

We need to get money out of politics

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Democracy can only thrive in a free society in which every person's vote counts equally, and where elections are honest. But newspapers regularly report allegations of shady dealings – be it between mayors and lobbyists, a premier with conflicts of interest, ministers who use the public purse for private benefit.

We need to get money – especially of ill-begotten provenance – out of politics. In the United States, since 2010, the Supreme Court has allowed corporations to supply unlimited election financing. This means that Congress is now even more likely to be an elite of politicians backed by deep pockets. Since Wall Street and other powerful lobby groups pay large sums to finance elections, is it any wonder none of the big names behind the 2008 financial disaster are in jail?

We need good people to run for office but the democratic process today does not attract the best and the brightest. Many good people are deterred by attack ads that besmirch hard-earned reputations. The mantra of the demagogues is: “If you lack a good argument, attack your opponent's character.” Weak candidates can be kept afloat by infusions of cash from financially powerful benefactors.

We need governments that do what is right, not just what is expedient. The euro zone crisis is partly the result of overspending by governments seeking to stay elected. In Canada, we tend to think we're immune to these problems. But here, too, investment laws favour banks and other financial institutions over individual investors. Lawyers and accountants seeking to extract favourable treatment for their firms have infiltrated securities commissions. It is time to remove the “welcome mats” that foster the too-close ties between firms and regulators.

What can be done to safeguard our democracies? I have spent much of my life promoting good governance in the corporate boardroom. Here are some lessons I've learned that might be applied to our democracies.

Protect and enforce: We need to protect whistle blowers and strictly enforce codes of integrity, imposing huge punishments on offenders – including banning them forever from the civil service, or from ever again being elected. I lose no sleep over the so-called tough penalties imposed on mayors who don't understand the meaning of conflict of interest.

Get incentives right: We know that economic performance is enhanced when taxation systems promote work and saving, and not when they feed the illusion of a social paradise based on excessive spending or government debt. The welfare of citizens is enhanced when essential social services are targeted on the needy, not the greedy. The same is true in politics.

Our politics work best when the interests of politicians are aligned with the public good, and this demands institutions that encourage people to go into politics for the right reasons, and to serve the public, not themselves or lobby groups.

Too many politicians think ethics means getting away with whatever you can within the law– and sometimes sidestepping it. That is not good enough. Politicians set the tone for citizens. That is why they should be held to a higher standard.

Plato had it right: He said that the greatest punishment for being unwilling to rule is being ruled by someone worse than oneself. This is what makes people of good character step forward. “In a city of good men,” Plato mused, people would “probably vie with each other in order not to rule.”

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