

Productive Democracy

Representative government

Bentham wrote his First Treatise on government in 1776, the year of the publication of Adam Smith's *Wealth of Nations*. After reading the *Wealth of Nations* Bentham saw the theoretical task as doing for government what Smith had done for the economy. The utilitarian theory of representative government was the outcome of this project.

Commenting on this theory John Stuart Mill said that it remained to be seen whether it was robust enough in practice to resist the democratisation that was inherent in it. In language it was democratic, but its substance was such that it preserved the power of an elite. The political struggles in Britain over the next 100 years was to extend the franchise in line with the principles of representative government without challenging its concept. The people would elect representatives who would act on their behalf in the administration of government.

There were four main problems with this version of democracy:

(i) when an electorate is small, a representative is known personally and can be subject to informal community disciplines. Before 1832 there was an electorate of less than half a million (432,000) for over 400 seats. The 1832 Reform Act added 217,000. By 1867 there were just over a million. The second Reform Act doubled that out of a population of 27.5 million (8%). In Belgium there were only 60,000 electors out of 4.7 million people. In the new Italy only 1% of the population had the vote. The growth of electorates breaks this immediate bond and poses the question of electorates knowing candidates, knowing about the actions of representatives and subjecting them to social pressures. It poses the issue of mass politics.

(ii) the growth in size and complexity of government has increased the range of matters over which a representative is required to preside, challenging both their capacity to do so, and of an electorate's ability to comment on their representative's actions. This is the problem of mass government.

(iii) representation has been primarily based on geographical areas at a time when there was limited geographical mobility; with increased mobility and a shift from place to interest/profession/gender/ethnicity as a basis for community, there is a further disjunction between the representor and the represented.

(iv) the periodic vote (every five years for national politics) means that the discipline on representatives is relatively weak. It is as if electorates were asked to vote every five years for either Sainsburys or Tesco's to supply all groceries for the whole period.

With the growth of mass production and 'mass society', an institutional structure geared to a small scale polity was extended by the development of four new institutions:

- the mass political party which was responsible for 'branding' the representatives. If a constituency could not know its representative, that representative was chosen and approved by a party with a clear line. This line could be presented to voters, and was intended to form a criteria against which to judge the performance of representatives in government.
- the mass media (a free press) which became the main form of communication about the conduct of representatives, and for the presentation of representatives to the represented
- the bureaucracy (mass administration) for the conduct of government.
- income tax as a primary source of government revenue

This system was geared to effect the shift in resources and power that resulted from the extension of the franchise. In Europe parties were distinguished by their broad class affiliations, with cross cutting religious parties in some countries. Programmes were distinguished by their distributional character, notably the expansion of the welfare state, and the extent of redistributive taxation, and the degree to which they were prepared to take on interests resistant to the introduction of the economic institutions of the era mass production. In terms of the French regulation school, mass politics was the adequate form for the introduction of the structures necessary for an era of mass production and mass consumption, both in terms of distribution and mass infrastructure.

Crisis of mass politics

From the mid 1960s this institutional structure began to break down. The highest number of votes cast in a British general election was in 1964, since when there has been a progressive decline. All over Europe there has been a secular decline in the quantity of residents registered to vote, and in the proportion of those registered who vote. In local elections, the extent of voter withdrawal is even more marked. In the May 1998 elections, only 34% of those registered in London voted. In other conurbations, the figure fell to 25%. In some wards in Liverpool, participation was only 12%, and this was of registered voters.

The growth of non voters has been the most marked feature of Western European politics over the last 30 years. In the US it is estimated that President Clinton was elected by only 15% of those resident in the US. At the same time, the standing of politicians has fallen relative to other professions. The mass media have contributed to this, focusing as they do on the immediate and short term, interpreting politics as theatre and/or

sport. There is a rising popular alienation from the people and processes of mass politics.

What are the factors explaining the growing inadequacy of the institutions of mass politics, and of the consequent withdrawal of popular legitimisation?

(i) the redistributive project reached its limits in the 1970s, as increased international liberalisation restricted the extent to which any one country could maintain redistributive taxation markedly out of line with international levels. Similarly, welfare services geared to redistribution were increasingly accessed by the middle class (education, health, mortgage relief) so that the redistributive effect of welfare services was squeezed. In the 1980's as corporate taxation also declined, a common pattern emerged of reduction of increased tax paid by the non mobile middle class, the cutting back of middle class access to welfare benefits, and a consequent middle class tax revolt.

(ii) the administration of a growing segment of the economy through mass administration became increasingly problematic at a time when system changes consequent on the electronic revolution were redrawing the boundaries of productive systems and transforming modes of system organisation.

(iii) the fragmentation of class identity into the multiple identities of gender, ethnicity, region, and sexuality, challenged the principle of majority based institutions, and of solely class based categories of political representation and public service. This parallels the fragmentation of the mass market in the economic sphere.

Responses

The response to the gathering crisis of mass politics has been five fold:

(i) a transformation of the administration of public services by privatisation, and the 'marketisation' of relations for those that remain. This is an attempt to introduce the scope and disciplines of the market into the public sphere. Citizens participate in the so called political sphere through their daily decisions (which school or doctor to engage) rather than through representative voting.

(ii) the transformation of political parties; there have been moves to increase popular involvement and impact in political parties, through:

- the honing of pre-mass representative democracy within parties,
- the introduction of the institutions of mass politics within the party - one member, one vote, the weakening of the old collegial

structures such as ward parties, trade unions, and constituent organisations

- the recognition of difference through women or black sections

(iii) professionalising the marketing of political parties, by the adoption of commercial techniques in the political sphere. This approach suggests that it is not the institutions of mass politics which are at fault but the poor ways in which they are operated. Hence the use focus groups, and other techniques of market research, the management of the media treatment of a party, in short taking the concept of the political 'brand' seriously. The 'democratic' version of the above is a greater equality of party funding, and an openness about financial backers. Within parties, however, it has led to the centralisation of power in order to 'defend the brand'. The approval of candidates, of speeches, the control of MPs through 'bleeping', the 'narrowing' of the church are all reflections of this concern for brand management.

(iv) decentralisation to local and regional government, reflected in the devolution of powers to the Welsh, Scottish, Irish and London assemblies, which are late responses to a much more developed move to the regions on the continent.

(v) the recognition of difference through a move away from first past the post systems to various forms of proportional representation, and to the requirements of minority consents (as in the examples of Ireland, Yugoslavia, South Africa and Canada).

Reflections

The most striking feature of all these changes in the ideology and processes of liberal democracy is that they parallel those in the ideology and processes of economic markets. Liberal political and economic institutions have marched hand in hand, from Bentham and Smith in 1776, to the intimately linked market and democratic reforms introduced into the former Communist countries in the 1990s.

At one level there has for long been a recognition of the similarity of the procedures of markets and liberal democracy. Downs called his book *An Economic Theory of Democracy*. Political parties present their packages to voters, whose votes are equivalent to the multiple votes of market purchases. What is important in each case is competition between the suppliers of products (politics) and good information about the products (political packages) on the part of consumers/voters.

According to this approach, effective democracy must be achieved by perfecting the political market.

Three lines of critique of economic markets can be applied to the above version of political markets:

a) voting is one moment in the overall circuit of political capital; just as there is a distinction of the production and circulation of commodities, so there is a distinction between the production and circulation of political power. Voting is about the circulation of power. It can do little about inequalities in production which is at the heart of economic and therefore political power. In the case of parties elected which challenge the main contours of economic power, the economy disciplines the political sphere by a run on the currency, investment strikes, and so on. Or it may resort to military force. More narrowly, if the media are controlled by private interests, or if finance is required to access the means of communicating with voters, then those with financial power will be able to shape the patterns of public perception and voting.

b) the political package around which voters choose is so now so complex, and extended over so long a time period, that the vote is an inadequate discipline over this section of the economy; the comparison is with the tendering of a large project like the Channel Tunnel or a nuclear power plant. The task then is how to break down the package and insert disciplines which apply to component parts.

c) the issue is what is required in the sphere of social production; this should be prior to the abstract discussions of forms of democracy (circulation). This poses the issue of productive democracy.

Productive Democracy.

Fordism was characterised by three features of production:

- the sharpened distinction between production and consumption, and the creation of the passive consumer. This applied to social provision as much as private provision: there is currently much talk of the dependency culture in the welfare state. There was a much wider dependency of consumers on products, which applies across the private as well as the public economy
- the creation of a mass, Taylorised labour force, working a regulated working day, week, year and lifetime. Fordism created its particular categories of time, whose boundaries were the object of collective bargaining and regulation from the earliest days of mass production.
- the de-skilling of domestic production, with the introduction of domestic capital goods, and the Fordisation of food.

In this arrangement, the citizen was precluded from participating in production - this was the prerogative of private or public sector managers. His or her main prerogative was what was bought in the market, and what

was promised in the quinquennial political package of potential service delivery. The main spheres of autonomy was the home. The main forms of autonomous collective organisation were parties, and clubs.

There are a number of changes which have emerged against the grain of this model:

- **quality of life.** The quality of life has increasingly superceded issues of the standard of living. Issues which are prioritised in surveys of popular concern include safety, clean air, a green environment, good health, and education facilities.
- **from collective goods to collective activities.** many of these qualitative issues require collective action, they require citizens/consumers to act in different ways, to become producers. The key contemporary issues - transport, health, education, the disposal of waste, the minimisation of resource use (notably water and energy), the care of the young and the sick, the effective organisation of space, place the citizen as producer in the central position. In other words, consumers can no longer be treated as passive citizens or 'customers': production systems that treat them as such are markedly less effective than citizen centred systems.
- **expressive consumption.** citizens increasingly define themselves in terms not just of paid work, but forms of consumption; music, food, clothes, films, videos, flowers. The rise of green and ethical consumerism is a movement which reflects a new concern with the role of consumption in the wider economy, and with particular social definitions
- **active consumption.** Much modern consumption is active: it is about activity as much as passive consumption, about realising what Czensentmihalyi calls 'flow', whether in sport, do it yourself, gardening, self education, alternative health, travelling, music and so on. What is purchased is access to space to undertake such activities, the equipment or inputs to do so, classes of instruction. So called passive consumption goods like television, and notably the new cable channels, are providing increasing quantities of learning programmes, from the OU channels, to gardening and cooking programmes, and so on. If one considers the 'consumption patterns of food, there is a distinction between food purchases for the first four days of the week, and those for the week-end period. The first is utilitarian, the second expressive and active.
- **differentiated pro-sumption.** Whereas the era of mass production and mass welfare was defined by the standardisation of consumption, there is now a growing movement for differentiation. This is not merely driven by forces for social differentiation (see Bourdieu's *Distinction: a social critique of taste*) but by the different needs of people in all the many spheres of social goods (transport, education, health, childcare,

housing). The model becomes not mass vaccination but the interactive CD Rom.

What is required in this new 'mode of consumption' are specialised social spaces and advisory services. Some of these are provided through the market: consider the growth of health clubs, sports facilities, golf clubs, hotels and night clubs. Or the expansion of specialist magazines, of do it yourself shops like B&Q and Homecare, or of garden centres. But others require collective institutions, whether for reasons of production or distribution.

On the production side consider transport. Each person makes a different journey. They use a variety of modes to make the journey, each of which involves others making their journeys (on the pavement, the road, the bus or the train). Fordist transport starts from the mode (the car versus the tram). Post Fordist transport starts from the journey and with this starting point the traveler in relation to other travellers become the centrepiece. What is immediately highlighted is not the potential speed of any one mode, but the ease of switching between modes and information which allows the traveler an effective choice of modes. What is further required is the planning of transport and land use systems which provides structures (or travelling spaces) within which the traveler can make efficient journeys.

What we have here is inter-dependent consumption. There are many examples from the traditional literature of public goods. Land use planning is based on the inter-dependence in the enjoyment of place (a neighbour's extension can block my view). One person's street music is another's disturbance. Previously the growth of consumption has been channelled to individual homes, or regulated in the public sphere. Now there is a recognition that even what takes place in private can also have a collective impact, notably on the environment. The environment is the ultimate collective good.

Similarly in the sphere of distribution. Education, health and care are among the universal rights of the citizen. In each case they have been delivered in a largely Fordist way, and the issue has become not one of reducing their universality (whether or not this is publicly or privately provided) but how they are best delivered. The search has been on for a new forms of citizen centred social administration: tenant centred estates, well-being centres, sheltered accommodation, the university of the third age.

Productive democracy can then take on three meanings:

- the design of provision to allow for citizen involvement/control individually or collectively in service provision (whether self help health centres or tenant control)

- the designing of provision to allow for citizen production within a system designed to meet wider social, and environmental requirements (that is not necessarily immediately benefitting the individual citizens concerned)
- the linking of public sector workers and citizens in the joint provision of services (that is a breaking with Taylorism in the public sphere)

The role of the state in productive democracy

In these cases the state is not the provider, it is:

- the designer of systems which allows for citizen centred provision within the context of social and environmental constraints.
- the provider (or financier) of advisory services for citizens to provide for themselves, or the ensurer of collective services
- the provider of spaces and their allocation for individual and collective pursuits (whether travel modes or football pitches).
- the guarantor of access and of collectivity

Restructuring public finance.

One result of this change is a shift in the structure and management of public finances. For a century after the Burkean reforms of the 1780s the UK Treasury struggled to centralise public finances in a single budget. Funds from whatever source were pooled and then allocated to specific services. This was the basis for administrative and representative politics and determined the shape and conduct of public administration.

Under productive democracy, there would be three changes:

(i) services could be multiply sourced, a core element from the exchequer, and supplementary grants, contributions, and fees to take account of variations. There would be a decentralisation of budgets to activity centres.

(ii) the growth of hypothecated taxes, both as incremental taxes geared to specific ends, and as specific taxes which could be attached to other services (road fees to bike paths)

(iii) the development of goal oriented budgets cutting across departments, which would be open within government for cross departmental bids, and outside government for coalitions of citizens to bid to achieve a particular aim. This form of budgeting would be to open spaces for productive coalitions, drawing resources from outside as well as inside government around an agreed end. The task of the state would be to work with bidders to ensure the quality of the bid, and the meeting of the public goals, and to

work with those not making bids to ensure that citizen based provision was available from there also.

Beyond participation.

Productive democracy shares some of the same ground as the concept of participative democracy. The latter has two notions of participation:

- participation in decisions on public provision (through citizens juries, public hearings, membership of council committees, ward committees, Agenda 21 fora and so on)
- participation in collective provision (through tenants associations, citizen monitoring of services, and group self provision)

The emphasis in the concept is democratisation of control - i.e. of the decision making power over services. Its strength is the recognition that citizens have been excluded from government save as the object of focus groups and the providers of votes.

Productive democracy includes this aspect of democratisation but goes further into the sphere of production itself. It argues that:

- democracy cannot be restricted to forms of decision making, it must take on the administrative structures of provision and the role of the recipient of provision in this. It is not a question of determining the colour of the prison bars: it is how to restrict crime.
- citizen involvement cannot be separated from the question of public sector worker involvement or indeed of the involvement of representatives.
- the role of the representative is recast as the builder of productive partnerships and the broker of consensus.
- a key discipline over production is the form of finance and its control
- a recognition that citizens may become productively involved in social production not through collectives but through their own forms of domestic production
- that pluralist structures of provision geared to the specificity of citizens and place not only offer a smarter service, but also generate innovation. As we have learnt from Japanese systems of management, innovation does not depend on new designs drawn up by those separated from production, but depends on the front line workers and consumers of goods and services in a process of continuous improvement.

The forms of producer democracy

Deliberative democracy, including much participatory democracy, takes the form of meetings. The structure of meetings, debate and decisions is itself exclusionary relying as it does on expressive skills and capacities to handle unstructured situations.

Productive democracy offers many ways and degrees of involvement. Its forms and procedures should be designed inclusively. Collective projects are themselves educational and lead to new expertise which can then challenge that exhibited at the deliberative level.

In some instances citizens can be paid to provide collective services. In others, there are ways of recognising the labour that citizens put in: voluntary labour should be acknowledged as part of joint funding; there can be free admission to Council facilities for those participating in certain collective schemes.

Part of productive democracy is decentralisation, to local government, and to productive units at the neighbourhood level. This is not at issue. The challenge is how to develop structures which also provide for those things that need to be done at a wider level than the neighbourhood while preserving space for neighbourhood action.

Representative mass democracy

5 yearly voting
 Spending priorities
 Centralised budgets
 Income taxes
 Structures determined by
 scale

Passive consumer

Productive democracy

Daily action
 Smart production
 Partnership bidding
 Steering taxes
 Decentralisation with consortia

Citizen as starting point