

INSTITUTE OF EFFECTIVE GOVERNMENT: BRIEFING NOTES

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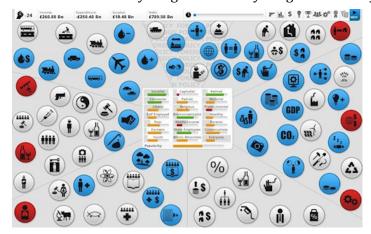
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BASIC CONCEPTS OF DEMOCRACY 3

Democracy 3 puts you in the position of Prime Minister (or President) of a real world country. At the start of the game you have just been elected to serve. The country may be doing fine, or it may be in a real mess, economically, socially or in many other different ways. The voters may be content, or angry. What really matters is that you keep the majority of the electorate sufficiently satisfied for them to re-elect you at the end of your term in office. There are either a limited number, or an endless number of terms, depending on the country you select, and the options you set before starting. Each' turn' of the game is a quarter of a year. What you do with your time in office is entirely up to you, but be aware that the game cannot be won in the conventional sense, only lost in an election or an assassination – your assassination. All political careers end in failure.

MAIN INTERFACE

Democracy 3's main interface is iconic in nature. In other words there is no map or 3D world to navigate, just a complex graph of interconnections between different political and economic aspects of your country. The main principle of understanding the graphical user interface (GUI) is to realise that everything affects everything else. The key to grasping the game is to



understand the way in which A influences B which affects C which then comes back to alter A. Politics and economics are complex! You can see how this works by using the mouse to hover the cursor over any item on the main screen. This will show a series of lines connecting that item with others. Green means a positive effect, red is a negative effect. The faster the arrows move, the stronger the effect. Note that positive/negative are not value

judgements, they are just numerical. A positive effect on unemployment is generally a BAD thing. A negative effect on pollution is generally a GOOD thing. By following the path of lines connecting items you can trace back the ultimate causes of change within the country. Maybe poor school provision is leading to poverty, and poverty is leading to crime. Increased crime is reducing tourism which is affecting GDP, which in turn results in the rise in unemployment, making poverty even worse... and so on.

VOTERS

The key to Democracy 3 is the voters. These are the people who ultimately decide your fate. Democracy 3 simulates a representative slice of society. Each individual has their own opinions, party and organisation memberships and allegiances, their own unique combination of factors which come together to inform their voting decisions. They also have their own level of political volatility. Some of them will get angrier quicker than others, especially the young. Some are more prone to joining protest and even terror groups than others. The key thing to remember about a voter is that they are not just a simple member of a socio-economic group. No-one in Democracy 3 is just a 'socialist'.



Each voter is defined by three criteria. They are liberal or conservative, socialist or capitalist and fit into one of three income groups (low, middle or wealthy). These groups are all special because they exist on a spectrum. This means nobody can be a liberal AND a conservative, but they may (for example) be a very moderate liberal.

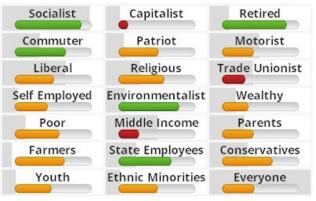
However voters are likely to be members of several groups, and identify with each group to a variable extent. For example, Joe might be a hard-core socialist who commutes to work by car, in his early twenties and has a new-born child. He considers himself a moderate liberal. This means he might be influenced by different groups to a greater or lesser extent i.e. Joe's affiliations are: 92% socialist, 88% parent, 75% commuter, 55% motorist and 32% young etc... So, some people may be avid motorists who feel strongly about policies affecting them whilst others may only drive at the weekend, and be less concerned or affected by the same policies.

VOTER GROUPS & FOCUS GROUPS

The happiness of the voter groups is the ultimate aim of your policy implementation, either directly or indirectly and especially when coming up for re-election. On the main interface for the game, the twenty groups (plus the 'everyone' group) are represented in the centre block.

The different voter groups all have a different opinion of government, and also varying membership, which will vary based on the country, and the long term effects of your policies. Policies can affect the size of a group, and voters will actually move from one group to another over time. Policies that raise the disposable income for farmers (for example) will push some of them out of 'poor' and into 'middle income'. Policies which reduce religious belief may push people gradually out of the religious group. The percentage of the whole electorate that belong to any one group is shown by the light grey shaded bar behind the group name.

One key concept for voter groups in Democracy 3 is to understand that their happiness is theoretical. In other words, if socialists are 87% happy with the government, this doesn't mean everyone in that group has that opinion. Socialists can (in theory) make up 100% of the electorate and be 100% happy, and you can get zero votes. How? Because each individual socialist belongs to other voter groups and has broader interests. They



may be unhappy with all of the other aspects of their life (liberalism, motoring, parenthood, patriotism...). In which case they may still vote against you. They might be saying to themselves, 'As a socialist, I love the current government, but thinking about the bigger picture, I cannot vote for them'. This is a key concept that you need to understand in order to win over the electorate; it's not enough to pick a single voter group and make them happy. The coloured bars show how pleased each voter group is with the state of government.

CYNICISM

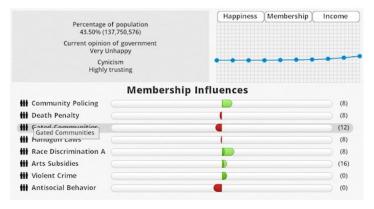
Each voter group maintains its own level of cynicism which acts as a negative effect on how those voters feel about you. Cynicism is caused by making policy changes that appeal to voters just before an election, or that upset them just after an election. It is also caused by 'flip-flop' policy changes where a policy is implemented then quickly reversed. Cynicism eventually tails off and is forgotten. Note that cynicism is a group activity, so socialists may be cynical of you, but not other groups. You can view cynicism as an effect on the voter group's details screen, or see it listed on the polls screen.

COMPLACENCY

As well as cynicism, voter groups also reflect a level of complacency. This is a key concept in staying in power. Voters are generally an ungrateful bunch, and take an attitude of 'what have you done for me lately?' when it comes to supporting the government. In practice what this means is that voter groups who are especially happy will, over time, start to take the policies that please them for granted, and this will show up as complacency on the details screen for that group, and also on the polls screen. If support from that group falls low enough, that complacency level will drop away again. Over progressive terms, the maximum level of complacency will also itself increase, so after each election victory you will face even more complacency from your core supporters, until eventually they may become very difficult to please.

MEMBERSHIP CHANGES

Voters can cease to be members of a group over time. The extent to which a voter identifies with a voter group will diminish as a result of policies or events, and eventually when it drops below a certain level they will no longer be a member of that group. For example, if your policies

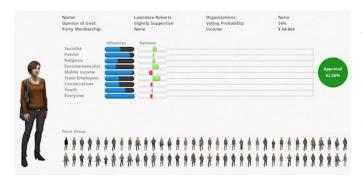


towards motorists are especially negative, those people who were 'borderline' motorists will eventually sell their cars. You can view the impact policies and other factors have on the membership of a group on the voter group details screen by clicking the 'membership' tab on the graph. This not only shows you the current impact, but also shows you how it has changed over time.

FOCUS GROUPS

Focus groups are great for getting a good grasp of how voters make decisions. You can view focus groups in two places within the game. Each voter group screen has a focus group made up purely of voters who are members of that group. You can also look at a random cross-section of society in the global focus group on the polls screen.

In each case, you are shown a selection of voters and you can click on each voter to see further details. This will show you some information about that voter, as well as the voter groups they belong to (with a bar showing how strongly they identify with each group) and the current



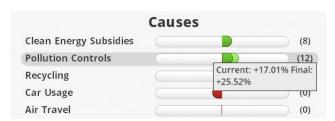
effect any single membership has on their final decision, shown to the right. Be aware that the fact that they like or dislike the government does not necessarily mean they will turn out on Election Day, unless compulsory voting is in force.

INFLUENCES: CAUSE & EFFECT

The links between all the different objects in Democracy 3 take the form of influences. These can be seen from the animated arrows connecting objects on the main screen, as well as strips of information on the details screens for a specific object. For example, the screen for GDP shows all the objects that influence GDP. Those coming into this object are the causes of GDP fluctuation and those going out show which objects are influenced by GDP. These strips show you more than just the basic intensity of the cause and effect.

Firstly, influences can be positive or negative (i.e. they can be raising the value, regardless of whether that is desirable, or reducing it). They can also be instant, or they can take place over time, which Democracy 3 calls 'inertia'. Effectively, this means the influence that gets applied is not taking the current value of the source object, but the average over a certain number of turns.

A good example is pollution controls and the environment. Altered pollution controls are a 'cause' of changes to the environment. After you have made changes to the policy (pollution controls) you can see that the influence is gradually moving from its original position to its final position, as shown by a lighter coloured bar. Most influences are instant, and have 0 inertia, but



some have a huge amount of it. In practice, this means that you need to plan ahead, and also be aware that you are never simply looking at the outcome of your current policy decisions, there will very often be some inertia or 'lag' in the effects of your actions.

POLICIES

Policies are your key weapon in conquering the political landscape. In Democracy 3, a policy can also be a law, such as pollution regulation. Policies are in place when you start your first term in government, but you can cancel existing, as well as introducing new, policies. There are some policies (mostly laws) which cannot be cancelled in the conventional sense, but you are required to take a position on them, such as the abortion issue. Policies may have just a few



effects, or dozens of them, and some of the effects will be hidden from you. For example, there are 'situations' that are not yet active which are being invisibly affected by your existing policies, but until those 'situations' trigger, those effects will not be known to you.

Policies are divided into different areas of Government such as 'transport' and 'tax'. These areas are key to understanding the layout of the main screen of the game, as each policy area is a different zone on the main screen

background. All of the data regarding tax is in the tax area, for example, and this includes not just policies, but also statistics and situations. Policy icons are white.

New policies can be implemented whenever you like, but introducing a new policy will cost 'political capital'. This is a representation of the political effort required to change, cancel or introduce a new policy, and it is a measure of the political difficulty associated with an action. Non-controversial policy changes, such as a boost to spending on community policing, may use very little political capital, whereas introducing conscription or the death penalty will require vast amounts. You earn more political capital each turn, and its generation is linked to the professionalism of your cabinet.

POLICY SLIDERS

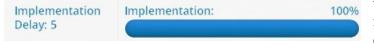
As well as being active or inactive, policies are controlled by an intensity slider. This slider is the strength with which the policy is implemented. For laws, it might represent the severity of the penalty, or the effort put into prosecution. For government spending projects it will represent the amount of coverage and the money spent. In many cases, the cost of implementation, or



income derived from a policy will be strongly linked to the intensity slider. The most obvious example is the tax rate for a tax policy, which is set in this way.

IMPLEMENTATION

Some policies are technically very simple to implement, such as most new taxes. These can take effect almost immediately. Other policies may take a number of terms to implement, such as building new rail infrastructure or a space program. The policy details screen shows the extent



to which a new policy has been implemented. Obviously the effects of a policy are scaled by the extent

that it is implemented, although the full cost will have to be paid at all times. Implementation is important because in many cases you will have to think far in advance when committing to long term policies such as science spending or many education policies. In addition to having an effect on the time to implement a new policy, this implementation delay also affects changes to a policy slider. For example, if you have a very weak military, and move the slider to the right for full intensity, those new tanks and soldiers will not appear overnight. Instead, the slider will gradually move towards its intended position over time, as changes are made. You can see the final target position of a policy by the slightly transparent 'ghost' slider on the policy details screen. If you change your mind, you can continue to edit the position of a slider during this time.

POPULARITY

You can keep an eye on the popularity of a policy either from the policy details screen, or the polls screen which has a tab to show the relative popularity of policies. This figure can be a bit misleading, because it represents people who have a noticeable negative or positive feeling about a policy. In many cases, the majority of voters will not really care one way or the other. In addition, some policies are expected to be unpopular, but they may be necessary to achieve other goals, or to raise government revenue. For example, the vast majority of taxes are

unpopular with almost everybody, except some redistributive or ecological taxes which will please some voters. This does not automatically mean those policies should be cancelled.



POLICY FINANCES

The income from a policy (or its cost) are affected, as mentioned above by the slider for that policy, but there are also other factors involved. Each policy is implemented by the minister for that department, and their effectiveness in their role will have some impact. A very poor chancellor will result in less tax being raised. A very good minister of foreign affairs will be able to keep military costs under control. In addition, external factors will sometimes directly affect the cost or income of a policy. For example, if you have a state health service, and a problem with infectious disease or asthma, this is going to push up the cost of this policy. Taxes on certain activities will be affected by those activities popularity. As a result it is possible (for example) to raise alcohol tax but actually bring in less money. This occurs when the tax has the effect of depressing alcohol consumption to the extent that the higher tax rate is offset.

STATISTICS



As well as policies, you will need to monitor the 'statistics' which reveal important indicators of the state of your country, such as the unemployment rate, health and education indices, and the vitally important GDP (Gross Domestic Product). You will find icons for the statistics scattered on the main screen in the appropriate policy area, so GDP is with the economy, health is within public services and so on. Statistics icons are always blue. These statistics act in some ways like policies, because they too can have effects on

other items. Remember that in Democracy 3, almost anything can affect almost anything else. A good example is GDP, which has a vast array of causes and effects. The causes of GDP highs and lows are mostly policies, and some of the more common effects it has are on the costs of other policies, and the income derived from taxes which depend on economic activity. Note that you cannot make any changes, or have any real impact on statistics directly, all you can do is make policy decisions that hopefully push those statistics in the right direction. Also, be aware that the voters are aware of these statistics too. Rising inequality will upset some, and rising unemployment or CO2 emissions will upset others. Statistics are so important that a selection of them is always displayed prominently in your quarterly report.

SITUATIONS



Situations are also shown on the main screen, either as red or green icons. Red is generally a bad situation, and green is generally good. Situations are on-going events that have been triggered by a certain combination of policies and statistics. There is no way to know that a situation is about to trigger until it does, although a detailed screen for each active situation will let you

see how strongly it is active, what is causing it, and its effect on other items. In most cases, situations have two different trigger points, a 'start' trigger and a 'stop' trigger, and these are at different levels. In general, it is easier to start a situation than end it. For example, if your policies have led to race riots, getting the riots to stop once they have started will require a much stronger policy response than would have been required to just prevent them starting in the first place. This is because situations have momentum. In general, it's a good bet to think about potential bad side effects of policies *before* a bad situation develops. Note that situations can affect other situations too, potentially leading to a general downturn in the country.

EVENTS

From time to time, events will take place which impact upon your country. Very few of these events are truly random, although they may be affected by a slight random input. For example, if you cut funding to the military this may lead, over time, to military action taking place against



your country, or to a military whistle-blower criticising your government. Events are one-off items that generally have short term effects, but if those effects are negative and badly timed (just before an election, for example), then they can be devastating. You hear about events on the quarterly report screen, and they are not shown anywhere else, although you may see the lingering impact of events as effects on any of the other screens in the game. Those effects usually die out gradually over time. Be aware that not all events are bad. Some are a reflection of good economic policy, or high social provision or prosperity.

DILEMMAS

Although in general you get to decide when policy decisions are to be made, occasionally issues become time-sensitive or the debate in the country reaches a point where a decision has to be made one way or another on a topic. When this happens, you will get a dilemma on the quarterly report screen. There will be two options available to you and you have to choose one. Each option may have a variety of short and long term effects on voters, statistics, situations and so-on. You are not able to proceed to the next turn until any outstanding dilemmas have been dealt with. There is no other place where you will see the dilemmas, although you may be able to see the effects of your decisions as inputs to items on their various details screens.

ELECTIONS & PARTIES

Each country has its own electoral term length, so the number of years you have to sort out a country's problems before re-election is dependent on the country you are governing. Note that Democracy 3 enforces fixed terms for all countries. You cannot call a sudden election. In addition, the number of terms is limited to the actual term limit for each country. However before playing you are able to override both of the term length and number of terms, and play endlessly if you want to. Each turn in the game represents a quarter of a year. Elections can be tense because they are one of only two ways you can lose the game (the other is by being assassinated). Once an election is over, you can see the percentage of each voter group that turned out to vote, and the percentage of voters that cast their vote for you.

POLITICAL PARTIES

There are only two parties in Democracy 3, your party and the opposition. You get to choose a party name at the start, or you can type in your own name. You can also choose the name of your opponent, although this has no impact on them. Democracy 3 is not concerned with the policies or views of the opposition, they are assumed to oppose everything that you do. If, taking all things into consideration, a voter is happy with you, they vote for you. If they are not happy with you, they vote for the opposition. Each voter can be a non-party member or a party member and a party member may or may not be an activist. Most people do not join either party. If they become happy with your government, over time they may decide to join your party. All this really means is that they are guaranteed to turn out and vote on Election Day, regardless of how strongly they feel. They are also guaranteed to vote for you. If they become even happier with your government, they may over time sign up as an activist. If voters view you negatively they may join the opposition party. You can see the values for members and activists on the party screen which you can launch from the rosette icon at the top right of the main screen.



Activists are special because they proactively go out and post leaflets, wear badges and put up posters in support of their party. This has no effect on how people feel about your government at all, but it *can* boost

turnout during the election. In close elections, the final victory may go to the party with the biggest boost in turnout. In countries where voting is compulsory, this is never an issue. Turnout is also affected by strength of feeling. Voters who are happy will turn out on Election Day and vote for you. Voters who are very unhappy will turn out to try and kick you out, but voters in the middle with no strong feelings either way are likely to just not bother. This is political apathy, and is slightly different for each country (based on real world voter turnout). You can adjust voter apathy to increase or decrease base voter turnout from the 'customise game' screen before you start. In general, you will find that a middle-of-the-road compromise government will result in low turnout, and a hard-line transformative and divisive government will result in very high turnout.

TERRORISM

There are two threats to your government, and they are domestic and foreign. Foreign threats are hard to identify, and will result in terrorist attacks. A strong military and other surveillance and intelligence policies will reduce the likelihood of a successful terrorist attack. Local threats are more complex and easier to monitor. The security screen displays a list of known terrorist organisations alongside pressure groups and other harmless organisations. All terrorist groups draw their support from the membership of existing pressure groups and organisations. For example, if government policy particularly upsets patriots, some of them may join a patriotic pressure group to vent their anger at the government. If the anti-patriot policies persist, particularly angry members of those groups may, over time, become 'radicalised' enough to join a dangerous terrorist organisation. At this point, their growing membership will pose a serious



threat to you, although you are likely to be warned of a plot before any serious attack occurs. The attacks may or may not succeed depending partly upon luck and partly upon the defensive mechanisms of the state such as wiretapping and intelligence services. Note that the process of radicalisation varies with the temperament of the individual and the group involved. It is also a reversible process, although this will take time. There is also an extent to which placating and pleasing the basic voter group from which terrorists are drawn will reduce the probability of an attack. If you have a large and dangerous group of religious terrorists, you can reduce an imminent threat by changing

policies to please the religious voter group. Also, note that terrorists are actual voters drawn from voter groups, so reducing the number of socialists will reduce the pool of potential recruits to both socialist pressure groups and socialist terrorist organisations.

CABINET GOVERNMENT

Although you are President (or Prime Minister) you do not exert unchecked control over the country. You have a cabinet of ministers with responsibilities for different areas of policy. These ministers are important in three different ways. They generate political capital which allows you to change policies, they affect the success of policies within their department, and they provide electoral benefits to specific voter groups.



POLITICAL CAPITAL

Ministers generate political capital each turn (quarter year). Some of them are more influential and powerful than others, and thus will generate a larger amount. There is also a special 'political honeymoon' period when first elected where you have more political capital. This enables you to get more legislation passed. The amount of capital a minister generates is dependent upon their loyalty. A minister's loyalty may go up or down over time, depending upon how you run the government. There is also a general inevitable downward trend of loyalty as a minister becomes more jaded and cynical with the government. It's best to replace people before they get that disloyal. Ministers can resign, (although rarely without warning) and resignations are unpopular. There is a limit to how much political capital can be carried forward to the next turn.

MINISTER EFFECTIVENESS

Ministers also have a rate of 'effectiveness'. This is essentially a measure of how good they are at performing their job. The longer they stay in cabinet, the more experience they gain, and thus the more effective they are. Their effectiveness is also affected by their natural disposition

towards certain jobs. Each minister has a few jobs they would especially like, and these are the ones in which they would be most effective. The effectiveness of a minister is important because it affects the cost of (or income from) policies under their jurisdiction. It also affects the implementation rate or change-rate of existing policies. Simply put, an experienced and effective minister in the right job will get more done for less, and faster.

VOTER EFFECTS

Ministers are not any different from voters, in that they have certain allegiances and attributes. Because of this, they will appeal to, and identify with, specific sets of voters who they are described as having 'sympathy' with. This is an effect that cuts both ways. For example, a specific minister may be a commuter's champion and very religious. Having them in



government will please both of these voter groups, because regardless of policies, they see 'someone like them' in government, and feel they must be acting in their best interests. Obviously this is a good thing, if you need support from those groups.

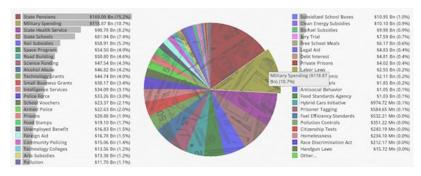
On the other hand, a minister's happiness is directly affected by the happiness of those sympathetic voter groups. So in our example, a government that disenfranchises commuters and religious people is going to upset that minister, which will reduce his or her loyalty. The minister will work less effectively to implement your policy decisions, or support you in introducing new policies. Because of this two-way effect, you may find the selection of a minister a tricky business.

RESHUFFLES & FIRINGS

From time to time ministers resign, which is bad for the government, but you can fire and hire replacements whenever you wish. Remember that experienced ministers are more effective so be careful. If you want to move ministers around without firing them (fired ministers are gone for good), you can call a reshuffle, which has none of the bad PR effects and voter dissatisfaction of mass firings. Note that firing a minister will reduce the loyalty of their colleagues.

FINANCES

One of the hardest jobs in government is balancing the budget. All the countries in Democracy 3 start off with a government debt. There is no rule that says you ever have to pay off the debt,



and as long as you can afford to pay interest due, you are probably doing okay. However, interest payable on the debt can change dramatically. If global interest rates fluctuate, or concerns are raised about your government's stability and ability to pay back its

debts, your credit rating could be altered. If the credit rating agencies decide to alter your country's credit rating up or down you will hear about it in your quarterly reports. The moment this happens there will be a noticeable change in interest rates and therefore the interest

payable. Financial problems escalate very quickly and suddenly so are worth monitoring. One of the key factors used by the market to determine your credit rating is your debt to GDP ratio. If your economy is doing well and your GDP is high, this will keep interest rates low and you may be able to support a higher level of debt than if GDP is low.

GLOBAL ECONOMY

There is a whole global economy out there, and it will have an impact on the way you run the country. Over time, the global economy will generally go through a boom and bust cycle, and this will affect how your own economy performs. It will especially affect tourism. The global economy may also be susceptible to sudden market changes, which are outside of your control. You can monitor the global economy on the finance screen.

CREDITS

Game Design: Cliff Harris

Programming: Cliff Harris

Logo and GUI Art: Michael Heald

Character and Event art: Jove Leksell

Icons: Clockwork Cuckoo

Music: Sean Vella

Linux & mac Ports: Edward Rudd

Special Thanks: Kevin Harland, Ginny Saunders, Phillipa Warr, Troy Goodfellow, Tom Ohle.

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