

Report on the Progress Foundation Colloquium

Schwarzenberg, October 16-19, 2008.

With the US presidential elections in sight, just few days after the sudden death of notorious Austrian right-wing populist Jörg Haider, and in the midst of heated political controversies on adequate responses to a worldwide financial crisis, the theme of the Progress Foundation's Colloquium couldn't have been more topical: "Populism, public opinion, and democracy" were the issues discussed by a group of 16 participants, representing a wide range of academics, publicists and representatives of public institutions.

The **first session** focussed on an adequate understanding of the term "populism". Three texts were provided to the participants, describing quite diverse definitions of the phenomenon. Accordingly, the session was fuelled by a lively debate on an adequate terminology. As Henner Kleinewerfers suggests in his text "Was ist eigentlich Populismus?" ("What exactly is Populism?"), populism can be understood as a program, which is driven by critique of government and intellectual elites, and strives to protect traditional societal structures and local autonomy from government interference. In this understanding, populism shares many characteristics with conservatism and liberalism. Participants discussed the similarities of the American populist movement, dating back to the 19th century, and today's most prominent populists. Continuities were found in sympathies for protectionist government interventions and xenophobia.

Some participants saw a defining aspect of populism in its adversity to change or its pandering to basic human instincts, such as fear. In this light, populism clearly deserves its negative connotation as it impedes rational democratic deliberation. Other participants pointed out that simplification may be considered a virtue in the context of complex political debates. Therefore, populism may even be thought of as a call upon the "wisdom of the crowds". It was also pointed out that populism may well serve to give neglected or minority views a voice and facilitate their inclusion in the political process. In this view, a root cause of populism can be found in the principal-agent-relationship of the people and their political representatives, which frequently leads to disagreements or even antagonism between those two groups. Ralf Dahrendorf's text "Acht Anmerkungen zum Populismus" ("Eight Remarks on Populism") was criticized for neglecting this potential antagonism.

Participants largely agreed that the term "populism" is ill-suited for stigmatization of certain political actors. Populism can be said to be prevalent throughout all political camps. It may well serve a constructive role in the democratic decision-making process. In the end, the accusation of "populism" all too often falls back on the accuser.

The **second session** focussed on the history and development of populism. Right from the start, the underlying text by Karin Priester was criticized for failing to provide a convincing definition of the term "populism". Participants disagreed on the nature or even necessity of an accurate definition. While populism may be described as a more or less distinct political program, today, it is most often conceived as a specific style or rhetoric.

The portrayal of populism as a liberal, anti-statist program was roundly rejected – all too often populism can be shown to call for government interventions in favour of specific interest groups. Populism as a style, though, may be seen as an indicator of political crises. Whenever the political system fails to respond to the wishes of a significant group of voters, populism

lends itself to harnessing discontent and disrupting political processes. In this sense, populism enhances the communication between government and the governed – it integrates the wishes and fears of many constituents into the calculations of the ruling elites. Accordingly, the actual political nature of populism – right- or left-wing – largely depends on the positions of these ruling elites. It can be described as a dependent variable.

A lively discussion on the role or function of a “leader” within a populist movement ensued – while historically, notorious political leaders managed to abuse populist ideas and techniques in their quest for power, participants were also able to recall populist movements without discernable leaders. In this respect, direct democracy was discussed as a system susceptible to populism, as was Aristotle’s view of democracy as a form of degeneration of a political system. Finally, the role and danger of populism was considered in the context of war and the political decisions leading up to the declaration of war. Democracy was identified as a prerequisite of populism – the pandering to the wishes or fears of voters can only have a significant effect on political decision-making within a democratic framework.

The first day concluded with a session on the role of the voter in a democracy. In his text “The Myth of the Rational Voter”, Bryan Caplan criticizes the public choice school’s classic and well-established model of the “rationally ignorant” voter as failing to account for many errors of democratic systems. Instead, Caplan advocates a more radical model of an actually irrational voter. Participants began their discussion by considering the role of egoism and altruism in rational decisions. It was proposed that only self-interest could ensure that the actual success or failure of a measure is considered in decision-making. Altruistic goals, as they are aimed at third persons, all too often lack this feedback necessary for rational choices. Other participants remarked that altruistic measures in politics not only suffer from a lack of feedback, but also from the irresponsibility inherent in decisions that are not based on private property. Altruism could therefore only be considered a virtue if it is based on private property and personal responsibility. There was general agreement on the fact that, in this respect, self-interest has to be distinguished from egoism – within free markets as well as in political decision making.

The discussion then turned to the question of whether democratic decision-making could be enhanced in order to account for the irrationality or ignorance of voters. Several participants saw a need for the incorporation of individual concern or affect into voting mechanisms: i.e. the differentiated weighting of individual votes based on the involvement of the respective citizen. Different means of revealing the intensity of preferences within the voting process were discussed. It was proposed that such a consideration of affect may even counteract the effect of ignorance on voting results. Participants challenged Caplan’s notion that penalties could effectively move politicians to more closely adhere to the voters’ wishes. In fact, politicians would then have an even stronger incentive to follow the irrationalities and errors of voters.

Caplan was interpreted as saying that low voter turnouts should actually be considered a blessing as they would filter out more ignorant voters from the democratic decision-making process. Public efforts to increase voter turnout, in turn, would have a detrimental effect on the quality of political decisions. Similarly, it was suggested that the participation of receivers of government funding, most notably public employees, would distort electoral results in favour of more statist views. Furthermore, participants noted that the institution of professional politicians negatively impacts the quality of political decisions as it increases the adverse effects of principal-agent-relationships. In the end, an agreement was reached that political systems should take the ignorance and irrationality of their participants into account and adjust their institutions accordingly – if possible.

The second day and **fourth session** of the colloquium turned to the issue of public opinion, based on the classic text by Walter Lippmann. The question of principal-agent-relationships continued to engage the participants. It was realized that not only could politicians be seen as agents of the voters, but that voters as economic subjects are actually also agents of the political system. In this mutual relationship, both sides would have to be considered more or less ignorant. Therefore, the reduction of complexity and transmission of information and preferences can be identified as one of the main challenges of any democratic system. Participants agreed that any political system would have to be adapted to the actual shortcomings of its subjects, rather than striving to improve them, their preferences or rationality.

Lippmann was understood as investing a tremendous amount of trust into the beneficial effects of elites on political decision making. Participants vehemently challenged this notion. It was stated that not only the public, but also experts would have to be seen as fallible, ignorant or irrational human beings. Also, experts in most cases do not represent a homogenous opinion, but rather a range of contradictory ones – so if expert advice was to improve decision-making, politicians would be faced with the challenging task of choosing the most reliable advisors. The notion of expert advice therefore would only create new institutional challenges and biases. Last but not least, different issues would lend themselves to expert advice to varying degrees.

The role of the media was touched upon, as some participants proposed that the media are supposed to increase the quality of political decisions by transmitting public opinion into the political process. At the same time, the media would obviously also influence public opinion, thereby creating a circular effect. In this capacity, media were seen as playing a vital role in the formation of populist movements. In the end, participants debated the benefits of the term “public opinion”. It was proposed that there actually is no “public”, but only the aggregation of heterogeneous individual opinions. Within the political system, largely facilitated by the media, something like a “dominant” opinion may emerge, though. The danger of global warming was quoted as an example for one such dominant opinion. Participants contended that dominant opinions commonly incorporate correctives, as they open up niches for dissenting opinions. Considering the obvious deficits of the political system in actually aggregating individual preferences to a collectively desirable solution, the superiority of individual decision-making processes, i.e. the market, was stressed by participants.

The **fifth session** focussed on the role and effects of media within the political process. The two underlying texts, “Public Ignorance and Democratic Theory” by Jeffrey Friedman and “The Place of the Media in Popular Democracy” by Richard Anderson, triggered a lively debate on what the media’s function could or should actually be. Since the legitimacy of a political system largely rests on its publicly perceived success, the media undoubtedly play a crucial role in its development. Many participants ascribed to the media the role of information and education on public issues. Another frequently mentioned function was that of critique. Practitioners insisted that the critical monitoring of the political process, its participants as well as available sources and information, does not imply a constant criticism or negativity.

The discussion then turned to the question of the media’s legitimation: Who defines the media’s function? While public media, especially public broadcasting, usually derive their function through political decision-making, private media may be seen as agents of their consumers as well as their owners or even their advertisers. This debate immediately led to the question of whether media should actually strive to offer an “objective” view. Participants

agreed that journalists as human beings would always have to be selective in their reporting and could never achieve a fully objective perspective. Not even the inclusion of experts could guarantee a sufficient degree of objectivity as, again, the choice of the respective expert would have to be selective itself. The hope was expressed that the media market as a whole, comprised of many divergent views, would provide a sufficiently factual and balanced reporting. Public media, though, would have to be considered a distortion of such an open, competitive media market and could only lead to biased impressions.

Participants noted that the impact of journalists on voters may actually be less pronounced than its impact on politicians. Journalists and politicians are believed to constitute a close-knit and somewhat self-referential social system. Furthermore, journalists were said to be significantly influenced by their colleagues, as they provide a very prominent frame of reference. Practitioners noted that journalists may in fact intend to influence politicians and the political process. In this light, the media should not only be seen as providing the voters with feedback on the success and development of the political system, but as active participants of the same system. Therefore, the media cannot be considered an adequate solution to the challenge of evaluating the actual success of political reactions to complex public issues.

The **sixth and final session** of the colloquium returned to the issue of populism. The underlying text by William Riker, “Liberalism against Populism”, pitted populism, defined as the quest for the public will, against a concept of the British liberal democracy, focussed on the alternation of government and opposition – and accordingly provoked objections from the participants. By Riker’s definition, the Swiss system of direct democracy could be seen as a form of populism. Therefore he was accused of distorting the notion of populism in order to promote his understanding of democracy. After starting the colloquium with a discussion on an adequate understanding of populism, it finally turned to the adequate understanding of democracy. Participants realized that “democracy” is far from a homogenous concept. In fact, different democratic voting mechanisms tend to result in vastly different political decisions. Therefore the “optimal” political solution would have to be considered a dependent variable of the actual democratic institutions.

If understood as decision by public majority vote, democracy was revealed to play a rather insignificant role in actual political systems. Rather, government officials, parliaments, bureaucracies and experts can be shown to play a prominent, if varying role in political decision making. It was noted that different people appear to be content with a range of quite diverse democratic systems and mechanisms, leading to the conclusion that different decision-making processes may be adequate for different people. Path-dependency appears to play a major role in the configuration of political institutions. That being said, the idea of uncovering the public will was rejected as somewhat naïve, if not illusional. Some participants stressed that “the public” should therefore never be anthropomorphized. No people can decide as a collective, but only as a combination, or actually contest of differing and partly contradictory individual preferences.

Again, markets were recognized as a preferable mechanism of satisfying a wide variety of individual needs. Given the urge of voters to participate in the regulation and administration of a wide range of issues, most of them concerning not only themselves, but their fellow citizens, the scope of democratic decisions should be effectively limited. Accordingly, democracy should realistically be seen as the potential combination of three aspects: the participation of voters in the composition of the government (including the rejection of previous governments), a possible veto against specific policy decisions in the case of direct democracy, and the limitation of government interference to a small number of actual public

issues. Within this liberal framework, both populism and media can be seen as playing a valuable role, without the danger of public decisions exceedingly digressing from individual preferences, or excessive constrictions of individual liberties.

Apart from this series of lively, stimulating and substantiated debate sessions, the colloquium provided its participants many additional opportunities for communication and exchange. During breaks, meals and excursions, participants immersed themselves in conversations – thereby getting acquainted with each other or refreshing previous acquaintances. The event was characterized by a harmonic and relaxed atmosphere – to which its beautiful setting and magnificent weather contributed. Participants repeatedly praised the quality of the lodging, food and services provided by the Progress Foundation. The charm of the premises contributed to the bright tune of the event and the relaxed interaction of its participants. Both Urs Schöttli and Gerhard Schwarz were thanked for their skillful moderation of the debate sessions. Mr. Schwarz especially was thanked for his effort and personal supervision and orchestration of the colloquium.