



Plato Revisited: E-direct Democracy in the Knowledge Society

Cristina de Abreu

Professor of Economics (UL)

José Caramelo Gomes

Professor of Law (UL)



Democracy is the worst form of government, except for all those other forms that have been tried from time to time.

Winston Churchill



- *Theoretical Framework : Public-Choice Theory*

The Normative Analysis of Government Behaviour
versus the Positive Analysis of Government
Behaviour



INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009

- *Theoretical Framework : Public-Choice Theory*

The Normative Analysis of Government Behaviour (Theory of Welfare)

The organismic conception of the State = autonomous values patterns and an independent motivation from individuals.



Welfare Social Function Concept



Du Contrat Social (Rousseau,1748)



INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009

- *Theoretical Framework : Public-Choice Theory*

The Positive Analysis of Government Behaviour

The organismic view of government is untrue because it is based upon a mythical entity: a state which is a thing apart from individual men. (A. Downs, 1957)

There is no match between a social welfare function (state) and multiple and diverse individual preferences functions, unless one part of the society imposes itself to the other part. (*Keneth Arrow, 1951*)

The state is a mean through which individuals satisfy some of their collective preferences. (*J. Buchanan, 1949*)



INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009

- *Theoretical Framework : Public-Choice Theory*

The Positive Analysis of Government Behaviour

Non-existence of an orthodox State Welfare Function

Public-Choice School endogeneizes government behaviour:

$$\text{Max } U_{\text{gov}} = f(\text{Re}, \text{Pr}, \text{Pow})$$

U_{gov} = Utility of government

Re = Revenue

Pr = Prestige

Pow = Power

(Downs, 1957)

↑
maximize votes

↑
electoral promises



- *Theoretical Framework : Public-Choice Theory*

The Positive Analysis of Government Behaviour

G. Tullock (1967) inserts uncertainty and information costs into the analysis: **Rent-Seeking Theory = Lobbies Theory**

1 citizen -1 vote = the equality of individual power in a democracy

This is disrupted by influential groups in society with impact in voting behaviour of citizens and of government.



- *Theoretical Framework : Public-Choice Theory*

The Positive Analysis of Government Behaviour

The electoral campaign contributions and consequent elections probabilities (Young and Magee, 1986) adds a disruption with the ideal rule consequences of 1 citizen-1 vote.



INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009

- *The Crises of Representative Democracy*
 - *Logos of Democratic Foundations*
 - Ethics
 - Social Responsibility
 - Competence
 - Aesthetics
 - *Logos of Democracy Reality*
 - Non-ethical
 - Social Irresponsability
 - Incompetence
 - Corruption



- *Hypothesis for Solution:*

Disintermediation:
Lose the representatives



INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009

- *Theoretical Framework : Public-Choice Theory*

Following Buchanan and Tullock (1965) we defend, concerning Public-Interest concept “falling back in the Pareto criterium for assessing changes, we admit as better only those changes that are observed to be approved unanimously by all members of the group. Any change that secures unanimously support is clearly desirable and we can say that such a change is in the public interest.”



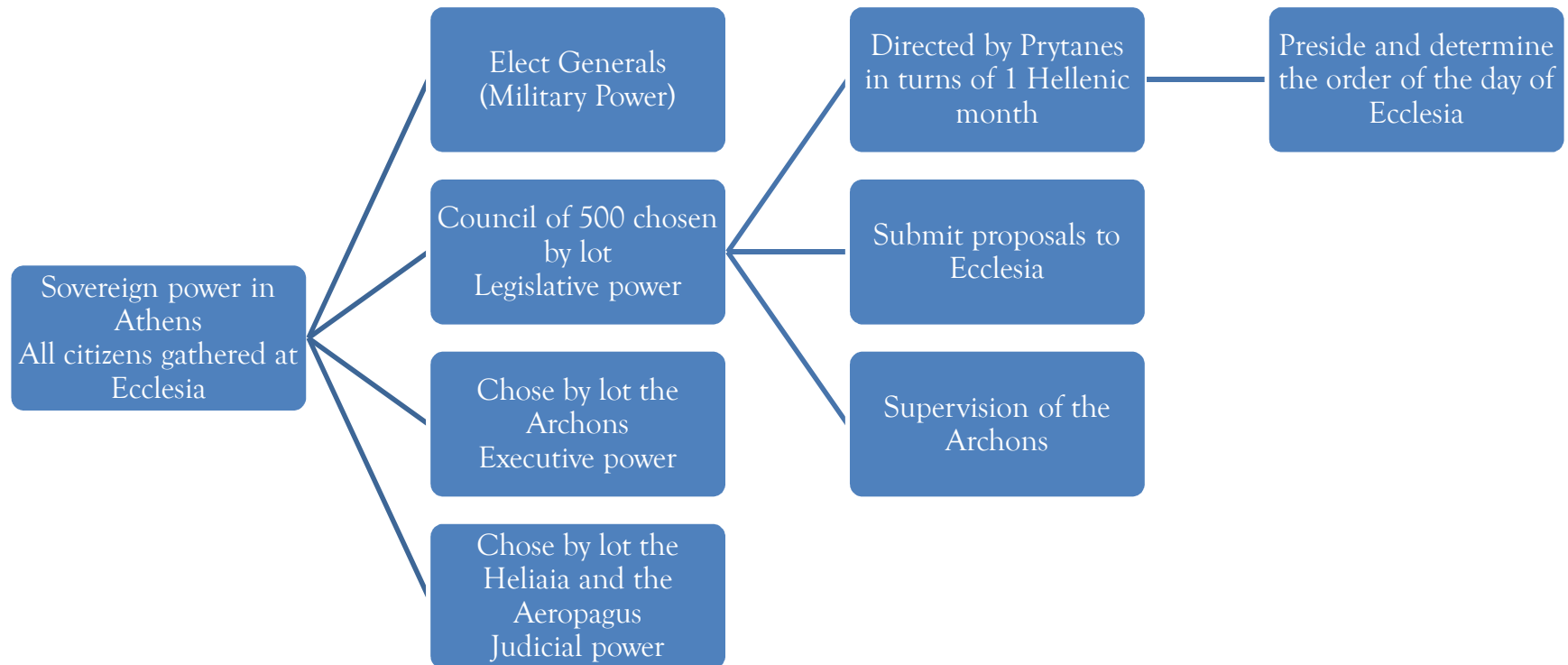
- *Case study:*

Athenian Democracy (6th century BC)



INTERNATIONAL CONFERENCE ON MANAGING SERVICES IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009





**INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY**

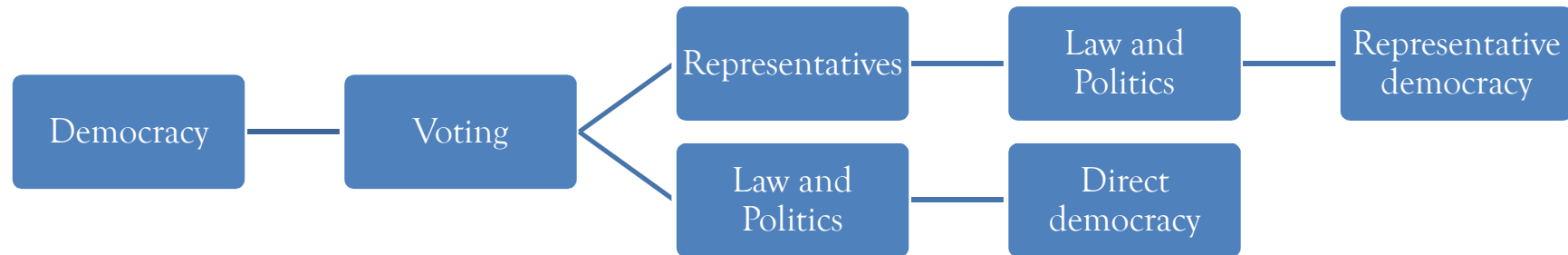
15-17 JULY 2009

- E-Democracy
 - E-participation
 - Public discussion
 - Blogs
 - Electronic petition
 - Social networking
 - E-Voting



INTERNATIONAL CONFERENCE ON MANAGING SERVICES IN THE KNOWLEDGE ECONOMY

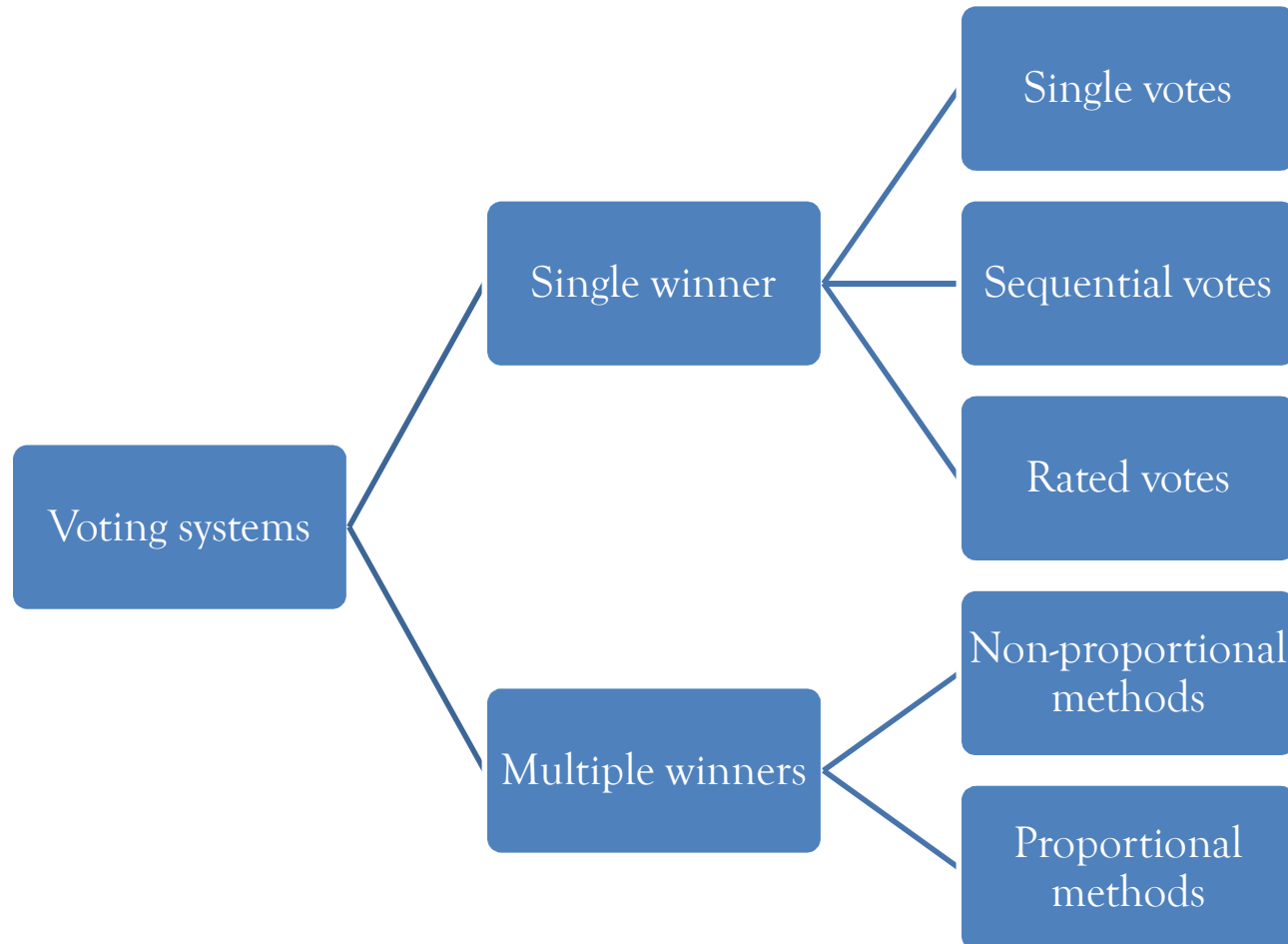
15-17 JULY 2009





INTERNATIONAL CONFERENCE ON MANAGING SERVICES IN THE KNOWLEDGE ECONOMY

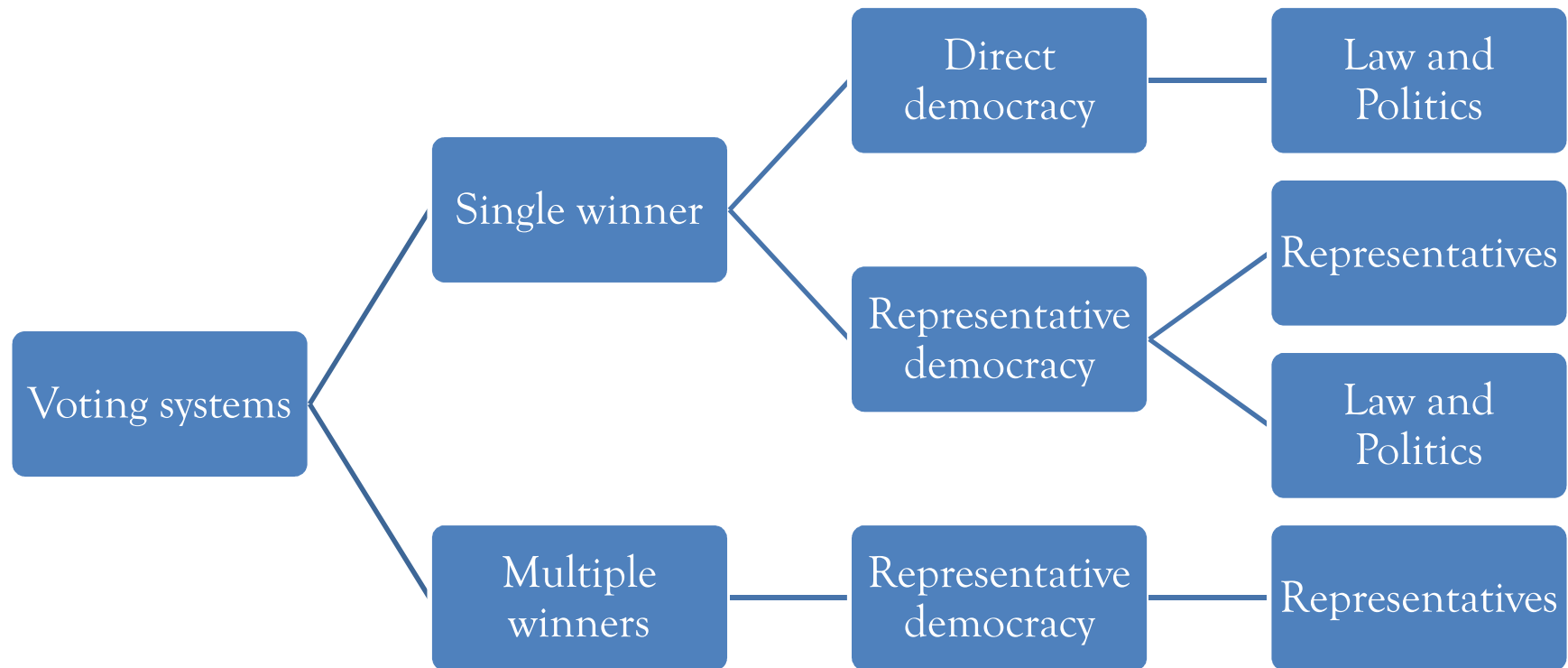
15-17 JULY 2009





INTERNATIONAL CONFERENCE ON MANAGING SERVICES IN THE KNOWLEDGE ECONOMY

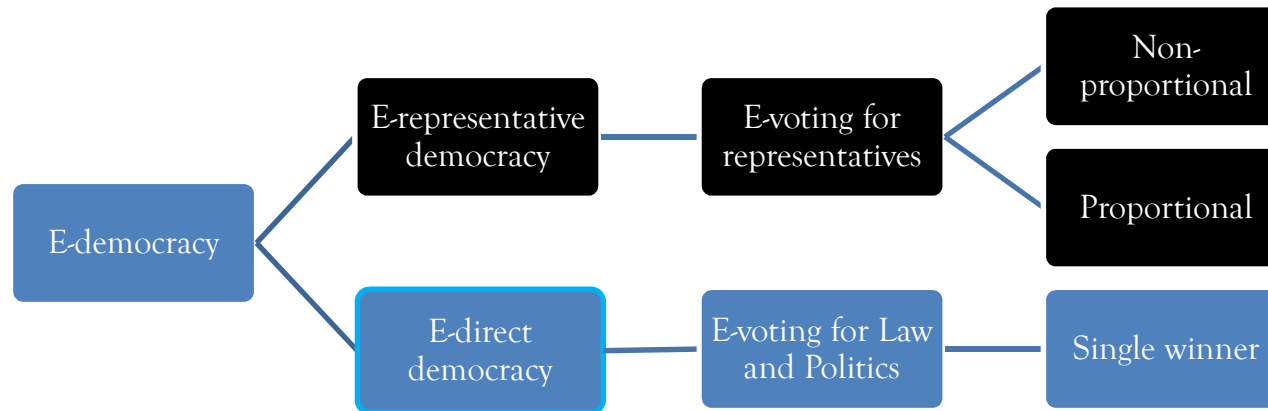
15-17 JULY 2009





INTERNATIONAL CONFERENCE ON MANAGING SERVICES IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009





INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY

15-17 JULY 2009

- The Future Today: ICT enabled functions, tasks and activities.
 - Internet and cell phone Banking and Financial Services
 - Telemedicine
 - Web based lawsuit management / Electronic proceedings
 - E-citizenship, E-government, E-democracy
 - E-VOTING!!
- So...



Disintermediation by ICT



**INTERNATIONAL CONFERENCE
ON MANAGING SERVICES
IN THE KNOWLEDGE ECONOMY**

15-17 JULY 2009

Thank You