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Lessons from California

# The perils of extreme democracy

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California offers a warning to voters all over the world

Apr 20th 2011



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CALIFORNIA is once again nearing the end of its fiscal year with a huge budget hole and no hope of a deal to plug it, as its constitution requires. Other American states also have problems, thanks to the struggling economy. But California cannot pass timely budgets even in good years, which is one reason why its credit rating has, in one generation, fallen from one of the best to the absolute worst among the 50 states. How can a place which has so much going for it—from its diversity and natural beauty to its unsurpassed talent clusters in Silicon Valley and Hollywood—be so poorly governed?

It is tempting to accuse those doing the governing. The legislators, hyperpartisan and usually deadlocked, are a pretty rum bunch. The governor, Jerry Brown, who also led the state between 1975 and 1983, has (like his predecessors) struggled to make the executive branch work. But as our [special report](#) this week argues, the main culprit has been direct democracy: recalls, in which Californians fire elected officials in mid-term; referendums, in which they can reject acts of their legislature; and especially initiatives, in which the voters write their own rules. Since 1978, when Proposition 13 lowered property-tax rates, hundreds of initiatives have been approved on subjects from education to the regulation of chicken coops.

This citizen legislature has caused chaos. Many initiatives have either limited taxes or mandated spending, making it even harder to balance the budget. Some are so ill-thought-out that they achieve the opposite of their intent: for all its small-government pretensions, Proposition 13 ended up centralising California's finances, shifting them from local to state government. Rather than being the curb on elites that they were supposed to be, ballot initiatives have become a tool of special interests, with lobbyists and

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This has been a tragedy for California, but it matters far beyond the state's borders. Around half of America's states and an increasing number of countries have direct democracy in some form ([article](#)). Next month Britain will have its first referendum for years (on whether to change its voting system), and there is talk of voter recalls for aberrant MPs. The European Union has just introduced the first supranational initiative process. With technology making it ever easier to hold referendums and Western voters ever more angry with their politicians, direct democracy could be on the march.

And why not? There is, after all, a successful model: in Switzerland direct democracy goes back to the Middle Ages at the local level and to the 19th century at the federal. This mixture of direct and representative democracy seems to work well. Surely it is just a case of California (which explicitly borrowed the Swiss model) executing a good idea poorly?

Not entirely. Very few people, least of all this newspaper, want to ban direct democracy. Indeed, in some cases referendums are good things: they are a way of holding a legislature to account. In California reforms to curb gerrymandering and non-partisan primaries, both

improvements, have recently been introduced by initiatives; and they were pushed by Arnold Schwarzenegger, a governor elected through the recall process. But there is a strong case for proceeding with caution, especially when it comes to allowing people to circumvent a legislature with citizen-made legislation.

The debate about the merits of representative and direct democracy goes back to ancient times. To simplify a little, the Athenians favoured pure democracy ("people rule", though in fact oligarchs often had the last word); the Romans chose a republic, as a "public thing", where representatives could make trade-offs for the common good and were accountable for the sum of their achievements. America's Founding Fathers, especially James Madison and Alexander Hamilton, backed the Romans. Indeed, in their guise of "Publius" in the "Federalist Papers", Madison and Hamilton warn against the dangerous "passions" of the mob and the threat of "minority factions" (ie, special interests) seizing the democratic process.

Proper democracy is far more than a perpetual ballot process. It must include deliberation, mature institutions and checks and balances such as those in the American constitution. Ironically, California imported direct democracy almost a century ago as a "safety valve" in case government should become corrupt. The process began to malfunction only relatively recently. With Proposition 13, it stopped being a valve and instead became almost the entire engine.

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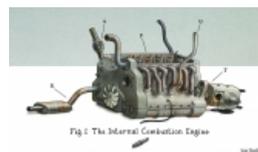
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representative democracy. That could be done by increasing its unusually small numbers, and making term limits less onerous.

More important, direct democracy must revert to being a safety valve, not the engine. Initiatives should be far harder to introduce. They should be shorter and simpler, so that voters can actually understand them. They should state what they cost, and where that money is to come from. And, if successful, initiatives must be subject to amendment by the legislature. Those would be good principles to apply to referendums, too.

The worry is that the Western world is slowly drifting in the opposite direction. Concern over globalisation means government is unpopular and populism is on the rise. Europeans may snigger at the bizarre mess those crazy Californians have voted themselves into. But how many voters in Europe would resist the lure of a ballot initiative against immigration? Or against mosque-building? Or lower taxes? What has gone wrong in California could all too easily go wrong elsewhere.

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