

THE LIMITS OF DEMOCRACY

D. Eric Schansberg

There's an old saying that democracy is the worst form of government, except for all of the others. Or putting it another way: the best form of government is a benevolent and knowledgeable dictator, except for the problem of finding a good and wise leader. Whatever democracy's strengths, they are relative not absolute, and they are contingent on context—namely, the people being governed, the people governing, and the underlying institutions.

Regardless of political bent, most people have high hopes for democracy, at least if they can manipulate the levers of governance. Even if they can gain control, is the hope warranted? Rational ignorance and irrational ignorance undermine the likelihood of effective policy. Media segregation along ideological lines—following the confirmation biases of consumers—leads to more dogmatism and tribalism than political knowledge and wisdom. From there, a reflexive defense of democracy and popular support for more democracy may lead the majority to defend suboptimal institutions that produce less economic and individual freedom. As such, proposals for less democracy—and more limited government—may reduce the politicization of life and improve policy outcomes.

Rational Ignorance

Public Choice economists point to the foibles of political markets in general and democracy in particular—for example, the disproportionate power of interest groups in some contexts (“tyranny of the

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minority”); the unjust exercise of power by the general public (“tyranny of the majority”); the problems caused by any system of government where people are fond of using power to take others’ resources; and so on. In a word, it turns out to be difficult to have an optimistic view of the general public, the elites in political markets, and those who work diligently to influence the process.

One of the most powerful observations from Public Choice is that political activity often features concentrated benefits and diffuse costs. Even when the costs are much larger than the benefits in aggregate, the costs are smaller per person. This subtlety makes their occurrence quite likely. Voters have little to offer in political markets: a modest voice, perhaps a bit of money, and a single vote (Gelman, Silver, and Edlin 2012). So they are “rationally ignorant and apathetic,” and will tolerate diffuse costs if they even notice them. Interest groups will passionately pursue such laws and engage in mutually beneficial trade with politicians and bureaucrats. Those engaging in political activity are further motivated to come up with “good stories” for government intervention: rationales for why benefiting themselves at the expense of others is (supposedly) good for the country and the economy. It’s easy to imagine and document the misuse of government power to enrich some at the expense of others.

Kolko (1963) provides a useful example of this flaw in democracy, arguing that business leaders, rather than “reformers,” were the chief catalysts behind the Progressive Era’s regulation of business. He observes that

important business interests could always be found in the forefront of agitation for such regulation, and the fact that well-intentioned reformers often worked with them—indeed, were often indispensable to them—does not change the reality that federal economic regulation was generally designed by the regulated interest to meet its own end, and not those of the public [Kolko 1963: 59].

Some people are paid to be knowledgeable about politics and others treat understanding policy as a serious hobby. But, otherwise, the implications of this model are largely independent of education, income, or other factors. For example, the more educated are in a better position to learn about politics and public policy (or anything else), given their advantage in overall knowledge, greater capacity to

process information, and stronger ability to think critically (an income effect of sorts). But learning about any given thing has higher opportunity costs for them (a substitution effect of sorts). In any case, the underlying incentives are similar: because most voters have little to offer in terms of influencing political outcomes (their vote is not decisive in a majority voting system), the costs of becoming knowledgeable about politics and public policy are usually far too high to indulge seriously.

Brennan (2016: 30) reports the stability of political ignorance despite more education and lower-cost information over time. But some groups are relatively impressive in terms of political knowledge: educated, wealthy, those living in the West (the South fares poorly), GOP voters, middle-aged (ages 35–54), male, nonblack, and those who generally favor less government (pp. 33–34). Citizens are more likely to know more about civics and politics when they don't get most of their information from social media (Mitchell et al. 2020).

As knowledge increases, citizens who are male, have more education, have job security, and live in regions with greater income growth are more likely to be pro-free market (Caplan 2007: 28, 154–56). Fortunately, citizens are more likely to vote with higher income, education, and age (p. 157). But relatively impressive knowledge (compared to others) does not imply objectively impressive. And none of this lends itself toward much optimism about governance, even in a democracy.

Public Choice Economics and the Media

Even though most people are “rationally ignorant” about politics and public policy, they still have some incentive to acquire low-cost information that is perceived to be relatively accurate. Consumers will tend to acquire more information when the costs of information are reduced (e.g., lower price or greater access) and the benefits of information are greater (e.g., if life becomes more politicized or one has a greater financial stake in learning about a topic).

The benefits of information include perceived accuracy. But, with limited information in hand, consumers' sense of accuracy may not be objective or accurate. Another complication is that consumers want other benefits from the media—for example, entertainment and affirmation. They find greater enjoyment when information is

more consistent with beliefs they already hold. They value news and opinions that affirm confirmation biases or media delivery that lampoons an opposing view (Mullainathan and Schleifer 2005; Gentzkow and Shapiro 2006).

The demand for media inputs is derived from the preferences of consumers. The media are certainly interested in providing what consumers want—namely, some combination of accuracy, affirmation, and entertainment, or what Munger (2008) calls “truthiness.” In this sense, the media are responding to consumers and trying to maximize profit, and shouldn’t be “blamed” for what they produce, any more than WalMart should be criticized for satisfying customers so well.

As with other businesses, members of the media are pursuing profit and compensation, along with other utility-maximizing goals. On the former, media owners are also interested in other streams of revenue (e.g., advertising) where there may be tradeoffs with what consumers want. Given the nature, influence, and stature of “news,” the potential role for self-actualization is greater than with many jobs. Within the media, there are owners, news-producing employees (journalists, editors, radio show producers, TV show hosts), and other staff. As one is closer to “producing news,” the nonmonetary benefits are higher. As a counterexample, those selling ads or subscriptions would not receive as much satisfaction as those writing stories or editing content.

The media may be driven by a desire for influence and status, discovering and presenting truth, undermining corruption and working for justice, and so on—even if it militates against profit. So, depending on their audience, employees and owners may find it beneficial or painful (personally or professionally) to provide slanted information to consumers (Baron 2006; Besley and Prat 2006).

The media are concerned with revenues and costs. They want more viewers and face tradeoffs between costs and quality—and price and quantity demanded. They desire to draw consumers away from alternatives, such as watching Netflix or playing board games. Whatever consumers want, there can be tradeoffs for media providers between those wants (e.g., accuracy, entertainment, affirmation) and advocacy. Aside from an inability of consumers to assess accuracy, it is difficult to imagine the media deviating much from consumer preferences.

In recent decades, media have proliferated—from cable TV and satellite radio to “social media” and blogs. But the slow historical

evolution of media is a fascinating topic. Stromberg (2004) describes the role of radio from 1920 to 1940 as a relatively efficient mechanism to “educate” voters and promote voter turnout, especially in radio-heavy markets. Gentzkow (2006) describes the impact of TV on voting up to 1970, as consumers substituted from radio and newspapers. Coverage of issues shifted from local toward national, and media focused on information were “crowded out” by entertainment. As a result, voter turnout decreased, especially in local races and off-year elections. Gentzkow attributes 38 percent of the drop to TV. All of this was despite the availability of lower-cost information and hopes of “greater democracy” as a result, especially with advances in civil rights, income, and education.

With better information, more competition and technological advance will result in lower prices and higher quality, including greater accuracy. Gentzkow and Shapiro (2006) find far greater accuracy when the information conveyed is relatively objective—for example, on stock prices, sports results, and weather reports. In contrast, news coverage varies significantly on more complicated topics such as taxes, war, and “climate change.” When topics are debatable and complex, consumers are more interested in subjective coverage, and the media are willing to provide that service.¹

As such, we would also expect competition to encourage segregation within media sources: workers and owners providing information that is pleasing to them and to certain consumers. Given highly imperfect information among consumers, more competition may easily result in more slanted coverage and segregation among media sources (Gentzkow and Shapiro 2006). If “quality” is somewhat (or highly) subjective, then we would expect different media to arise, satisfying demand in certain political niches.² One painful irony follows: more media providers and more available information may result in less knowledge and far less wisdom.

¹As Caplan (2007: 102–8) notes, ignorance does not necessarily imply impressionable rather than skeptical or cynical. When a topic (e.g., climate change) is beyond one’s knowledge, one can imagine skepticism toward “political solutions.”

²A related question is: Why have media segregated within various delivery methods? In practice, the left dominates newspapers and TV, while the right dominates talk radio. Groseclose and Milyo (2005) find widespread “liberal” ideological bias in newspaper and TV by analyzing media citations of think tanks. Lott and Hassett (2004) find pro-Democrat bias in newspapers from 1991 to 2004. Presumably this result is connected to time spent by consumers on reading, driving, and watching TV. Does it also correlate with education or other variables?

It's also worth noting that the incentives in media mirror those in politics. For citizens, politicians, and interest groups, there is a bias toward policies with obvious, concentrated, near-term benefits and subtle, diffuse, long-term costs. Likewise, reporting on politics might easily fall prey to this same calculus—from standard ignorance of the more subtle consequences or biased agreement with the political goals at hand. Coyne and Leeson (2009) address the relationship between the media and government (and other powerful social institutions)—with the potential for the media to be a constraining watchdog or a subservient lapdog. Besley and Prat (2006) model the ability of government to capture media and influence outcomes. For progressives, journalists (“muckrakers”) are supposed to be helpful in unveiling economic privilege, political corruption, and social injustice. With capitalism, media competition, and media segregation, that hope may be unjustified (Boettke 2020).

Irrational Ignorance

Democracy seems to align rulers and those they represent, at least in contrast to dictators who have more latitude to execute their preferences. It could be that democracy mostly gives people what they want. Caplan (2007) rejects that belief on theoretical grounds, through survey data, and by reporting behavioral inconsistencies. Democratic outcomes face many and varied complaints. Even casual observers know that matters are more complicated. Self-styled “liberals” often act in a stunningly illiberal manner. Christians point to “the Fall” and worry about the pursuit and exercise of power by sinful people. The influence of postmodernism has led to an increase in moral relativism, identity politics, and the pursuit of power.

Do politicians shirk from what the public wants? There are reasons to expect agency problems between representatives, those they represent, and what is “socially optimal.” Democracy can be exploited by interest groups and politicians in opposition to a rationally ignorant general public. Within the slack created by highly imperfect information, there is room for interest groups to engage in trade with politicians. Beyond that, monopoly power within political markets and high transaction costs (preventing beneficial trades) may also lead to political inefficiency. In contrast, Wittman (1995) argues that *democratic* markets are generally “efficient” compared to other forms of governance, including *economic* markets.

Caplan (2007: 8) extends the usual Public Choice framework by arguing that voters also practice “irrational ignorance.” Voters are generally ignorant—and rationally so—not knowing much about politics and public policy. But they can also be “irrational” in their ignorance—not knowing, but thinking that they know (more than they do). Rational ignorance implies random errors that are corrected through the “miracle of aggregation” over many voters. But systemic errors by voters on policy comes from misunderstanding policy and not knowing that one is wrong.

Caplan (2007: 10–13) points to four common biases: anti-market, anti-foreign, make-work, and pessimism. He notes that students routinely enter economics classes with these systemic errors and it is difficult to correct them. Or as Brennan (2016: 121) describes his five-year old: “He is merely ignorant, while [students are] mistaken. Keaton might not understand much about economics, yet at least he’s not a mercantilist.”

Hersh (2020) describes “educated” people thinking they’re deeply engaged, while getting their information by scrolling through Twitter feeds. But information (especially when biased) may not be knowledge or wisdom. And this sort of ignorance can easily lead to dogmatism—when politics are practiced as a casual hobby or a type of tribalism, with an emphasis on the abstract merits of a few policies, an attraction to politicians who pay lip service, and a greater value placed on voting and talking versus knowing and doing. It’s troubling when people combine ignorance with certainty and passion. Irrational ignorance explains this overreaction. Judges may be an important exception. If rationally ignorant voters are correct and confident that political affiliation is a proxy for the sort of judges they would want appointed, then party-line voting may be quite rational.

Elites are more prone to imagine that they know more about fields outside their expertise, particularly when compared to those who have less education. While elites have greater knowledge in specific fields, their knowledge about public policy may not be much greater than non-elites, and they may be more prone to an unwarranted confidence—thinking they know more than they do. Moreover, from another perspective, if the “unwashed” are more aware of their ignorance, they will have more “known unknowns,” while the elites may have more “unknown unknowns.” Ignorant people may not be as bad as overly confident smart people when it comes to public policy issues.

Given ignorance and what should devolve toward apathy, why do so many people vote—and why do so many invest (lightly) in political information and then act dogmatic about politics? We've already described ignorance of one's ignorance, a reliance on propaganda or confirmation bias, and responding to the peer pressure of one's tribe. Another possibility is enjoying psychic benefits from political activity, akin to sports fans with their team: a spectator sport with some opportunities for cheering, voting, and talking trash.³ In any case, it's difficult to imagine such an approach yielding impressive policy outcomes.

Populism and Democracy

Populism is a social and political response of ordinary people to cultural pressures and public policies. Populism can be the apex of self-government in politics. Populists may revolt against government regulations imposed by those in power. By exercising political self-governance, they may enhance the ability to self-govern in economic and social spheres. But populism can also fall far short in this regard. It can be driven by failures of effective self-governance—from ignorance and envy to paranoia and xenophobia. And, in practice, populism often works to diminish civic and economic liberties, reducing self-governance. “Rights” don't turn out to be inalienable if they can be reduced or eliminated by 51 percent of one's neighbors in a democracy.

Populists are drawn to elected representatives as a manifestation of “the will of the people.” But populists also dislike and distrust “the elite.” So the elected can also be “enemies of the people,” along with unelected targets in the political realm: judges, bureaucrats, and experts. This is exacerbated when moving from local and state to national and international. Still, populism requires political leaders to pursue political reform. So populists are prone to follow charismatic leaders who promise a dramatic change in course—for example,

³It's also possible that voters know they're wrong, but still enjoy it, given other stronger preferences. If one can't change the outcome of elections or policy, it's reasonable to exert one's preferences, ideology, and beliefs. Caplan (2007: 14–16) calls this “preferences about beliefs”—seeing preferences as both a cause of choices as well as an end in itself. It is “instrumentally rational to be epistemically irrational” (p. 48); it feels good to indulge biases when there are only weak incentives to overcome.

Bernie Sanders and Donald Trump in our times. Ironically, many “populists” were quite happy to have President Trump win the Electoral College in 2016 despite losing the popular vote.

The pursuit of change always involves dissatisfaction with the status quo and some hope that an alternative will be better. Populist activity always implies the belief that change is within reach through political or social activism. As concerns increase and hope about populist solutions declines, dissatisfaction can extend into a sense of powerlessness and despair. Populist frustrations cover an array of issues. Sometimes the concerns are valid; sometimes they’re not. At the least, they are driven by a perception of undesirable outcomes for common folks, foisted on them (or ignored) by elites.

Problems with Populism and Democracy

Following Riker (1982), democracy has three conditions: significant citizen participation, substantial social and economic liberty, and equality before the law. Voting is often imagined as the central act of all three. Representation has adequate turnover to hold leaders accountable since they fear reciprocity. From there, a liberal democracy avoids a tyranny of the majority through an effective constitution. This typically manifests itself through a multicameral legislature with separation of powers, an independent judiciary, federalism, term limits, and regular elections.

But, if populism and democracy are supposed to embody the will of the people, they fall short for many reasons. First, the supposed link between populism and democracy is reductionistic, assuming a firm connection between political preferences and policy outcomes. Most broadly, there are no definitive criteria for judging either government or what constitutes “the general welfare.” More specifically, as Riker (1982: 197) argues, “knowing that tastes change does not tell us anything about how politics change We need to understand how tastes get incorporated into political decisions.” Related: strategic voting is inherent to the system, but difficult to observe and assess (Black 1948; Riker 1982: 145–56). And, given the existence of political leaders, we must understand how they control the political agenda, which is difficult to model but an important consideration in explaining democratic outcomes (Riker 1982: chaps. 7–8).

Second, the attractive principles of majority voting assume only two choices, which is rarely the case. Often, people imagine that they have two choices, but that's only after an arbitrary and flawed reduction of choices—for example, the primary systems of the two major parties. That “we force ourselves into a binary choice should not obscure the fact that we really start out with many alternatives and that we can never be certain that our institutions have narrowed the choice down to the right pair for us to choose between” (Riker 1982: 41).⁴

Third, the conditions under which majority rule is clearly best are extremely rigorous. For example, if subjective benefits have “equal intensity,” then majority rule can yield the highest net benefit. But with heterogeneous preferences majority rule can easily lead to net social harm. And, with sufficient interest in a single issue, a voter may support a candidate or a party, even if he is opposed to them on all other issues. As a result, voting is not likely to be a true sum of voter preferences (Buchanan and Tullock 1965: 236).

Once one abandons the rule of unanimity, there is no significant difference between alternative rules. Lippman (1926: 404) notes that democracy's only method to decide is counting heads: “All that can be said is that there are more of them.” And there is certainly nothing ethically magical about 51 to 49 decisions: “The rule of the majority is the rule of force. For while nobody can seriously maintain that the greatest number must have the greatest wisdom or the greatest virtue, there is no denying that under modern social conditions, they are likely to have the most power.”⁵

⁴Perhaps counterintuitively, stronger political parties may be helpful to democracy in a low-information environment. Rosenbluth and Shapiro (2018) compare two strong parties to a marriage—and weaker parties to a “hook-up.” In the latter, voters can express preferences but then have little idea what they'll get.

⁵Lippman (1926) was initially puzzled by William Jennings Bryan as a lawyer in the Scopes Trial after seeing Bryan as a science-promoting presidential candidate. But then he noted that Bryan was utterly consistent; he valued democracy and majority rule as the ultimate in equality. He “applied it absolutely at Dayton, and thereby did a service to democratic thinking. For he reduced to absurdity a dogma which had been held carelessly but almost universally.” For more on populism and Bryan, see Frank (2020: chap. 2).

Ultimately, populism fails as an ideal. “Populism as a moral imperative depends on the existence of a popular will discovered by voting. . . . Populism fails, therefore, not because it is morally wrong, but because it is empty” (Riker 1982: 239). Unfortunately, all of this points toward a level of government that is suboptimal and excessive. Given that a majority vote rule allows voters on the winning side to gain benefits with only a fraction of the costs, the gap between private and social marginal cost always bends toward more government. Or, from another angle: voting often creates negative externalities. And there is potential for a “spiral effect,” where interest groups lead to more government and more government leads to more interest groups (Buchanan and Tullock 1965: 286–87).

Moreover, populism can constrain democracy and work against liberalism if it manifests itself as tyranny in the name of the people—for example, refusing to submit to elections. As such, populism can even put democracy at risk. Legutko (2016) compares the more obvious flaws of communism to the more subtle flaws of “liberal democracy” to help readers understand contemporary Western politics. It turns out that certain modern manifestations of both are often driven by similar motives, mechanics, and machinations. Often “democracy” turns out to be a cover for interest groups and politicians to rule in “the best interests of the people.”

As such, democracy may well be the best form of government, all other things equal. But outside of other crucial factors—notably, a limited government with effective levels of federalism, a constitution that promotes liberty, and threshold levels of individual morality in both private and public matters—its efficacy may easily be swamped by other considerations (Holcombe 2021).

Populism, Antipopulism, Paranoia, and Apocalyptic Theories

With its focus on powerful external forces, populism can extend to a fascination with apocalyptic and conspiracy theories. Christianity is famous for its apocalypse in the book of Revelation. But secular eschatological concerns are dominant today—from Covid-19, “climate change,” and income inequality to QAnon and economic dislocation from globalization. These are fed by ubiquitous social media, suppliers of contentious politics, and 24/7 cable “news.” Desperate times and high stakes increase apprehension, tension, rhetoric, and a

loss of civility—most notably as “political correctness” has extended into illiberal “cancel culture.”⁶

Hofstadter (1952: 3) describes “heated exaggeration, suspicion, and conspiratorial fantasy” throughout American political history. He details examples from Masons and central banks to Catholics and communists, movements he aligns with populism and nativism. He argues that this tendency has increased since the 1930s, as more political power has accrued to people in faraway places—and as both society and economics have grown more complicated and competitive. This echoes Cohn (1957) who argued that apocalyptic theories emerge in contexts with rapid social and economic change. People, particularly if struggling, tend to feel dispossessed by the powerful, including the media, politicians, and eminent figures in the culture.

When you don’t understand the complexities of life and see correlations that look like cause and effect, superstition and narratives seem like logic and explanations. Secrecy and independence tend to foster a conspiratorial outlook toward the appointed and unelected, the Federal Reserve and judges, the Deep State, and the United Nations.

Hofstadter (1952) links this to populism, but antipopulism provides another form of apocalyptic thinking. Walker (2013) cautions against seeing such paranoia as fringe. Rather, it is a broad, potent force, even among the educated. As such, he describes Hofstadter’s view as “anti-populist anxiety . . . elite hysteria” (p. 22). Many want to “spread democracy” and “make the world safe for democracy,” but they also worry about where democracy and populism might take our country. Frank (2020) points to the “pessimistic style” of an eternal, antipopulist war on reform. Here “populist” is an insult of the respectable and highly educated: “a one-word evocation of the logic of the mob: it is the people as a great rampaging beast. . . . It is a battle of order against chaos, education against ignorance, mind against

⁶The stakes are also higher because of “identity politics.” Joustra and Wilkinson (2016: 108–11) argue that the “politics of recognition” have become “a key feature of our political discourse today. . . . The politics of equal recognition are central and stressful. This bleeds over into debates about politically correct language, because at its core, much of the politics of recognition is not just about what the law says about me, but what society says about me.”

appetite, enlightenment against bigotry, culture against barbarism” (Frank 2020: 2–3).⁷

Most of the political focus today is left versus right, “liberal” versus “conservative,” or Democrat versus Republican. But the primary split may well be populist versus antipopulist, elites versus deplorables, unwashed rubes versus refined and educated, reliance on experts versus fallacy of authority, and a fear of losing control versus being controlled. In current terms, one might think of this as Trump supporters and anti-Trumpers—and even, “anti-anti-Trumpers” (those who are not fans of Trump but are more disturbed by his “elitist” opponents). Landes (2011: 229) notes that there is no need for the elites to condescend toward the non-elites: “The question is not whether elites exist, but how they interact with commoners, not whether elites grow corrupt, but what mechanisms a polity builds in for correction.”

Frank (2020: 2–7) satirically describes this opposition to populism as “the common folk have declared independence from the experts, and along the way, from reality itself.” The “tragic flaw” in populism is that the “ideal of government of, by, and for the people doesn’t take into account the ignorance of the actual, existing people.”

Progressives and Populists

The relationship between progressives and populists is more complicated. Progressives are relatively optimistic about government activism. They want to regulate economic activity, shaping policy to reach social goals. In this, they assume a relatively benevolent and knowledgeable government—at least when it’s under their control. They also hold a high view of populism, local governance, elected judges, and other forms of direct democracy (e.g., referenda, recall, and voter initiatives)—at least in theory. The average citizen should

⁷Frank (2020: 9–13, 19–31) details the invention of the term “populist” by the People’s Party in 1891 on a train in Kansas, based on common enemies of rural/urban labor—greedy bankers, corrupt politicians, railroad barons, and commodity traders. Its slogan: “Equal rights to all; special privileges to none.” But populism always had two meanings: “There was Populism as its proponents understood it: a movement in which ordinary working people demanded democratic economic reforms. And there was Populism as its enemies characterized it: a dangerous movement of groundless resentment in which demagogues led the disreputable. . . . This is how the Establishment welcomed the Populist revolt into the world, and this is pretty much how the establishment thinks about populism still” (p. 13).

have more influence over government. If so, the government will be more responsive to the direct voice of the people. This will lead to energetic grass-roots movements that hold leaders accountable—as people call for reforms against special interests, machine politicians, political bosses, and corrupt governance.

But this outcome requires a general public that is educated on policy and politics. Those who would exercise democracy must be competent, knowledgeable, and driven by the general welfare. This leads to a Catch-22. How do you achieve such reforms when people are not (yet) smart enough to help you reach those goals? An attractive option is to give power to a knowledgeable and (hopefully) benevolent governing elite in the meantime.

Centralized decisionmaking by trained experts and reduced power for locals might be better for now. But they also make government more isolated from the people and more prone to abuses of power. And this militates, at least in the short-term, against the quest for democracy. Another practical concern: as population increases with less direct representation—and as globalization increases—the ability and perceived ability to influence politics will decrease. While progressives claim to want government by the people, it easily devolves into elites and experts controlling policy with condescension toward the non-elites and populists.⁸

Too Much Democracy?

Oakeshott (1955: lxiv) described politics as “a second-rate form of activity . . . corrupting to the soul and fatiguing to the mind.” Voting is not particularly valuable for most individuals, especially in comparison to other civil liberties. Life would be better if we could spend no time on politics. And it may actually disempower people if it distracts them from this reality, so that they ascribe inflated importance to politics in general and voting in particular.

Legutko (2016) notes that communism and liberal democracy have produced intense politicization. Ironically, one prominent goal of democracy is to make life more political by increasing the quantity

⁸Codevilla (2020) argues: “The Progressive critique adds a moral basis: the American people’s indulgence of their preferences . . . has made for every secular sin imaginable: racism, sexism, greed.” In its earliest appearances, this was the engine behind eugenics and Prohibition. In later times, it has moved into other forms of policy paternalism, “political correctness,” and “cancel culture.”

and level of participation. Talisse (2019: 4) describes this as “a dimension of democracy’s trouble that has been overlooked, perhaps because it is constantly in view.”

Democracy is often imagined as a 0/1, when it is a matter of degree. In terms of process, it ranges from pure (e.g., ancient Athens, the New England town meeting, and cantons in Switzerland) to tempered through various approaches to republicanism. In terms of outcomes, its decisions range from unanimous to majority rule. However, whatever its merits, governance is still about using coercion as a means to try to accomplish policy goals.

Democracy is not a uniquely just or effective form of government. It is clearly correlated with good outcomes, but, even if the relationship is causal, better government might be achieved by reducing (or increasing) the level of democracy. A recognition of democracy’s weaknesses and subsequent interest in “weakening democracy” is usually interpreted as a call to dictatorship. But less democracy could lead to less government activism and, thus, more markets and more freedom.

Respect for democracy can devolve into “democratic triumphalism” (Brennan 2016: 7)—a form of idolatry that sees its benefits but ignores its flaws. Caplan (2007: 186) quotes presidential candidate Al Smith from 1928: “All the ills of democracy can be cured by more democracy.” Many people are “fundamentalists” with respect to government activism in general and democracy in particular. For them, faith in government and democracy is not falsifiable in practice.

Given rational and irrational ignorance, faith in democracy and government activism is difficult to sustain. The good news is that each individual has little impact; no one’s vote is decisive. The bad news is that the outcome of majority rule can be costly. Most importantly, voting as a negative externality raises questions of ethical legitimacy. As Brennan (2016: xiii) notes, how one votes is more important than that one votes.⁹

⁹The framework of Brennan’s (2016) book is in his description of three types of citizens: ignorant Hobbits; irrational Hooligans; and tolerant, well-informed, analytical Vulcans (pp. 4–5). Along progressive lines of thought, he notes that democracy might be embraced as “aretaic” (to educate and enlighten); instrumental (to reach ends); and/or intrinsic (as an end to itself) (p. 7). He cites John Stuart Mill’s hopeful hypothesis that political participation would make people smarter and nobler. Unfortunately, the educational gains are minimal at best. And the data, even with the greatly increased availability of information, are not promising (pp. 24, 30).

When should largely ignorant people be encouraged or even allowed to use the machinations of government to encourage the use of force?

A Call to Epistocracy?

Even if democracy is the best system in a given context, outcomes might be improved by reducing democratic participation at the margin. While populists will probably not find this palatable, this may be a way forward for antipopulists, progressives, and others.

Jones (2020) describes politics as a type of production and reasons that its process could easily be tweaked to improve outcomes. In this, he is similar to Murray (1988: 55–58) who would argue for the importance of a “threshold” level of democracy, with incremental gains from there. Or consider Jones’s argument as a version of the Laffer curve, as public policy analysts look for bliss points within democratic governance.

Observers have long seen the pros and cons of monarchy, oligarchy, and democracy—and suggested that the best strategy might be a mix. Hoppe (1995) describes monarchy as ownership with the efficiency advantages of property rights, in contrast to democratic leaders as a set of caretakers with free-rider problems. The Founding Fathers treated all political systems, including democracy, with great suspicion and devised a complex political system to mitigate its weaknesses. As such, our system of government is a balance between monarchy (through the presidency), aristocracy (through the Senate and the judiciary), and democracy (through the House). As such, there could easily be “too much” democracy (descent into mob rule), just as monarchy can devolve into tyranny and aristocracy into oligarchy.

Jones (2020) details troubling democratic outcomes that are seemingly fixable: opportunistic behavior of senators near elections, bloated spending, pork-barrel projects, and presidential trade and disputes resolved for elections in swing states. He recommends more independence from political influence by fewer elections, independent central banks, unelected judges, appointed regulators and officials, and educated independent people in

charge of tax policy.¹⁰ Caplan (2007) advocates voter competency exams (as with a driver’s license), not encouraging (or subsidizing) the practice of voting, and encouraging economists to continue doing what they can to educate people at the margin. Brennan (2016) argues for less democracy and more “epistocracy”—a greater degree of government by elites. He argues for knowledge tests, the use of a lottery to give fewer voters more power and greater incentives to get educated, and epistocratic veto power for knowledgeable people to unmake bad laws.¹¹

Of course, any such proposals will run into charges of elitism, disenfranchisement—and these days, racism, sexism, and the like. But Brennan notes that politics is not inherently expressive or symbolic, unless it is explicitly connected with a nasty ideology such as racism. Moreover, inherent dignity is not necessarily connected to unequal participation in professional life. We readily acknowledge the expertise of doctors, plumbers, and hairdressers. Even if we value “equality” in terms of voting to some extent, when should we allow incompetent people to have power over others? The legitimacy of authority often presumes some degree of paternalism, but Brennan argues at the least for “anti-authority”—that people should *not* give me power over others, especially if they’re not competent. Unease with this concern opens the door to other voting restrictions based on competence. Alternatively, an equivalent move would be toward a regime of administrative law led by experts and bureaucrats—in which voting is largely a show.

¹⁰ Jones (2020: chap. 9) cites Singapore as a compelling example, with great outcomes despite 50 percent less democracy. He also discusses “algocracy”—government by data and algorithm, a cousin of epistocracy and Progressive Era emphasis on technocracy, elites, and objective and knowledgeable agents. California’s passion for democracy is noteworthy here too. Under progressive Governor Hiram Johnson in 1911, California embraced heightened democracy (including referenda, recall elections, and initiatives) as a counter to railroad monopoly, monopsony, and cronyism. Democracy increased with Proposition 13 in 1978. Since then, California has added winner-take-all primaries, super-delegates, open primaries, and allowing felons to vote.

¹¹ Brennan (2016) notes the importance of *informed* consent in the context of medical ethics (pp. 78–85); the good (but grossly inadequate) intentions of King Carl the Incompetent (pp. 144–47, 243); voting as a negative externality (don’t subsidize it; consider regulating and limiting it); and arbitrary age restrictions (why should an ignorant 18-year-old be allowed to vote when a knowledgeable 17-year-old cannot vote?).

Conclusion

James Scott (1999) argues that four conditions are required for an overweening state. First, is his original topic of study: “the administrative ordering of nature and society.” Modern technology and activist government put this in easy reach. Second, is “a high-modernist ideology”: confidence about progress through science, technology, and governance. This is consistent with progressive ideology, including its anti-populist bent and a comfort in using democracy to capture power. Third, is an authoritarian state willing to use the weight of government to enforce its preferred visions of life. The growth of government makes this increasingly likely—along with Scott’s fourth condition: a weakened civil society (family, religion, and civil organizations) is helpful for the state that wishes to implement its plans.

Democracy may be the best form of governance available to us, but it can easily yield suboptimal outcomes. That is especially true with a progressive ideology, a populism focused on restricting trade, good intentions captured by special interests, or idolatry toward the state. Democracy, to be socially viable, must be bounded by what F. A. Hayek (1960) called “a constitution of liberty.” Without limited government—with effective levels of federalism, an independent judiciary, and a constitution that promotes liberty—the mixed blessing of democracy can become a dog’s breakfast of inefficiency, corruption, incompetence, and injustice.

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