

Direct Democracy and Its Discontents

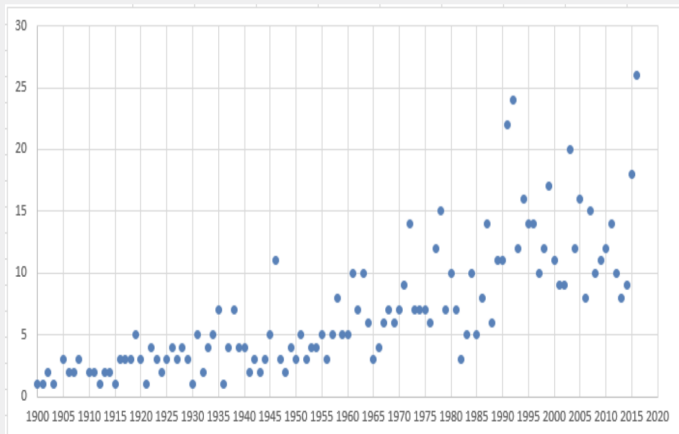
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May 6, 2021

Direct Democracy Becomes Popular

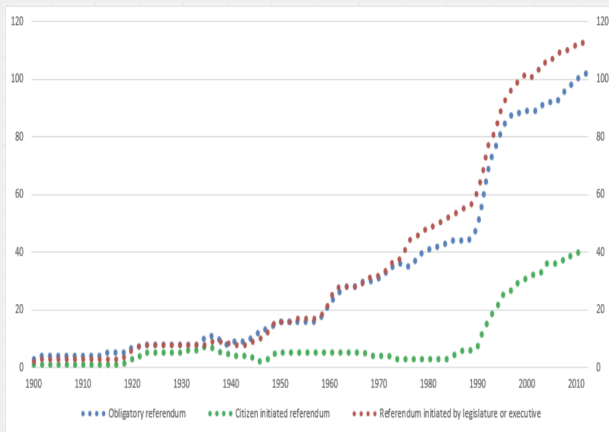
Graph 1. Number of countries holding national direct democracy votes per year since 1900



Source: V-DEM (data is based on 176 countries)

Direct Democracy Becomes Popular

Graph 2. Number of countries allowing specific types of direct democracy instruments at the national level by law since 1900.



Source: V-DEM (data is based on 176 countries)

Direct Democracy Becomes Controversial

Ratification of the Treaty of Lisbon: Rejected by referendum in Ireland, 2008

Brexit, 2016

Taiwan: Same-sex marriage (2018), Ractopork (pork from ractopamine-fed pigs), Nuclear Power Plants, etc.

Direct Democracy: The Holy Grail?

Democracy in Ancient Athens

- All citizens (with the pertinent qualification of their being free men) were permitted the opportunity of equal political participation: Important decisions were made by the assembly, where each citizen had the right to speak and the majority of offices were assigned by lot.

The Gettysburg Address (Abraham Lincoln)

- Government of the people, by the people, for the people

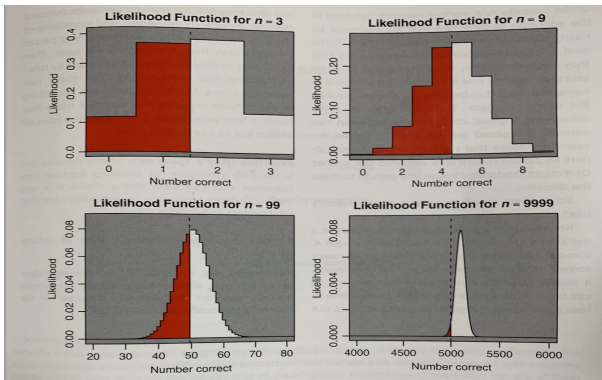
Wisdom of the Crowd

Aristotle

- It is possible that the many, though not individually good men, yet when they come together may be better, not individually but collectively, than those who are so, just as public dinners to which many contribute are better than those supplied at one man's cost.

Condorcet's Jury Theorem

If each voter is more likely to vote correctly (p is greater than $\frac{1}{2}$), then adding more voters increases the probability that the majority decision is correct. In the limit, the probability that the majority votes correctly approaches 1 as the number of voters increases.



Issue Unbundling

Party A: Free trade, no minimum wage, LGBT rights, pro-choice, etc.

Party B: Strategic trade theory, minimum wage, anti same-sex marriage, pro-life, etc.

Accountability

Principal-agent problem

- Example: home-buying
- Principals (buyers): Finding the perfect home within their budget
- Agent (broker): The commission they get from selling the most expensive home that the couple will say yes to as quickly as possible

If you want a thing done well, do it yourself (Napoleon Bonaparte)

Participation

Olken (2010)

- A field experiment in which 49 Indonesian villages were randomly assigned to choose development projects through either representative-based meetings or direct election-based plebiscites
- Plebiscites resulted in dramatically higher satisfaction among villagers, increased knowledge about the project, greater perceived benefits, and higher reported willingness to contribute
- No much difference on the actual projects selected
- Direct participation in political decision making can substantially increase satisfaction and legitimacy (by increasing engagement)

The Death of Socrates

Rule by the Ignorant (Plato)

- In 399bc, Socrates was put on trial by a small group of fellow citizens acting as democratic citizen-prosecutors.
- He was accused of corrupting the youth of Athens and introducing new gods, neglecting those of the city, which existed as an object of civic patriotism.



Tyranny of the Majority

Alexis de Tocqueville

- In my opinion the main evil of the present democratic institutions of the United States does not arise from their weakness, but from their overpowering strength
- When an individual or a party is wronged in the United States, to whom can he apply for redress? If to public opinion, public opinion constitutes the majority; if to the legislature, it represents the majority, and implicitly obeys its injunctions; if to the executive power, it is appointed by the majority, and remains a passive tool in its hands; the public troops consist of the majority under arms; the jury is the majority invested with the right of hearing judicial cases; and in certain States even the judges are elected by the majority. However iniquitous or absurd the evil of which you complain may be, you must submit to it as well as you can.

Counter-majoritarian difficulty (Alexander Bickel)

Tyranny of the Majority

Hainmueller and Hangartner (2012)

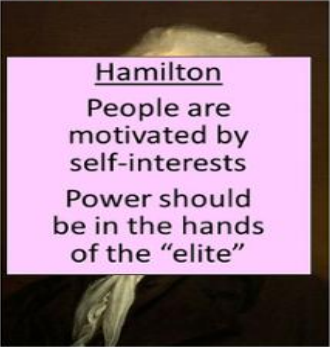
- Using panel data from 1,400 municipalities for the 1990-2010 period, we exploit recent Federal court rulings that led most municipalities to transfer the naturalization decision to an elected municipality council.
- Show that naturalization rates surged by 50% once legislatures, rather than citizens in popular referenda, decided on local naturalization applications.
- While citizens face no constraints against voting their prejudice, rejections are more costly for accountable legislators who are forced to justify potentially arbitrary rejections.
- Find that direct democracy is most disadvantageous for immigrant applicants in areas where the electorate has stronger xenophobic preferences (compared to more liberal areas) and for applicants from (former) Yugoslavia and Turkey (compared to less marginalized immigrants from southern and richer European countries).

Jefferson vs Hamilton

Should power be in the hands of the “elite” or the “common man”?

Alexander Hamilton

Thomas Jefferson



Hamilton

People are motivated by self-interests

Power should be in the hands of the “elite”



Jefferson

The “common man” should be trusted to make good decisions

Corruption occurs when power is in the hands of the “elite”

Calculus of Voting

Pivotal voter model (Downs, 1957; Riker and Ordeshook, 1968)

$$PB + D > C$$

P = Probability that the user will impact the outcome of a civic decision
 B = Benefit of a changed outcome to the user
 D = Sense of civic duty the user gets from an action
 C = Cost of civic action

Probability P is the perceived probability that an action will change the outcome of a civic decision \Rightarrow Very low

Lab experiment evidence (Duffy and Tavits, 2008)

Low turnout \Rightarrow Extremists take control

Information Problem in the Age of Social Media

Political language is designed to make lies sound truthful and murder respectable (George Orwell)

Rational ignorance (Downs, 1957) \Rightarrow Lupia and McCubbins (1998):
Democratic Dilemma

Selective exposure: Echo chamber

Fake news, flooding

Foreign intervention

Fake news



Donald J. Trump  @realDonaldTrump · 3h 

The Media has a big responsibility to life and safety in our Country. Fake News has contributed greatly to the anger and rage that has built up over many years. News coverage has got to start being fair, balanced and unbiased, or these terrible problems will only get worse!

Deliberation

Political correctness, self-censorship

Lupia and McCubbins (1998): Elite cues

Issue framing: E.g., trade agreement with China, ractopamine pork

Still direct democracy?

Technical issues

Some issues are too technical: Nuclear power, genetically modified organisms (GMO), global warming, etc.

Earthquake and rainfall

炎亞綸在2015年的時候曾經貼過一則留言表示下雨會引起地震，遭到網友吐槽「不懂裝懂」，沒想到在2016年的《地球與行星科學快報》國際期刊（Earth and Planetary Science Letters）指出，雨水在引發地震的過程中扮演重要角色，也算還她清白。

在最近不斷下雨，昨天又有大地震，這個話題又被網友翻出來，臉書專業「台灣迷因taiwan meme」更把炎亞綸PS成鬼滅之刃，並表示：「我只想知道有多少老人知道這個梗」，很多網友紛紛附和，「炎柱是對的」、「已跟炎P道歉過」。

也有網友在炎亞綸粉絲專頁留言，「朝聖先知」、「先知巡禮」等流言，讚嘆炎亞綸之前的言論，跟他道歉。

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Dable

Overall

Maskin and Tirole (2004)

- The most important decisions should be taken by elected rather than nonaccountable officials (although direct democracy may have the edge over representative democracy for such decisions).
- Nonaccountability is preferable when the majority's preferences are very likely to inflict large negative externalities on the minority. However, representative democracy is better in this case than direct democracy, and, for moderate probabilities of negative externalities, may constitute a desirable compromise between the two extremes.

Overall

Osborne and Turner (2009)

- The outcome of a cost benefit analysis is superior when individuals have diverse preferences but similar information, whereas the outcome of a referendum is superior when individuals have similar preferences but different degrees of uncertainty.