived low significance could be approached frivolously²⁴, or worse, as a lever against other voters. Giving issues of least concern a transferrable value encourages voters to either take the issue seriously, or give up their say on it. Thus, if a voter does not take their vote seriously they weaken their own ability to affect change.

The vote market also increases the *meaning* of political participation. Instantiating some form of participatory democracy is not necessarily a precursor to mass public involvement. IBDD allows voters to focus their attention (through the redistribution of political power) on matters important to themselves, their families, and communities. This has the potential to massively increase the rate of participation since a voter is better able to influence decisions relevant to them. Suitable public participation is desirable, since each member of society has a unique set of experiences, skills, and knowledge that will be valuable in some way.

IBDD is grounded in the philosophy of fallibilism, and holds that all of our best explanations about the world may be wrong; no topic is sacred. By allowing all voters to propose new legislation²⁵, and to choose what they criticise (by voting against it), IBDD enshrines a constant cycle of conjecture and criticism. In this way, IBDD has a very low barrier to proposing, testing, and evaluating new policy and explanations. The process of testing, and then correcting mistakes is central to science, industry, and even the process of evolution from which we are ultimately derived. In this way, IBDD can be thought of as facilitating a 'natural selection' of political ideas²⁶. Those that are good for society can succeed with a low barrier to do so, while those that are not are quickly discarded.

The ability to easily criticise legislation, propose new options, and have those options be taken seriously is the key feature that allows IBDD to bias good policy where other democracies do not.

²³ All democracies actually do this, but reorganisation is only possible through large blocs, so in other democracies this is a centralising force, but in IBDD it is a decentralising force.

²⁴ Sometimes referred to as the "Boaty McBoatface" problem (<http://www.bbc.com/news/uk-36225652>)

²⁵ Voters cannot propose new legislation arbitrarily, mind. We propose that only a specific number of issues (to be voted on) can be created per week, and that the 'slots' for proposals should be auctioned for LTs. This prevents spam, and ensures that proposing legislation carries some opportunity cost.

²⁶ Though unlike evolution, IBDD sources new ideas from human creativity instead of random mutation.

Going Forward

Regardless of where you look, there is a growing sentiment that Democracy is failing. Approval ratings are the lowest they've ever been²⁷, and the percentage of people who feel it's important to live in a democracy has been declining in the western world for decades²⁸. There is one important feature that all democracies lack that we hypothesise is the key to breaking through to a new era of political prosperity: the ability for democracies to improve themselves more easily than whatever came before. Put another way, we've dug ourselves into a hole, and without a large percentage²⁹ of voters cooperating, we won't be able to dig ourselves out.

Without the ability to improve the fabric of our democracies, the very systems themselves, we are destined to suffer the same problems. This is why IBDD is so special: it is able to improve itself with *far* less than an absolute majority. In the past we took the conservative path: constitutional amendments required referendums³⁰ or overwhelming consensus³¹. This worked well during times of uncertainty, rapid industrialization, expansionist colonization, and a largely working class population. However, those times are gone. If we are to weather the coming storms we will need something a lot better than representative democracy.

As with all good untested explanations we can summarise the above into a hypothesis. If we're right, this is incredibly significant because the potential upside is limitless. If our explanation holds, then IBDD will usher in an era of political prosperity unlike anything we've ever seen. We'll see an *exponential* increase in the quality, reach³², and power³³ of the political process. We'll see the sorts of improvements we've grown accustomed to in science and technology in governance too. No longer will our legal systems lag behind the other areas of human endeavour, but will finally have the potential to lead them. We will finally have a political revolution on the scale and significance of the scientific revolution all those centuries ago.

Conclusion

The future of democracy does not have to be a dark one. We know that the current systems of democracy all share a fatal flaw: they answer the authoritarian question 'who should rule?'. This is baked into their core, and without radically rethinking how we interact with democracy we cannot overcome these issues.

²⁷ <http://www.gallup.com/poll/189848/no-improvement-congress-approval.aspx>

²⁸ <http://www.nytimes.com/2016/11/29/world/americas/western-liberal-democracy.html>

²⁹ It's possible for a third party in a pluralist two-party system to win government with 33% of the popular vote, and theoretically possible with 25% or less (win 50% of seats at 50% of the vote). Realistically it would probably take more than 33% of the population to coordinate, and 50% in a proportional system.

³⁰ At least in Australia

³¹ The US requires a $\frac{2}{3}$ supermajority in congress and the senate, as well as $\frac{3}{4}$ of all state legislatures to agree to an amendment.

³² 'Reach' is a specific term in this case, taken to mean an explanations ability to account for things beyond what it was intended to.

³³ Meant as a force for just change.

Issue Based Direct Democracy is a ray of hope in this dark time. It breaks through the authoritarian barrier other systems adhere to, and is able to due to the way it enshrines cycles of conjecture and criticism. By allowing the reorganisation of political power to reflect the knowledge held by society we enable a far more productive and prosperous political option. Provided significant proportions of society back this change we can break out of static democracies designed to withhold self improvement.

The only way to avoid the destruction of the human race is the open ended creation of new knowledge. Without enshrining this in our political system we cannot hope to overcome and manage the challenges the future of humanity will necessitate. Issue Based Direct Democracy is designed not just to enshrine this value, but also to allow itself to be improved far more easily than the systems preceding it, allowing an era of political prosperity to begin, and with it, the flourishing of human society.

Appendix - Democracies and Key Supporters

To make a case for why the system we've described here is not only preferable, but necessary for the future of democratic societies, let's look to *why* democracies are stable at all. We'll again draw on the selectorate theory. The winning coalition can be thought of as a leader's keys to power³⁴. These are supporters in positions which rulers require in order to maintain their position of leadership. In democracies, these keys are many, and take the form of demographics as well as significant industry figures, and other politicians. The reason democracies are generally more prosperous is not due to being a democracy itself. Rather, the society first becomes somewhat prosperous and in turn the number of keys to power increases. In order to maintain power, leaders must satisfy more keys - something that becomes increasingly difficult in a dictatorship. The more keys to power that need to be satisfied, the more complex the job of the ruler becomes. Dictators only need to support a small number of keys, since they use violence and stolen wealth to maintain control of citizens and income. Democracies leverage the productivity of their population to support their keys³⁵, and so the wellbeing of its citizens is fundamental to the ability of its leaders to satisfy the ruler's keys. As dictators rely less on natural resources like gold or oil (via consuming them) they must begin to leverage their population, and thus begin the long road to unstable dictatorships, and eventually democracy.

If we apply this theory to the most productive representative democracies, we can once again see that too many keys can lead to instability. The US presidential election of 2016 is not a bad example of this. In a new era where there are too many keys to power for one ruler to satisfy, what happens?

Perhaps it is the case that new systems of democracy are able to satisfy more groups in society, and in doing so they could be stable in situations where canonical democracy is not. We believe that IBDD holds this property, though it's as yet untested. In lieu we can propose the following hypothesis: the system of democracy to eventually dominate will be the one able to satisfy the most key supporters.

³⁴ This language is borrowed from CGP Grey's excellent 20 minute summary of *The Dictator's Handbook*. You can find it on YouTube: <https://www.youtube.com/watch?v=rStL7niR7gs>

³⁵ If a ruler was to attempt violent control they would risk damaging the very productivity they seek to leverage, and destroy their ability to satisfy their keys.

Appendix - The Flux Movement

The Flux Movement was founded in Australia by the authors, Max Kaye and Nathan Spataro, in April of 2015, and the registration of the first Flux political party took place in March 2016. The movement's purpose is to promote the best system of democracy available (which we believe is currently IBDD) at all levels of government, globally.

The movement's primary strategy is to use existing representative democracies as platforms which IBDD can plug into. It does this by first establishing political parties, and then standing candidates in ordinary elections. Elected Flux candidates vote in line with the result produced by the Flux system on all matters, acting as a proxy for the IBDD system. In addition to running candidates at elections, the movement hopes to persuade currently sitting members of parliaments and congresses to champion the Flux cause, and commit to using IBDD during their terms.

The movement currently has chapters in Australia³⁶ and Brazil³⁷, and is preparing to launch in the USA, New Zealand, Ireland, and Germany during 2017.

³⁶ Flux Australia - <https://voteflux.org>

³⁷ Flux Brazil - <http://voteflux.com.br>