

Why direct democracy solves the notorious problem of special interest groups

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It's a pleasure to be able to tell you why direct democracy solves the notorious problem of special interest groups.

I'd like to start with a metaphor that I used when I spoke here last August.

Let's imagine that we're an engineer at Boeing, and we're on the design team for an airplane. To make this personal, let's suppose that Mark Sussman is the leader of the team. As you may know, Mark earned a Ph.D. in aeronautical engineering at MIT. Then he spent his career at Boeing, where he was head of Boeing's stealth bomber group. So suppose that we're a member of Mark's team for a hypothetical airplane. And the plane has been designed and manufactured and is in use.

Now it turns out that there's a problem. Although the plane performs as it has been designed to operate, once in a while a pilot will have a problem. And there is a possibility of a crash, though it hasn't happened yet.

The conventional wisdom is that the pilots need better training, and if a pilot can't perform up to standard, they shouldn't fly the plane. So the conventional wisdom is that we have a pilot problem — a people problem.

We're intrigued by this issue, so we read all of the reports on it, and we go out of our way to interview the pilots, meeting with them in person when we can. We immerse ourselves deeply into all available information, *and eventually* a light goes on in our mind. As you know, a cockpit has an intricate instrument panel that sweeps in front of the pilot, and we think that we can solve the problem by a change in the design of the instrument panel. So we work out the details and then call Mark. After giving Mark a feel for what we've figured out, we ask him if we can present our idea to the team, and he wholeheartedly agrees.

So we present our idea at the next meeting, and this stimulates a vigorous discussion and debate that lasts several hours. Over the course of about a week, the team explores all ramifications of our proposal, and finally they come to a consensus that our proposal will solve the problem.

Now I have a question for you.

Before we developed this solution, the conventional wisdom said that we have a pilot problem — a people problem. But now that we can solve the problem by a structural change, what would you say? Is it a people problem or a structural problem? [Pause] Yes, we have a structural problem due to a design deficiency.

What does this have to do with government — this idea of a people problem vs. a structural problem?

Representative democracy is like the original instrument panel. Representative democracy without an initiative process suffers from a deficiency because interest groups influence government policy in a way that can have pernicious results. The conventional wisdom says that the problem is a people problem: the problem is due to the performance of the pilots — the legislators who are influenced by interest groups. But once we figure out how to solve the problem by a structural change — by implementing an initiative process — it's clear that we have a structural problem due to a design deficiency.

Let me illustrate this idea by showing you how we can solve the problem of government overtaxing and overspending. [Hold up handout] I present the main ideas of the solution in this handout, which is on the tables and chairs. [Hold up book] And if you'd like more information, I encourage you to pick up a copy of my book, which you can buy for just \$10 at my literature table.

Under representative democracy, legislator votes are public so that constituents can hold their legislators accountable, and day-to-day accountability is achieved through the influence of constituent groups, which are known as interest groups. Accountability also comes through elections, but elections only occur every few years, so the day-to-day activities of representative democracy are controlled by interest groups. Now interest groups compete for government benefits, and this drives up the cost of government without limit.

How does this differ from direct democracy?

There is a fundamental difference in voting on laws under representative democracy vs. direct democracy, and what's the difference? Legislator votes are public, while citizen votes are private.

But why? When you vote on an initiative, you're legislating, and legislator votes are public, so why isn't your vote public? Why is your vote private? Does anyone have an answer? [Pause]

When you vote on an initiative, your vote is private for exactly one reason: you have no constituents, so your vote is private so that no interest group can hold you accountable for how you vote. ***This is how direct democracy solves the notorious problem of special interest groups.*** Private voting makes it impossible for interest groups to hold citizens accountable for how they vote. This is why we have a secret ballot.

Notice that the same principle applies to signing petitions. When you sign a petition, your name and your home address should not be subject to public disclosure so that no interest group can hold you accountable for the petitions that you choose to sign. It's like voting. In fact, it *is* voting. When you sign a petition, you're voting to put an initiative on the ballot. So the principle of privacy in voting applies to petition signing just as it does to other forms of citizen voting.

In my book I show how to put the power of the initiative to use in making government fiscally responsible. The main idea is that the citizens must control the ability of the government to get their money, and they achieve this with a ceiling on government income+debt. Let's imagine this — a ceiling, a limit, on government income+debt. The ceiling is expressed as a percentage of the income of the economy — say for example 10% — so as the income of the economy grows, government income+debt can grow.

Now, only the citizens can change the ceiling, and they can do so in response to a request by the legislature or through an initiative process. So listen to this: using the initiative process, over time the citizens can lower the ceiling on government income+debt. In this way, the citizens can drive that ceiling down to an asymptotic value, as illustrated on the back of the handout. ***This, my friends, is the only realistic plan that I have ever heard of for reducing government to its core functions, and what makes the plan realistic is that a reduction is based on a direct popular vote for it.***

Acknowledgement. In my theory, I developed the result that signing initiative petitions and voting on initiatives fall into the same category, such that for logical consistency one should be public/private if and only if the other is public/private.

In discussing my talk beforehand with my friend Mark Elster, he pointed out that signing an initiative petition does, in fact, constitute voting because the signer is voting to place the respective initiative on the ballot. Mark's insight gave me a name for the category that I had identified: the category of voting! This simplification is a gem that I owe to Mark.

Technical note. Signing an initiative petition constitutes a legally binding act that is subject to strict laws, as in nominal voting. Signing an initiative petition does not fall into the category of first amendment petitioning: "to petition the government for a redress of grievances." Petitioning the government for a redress of grievances constitutes a non-binding act that is simply a request.