

LOCAL FOUNDATIONS FOR A STRONG DEMOCRACY

Roger Myerson, University of Chicago
myerson@uchicago.edu

Presented at London School of Economics, 28 Sept 2009.

<http://home.uchicago.edu/~rmyerson/research/paklocal.pdf>

<http://home.uchicago.edu/~rmyerson/research/lahore.pdf>

My thanks to Adnan Khan, Ali Cheema, and Asim Khwaja.

Mechanism design theory and governments?

Powerful government officials must expect greater long-run rewards (moral-hazard rents) from good service than from abuse of power. A political leader needs a reputation for reliably paying such rewards. A leader with a sure position has no incentive to reveal information about the smallest rents for he could deliver good public service. Competition among experienced rivals for office can motivate them to reveal more rent-reducing information. Democracy!...

Local democracy can strengthen national democratic competition

Democratic competition should limit political profits (corruption), but it can fail if nobody has a reputation for good governance.

My QJPS ('06): In a centralized democracy, a corrupt leader may be re-elected when voters expect that challengers would be no better. Successful democracy requires many alternative leaders with good reputations for serving the public (not just rewarding supporters).

Political decentralization creates opportunities to build such reputations, eliminating the bad equilibrium of *QJPS '06*.

If voters expected corrupt government at all levels, a local leader who serves better could become a serious candidate for higher office.

Provincial and local democracy reduce barriers to political entry, by increasing opportunities for politicians to prove governing ability.

Decentralization can increase the national supply of individuals who have good reputations for using public resources responsibly.

Local democracy can strengthen political parties

To reduce competition, national leaders have incentive to centralize, to raise barriers against political entry of new independent leaders. Suppressing entry by control from top, with advancement based on loyalty to top leader. ("Iron law of oligarchy," Michels 1915)

A party's competitive strength depends on its local agents' efforts to win popular support.

Agents' incentives are stronger if promotion depends on their success in winning popular approval, as measured in local democracy.

Party leaders who promote the party's successful local candidates should be rewarded by a stronger and more competitive party.

National leaders could try to tame local governments by threatening budget reductions or administrative actions against potential rivals.

Scope of authority for local governments should be constitutionally protected, with clear fiscal rules determining local budgets.

National parties can strengthen local democracy

The rights of national parties to sponsor alternative candidates in local elections can be vital to sustaining local democracy.

Local bosses should know that, if they fail to give good public service, they could face challengers supported by a rival national party.

Democratic norms develop naturally in an elected assembly, where members share interests in protecting their rights to compete.

Any party must defend its candidates' rights to compete in elections, and electoral abuse by its own people can tarnish its reputation.

Against violent insurgents, some restrictions on nomination to local elections may be necessary.

But any party with some minimal fraction of the National Assembly should be able to nominate candidates in all elections in all areas.

To reduce political entry barriers at the national level, *members of the National Assembly should have the right to form new parties.*

Counterinsurgency requires networks of local leaders

Galula (1964) summarized the mission in counterinsurgency warfare:

"Build a political machine from the population upward."

With effective local democracy, party networks extending into all communities can become such a political machine.

Nonparty democracy? Parties are channels of privilege that mobilize agents who have stakes in sustaining democracy.

Denying legal and democratic rights in Tribal Areas fostered a narrow tribal leadership that was vulnerable to Taliban insurgency.

Decentralized democracy offers more political opportunities, which can reduce fears of political exclusion that fuel insurgencies.

For effective counterinsurgency, military operations need to cooperate with local leaders of democratic political parties.

Constitutional governments that neglected local democracy left a gap that military rulers could fill to legitimize themselves.

Suggestions to make local democracy more effective (1): open-list PR instead of SNTV

To cultivate a broader base of local democratic leadership,
elected local councils should choose their executive nazim (mayor).

Local union council elections have used a multi-seat proportional representation system called single non-transferable vote (SNTV). SNTV favors corporate/tribal leaders who can rely on vassals' votes, but SNTV weakens voting groups that are not highly organized.

Example: each voter votes for 1 candidate to fill 8 unreserved seats, if majority focuses on one favorite, a minority can get other 7 seats.

Solution: *change to list system of proportional representation.*

Let parties nominate lists of candidates for local elections.

For competition between candidates in list, *use open-list PR*: each party gets seats in proportion to voters supporting it (d'Hondt), its seats go to its listed candidates who get most individual votes.

Suggestions to make local democracy more effective (2): approval-voting open-list proportional representation

Brazil uses an open-list proportional-representation system in which each voter must name one candidate on one party's list.

This rule of voting for only one individual candidate tends to reinforce patron-client relationships of political dependency.

To eliminate unique dependency, *allow each voter to approve any number of candidates in the party list that he supports.*

A party gets seats in proportion to voters supporting it, and its seats go to its candidates who are approved by the most party supporters.

With approval-voting open-list PR in local elections, a party can measure the support that a local candidate has helped it to get.

Mixing direct and indirect elections for larger tehsil and district councils

District nazims should be elected by and responsible to their councils.

Seats in larger district councils have been filled by local union nazims (plus some reserved seats are elected by local union councilors).

This system gives district officials more incentive to maintain cooperative relationships with their electors in union governments.

A district council should include some representatives who are elected at large by voters of the district, using the approval-voting open-list proportional representation system.

Election to at-large district representative would be an important step in the ladder of democratic advancement for politicians who can earn broad approval of voters throughout the district.

District councils could choose their district nazim from among these at-large representatives.

SUMMARY

Political decentralization can increase the national supply of leaders who have good reputations for using public resources responsibly.

Local democracy lowers barriers to political entry and so can make national democracy more competitive. (*Threat to national leaders?*)

With local democracy, advancement of local party agents can depend more on earning voters' approval, for competitively stronger parties.

Local democracy is more competitive when national parties can sponsor alternative candidates against established local bosses.

In nation-building/counterinsurgency, the goal is to extend a political system into all communities, which local democracy achieves.

Competitive benefits of local democracy can depend on its structure.

Defining responsibilities and financial resources for local councils.

Disadvantages of single nontransferable vote, one-vote open-list PR.

Advantages of approval-voting open-list proportional representation.

Indirect election for larger district councils? Advantages of including some at-large seats, as steps in a ladder of democratic advancement.

Papers available at:

<http://home.uchicago.edu/~rmyerson/research/paklocal.pdf>

<http://home.uchicago.edu/~rmyerson/research/lahore.pdf>

These notes:

http://home.uchicago.edu/~rmyerson/research/paklocal_ppt.pdf

Contact information:

Roger B. Myerson

<http://home.uchicago.edu/~rmyerson/>

myerson@uchicago.edu

More information from United Cities and Local Governments:

<http://www.cities-localgovernments.org/gold/>

Summary of suggestions in larger paper

Successful democracy is based on a flexible system of strong parties and a plentiful supply of politicians with reputations for public service.

1. Nothing should prevent major parties in the National Assembly from nominating candidates for all elections, including local and tribal.
2. Members of the National Assembly should be free to form new political parties, without restriction by sanctions against floor-crossing.
3. At each level of government, executive officials (including local nazims) should be responsible to the elected parliamentary assembly or council.
4. The president should not be able to unilaterally dissolve the National Assembly without putting his own position at risk.
5. The constitution should clearly define and protect a scope of autonomous authority for elected local governments as well as provinces, but no single province should contain too large a portion of the nation.
6. Local union councils should be elected by approval-voting open-list proportional representation. Larger district councils should include at-large elected representatives as well as local union nazims.
7. In single-seat districts for assemblies, runoff elections or approval voting would let voters consider third-party candidates more seriously.
8. Democratic political ties with Afghanistan could extend Pakistan's regional influence to help consolidate democracy in the region.