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“Interest Groups and Redistributive Choices in the EU”

“EuroMemo Group Conference 2018” , Helsinki, September 27-29/2018

I) *Introduction and Summary*

Those who inquire on interest groups, either in a single country or at some international level, face the impossibility to fully investigate even the number of organizations whose scope is to influence political decisions. A rough classification might be the following:

- Economic: capitalists, workers, peasants, entrepreneurs, professionals, consumers...;
- Non Economic (Social): organizations with political objectives but independent for parties, religious groups, philanthropic, and cultural;
- Political: active within or dependent on parties, local communities.

For reasons of space, among a large literature¹ we concentrate on a) and try to highlight in what consist their power in the EU as a whole in its member states as well as the effective pressure they exercise on political life. Five factors emerge: i) Financial potential, namely in most capitalistic/market inclined countries; ii) Size (number) of the group, if this –as usual – gives profits or benefits payoffs; iii) Representation, of Workers, Business, and Professions ; iv) Internal Cohesion and Governance; v) Reputation and prestige of members.

Notwithstanding the massive theory on the general subject, the likely effect on governments policy will depend on the conflict between the existing groups and the institutions, which would otherwise be simple executors of compromises. Both are surely affected by several elements and make uneasy to estimate net balance: the guess is cash and information do excel.

Moreover, since this paper is primarily about the effects of groups on distribution, we stop shorter of the multitude of issues other than it to separate normative and positive theories. Among classic public finance-public choice scholars to fight inequalities is a main, if not unique role of the state and include altruistic behaviour and the individual voluntary insurance schemes. Transfer programmes scope is to move money from rich to poor, although their practical impact is uncertain and variable from one country to another due to groups action and to ballot rules.

¹ Giannone C., *Gruppi di interesse, finanza pubblica e istituzioni*, Edizioni Scientifiche Italiane, Napoli, 2004, ch. 2, pp. 31-59. In economics, the main source is by large the original book by Olson, which has raised a more than six decades increasing number of studies. Olson M. Jr., *The Logic of Collective Action. Public Goods and the Theory of Groups*, Harvard University Press, Cambridge, Mass., 1965.

At a closer exam, however, the sound theoretically based concept of distributive policy as a merit good to be provided through further additions of income and wealth up to some optimal degree, it is difficult to find clear-cut successful empirical evidence in democratic societies whenever a voluntary argument is carried on. In fact, according to normative theory a claim by the very humble should be approved unanimously as an expression of the population rational will, but it proves more promising to investigate on the “involuntary” equalizing effects of what citizens – in this case, all potential voters - choose to apply by simple majority rule.

It has been even argued that European Union institutions taken as a whole behave as a powerful interest group strongly biased towards centralization² so to call for a profound reform. After Section I preliminary, Section II refers a well known model of groups that, in the lack of State intervention, is supposed to operate within the complex set of norms and procedures, a scenario comparatively less open than, say the U.S.A. In Section III, the mentioned radical interpretation of all European institutions attitude to behave as an interests group far from citizens’ wishes, needs and opinions is evaluated. A first, very partial attempt to bridge the gap toward a solution of the so called EU “democratic deficit”, a sort of Mill’s based slightly provocative proposal, closes Section IV. Of course, future work will be very welcome.

II) *Interest groups pressure and legislation*

A crucial issue concerns the analysis of rent-seeking activity and regulation which guarantee favourable conditions to well organized groups. It runs by suggesting³ that groups whose objective is to receive – to spend a cent - an equal benefit at the margin from the government, do imply a given amount of pressure for legislator reforms. Thus, a private good might be furnished to club members by charging a monopoly price and let extra profits finance common activities, e.g. the 1927 U.S. “Radio Act” debate. Unfortunately, the arrangement is valid as far as the lobby action can affect legislation at a reasonable cheap rate, because marginal costs are relatively low. In the orthodox theory of pressure groups, on the contrary, voluntary supply of legislation is shaped by means of an inverse demand from a set of scarcely organized consumers-citizens, so that following steps need to go deeper into the information process.

All groups supplying new norms, or regulatory procedures are unable to avoid the obligation to pay transfers, so that costs exceed benefits and/or welfare losses.

² Vaubel R., *The European Institutions as an Interest Group. The Dynamics of Ever-Closer Union*, Institute of Economic Affairs, London, 2009.

³Tollison R.D., “Rent- Seeking”, in: Mueller D.C. (ed. by), *Perspectives in Public Choice*, Cambridge University Press, 1997, Ch. 23, pp. 506-25. Following the contribution by Lerner, quite a few studies have developed on the power control that regulation can imply and its strict connection to political influence on firms and individuals, given a set of penalties and a key role of interest groups. See: Lerner A., *Economics of Control*, McMillan, New York, 1944; Tsebelis G., “The Effects of Fines on Regulated Industries. Game Theory Vs. Decision Theory”, *Journal of Theoretical Politics*, 3, Jan. 1991, pp. 81-101.

A brokers-analogue task is played by politicians and bureaucrats and can be modelled as a game with groups and institutions. At the EU level, the power of professions, i.e. lawyers and doctors, in a large unified market rises contrasts to make the picture largely intriguing and dark.

Among aggregate microeconomic models, the one outlined here focuses on a couple of competing groups and relative production functions to which a influence function is added⁴. The author identifies two predetermined sized $n' > n$ homogeneous “pressure groups” where the first L' does invites government to levy a tax – no State intervention is hypothesized – on the second, L'' in such a way to receive the amount of income used to finance a given activity, a “good”, x . It is assumed that L' wishes to increase x production, while L'' wants, at the opposite, reduce it, but the level is determined by I , a so called “influence function”, since the variable depends on the amount of groups political pressure, $p_i (i = 1, 2)$ plus a vector, z . Following a suggestion “à la Olson” that is large groups problems to detect non-payers, the influence stems from the money spent out of total expenditures, y , to produce x and the total degree of control on free-riding⁵.

The scheme gives substantive improvements to evaluate the outcomes, i.e. a welfare loss increase coming from the necessary tax rate reduction, or a rise in the subsidy rate which affects its equilibrium value. A suggestion must be added - again in line with Olson’s classical maxims - that successful groups are small in size, relative to those forced to cash the subsidy to the other. In positive theory, the resulting social costs and the rent-seeking costs associated with interest groups permit to estimate each member contributions, the total groups expenditure, the effectiveness of pressure, and the full impact of both groups⁶. Notwithstanding the naive assumption of winner and loser groups in absence of state coercion, the model is critical to discuss the redistributive transfer expenditures weights, namely in democratic EU systems where huge subsidies of the “involuntary type” are not effectively destined to weak and poor citizens. Although a huge number of different subsidies programmes taken together measure quite enough a large budget figure to pursue a fair, partial equalization of the incomes of citizens living in the 27 EU member states, their impact is worse than in the US, notwithstanding ordinary voting rules allow for a generalized suffrage, because the population is dared to include cash to advantage free-riders and rent-seeking monopoly information activity of the pressure groups.

⁴ Becker G., “A Theory of Competition among Pressure Groups for Political Influence”, *Quarterly Journal of Economics*, 3, 1983, pp. 329-47.

⁵ Sandler T., “Collective Action: Fifty Years Later”, *Public Choice*, Apr. 2015.

⁶ The amount of pressure by a group increases either when its activity becomes more efficient in the production or if the political decision makers get inclined to receive it. Other important elements are the group weighted marginal influence so that larger groups can be expected to influence more legislators than governments and/or bureaucrats. If x is a public good consumed without exclusion by everybody in the bigger group, L' , it implies a pressure towards a collective end, e.g. defense, environment, trade tariffs, and so on. There is no benefit presumption for “imperfect public”, or “club” goods, like redistributive grants-in-aid programs to split among specific classes of citizens .

III) *EU institutions as an interest group Vs. the US system*

To account for the quite a few classifications of interest groups, from now on they will be denominated pressure groups, based on Becker' analysis. The choice appears methodologically correct to make an obvious distinction between them and political parties notwithstanding some common elements, if the objective is to show the ways the former can exercise their influence on the latter in terms of important policies, namely the (re)distribution by means of the state budget. To be safe, they are both intermediate bodies whose effect is to minimize the level of coercion of national (EU member) states on their voters-taxpayers. Nonetheless, political parties in democratic countries are mass organizations seeking to obtain power in order to reach determined social ends, whereas pressure groups try to influence decisions of politicians and administrators, without assuming any direct responsibility in the management of the state. In some cases, on the other hand, groups can transform themselves into multi-parties systems but the lack of political nature which is usually written in their programs simply reflects the absence of formal bonds; all the same – as it is easily shown - they do normally influence the parties.

A good example of their relationship in many EU members, besides comparative problems originating from country structures and party cohesion, there are electoral campaigns. The broadest way to act is for a group either to insert its candidates into the Parliament or individuals they trust and support special interests in one competitive party. Subsequent arrangements try to obtain parties commitment to enhance pressure groups instances. A stark difference between Europe and North America has deemed to be the disposal of insufficient money in the first, while a regular financing by members is common in the second. The reason may be that sponsors and tycoons are just many more in the US than the EU, or in the latter they prefer not to appear for practical reasons, as fiscal or of corruption and criminality; even if to fund parties and/or candidates election endowments is nowadays almost universally tax-free. It is recognized that attempts to fix limits and restrictions to campaign expenditures, to regulate or monitor the business and finance interference with political life are completely ineffective.⁷

In Europe pressure groups include most firms and workers Unions but also institutions that finance and carry on propaganda to secure their favourites' victory, whereas words such lobby and lobbyists very common in the US look harmfully misunderstood in the old continent. It was realistic to imagine that industry capitalists had the benign assent of US Congressmen.

⁷ Bryce J., *The American Commonwealth*, London, New York, 1916. Milbrath L.W., *The Washington Lobbyists*, Chicago, 1963. The opposite vision of the authors illustrate a different reputation of groups overtime. It is worth noticing how the "optimistic" view to imagine them s a means to satisfy the Constitutionally guaranteed petition right reflects the US pluralistic concept of society. The point is indeed remarkable for the arguments discussed in the following pages as somewhat close to the de Tocqueville and Mill ideas of representation in democracy.

It would be perhaps safer to admit the situation used once to be different in the mentioned leading democracies: French Press titled recently: "Entre (President) Macron et les lobbys. Une écoute assumée", "Le Monde", 24/8/2018.

The terminology is eventually referred to the pretty obscure practices of secret, illegal plans of the kind exemplified in the late XIX Century when railways companies bought whole legislative assemblies, without bothering to pay an individual deputy. Whatever is true, the electoral system plays a role with respect to the groups because each State – no matter of its population size - sends to Washington two senators, artificially increasing the advantage of less inhabited agricultural areas and let own representatives to form a block, independently of parties.

While this happy position is extraordinary similar to the regime enjoyed by EU farmers, who profit since decades of a very privileged “common policy” (CAP), it is tempting to compare the systems also to consider how the US make a lot of transfers in favour of war veterans, who can, in turn, constitute another inter-parliamentary force. The mentioned disparities lead some groups in the past to ally with various different organized bodies to exercise power, e.g. in the Tennessee Valley Vs. Ford-American Farm Bureau Federation case. As long as strong conflicts might follow, the involved groups have to neutralize and counter their rivals, in particular when the issue of fiscal system is concerned, to get a positive tax-subsidy balance.

Overall, North American pressure groups impact on parliament bicameral system is further eased by its regulation in that each Congressman may start a legislative procedure and leave room to them, in practice, whenever the interests diverge. Thus, legislation is rarely the result of representatives alone, as lobbyists and unofficial social bodies and experts with sufficient information make a relevant part of the job. An important role is therefore played by Committees on single problems (Investigating), or relative to both chambers (Joint) and permanent, to speed/delay the regulation exam, affect amendments and call public hearings.

No wonder it was argued - on the Western Atlantic coast - that since groups refer to the general public, lobby is a symbol of democracy, an institution not less important than the Congress, the President or the Supreme Court, without which political system could not work.

III. a) *European Commission*

In Europe, on the contrary, the lobby system has long been seen as a synonym of depravation, an opinion surely excessive and unreasonable if attached to the groups as a whole. It seems fair enough to consider its truly not always explicit action in some detail before to judge them, starting with the European Commission (EC) “agenda setter” and its monopolist character on legislative initiative within areas of competence. At the same time, the power of initiative was perhaps justifiable at the time of market integration main focus, now almost accomplished, to avoid dangers of protectionism; needless to say, several other problematic matters are rapidly mounting and put the Union building integration process at risk.

EC looks like an independent civil service body, subject to the European Court of Justice (ECJ) jurisdiction and eventually dismissed by a two-thirds EP vote⁸. Commission members chosen by governments, confirmed by the EP and appointed by the EM decide by simple majority, contrary to the other institutions which can amend EC proposals. If EM agrees, qualified majority is the rule; otherwise, unanimity is necessary.

The co-decision procedure (art. 251 TEC), states that amendments require the EP assent. EC is easily accessible to special-interest groups influence as it is small enough to let a lobby able at less cost to get a majority, with respect to both EP (782 deputies, including UK) and EM. Moreover, bureaucrats do not need to be re-elected as politicians and lobbyists gain as far as voters face high information costs and lack incentives to obtain not only legislative proposals but also money, administrative regulations and information. In other words, a “rent seeking” action.

EC and interest groups have a common aim of looking for centralized choices to escape the rational behaviour of intelligent and informed voters when protectionist trade policy, in agriculture (PAC), textiles and steel, are applied. Insofar as special interest legislation is ordinary covered and an Economic and Social Committee (ECOSOC) consulted and paid by the Union, this might seriously occur in the future, at the light of the current attitude of international actors.

It is worth noticing that to cancel all EC not purely executive functions, and to prevent it to determine the legislative majority in the EM, would also mean replacing it as the “guardian” of the Treaties with an Authority and restore civil service subordinated to EP elected ministers.

A real concern with the EU legislative process is to imagine pressure groups should not imply the same U.S. passionate debate since they have no permanent representatives in the assembly and act through parties or single deputies unable to go against political priorities: in the UK, they have to resign. It would be better to carefully monitor EP 2019 elections, however.

III b) *European Parliament*. It too, according to a radical vision, is less representative than national parliaments of EU citizens wishes and shares with its state homologous an attitude towards centralization, as the distribution of competencies is not left to people referenda. Once elected, politicians have a vested interest in enlarging own parliaments powers.

The EP centralist view is further visible in that it often asks for larger budgets than single members propose, by trying – especially in the last decade – to cut government expenditures.

⁸ Vaubel R, *The European Institution as an Interest Group. The Dynamics of Ever-Closer Union*, London, Institute of Economic Affairs, 2009, pp. 38 ss. We are greatly indebted for the various critical points referred in this section that are borrowed from his work. Even behind the many important insights provided by the author, e.g., “(that) EC cannot be refrained by means of ordinary legislation, reflecting a one-way automatic move, a “ratchet effect”, some doubts remain with regard to the proposals to almost vanish the Commission role, or to propose that national EM members would be at the same time responsible at home, while the others elect a EU minister for its affairs; and, in general, to consider the EU institutions as a unique pressure group while preserving EM primacy, instead of EP.

All the above should involve the ban to continue to elect ministers-supervisors of the civil servants and the possibility to have in charge specific legislation. There are reasons to think that issues such as subsidiarity are better decided by the citizens and it would be crazy to involve national parliaments in ordinary norms, if they allow the ratification of treaty amendments.

In the case of a reform to add a second chamber, the two ought not to collude and be assembled in different places. National deputies – who are still members of home parliaments – would lack a selfish interest in more centralization, since they would not gain additional power by legislating in favour of the Union. However a self-selection problem is left for those specializing in EU affairs. The solution might lie in the old constitutional practice: choice by lot.

Each member of national parliaments faces the dilemma to be (re)elected and to be promoted to be part of the running cabinet. He has a vested interest in joint decision-making at the EU level. In many policies, the only way out is to directly involve citizens in a referendum.

A good example of the capitalism in representative democracies in Europe results inevitably in a correspondent political concentration, in the sense that a small group of persons dominate over a big amount of material resources and rules the state functioning.

The above can help to explain at length the trend towards a primacy of the executive on legislation, a clear evidence of which is, on the other hand, nowadays worldwide spread. As a consequence, the centralisation of economic decision-making and the increasing frequency of speed cannot be ascribed to a scarce ability of parliament representatives to face their engagements. A mounting fierce opposition of the capital owners is observed instead, with respect to legislative assemblies that identify several social classes interests. State large participation within some EU countries caused a proliferation of new bodies and institutions the national parliaments find hard to monitor. This has enormously reinforced the executive branch independence and strength thanks to all the information to make own decisions and limit the right of control by the public opinion.

The above situation is, of course, enjoyed by pressure groups and their preference for a small number of people, eventually tied to special interests, able to lead government activity.

A multitude of department officers make everyday decisions relative to groups, be they normative acts appointed by the legislative power, with given procedures or of purely administrative nature, but nonetheless relevant. Pressure groups attempt to enter all levels of the state decision mechanisms, government included, in all matters of concern and prefer to contact them instead of a deputy whose role is just to prepare a juridical frame of future policy. The final outcomes will depend on variables as the social status of the group, personal linkages and the advantages to get from the specific issue.

Another decisive step concerns the option to manage and adjust somehow the key position in the administration throughout the whole process⁹. There can be little doubt that the generalization of consulting Committees permits people who know each other to shape a face-to-face administrative pluralism to discuss policies and integrate special interests.

III c) *European Ministers Council*. Last but not the least, EM Reforms should be conceived in such a way to avoid that member states governments control not only ordinary EU legislation but also the budget size and Treaties amendments in order to change the procedure.

At present, members decide unanimously on the financing of the EU, but the spending choices are taken in a different way: “non-compulsory expenditures” are controlled by the EP, while the “compulsory” is determined by a EM qualified majority. However, since a net contributing country cannot prevent the others from spending its money in a way it dislikes, it is hard to consent large budget increases and explains why its dimensions has received practically no change and remained at roughly 1% of countries’ GDP for around many decades. Asymmetric rules exhibit a binding – constitutionally established - fiscal constraint and institutions resort to cheap regulation with costs born by those offering restrictions, not spending.

Treaties amendments must be negotiated and proposed by an Intergovernmental Conference (IC) – a better choice would have been an inter-parliamentary body – only formally distinct from EM, although their politicians may be the same. Each government has some agenda-setters for the amendments, just as EC does for ordinary legislation, so that national parliaments are not the masters of subsequent agreements. The amendment procedure outcomes are extremely far from the European citizens opinions, since 2002 “Convention for the Future of Europe” appointed to prepare a “Constitutional Treaty” before the IC.

After many reported democratic failures, the experience of the subsequent years and the persisting bad crisis decade leave no doubt the democratic deficit has still increased. A Public Choice tentative interpretation of the European Institutions behaving as a giant interest groups with as many heads as their bodies support by large most Olson’s highlighted arguments.

⁹ It is certainly difficult to confute Vaubel in that Commissioners and Euro-Parliamentarians participation is incompatible with the underlying rules of the game, the nominated presidium members, as well as about the idea that the Convention was not a commending example of exercise in democracy, as the corporatist assembly was intended to ensure a desired outcome. As another, not updated but interesting example of groups closeness to power, in the late Fifties, the French Department of agriculture was a sort of pressure group to the service of the peasants. While in the US at around the same years an interdepartmental conflict suddenly originated from what became known as the “bilberries case”, the Premier appeared as the public interest’s speaker, i.e. the large, not organized consumers and the Minister supported pressure groups. The phenomenon involved different actors everywhere. Meinaud J., *Les groups de pression en France*, Paris, 1958, p.288. The monopoly of qualification of E.N.A. students among officials, or members of C.E.S. - an interests compensation chamber De Gaulle did prefer to the Senate, where ministers participate to plenary sessions and debates – is still at work to-day, only tempered by an ethical code. Italy’s C.N.E.L. was partially inspired to it..

Apparently, not a single state government nor any parliament attempted to resist the convention proposal – the subsequent popular referenda in France, the Netherlands and Ireland, prescribed by the Treaties stopped EU institutions and the whole political integration process.

From there on, a jungle context led by the powerful state members included in effective small groups of decision-makers, mainly stemming from EM, ruled a large and fragmented EU.

To sum up, whether unbiased decisions should be in theory delivered only by the sovereign, that is Europeans citizens, on the other hand, they are less informed than the politicians while the treaties should not necessarily to interfere with states constitutional activity. There is may be some room for a compromise, as the treaties oblige EU/EMU members to call at least referenda on all amendments; and nevertheless national constitutions will have the last word to decide if the popular vote is really binding!

IV) *A J.S. Mill's- Public Choice Approach and a Tentative Proposal.*

We suggest a two-sided analysis – a somewhat limited suffrage to avoid special interests power on redistribution issues for the EU citizens sake, through a reform of the electoral rules and a more effective pressure groups check - whose main insight originates from Mill's work, together with a revised interpretation of a prominent economist at the light of recent literature on interest groups collective action. The author's¹⁰ radical vision of the shortcomings in England at his time, deeply argued on the controversial extension of suffrage of the citizens-electors, given a firm convincement against prejudices and the "tyranny of the majority" in voting rules¹¹.

Mill was considered an atypical writer for the difficulties to classify him as being a liberal economist, but critic of the Manchester tradition, a strong supporter of equality, whose ideas to increase individual liberties were perceived as limits to the democracy due to his individuality love, though refusing a purely individualistic ideology. He was essentially a radical thinker who sought the best form of democratic system to allow citizens participation looking at the representative government not only as a set of institutions but to carefully highlight the role of deliberative organisms in their relation with the people.

¹⁰ Mill, J.S., *Considerations on Representative Government*, London, 1865, Ch. 8, pp.174-ffs

¹¹ As an example of his belief on democracy as a way to overcome the reasons of dissent, he rather argued that pluralism of concurrent ideas is necessary to avoid the degeneration into an ethical state, or an autocracy, it is worth mentioning his enthusiastic comment of Hare's voting rule, meant to reduce one for all the serious problems of unequal representation of minorities, bribery and corruption, as well as the reduction of candidates expenses. Mill, J.S., "Thoughts on Parliamentary Reform, Parker & Son, West Strand, 1860. Hare T., *Treatise on the Election of Representatives, Parliamentary and Municipal*, London, Longman, Brown, Longmans, & Roberts, 1859. He strongly warned that consent is but needed for rules, whereas the definitive object lies in the general acceptance of the main principles.

His desire consisted of promoting permanent public debate and shared opinions, since even dissent between different views may be useful to guarantee the making of an open society¹².

Last sentence might in a sense evoke the behaviour which modern literature uses to term in general “free riding”, to indicate potential taxpayers, in the public goods sector, who do not pay a voluntary context, too, with some partial exceptions, in the provision of “club goods”.

This is actually the core problem to afford, taken for given interest groups existence in both the US and within the EU. According to Mueller¹³, however, their action is more likely to be effective in Europe than in North America for three reasons:

- a) To start with, EU members proportional representation system allows economies of scale, due typically to a party coalition through campaign contributions – which are addressed to them, as well as groups pressure, not to individuals – to win votes;
- b) Second, as a result of money not flowing to single candidates but to several people belonging to different parties, the EU can insure longer linkages with them; and,
- c) On the third place, interest groups in Europe are ideologically closer to the parties.

The author argues that, as a consequence, the pressure exercised by EU groups is generally greater than in the US, although a bit tempered in a few corporatist states which have formally integrated their action into the political process and institutions. Whether one accepts this pretty orthodox Public Choice vision, the important issue of voluntary redistribution policies raise a rather attractive question for a democratic setting.

Even in democratic representative EU member states - provided that a large number of quite powerful pressure groups is assumed - only a small share of subsidies will be for poor citizens, while the bulk of the cash will go the opposite way round and transfers imply only one among different segments middle-class redistribution.

¹² A short sample is offered by the following sentences: “Whoever, in an otherwise popular government, has no vote, and no prospect of obtaining it, will either be a permanent malcontent, or will feel as one whom the general affairs of society do not concern.” ...There ought to be no pariahs in a full-grown and civilized nation...”(p.li). “There are, however, certain exclusions, required by positive reasons, which do not conflict with this principle.”

“...I regard it as wholly inadmissible that any person should participate in the suffrage, without being able to read, write, and...perform the common operations of arithmetic....universal teaching must precede universal enfranchisement.”. “...It is also important that the assembly which votes the taxes, either general or local, should be elected exclusively by those who pay something towards the taxes imposed...as far as money matters are concerned, any power of voting possessed by them is a violation of the fundamental principle of free government...”. And: “that representations should be coextensive with taxation, not stopping short of it, but also not going beyond it, is in accordance with the theory of British institutions.” Mill’s conclusive suggestion is that: “...(as required by the first principles) the receipt of parish should be a peremptory disqualification for the franchise. He who cannot by his labour suffice for his own support, has no claim to the privilege of helping himself to the money of others”. A final passage makes clear the author’s thought on what is probably a crucial point about the vote power and violation of the principle of free government, that is to say: “...it amounts to allow (non-payers) to put their hands into other people’s pockets, for any purpose which they think fit to call a public one” (since) those who pay no taxes, disposing by their votes of other people’s money, have every motive to be lavish, and none to economize”(p. lii).

¹³ Mueller D. C., “Interest Groups, Redistribution and the Size of the Government”, in: Mueller D.C (ed. by)., *Perspectives in Public Choice. A Handbook*, Cambridge, Cambridge University Press, 1996, pp. 123-43.

Empirical evidence was furnished for 15 countries over a XX Century twenty years period by Mueller. The guess, as records indicate, is that the situation has not conclusively changed, so much that our own planned research should by large corroborate those findings.

The pattern shows the important critical conclusion that cash subsidies will usually reflect the social and political advantages of different groups instead than matching the economic needs. Or, to put it differently, current programmes of voluntary redistributive transfers do not reach the objective to reduce the differentials within the bottom disadvantaged income individuals of all the countries, although the phenomenon is may be less marked in Canada and the USA than in the EU. The simple majority rule, however, cannot satisfy pure redistribution ends as far as the great amount of transfers in western democracies seem to occur mainly as an effect of pressure group influence whose power is substantially ignored by normative analysis.

To sum up, the kind of policies against inequality debated and worldwide applied in the past decade and scarcely enforced in Europe, fail to get acceptable results due to a double wrong feature, i.e. of being of the involuntary type and not based on a positive, public choice approach of the collective political behaviour of pressure groups.

In other words, while classical distribution theories hypothesize that both the recipients and the payees, i.e. the citizens who contribute through personal taxation to fund the transfers programmes, unanimously support it, under involuntary taking most of the former will do, whereas many of the latter is expected to vote in the opposite way. Consequently, a great part of redistribution policies that involve the second case would very likely not succeed, in the lack of the fundamental votes given by those included in the benefit side of the population. Only a constitutional reform might modify the institutional sclerosis which has seized along the past five lustres the effective working of the EU member countries. Unanimity rule and most of the other special majority ways to get single representatives consent lead overtime to the creation of a number of building blocks, usually minority ones, able to oppose any change. No way out has been possible to the extent that a few powerful interest groups, often participating in the same institutions with strong links in Committees, prevented to pursue real democratic issues to poor distressed citizens living at the margin of their own wealth societies. Of some help could perhaps be then to require the current transfer legislation need the support of a two-thirds majority, or even a mere one, that would not easy to get for all involuntary takings, in order to clearly identify – once full information on the cost-benefits of each programme is given - the advantaged individuals, economic categories, or States. They should consequently not allowed to vote legislation apt to increase payment towards either farmers, rich pensioners, or regionally funded redistribution. As far as democratic proportional representative, universal suffrage systems are meant to be the best possible form of government, Mill would support it; so we, too.