

12-7-2019

## Reply to “Democracy, Participation, and Information: Complementarity Between Political and Economic Institutions”

Christopher Wonnell

Follow this and additional works at: <https://digital.sandiego.edu/sdlr>



Part of the [Law Commons](#)

---

### Recommended Citation

Christopher Wonnell, *Reply to “Democracy, Participation, and Information: Complementarity Between Political and Economic Institutions”*, 56 SAN DIEGO L. REV. 961 (2019).

Available at: <https://digital.sandiego.edu/sdlr/vol56/iss4/7>

This Article is brought to you for free and open access by the Law School Journals at Digital USD. It has been accepted for inclusion in *San Diego Law Review* by an authorized editor of Digital USD. For more information, please contact [digital@sandiego.edu](mailto:digital@sandiego.edu).

# Reply to “Democracy, Participation, and Information: Complementarity Between Political and Economic Institutions”

CHRISTOPHER WONNELL\*

As I see it, Thomas Christiano’s Article on democracy and complementarity has two purposes.<sup>1</sup> One is to defend democracy against the charge that it cannot work because of the rational ignorance of the citizenry. The other is to propose a way of making democracy work better by changing the economic system in such a way as to give workers access to more of the information they need to become informed voters.

Let us start with the first half of the argument on the utility of democracy as a system of governance. The problem Christiano identifies is that democracy seems to call upon the masses to become well enough informed to make important policy decisions.<sup>2</sup> But, surveys show that the public is shockingly uninformed on the most basic matters of government.<sup>3</sup> Moreover,

---

\* © 2019 Christopher Wonnell. Professor of Law, University of San Diego School of Law.

1. See generally Thomas Christiano, *Democracy, Participation, and Information: Complementarity Between Political and Economic Institutions*, 56 SAN DIEGO L. REV. 935 (2019).

2. *Id.* at 938.

3. *The ANES Guide to Public Opinion and Electoral Behavior: General Interest in Public Affairs 1960–2008*, AM. NAT’L ELECTION STUD., <https://electionstudies.org/resources/anes-guide/top-tables/?id=84> [<https://perma.cc/JEJ6-MYJS>] (identifying that since 1960, most Americans claim to only be interested in public affairs “some of the time”); *The ANES Guide to Public Opinion and Electoral Behavior: Which Party Had Most Members of Congress Before the Election 1958–2016*, AM. NAT’L ELECTION STUD., <https://electionstudies.org/resources/anes-guide/top-tables/?id=19> [<https://perma.cc/BHS3-957P>] (displaying the inconsistency of Americans correctly identifying which party had the most

economic theory, as propounded by Anthony Downs and others, suggests that such ignorance is quite rational.<sup>4</sup> The chances that you will change the outcome of an election with your vote are minuscule, so the time you would spend on becoming an informed voter is not rationally calculated to change outcomes.

Now Christiano comes to the defense of democracy. He first observes that democratic governments usually produce pretty good outcomes.<sup>5</sup> Democracies do not let their people starve, they rarely go to war with each other, they do a decent job of fighting off pollution, their economies generally grow at a reasonable rate, and so on.<sup>6</sup> Moreover, outcomes are better for particular groups when they are allowed to vote than when they are not. Women have gotten a better shake in the economy since they received the vote. Blacks used the franchise to fight against lynching and segregation. Workers used their political power to promote progressive legislation, such as social insurance. Of course, democracy can at times seem like quite a carnival, but one looks around the world at right and left wing tyrannies, hereditary monarchies, failed or anarchic states, and theocracies, and one almost always comes back to Churchill's observation that democracy is the worst form of government except for the others.<sup>7</sup>

The question is how to reconcile this reasonably good performance with the theory of rational ignorance that would seem to predict far worse results. I believe that Christiano has asked the right question here, and I also believe that he offers the right answer. The problem is that he also offers a couple of wrong answers.

The answer I like is that people do not need to be good reasoners on matters of technique in order to be sensible voters or sensible decision makers, generally.<sup>8</sup> For example, people get by in the marketplace, without much knowledge of how to produce good products, by relying on proxies such as brand names and personal reputation that have proven successful in the past. Similarly, they get by in the political world by being able to tell when things are not going particularly well and, in such cases, by seeking to

---

members of Congress before the election between 1958 and 2016); *Americans Know Surprisingly Little About Their Government, Survey Finds*, ANNENBURG PUB. POL'Y CTR. U. PA. (Sept. 17, 2014), <https://www.annenbergpublicpolicycenter.org/americans-know-surprisingly-little-about-their-government-survey-finds/> [https://perma.cc/CS56-9YCT].

4. See, e.g., ANTHONY DOWNS, *AN ECONOMIC THEORY OF DEMOCRACY* 243–45, 253–57 (1957); DENNIS C. MUELLER, *PUBLIC CHOICE II* 348–69 (1989).

5. See Christiano, *supra* note 1, at 938.

6. *Id.* at 941.

7. 444 Parl Deb HC (5th ser.) (1947) col. 207 (UK) (“No one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of Government except all the others that have been tried from time to time . . .”).

8. See Christiano, *supra* note 1, at 953.

replace one set of elites with another. In our system, the political parties are important institutions that represent coalitions of elites who purport to have the expertise to produce good outcomes, and the public judges those institutions by their results in much the same way that consumers judge products.

Now it should be acknowledged what a seriously imperfect proxy for actual knowledge these institutions are. For example, there is ample reason to believe that the business cycle operates on its own dynamic, and upturns and downturns of the economy are not usually caused by the immediate policies of the party that happens to be in power at the time. The same can probably be said for many wars and other catastrophes. The party in power gets blamed for them but may just be unlucky in being in the wrong place at the wrong time. The public can vote a good party out of power or keep a bad party in power for too long as a result of these lags and coincidences. But in the long run, the tendency of bad policies to produce bad outcomes should become pretty evident to the public, and even if does not, that tendency is likely to become evident to the elites of both parties, who may very well sell themselves by their old policies while secretly implementing new ones in which they have more confidence.

And then there are the bad answers that Christiano offers on the question of why democracy produces better results than rational ignorance theory would predict.<sup>9</sup> One answer he proposes is that people are often altruistic in matters of politics, but it is not clear how this helps with the rational ignorance problem.<sup>10</sup> Like egoists, altruists should rationally understand that their chance of promoting an altruistic purpose by becoming well-informed voters on public policy matters is trivial. Altruists will be tempted to settle on the policy that, with the smallest investment in knowledge, seems most likely to promote their altruistic purpose. But we know by now that the policy that screams out the good will of the altruist often is not, indeed I would say usually is not, the policy that actually promotes the welfare of others, once subtle and indirect effects are considered. And, if anything, altruists seem less likely to learn from their mistakes than greedy people because greedy people really do want to embrace the policy that works, while altruists may have a psychological attachment to the policies they promoted in the past, being an important aspect of their favorable self-image.

---

9. *See id.* at 937–38.

10. *Id.* at 939.

The other answer that Christiano offers is that many people are, in fact, well informed, especially the wealthy and the educated.<sup>11</sup> So perhaps democracy works pretty well because these middle and upper classes are informed, and it could work even better from the perspective of power equality if the workers were as informed as the middle and upper classes are. This feeds into Christiano's proposals for reform. He argues that the well educated and well connected become politically informed, essentially for free, as an indirect result of their jobs and social connections and the tests they had to pass in school.<sup>12</sup> He wants something similar for the workers.<sup>13</sup> If they could participate in union affairs, they would pick up political wisdom as a side effect of their economic activities. And perhaps they could pick up even more political wisdom by more far-reaching economic reforms, such as worker representation on boards of directors or direct worker control of production.

I am not optimistic about any of this. To begin with, I do not believe that the educated classes provide a hopeful model about what to look forward to when entire classes of people start to fancy themselves as policy experts. I agree with William F. Buckley when he said that he would rather be governed by the first 2,000 names in the Boston phone directory than by the Harvard faculty.<sup>14</sup> The well educated can become articulate and persuasive without being wise, and the policies that academics have favored, from socialism to affirmative action quotas, have produced poor consequences without generating much contrition on the part of the academics who sponsored them. Academia can be the ultimate echo chamber and its members frighteningly susceptible to groupthink. In saying this, I am not denying that there are genuine experts in the academy, many of whom are indeed on the Harvard faculty. They are always our salvation. But, we are more likely to select out their expertise by the slow process of political parties looking for policies that work than by an entire class of people believing themselves possessed of the wisdom to govern others.

As for labor unions, we should learn from experience. They are sold as equalizing bargaining power between labor and capital. And they will in fact accomplish that goal, given a particular capital complex that is already in existence somehow. But the functions of capital, such as risk taking, patience, and entrepreneurship, tend to precede those of labor. Unions can raise wages without causing the plant to close, but it does not follow that the

---

11. *See id.* at 951.

12. *See id.* at 952.

13. *Id.* at 956.

14. Dan Wakefield, *William F. Buckley, Jr.: Portrait of a Complainer*, *ESQUIRE*, Jan. 1961, at 49, 50 ("I would rather be governed by the first 2,000 people in the telephone directory . . . than by the Harvard University faculty.").

investments that were made earlier in constructing the plant will therefore earn a competitive risk adjusted return. If they do not, future investments will be deterred, and the industrial base from which the workers are hoping to be employed will shrink. Moreover, if workers receive their political education from union activity, their first instinct will surely be to do even more to enhance the short-run powers of labor to extract superior wages and working conditions, even at the expense of long-run research and development and capital formation.

Of course, the workers will learn their mistakes over the long run, as we all do. I think it is ironic that democracy was often favored by its supporters, and feared by its opponents, because it would lead to socialist economies. And, indeed, it did so at first, until the consequences of socialism became more and more evident. But one by one, countries that democratically created socialist institutions have democratically turned away from them in considerable part.<sup>15</sup> That two-stage dynamic has occurred throughout the English-speaking world, in England, Canada, Australia, New Zealand, and—to a lesser extent—the United States, largely because the United States never went as far with socialism as other countries did.<sup>16</sup> The same two-stage dynamic has affected much of Europe, including almost all of Scandinavia, as well as countries as diverse as India and Israel.<sup>17</sup> Probably it is largely for that reason that so many academics have turned hostile to democracy. From my perspective, however, it is a feather in the cap of democracy that it has a long-run ability to shake off policies that sounded good but did not produce the results that were promised.

In any event, I believe that democracy has been a reasonable success not because any class of people, whether the wealthy, the educated, or the workers, has been particularly wise or altruistic, but because democracy builds in an accountability for results that helps steer a clumsy ship in a forward direction over the long run.

---

15. See, e.g., F.R. Scott, *Socialism in the Commonwealth*, 1 INT'L J. 22, 23, 29 (1946).

16. See *id.*

17. See Maria Dakolias, *Are We There Yet?: Measuring Success of Constitutional Reform*, 39 VAND. J. TRANSNAT'L L. 1117, 1205–06 (2006).

