



Why Competition in the Politics Industry Is Failing America:

A Strategy For Reinvigorating Our Democracy

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Key Take-Aways

- It is commonly said: “Washington is broken.” This represents a fundamental misunderstanding of the problem. In fact, Washington is delivering exactly what it is designed to deliver. The real problem is that our political system is not designed to serve the public interest.
- Our political system has become the major barrier to solving nearly every important challenge our nation needs to address. We don’t have a policy problem anymore. We have a politics problem.
- Gehl Porter Politics Industry Theory analyzes the situation using tools which have traditionally been used to understand competition in for-profit industry. This lens sheds new light on the problems—and, most importantly, on the solutions.
- Politics is an industry. It is not a “special” public institution somehow “above the fray.” The industry competes, just like other industries, to grow and accumulate resources and influence for itself. The industry of politics is thriving even though the American public has never been more dissatisfied.
- The politics industry is a textbook example of a duopoly. It is dominated by two private, gain-seeking organizations—our major political parties—and their industry allies, what together we call the “political industrial complex.”
- The actors in the duopoly have designed and optimized the politics industry structure over time to advance their own interests, not the public interest. The resulting unhealthy competition in the politics industry leads to a failure to achieve the governance and policy outcomes we need.
 - Politics should serve the public interest, and therefore all citizens should be its most important customers. But the duopoly does not compete to serve the typical voter. Instead, the dynamics of the industry incent them to prioritize special interests, donors and partisan primary voters.
 - There are very high barriers to entry, making it difficult for a new entrant, like a new political party, or a substitute, like an independent candidate, to succeed. As a result, we do not have the disruption that would occur in other industries that fail to serve the average customer well.
 - The duopoly competes intensely. The parties differentiate themselves by segmenting partisans and special interests, competing on ideology, not solutions. They divide voters based on fear and hostility toward the other side, and refuse to compromise with the ‘enemy.’
 - Yet the parties also cooperate to structure the industry rules to their advantage. They collude—an anti-trust violation in any other industry—to protect the industry from new competitors by the establishment of certain election and governing rules and by erecting very high barriers to entry.

- As a result of the unhealthy competition, the duopoly is not incented to solve problems and is not accountable for results. Instead, in order to get reelected, each party needs only to convince voters to choose them as the lesser of two evils. Furthermore, there are no countervailing forces to restore healthy competition.
- The rules of the game affect the way the game is played and the outcome of the game. We need to change the rules to change the incentives to change the behavior to change the outcomes.
- Today's political system was not created in the Constitution—the broad outlines are there, but most of the day to day functioning which drives the unhealthy competition has been “made up” over time.
- We must re-engineer the rules of the game to restore healthy competition which will incent the system to deliver outcomes that matter to citizens. America's political dysfunction will not self-correct. Nor is there one silver bullet solution. The problems are systemic and structural, involving multiple factors that are self-reinforcing. The only way to reform the system is by making a series of changes to change the industry structure and the rules that underpin it—shifting the very nature of political competition.
- We only recommend reforms at the intersection of powerful (i.e., address root cause) and achievable (i.e., in years, not decades). (Reforms not at this intersection are just a “nice idea.”) Together, these reforms constitute a cohesive strategy that will alter the incentives that drive behavior in the system.
 1. **Re-engineer the “elections machinery” (this is a state by state effort—by legislation or referendum)**
 - **Top Four Primary Elections:** Institute open, top-four primaries
 - **Ranked Choice Voting General Elections (RCV):** Implement ranked choice voting with instant runoff in general elections (learn more at bit.ly/RCVvideo)
 2. **Re-engineer the “legislative machinery” to eliminate partisan control of House and Senate rules and processes**
 3. **Institute counterweights to money in politics**
 4. **Open up competition, without waiting for structural reforms**
- Thomas Jefferson is credited with saying: “We don't have government by the majority in America. We have government by the majority who participate.” Historically, most of us have defined “participation” as voting. It is clear that we must also participate in the design of the rules of the game.

Learn More

Other thoughtful individuals have written on our political system and proposed solutions. We recommend:

- ***A Declaration of Independents*** by Greg Orman
- ***The Centrist Manifesto*** by Charles Wheelan
- ***The Parties versus the People*** by Mickey Edwards

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Some of Our Favorite Organizations

- **National Association of Non-Partisan Reformers** www.nonpartisanreformers.org
- **Unite America** www.uniteamerica.org
- **Business for America** <https://bfa.us/>
- **Independent Voter News** <https://ivn.us/>
- **Leadership Now Project** <https://www.leadershipnowproject.org/>
- **Open Primaries** www.openprimaries.org
- **Fair Vote** www.fairvote.org
- **Reform Elections Now** <https://reformelectionsnow.org/>
- **Independent Voter Project** www.independentvoterproject.org