



Liquid Democracy

Transforming Democracy for the Digital Age

By Nathan Crist

In the recent European Parliament election, the influence of populism was once again evident. It remains a worrying force, just as it has been in a slew of other elections in the last several years, and is a major threat to the functioning of liberal democracies around the world. While many in the U.S. and E.U. are working on policies to mitigate the issues that have driven voters to populist leaders, there are also a few contemplating the future of the very structure of democracy.

What populism is

In our ongoing video and podcast series *How to Fix Democracy*, addressing the threat of populism has been a frequent topic. Populism's core concept is the opposition between a "pure people" and a "corrupt elite."¹ It has no inherent ideology but is now commonly associated with nationalism. This is no accident. The elites are globalist and often institutional, and populism is what it is today because it seeks to be the opposite. As a result, populism is particularly adverse to liberal democracy, which rests on the pillars of institutionalism (especially a separation of powers supported by the rule of law), representative democracy, and pluralism.

Whether this populist moment is a temporary reaction against governments deemed increasingly out-of-touch or a more serious threat to the foundations of liberal democracy is yet to be seen. But while liberals and populists battle it out at the ballot box, ambitious thinkers in the technology sector are rethinking how we conduct that most essential act of democratic participation: voting.

Techno-Pop...ulism

The relationship between Silicon Valley and populism is complicated to say the least. It's hard to imagine the rise of populism in the 21st century without the spread of the internet and the broad social and economic impact of big tech innovations. Despite all this, it is hard to imagine taking on populism without help from the world's tech leaders as well.

One idea out of the tech world that could address the dangerous appeal of populism

Stay connected:



Twitter
@BertelsmannFdn



YouTube
Bertelsmann Foundation



Facebook
Bertelsmann Foundation

is “liquid democracy.” Citizens in liberal democracies today cast votes at regular intervals for representatives who make policy decisions on their behalf. Populism has zeroed in on how frustrated people are with their representation in government and has funneled that anger into election results that have consequences for years to follow. But what if people voted much more often and fluctuated at will between direct and representative democracy? That is the idea behind liquid democracy.

This concept is developing on both sides of the Atlantic. Democracy.earth is an ambitious Silicon Valley project experimenting with “blockchain liquid democracy that enables direct voting on issues as well as the ability to delegate voting power on specific topics to peers over a secure network without central authority.”² The Berlin-based non-profit Liquid Democracy e.V. is designing online platforms for political parties, cities, and more. Both of these groups are trying to bring democracy into the digital age. Since we are already accustomed to offering our opinions daily on social media in a largely commercial way, these organizations ask: Why not create a system that enables more frequent and direct democratic participation?

One way in which liquid democracy can take on the root causes of this populist moment is by transforming the political process. Consider how populist candidates campaign on promises of bringing the “true will of the people” to the centers of power in defiance of the corrupting power of the elites. The loyalty they generate amongst their supporters with this message has proven stubborn, even when benefits do not materialize. President Trump’s trade war with China is currently hurting farmers in the United States, but many still support him because “he’s not giving in to the traditional political process.”³ If the traditional political process is such a turn off for voters who are choosing populist candidates, liquid democracy is an idea that may be able challenge this process without relying on the mobilization of frustration, uncertainty, and fear. Liquid Democracy e.V. is working on making the traditional political process easier to access, more deliberative, and more transparent.

Voting Bloc-chain

Liquid democracy can also be far more revolutionary for democracy. While Liquid Democracy e.V. is working on transforming representative democracy from within, democracy.earth has no qualms with upending liberal democracy as we know it.

The key to democracy.earth’s approach is blockchain. This is not the time or place (or author) to explain everything there is to know about blockchain, but for the sake of understanding liquid democracy it is important to know that blockchain is a secure, public, and distributed ledger.

Blockchain is the key innovation behind Bitcoin, for which it publicly and securely records ownership and transactions.

One of the essential aspects of a functioning democracy is the ability to hold elections that are secure, transparent, and anonymous. Blockchain could theoretically do for voting what it does for Bitcoin transactions. And just as Bitcoin needs no central bank, there would be no need for a central board of elections. Take it from the experts at democracy.earth, who don’t beat around the bush: “With [...] the development of encrypted networks known as blockchains permitting incorruptible transactions with permissionless audits, there’s no reason [sic] stopping mankind from building a borderless commons that can help shape the next evolutionary leap for democratic governance at any scale.”⁴

But in some ways, liquid democracy is more in tune with populism than a safeguard against it. It would increase our participation in direct democracy, and the use of blockchain is in many ways inherently anti-institutional. Reading democracy.earth’s manifesto, it is clear there is a lot in our liberal democratic system they want to throw out, but there is one crucial part of liberal democracy they are intent to preserve: the protection of minority interests. “We are not aiming for a democratic system based on mob-rule or majoritarianism,”⁵ democracy.earth clarifies. And so, in the idea of liquid democracy there are aspects of a representative democracy that help minority interests organize their voting power.

The representative aspects of liquid democracy are crucial to creating a fair and just new democratic system. In liquid democracy, representative democracy takes the form of what democracy.earth calls “delegations,” or the transfer of voting power from one voter to another. Just as minority opposition blocs work in many European parliamentary systems, delegations would help smaller groups with common interests organize their voting power to gain more influence. And in liquid democracy, this “delegation” can remain fluid. A person can transfer their vote on something they do not understand well—like financial regulation—to a trusted expert who does, while voting directly themselves on other issues, like universal healthcare.

In a notable liquid democracy experiment conducted years ago at Google, employees were asked to vote for food options for an event.⁶ Employees delegated, that is to say they transferred their votes to others, when those people advertised their specific food expertise or special interest in certain kinds of food. A vegan employee was given votes from others to be able to cast multiple votes for certain vegan options. This transferring of votes is crucial to liquid democracy, since, as democracy.earth notes, “the risk of few delegations is that it opens the democracy to the known

risks of mob rule.”⁷

Can it work?

There is promise in the idea of liquid democracy, but also many questions about whether it can deliver. It is too early to see if liquid democracy can do enough to incentivize and enable delegation forming at the scale of, say, a U.S. national or even state election. But, theoretically, the low barrier to entry for political participation through blockchain voting systems could enable people to organize and transfer votes to like-minded people or groups across great physical distances with ease. But even if delegations help mitigate the mob-rule potential of liquid democracy, there are concerns about the security of a blockchain voting system. Cybersecurity experts argue that blockchain is not as secure as proponents say, and that its use in elections would be disastrous. Apart from security vulnerabilities in the devices people would use to vote, blockchain may also make elections more susceptible to vote buying and voter coercion by commodifying votes in digital tokens.⁸ And neither the current technical nor theoretical critiques of blockchain-based voting touch upon a major problem in modern democracies today—misinformation and media bias leading to a polarized, misinformed public.

Democracy in flux

If in a generation we all find ourselves collecting paychecks in Bitcoin and conducting elections with, say, Votecoin, it is likely that banks and government will be unrecognizable. And that might be a good thing. But it could also be the result of the crumbling of the liberal world order as our election systems start to look more and more like a Facebook news feed. For better or worse, it is likely that big tech’s impact on democracy will grow. And hopefully, ideas like liquid democracy could be a vaccine that can immunize democracy against further deterioration.

Endnotes:

- 1 Mudde, Cas. *Populism in the Twenty-First Century: An Illiberal Democratic Response to Undemocratic Liberalism*. <https://www.sas.upenn.edu/andrea-mitchell-center/cas-mudde-populism-twenty-first-century>
- 2 @DemocratcyEarth. *The Social Smart Contract*. <https://github.com/DemocracyEarth/paper>
- 3 The Daily. *Caught in the Middle of the Trade War*. <https://www.nytimes.com/2019/05/16/podcasts/the-daily/trump-tariffs-china-trade-war.html>
- 4 @DemocratcyEarth. *The Social Smart Contract*. https://github.com/DemocracyEarth/paper#1_Manifesto
- 5 @DemocratcyEarth. *The Social Smart Contract*. https://github.com/DemocracyEarth/paper#1_Manifesto
- 6 Hardt, Steve and Lia C. R. Lopes. *Google Votes: A Liquid Democracy Experiment on a Corporate Social Network*. https://www.tdcommons.org/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1092&context=dpubs_series
- 7 @DemocratcyEarth. *The Social Smart Contract*. https://github.com/DemocracyEarth/paper#1_Manifesto
- 8 Leonard, Andrew. *Meet the Man with a Radical Plan for Blockchain Voting*. <https://www.wired.com/story/santiago-siri-radical-plan-for-blockchain-voting/>