Rescuing Democracy

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PART I

DIAGNOSING DYSFUNCTION
DEMOCRATIC DYSFUNCTION FROM FUNDAMENTAL STRUCTURE

This chapter offers the hypothesis that liberal democracies must fail to some degree because their basic institutions tend to generate dysfunction in three specific ways. The most significant of these ways is conjectured to be that ‘government by the people’ is neglected, indeed avoided, by the people. Although institutions play a crucial role in this, human nature also provides a strong drive. As deeply social animals, people have a biological urge to look for leaders. As they do this they tend to abdicate their democratic role of governing by expecting their leaders to do it for them. In the process, citizens look for charisma instead of thinking carefully about public policy. As Hitler and many other leaders have demonstrated, this can produce bad policy, and in difficult times it can destroy democracy, replacing it with repressive regimes.

This threefold prediction of dysfunction diagnoses the democratic failure sketched in Chapter 1. As it is deduced from the fundamental structure of democratic governments, it describes failure that causes more failure at higher (consequential) levels of government structure. This method of investigation may therefore discover sites for remedies of dysfunction that are systemic because corrections made at basic levels should permeate up causal chains through the whole system. If remedies are not feasible to implement at fundamental causal levels, consequential parts of the causal chain may be inspected for sites that are
more amenable to correction. If such interventions also seem impossible or too difficult, then any remedies must be direct alleviations of symptoms. The findings of this ‘forward mapping’ procedure (Head and Alford 2008) are compared later in this chapter with the findings of two backward mappings that start from symptoms of government failure and follow their apparent origins back through causal chains to try to find a feasible site for correction. Those backward mappings investigate the neglect of long-term issues in Australia and repetitive mismanagement of biodiversity conservation in the USA. In a backward mapping, the first causes that are identified are the least likely to be fundamental, so their correction is unlikely to produce systemic solutions. However, if backward mapping is pursued far enough, it may provide a check on whether the forward mapping of dysfunction is accurate and significant.

2.1 The function of democratic government

A search for dysfunction in the governments of liberal democracies must start with a clear idea of what the function of this type of government is. Primarily, it is to govern a state, the meaning of which is explored in the next paragraph. Further, as a government that is democratic, then by definition it has the people doing the governing. As a liberal democratic government, it must satisfy criteria such as the five specified by political scientist David Beetham (1992, 41–2). These are that it provides: (1) freedoms, such as those of expression, movement and association; (2) separation of powers between the executive, the legislature and the judiciary; (3) representative assembly (‘the most effective device for reconciling the requirements of popular control and political equality with the exigencies of time and the conditions of the modern territorial state’); (4) ‘limited’ function, in that the state does not restrict private goods unless this is necessary to provide for the public good; and (5) ‘that the only criterion for the public good is what the people, freely organized, will choose.’ Beetham’s definition of liberal democracy incorporates his notion that democracy has two basic ingredients,
popular control and political equality of citizens as they exert this control (see also Saward 1998, 9). As discussed later in §6.2, political scientist Robert Dahl has interpreted political equality as equality of the opportunity for control rather than as equality of exercised control. I follow Dahl (see Saward 1998, 17) in considering that equality of opportunity for control is required by justice, not because it is assumed that most citizens will wisely exert that control.

It was stated above that the primary function of a liberal democratic government is to ‘govern a state’. To clarify the meaning of ‘govern a state’ I use Mancur Olson’s (1965, 15) public choice view that the ‘fundamental function’ of a state is to provide public goods. Political theorist Michael Taylor (1987, 1) concurs with this, observing that the ‘most persuasive justification of the state is founded on the argument that, without it, people would not successfully cooperate in realizing their common interests and in particular would not provide themselves with certain public goods.’ This is not to suggest that states provide only public or collective goods. They often provide individual (private) goods like electric power, for example by selling such goods on the market as private firms do. However, if it is necessary for a state (i.e. a government) to do this it is because by doing so it is also providing a public good, such as preventing a market failure like monopoly exploitation, or alleviating an inability to raise the capital to develop a commercially viable production of a private good that would be useful to many citizens. It is therefore assumed that to ‘govern a state’ means to provide public goods and that this is the only reason why citizens need governments, which is consistent with Beetham’s (1992) fourth criterion of the ‘limited’ state. This view of government allows us to be specific about the objective of our inquiry. As implied at the beginning of this chapter, that objective is: To analyse failure in democratic government and then use that diagnosis to design a remedy for the failure. This can now be restated as: To analyse why liberal democratic governments underprovide public goods and then use that diagnosis to indicate what might be done to improve this provision. The judgement of whether a provision of pub-
lic goods is an ‘underprovision’ is to be made by the people, as specified by Beetham’s fifth criterion for a liberal democratic government, which is ‘that the only criterion for the public good is what the people, freely organized, will choose’. ‘Freely organised’ will be taken here to include the time, the facilities and the information that the people need if they are to make competent choices of public goods.

This outcome-based assessment of government failure or success requires the meaning of ‘the public good’ and ‘public goods’ to be clear. The defining characteristic of public goods is that they are freely available to all members of a ‘public’. The economist’s term for this is that they are goods or services that are ‘non-excludable’ in their consumption or use by the members of a public. Two examples of publics might be the citizens of a nation, and all of humanity. Public goods may or may not be ‘divisible’ (often termed ‘rival’), which is the property that their use by some diminishes the quantity available for use by others. If they are indivisible they are referred to as pure public goods. Public goods may be material things such as roads, street signs, lighthouses, bridges and clean air; and they may also be more or less intangible things such as national security, domestic security (including law enforcement and the system of property rights), the general level of trust between citizens, and opportunities for citizens such as those to earn income and to use public schools and national parks. A wide provision of the public good of opportunity is essential if a democracy is to be considered liberal, for this produces freedom and equality for its citizens. In contrast to public goods, private goods are excludable, which means their availability to all may be controlled by an individual or an entity, that is, the owner of the private good.

Some scholars doubt that the sole function of government is to provide public goods and therefore doubt that its effectiveness must be assessed by how well it does this. For example, political scientists John Gerring and Strom Thacker (2008, 168–170) are sceptical because (a) it seems difficult to determine which public goods are worth providing (and also in what quantity and quality); and (b) few public goods are enjoyed equally
by all members of a polity. Their first observation does not mean that democratic government must not be evaluated in terms of its provision of public goods, just that this is difficult to do. In a democracy it is citizens who must make that evaluation, and this poses problems of collective choice and action. Gerring and Thacker’s second problem does not appear relevant. Public goods are non-excludable, so their provision presents the opportunity for all to use them. If the people decide that such an opportunity is a public good that they want, then they must provide or maintain the public goods whose existence produces that opportunity.

Another approach to judging whether government fails or succeeds is taken by the Quality of Government Institute at the University of Gothenburg, which was established in 2004 by political scientists Sören Holmberg and Bo Rothstein (2012). After considering several criteria for defining quality of government they selected the impartiality of their institutions. However, this is only one aspect of the adequacy of governmental procedures and may not be enough to ensure the optimal provision of public goods. Other aspects such as public access to adequate information and effective, politically influential public deliberation are also essential for government performance in democracies, so the criterion of good outcomes (i.e. the optimal provision of public goods) is used here, rather than good process. Referring to optimal provision of public goods is direct and although it may be difficult (perhaps impossible) to measure, it can be applied in the diagnosis of dysfunction that follows, as may be seen in its summary in §2.5. The focus on outcomes also invites case studies of outcome failures as is done later in Chapters 3, 4 and 5, and these provide examples of the significance, interrelatedness, complexity and persistence of such failure. Details of this type help to identify the type of remedy that is required.

A crucial feature of issues about the provision, protection or elimination of public goods is that these issues usually involve private goods as well. For example, the provision of a national defence force, which is a pure public good, requires the taxing of each citizen, which is a reduction of their disposable income,
a private good. Another example is the river damming proposal discussed in Chapter 5 under the heading of ‘The scarcity multiplier’, where the protection of the public goods of beautiful scenery, a population of rare native animals and opportunities for river-based recreation compete with the provision of the private goods of water rights, hydro-electricity and the employment and income that these create. The fact that ‘one man's right to private property in the antebellum South was another man's slavery’ (McGann 2006, 105) is another example of this competition, in this case between slaves as private goods and the public good of freedom for all. This compound nature of most public goods issues means that a government making a choice on these issues is likely to be choosing between private and public goods. The production or protection of one type of good generally restricts the production or protection of the other. In this competition for existence, private goods usually have the advantage because demands for these are facilitated by the market, by self-interest and by the speed and decisiveness with which an individual or an entity can choose them. The challenge for democracies is to make their collective choices equally easy, quick and decisive, otherwise crucial public goods will be foregone for the production of private goods.

The competition between private and public goods has fundamental implications for democratic government. As the quality of this government depends on the quality of public opinion (not just as a theoretical ideal, but also, as we shall see later in this chapter, as an empirical finding) then it is absolutely crucial that public opinion develops without distortion by those who are far more interested in private goods than public ones. Accordingly, for good democratic government to be possible, it appears necessary to make it illegal for people or bodies with financial interests in a public issue to publicly comment on that issue — and also illegal for them to pay others to make such comments. Failure to pass such legislation has produced severe underprovision of public goods in such areas as damage to health from sales of tobacco and committed future damage to the climate and to at least a metre rise in sea level, due to past (and continuing) sales
of fossil fuel. The enactment of such law appears too difficult for current democracies and it may therefore become an urgent task for the new institution that is proposed here later, in Part 2.

For a democracy, the choice of public goods is a collective or *social* choice, a choice made by the members of the group. Social choice may be direct, via some form of aggregation of the choices of all eligible citizens, or indirect, through choices made by their representatives. To assess the adequacy of direct or indirect social choice by liberal democratic governments we must investigate primarily whether these governments are likely to (a) recognize those issues where there is a need for social choices to be made and (b) make good choices on these issues. To perform in these respects government must be able to make its social choices for its group prevail over any *individual* choices within the group for private goods that conflict with these social choices. From the perspective of a democratic group, individual choices within that group are those of individuals, or of entities such as corporations, or of other sub-groups within the group. It may be helpful to note here that ‘government’ does not include the market economy, as this system is not concerned with making social choices of public goods for a whole society. The market economy uses institutions that facilitate individual choice of private goods. On the other hand, government is the apparatus that makes and implements choices of public goods for the members of the group it governs. A corporation is an entity that is a group comprising employees, shareholders, managers and directors so it needs its own government (a board of directors and CEO) to make choices of ‘public goods’ for that group. Although these are choices of public goods for those within that group (the corporation), the same choices are choices of private goods for that group as far as the greater group (such as the state or nation) is concerned. Part of the social choice task of democratic national government is to decide whether to regulate the activities of entities within the nation such as individual citizens and corporations so that their individual choices of private goods contribute to, or do not unduly interfere with, the public goods that the government considers necessary for the nation. If
national governments have difficulty in doing this, then to that extent they are dysfunctional.

From this it may be seen that a term such as ‘capitalist democracy’ refers to two different systems with different purposes. The first is the market economy, a system for facilitating individual choice of private goods; and the second is government, a system for making social choices of public goods for a group such as a nation. Hybrid terms such as ‘capitalist democracy’ may therefore encourage different institutions and their functions to be confused with each other. The widespread occurrence of such confusion and the importance of minimizing it have been noted by Reich (2007, 224–25). As he concluded an argument that democratic government has been overwhelmed by capitalism he declared that for clarity of thought ‘the two spheres must be kept distinct.’ Democratic government must be clearly understood to be an organization run by the members of a group to provide public goods for those members. One very important public good for a nation is its market economy. This is ‘public’ because it is available for any citizen of that nation to use: It is a non-excludable good. Part of the job of democratic government is to make sure — if citizens want a market economy — that it exists and operates effectively.

The quite different functions of government and market mean that a failure to prevent public goods being excessively damaged by pursuits of private goods is a failure of government to control these pursuits: it is not a failure of the market. As eminent economists Paul Samuelson and William Nordhaus have observed: ‘Before we race off to our federal, state or local legislature, we should pause to recognize that there are government failures as well as market failures’ (cited in Shaw 2002, 6–7, their emphasis). An example of conflating these types of failure is the statement by economist Sir Nicholas Stern (2007, viii) that anthropogenic global warming is ‘the greatest market failure the world has ever seen.’ In saying this, Stern was using the conventional terminology of economics (e.g. Stiglitz 2012, 34), but it is suggested that as markets are neither structured nor intended to choose public goods, they should not be regarded as failing in
that case. Instead, it is government that must be regarded here as failing, as it is not protecting the climate (a public good) from the market’s pursuit of private goods. In this case, government fails primarily because there is no global government that might provide the global public good of a stable climate by controlling the global market that has a major role in the production of greenhouse gases. Perhaps this tendency to blame markets for deficiencies in public goods arises because it seems easier to correct markets than governments. This is especially the case for a global public good, as there is no global government to be corrected — and establishing one seems impossible. But viewing global warming as a market failure may be a crucial misdiagnosis, for it may divert us from focusing on two essential objectives: reforming national governments and creating a competent global one.

The different functions of market economies and governments may be further clarified by defining ‘economics’. The eminent economist Lionel Robbins (1935, 16, 24) defined economics as ‘the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses.’ This definition is still widely accepted and might be abbreviated to ‘economics is the study of choice’. As Robbins’ version covers ends and means that may be private or public goods, it views economics as encompassing both market economics and the part of political science that studies the effectiveness of government in choosing public goods. Much of that part of political science is undertaken by the research program known as ‘public choice’. Following Robbins, then, the political side of economics may be described as the part of political science that studies human behaviour in institutions (governments) that facilitate the choice of public goods as ends, where those goods must be produced from scarce means that may be private or public goods and which have alternative uses. Market economics differs from the political side of economics by studying human behaviour in institutions (markets) that facilitate the choice of private goods as ends, where those goods must be produced from scarce means that may be private or public goods and which have al-
ternative uses. This division of functions between governments and markets gives governments the responsibility of choosing whether public goods are eliminated, either by allowing them to be destroyed or by converting them into private goods by allocating private rights for their use. As economics is the study of choice it does not cover the part of political science that is concerned with power, which tends to be the focus of mainstream political science, as discussed in Chapter 1. The study of choice is very closely related to ethics, so it is not surprising that the father of modern economics, Adam Smith, was a professor of moral philosophy. We now look more closely at the function of democratic government, by inspecting its procedures for social choice.

2.1.1 Social choice by democratic government

Until the latter part of the 20th century most political scientists and economists considered that the quality of democratic government depended on its ability to combine the preference orderings of the members of the governed group in a way that was fair to all members. The preference ordering of a member is the order of her choices among available public goods: a first preference for one public good, a second preference for another and so on. A procedure for combining the individual choice orderings of all members to produce a social ordering for their group is called a social welfare function. In 1951, Kenneth Arrow, who was subsequently awarded a Nobel Prize in economics, produced his famous (or for some, notorious) logical proof that no single social welfare function can perform this translation in a way that satisfied four rather mild and apparently indisputable democratic requirements. This theorem caused many scholars to conclude ‘that democracy is meaningless or that it can only be defended in the most minimalist terms, in that it merely ensures that governments can sometimes be removed (as argued most notably in Riker 1982)’ (McGann 2006, 9). There have been many subsequent attempts to investigate Arrow’s gloomy conclusion, and these resulted in similar ‘impossibility theorems’. Then Nobel laureate economist Amartya Sen (1999) demon-
democratic dysfunction from fundamental structure

strated that Arrow’s ‘impossibility theorem’ is of limited signifi-
cance because social welfare functions oversimplify democratic
social choice by ignoring interpersonal comparisons of utility.
If the various strengths of each individual’s wants for different
goods can be accounted for in the aggregation of individual
wants into wants for the whole society, then Arrow’s and other
similar results are avoided.

More recently, political scientist Anthony McGann (2006, 9)
has produced another argument that social welfare functions
oversimplify social choice. He points out that these functions,
by definition, must produce transitive results, which means that
Arrow, in requiring that a social welfare function makes a so-
cial choice, had stipulated five rather than four conditions for
this procedure. Transitivity is the property that if an individual
prefers (or is indifferent to) A over B, and also prefers (or is in-
different to) B over C, then she must prefer (or be indifferent
to) A over C. Intransitivity means that ‘cycling’ of preferences
occurs, such as that A is preferred to B, B is preferred to C, C
is preferred to A and there is no single choice. McGann argues
that the requirement of transitivity for social choice by Arrow’s
impossibility theorem is an unrealistic, indeed an undemocratic
requirement. While cycling may be nonsensical for an indi-
vidual, it is quite rational for a society: ‘social reason is inher-
ently different from individual rationality. A socially reasonable
outcome is one that balances a plurality of different claims, not
one that maximizes a single criterion’ (McGann 2006, 122). The
social need to balance a plurality of claims may be pursued by
citizens forming many different coalitions, each working for one
claim or a parcel of these. In this situation a group that gathers
around a coalition of groups to win on one issue may later be
defeated by a new coalition forming around another issue. This
means that a minority group may not always be beaten, for it
may be able to construct a majority coalition to win on some of
its concerns. This will tend to preserve democracy, for minori-
ties will be motivated to persist with this form of government by
seeking new coalitions instead of trying to overthrow democ-
racy by taking up arms. In addition, majorities will consider the
needs of minorities, for part of the majority coalition may need their cooperation to form future coalitions in voting on other issues. This process of forming and reforming different coalitions also promotes the deliberation of issues, which facilitates the development of the views of citizens and representatives and also helps to develop the menu of political choices on which they vote. Intransitivity in social choice thus enables public goods to be more effectively distinguished from private goods and more clearly compared with private goods and other public goods that compete for the same resources. Far from being a problem for democratic government, intransitivity makes democracy possible and helps it work.

The problem of distinguishing public from private goods and vice versa is a real one. In some cases, citizens may have a great deal of difficulty in doing this and much disputation may occur before a widespread appreciation emerges that what was widely considered to be a private good or a bundle of these actually includes important public goods. Slavery provides a dramatic illustration. In Britain and America this issue generated much confusion, argument and strife for almost two centuries before a widespread appreciation developed that slaves as well as (other) citizens should all have the same liberties. In effect, over many generations citizens slowly recognised that these freedoms were public goods of such importance that the competing private good of slave ownership must be obliterated. The idea of human equality as a public good has now been extended widely but not completely in democratic societies, in terms of race, sexual orientation, gender, religion and broad degrees of personal wealth. As a general rule, the provision of the public good of equality requires the restriction of the private good of being able to discriminate against others.

If public opinion about a particular public good becomes significant in a democracy, citizens or their representatives may need to decide the issue with a vote, either by referendum or by representatives voting in the legislature. Any such vote requires a menu of the most important choices involving the good that is at stake. Eminent political scientist Elmer Schattschneider
(1960) has emphasized that politics is primarily conflict, not choice, and that a central objective of the battle is to define the alternatives for choice, for whoever succeeds in this has the advantage. Political scientist Albert Weale (1992) recognizes this by rejecting the use of social welfare functions and emphasizing the need for the battle to be civilized into a contest of ideas via public debate and deliberation, which then culminates in a vote. This view is consistent with McGann’s argument that social welfare functions are irrelevant for the social choice of public goods because they produce social welfare orderings that are, by definition, transitive. As Weale expresses it, effective social choice should be seen not as a process of preference aggregation, in which there is a mapping from a set of individual orderings to a social ordering, but as a process of dialogue in which reasons are exchanged between participants in a process that is perceived to be a joint search for consensus... [This procedure would work] not with fixed preferences to be amalgamated, but with preferences that were altered or modified as competing reasons were advanced in the course of discussion... There are other values that we expect political institutions to satisfy apart from efficient preference amalgamation; for example, procedural fairness, lack of corruption and tolerable problem-solving capacity. (Weale 1992, 215, 227)

It seems clear, then, that mathematical procedures such as that employed by Arrow ‘should help to design voting systems to elect politicians, rather than to choose policies’ (Stretton and Orchard 1994, 61). McGann (2006) argues that the seat allocation rule (the voting system for electing politicians) should produce proportional representation and the social decision rule (for choosing policies) should be simple majority vote. These twin approaches are seen as necessary in three ways: for equality among citizens, for deliberated choice of policies and for the protection of minorities. McGann specifies that, ideally, the simple majority vote excludes all devices that produce some degree of supermajoritarianism, examples of which are federal-
ism, bicameralism, presidentialism, judicial review, referenda, the filibuster and voting rules that require a supermajority to pass a motion.

With these requirements for social choice in mind, the consequences of five fundamental features of liberal democracies are now inspected, to see whether they inhibit or promote effective social choice of public goods. These features are common to all representative democracies and are as follows: (1) the regular holding of elections; (2) high frequency (on the timescale of the human life-span) of these elections; (3) eligibility of incumbents for re-election; (4) universal franchise; and (5) equality of the vote. In liberal democracies, these elements of electoral structure function within a recognition that citizens are fundamentally free and equal. This includes: equality before the law; protection of minorities; the right to private property and privacy; and freedom — of speech, of assembly, of the media and of the formation and operation of independent political parties.

In the next three sections of this chapter (§2.2, §2.3 and §2.4) it is argued that these five elements of electoral structure tend to create dysfunction in liberal democratic government, debilitating it with confusion, conflict and ignorance. The confusion arises because the first three of these five elements (elections, their frequency and the eligibility of incumbents) produce doubt about whether government is directed by politicians or citizens. This means that neither party has unambiguous incentive to fully shoulder the responsibility of choosing public goods, an effect that is here called ambiguous delegation. The same three elements of electoral structure also produce severe conflict in the form of pervasive, sometimes intense competition between politicians for votes, which further cripples the provision of public goods by distracting politicians from that task. The last two of the five elements of electoral structure (universal franchise and equal votes) compel politicians to make social choices of some ignorance, as they often must follow a constituency by compromising the informed opinions within that group with its narrow and ill-informed opinions. This analysis of dysfunction arising from the fundamental structure of liberal democratic govern-
ment may not seem to offer anything new in that it reviews the well-known problem of the ‘electoral cycle’ or the ‘dynamics of the electoral contest’. However, its focus on three effects of this cycle—confusion, conflict and compromise—together with its emphasis on confusion, may be a significant innovation.

2.2 Ambiguous delegation

It is proposed that democracies are significantly confused about who chooses public goods because of ambiguity in their system of delegating authority and responsibility. Such ambiguity is a fundamental problem for any group, because uncertainty about who is delegated to choose its public goods will allow many of these to be neglected and perhaps other such goods to be over-provided.

It might be thought that democracies devote plenty of attention to delegating the authority and responsibility for choosing public goods as they hold elections in which the people delegate leadership to representatives and presidents, who then further delegate leadership by appointing prime ministers, ministers and heads of agencies. Agency heads further delegate to their subordinates and so on. However, the first link in these chains of delegation is ambiguous. When voters elect politicians, they tend to assume those they elect will give them leadership, but this is not wholly the case, because the voters themselves provide much of the leadership by choosing to follow those politicians. Nobel laureate economist George Akerlof (Haslam et al. 2011, xiv) describes this effect in his foreword to The New Psychology of Leadership:

Leadership has been perhaps one of the most written about subjects in all of history … But … there is something missing in the previous works … Leadership is … only partially about individual personality traits (the elementary psychology approach …). Leadership is also only partially about setting the right incentives (the elementary economics approach …) … It is not just about what leaders say and do; it is about what they say and do in the context of their follow-
ers’ willingness to identify as a we, who accordingly accept or reject what the leader wants them to do.

The followers’ collective self-identification ‘as a we’ is their social identity and what they see this as being directs them in a more fundamental way than a leader can. So, to the extent that voting in elections encourages the people to think they are delegating leadership for their group, they are largely mistaken. After the people vote, they essentially remain in charge because their social identity has not only determined the type of leaders they have elected, but it also determines whether they will ‘accept or reject what the leader wants them to do’. Their ultimate expression of acceptance or rejection will usually be at the next election and, until then, the mere prospect of this expression does much to control the leaders, whether they are members of the legislature, prime ministers or presidents.

Of course a leader may try to expand her influence by interpreting the social identity of her followers, but it is they who have the last word by accepting or rejecting the interpretation. Leadership, therefore, is produced by both leader and followers. For the leader’s part, it is about getting people ‘to want to do things … [It] is about shaping beliefs, desires and priorities. It is about achieving influence, not securing compliance. Leadership therefore needs to be distinguished from such things as management, decision-making and authority’ (Haslam et al. 2011, xix, emphasis in original). For the followers’ part, they only accept as a leader one of their group who embodies its social identity. This prototypicality of the group

gives leaders authority to interpret the nature of social identity and its application to specific circumstances. Someone who encapsulates the group position should be in a position to tell us what being a group member means — but only up to a point. This means that even the most prototypical leaders cannot go against clear, consensual, and long-standing group norms without throwing their prototypicality into question and sending their leadership into decline.
Leaders can be ahead of the group, but never so far ahead that they are out there on their own. (Haslam et al. 2011, 106)

In this sense it is followers who secure compliance, not leaders. But when followers choose leaders in elections, two types of confusion are produced if those elections are frequent relative to the human life-span and if they allow incumbents to be re-elected. One confusion is about whether any, or how much, responsibility and authority has been delegated from citizens to those they elect, and the other is about its specific area, that is, the ambit or type of responsibility and authority that citizens have delegated. The first confusion, about how much is delegated, arises because voters tend to assume that by electing someone they have selected a leader who will exercise the responsibility and authority of choosing public goods for their group. However, as we have seen, leaders cannot provide leadership on their own: it is ‘a relationship between leaders and followers within a social group’ (Haslam et al. 2011, 45, 73, emphasis in original). What the delegation (the election) does, therefore, is merely establish this relationship by identifying who leads and who chooses to follow. The nature of that leadership then emerges as leader and followers relate to each other. However, if the followers do not realise that their role in leadership is pivotal or are not in a position to do much about this, then they will fail to contribute to that relationship and it is likely to be dysfunctional.

While elections indicate to citizens that their vote delegates responsibility and authority to those they elect, the prospect of the next election indicates to elected politicians that citizens have actually retained much or all of this responsibility and authority. As this is not clearly and urgently obvious to citizens, who in any case individually lack the incentives and tools to do much about it, they fail to contribute effectively to their leadership.

The second confusion from ambiguity of delegation — vagueness about the type of responsibility and authority that is intended to be delegated — is also important because, for the leadership relationship to work well in choosing and executing an
optimal provision of public goods, each party (the citizens or ‘principals’ and their ‘agents’, the elected politicians) must know (or have incentives to behave as if they know) what type of these goods they should specialize in choosing. This will help these parties make an effective division of labour, so that one does not repeat choices that the other makes, that they address all of the essential choices and that they make these in the right sequence, such that, for example, the choices of each party support or do not obstruct the other.

As noted above, what appears to be accomplished by elections is that while citizens think they delegate much responsibility and authority, they actually delegate much less, for their attitudes and values have a pervasive influence on public policy. As discussed below in §2.2.2, this influence affects policy whether it is short term (which will be referred to here as ‘operational’ policy and covers something like the next few months or years — such as annual budgets as discussed in §6.5.2.3) or medium term (‘tactical’ policy, encompassing perhaps three to twenty years into the future) or long term (‘strategic’ policy, which addresses the future beyond tactical policy). As well as varying in their range across time, these categories of policy also tend to have similar ranges across space (geography) and across other issues, so that strategic policy tends to affect a wide area and many other issues, while operational policy tends to be local and affect few other issues. It is the influence of citizens on tactical and especially strategic policy that often creates the big problems, for while they might think effectively about the public goods they currently need, they are much less likely to consider carefully those they and their descendents need for the longer term. Not only are these needs less obvious because they are away in the future but choosing them is often more difficult, not least because their provision may constrain current operational and tactical policy and incur immediate costs without quick benefits.

Not only does current strategic policy impact on current operational and tactical policy, but its future results may constrain the options for operational, tactical and strategic policies at that
future time. Strategic policy-making is therefore not only long
term, but fundamental to much other policy. A potentially ma-
jor aspect of strategic policy is its capacity to induce paradigm
change, the overturning of pervasive conventional assumptions.
Examples of issues that appear to require paradigm change are
given later, such as problems of population size (§4.2.1), global
warming (§4.2.2), unemployment (§4.2.3) and excessive growth
(Chapter 5). Another facet of strategic policy is that it covers
issues of national constitutions and conventions, such as those
that determine the institutions of government, including wheth-
er government will be representative rather than direct and if so,
how the representatives will be selected.

Although citizens generally do not have the time, interest,
knowledge and facilities to do much long-term fundamental
thinking, they unwittingly produce much of this strategic ‘poli-
cy’ because their persistent demands for short-term private and
public goods constrain options for the longer term. The result is
major policy failure such as the examples discussed later in this
chapter and also in Chapters 3 (in §3.2), 4 and 5. In line with this
view, environmental scientist James Gustave Speth (2012, 87–
88) has identified ‘strategic deficit disorder’ as the major failure
democratic governments. So, if democracies are to sustain an
optimal provision of private and public goods, their division of
labour must be clear: Both citizens and those they elect must
know who chooses public goods for the short to medium term
and who chooses those for the long term.

In their book *Intelligent Governance for the 21st Century*, phi-
lanthropist Nicolas Berggruen and press entrepreneur Nathan
Gardels (2013, 124–5) draw attention to the problem of demo-
cratic division of labour, referring to it as ‘scaling governance’
and ‘decision-division’. They acknowledge the need to divide
decision-making in both spatial and temporal dimensions and
they endorse the principle of ‘subsidiarity’, in which responsibil-
ities are only taken up at a higher level if they cannot be fulfilled
at a lower one. In spatial terms, subsidiarity means that local
problems are best managed only by the communities they af-
flect, while regional, national and global problems must be han-
dled by people with responsibility and expertise at those scales. This spatial division of labour often coincides with the necessary temporal division, so that effects likely to occur far off in the future must be anticipated and taken into account primarily by those who develop policy at large spatial scales. However, in democracies it is essential that these political agents work with citizens to ensure popular support for long-term and spatially expansive policy. As it is often the case that what a government does now determines what it can do later, temporal policy is arguably more fundamental than spatial policy. Strategic policy is therefore a central concern in the following discussions of ambiguous delegation and decision-division.

The first effect of ambiguous delegation, confusion about whether any or how much responsibility and authority has been delegated, has long been recognized by debates about whether a political representative is, or should be, a delegate or a trustee. Political ‘trustees’ are given autonomy to deliberate about what constitutes the common good and to choose whether and how it is to be provided. ‘Delegates’ are not granted autonomy; they must reflect the wishes of their constituents. The oft-quoted case of choosing between these roles was the speech to the electors of Bristol by Irish statesman and liberal conservative Edmund Burke (1774), in which he advocated trusteeship. ‘Parliament … is a deliberative assembly of one nation, with one interest, that of the whole… You choose a member indeed; but when you have chosen him, he is not a member of Bristol, but he is a member of parliament’ (emphasis in original). Unsurprisingly, Burke lost the next election.

The eminent political theorist Iris Marion Young has argued that representatives must combine both delegation and trusteeship, and that this requires sustained, effective communication between citizens and representatives.

The representative’s responsibility is not simply to express a mandate, but to participate in discussion and debate with other representatives, listen to their questions, appeals, stories, and arguments, and with them try to arrive at wise and just decisions … The respon-
sibility of the representative is not simply to tell citizens how she has enacted a mandate they authorized or served their interests, but as much to persuade them of the rightness of her judgement… Strong communicative democracy, however, also requires some processes and procedures where constituents call representatives to account over and above reauthorizing them [by means of re-election]. (Young 2000, 131–32)

Young’s recommendation that good representation comprises both delegation and trusteeship conforms to the view of social psychologists Alexander Haslam, Stephen Reicher and Michael Platow (2011) that effective leadership requires followers and leaders to work together, with followers making choices for the leader (acting as a delegate) and the leader (acting as a trustee) making choices for followers. If such ‘strong communicative democracy’ is not achieved then citizens and their political agents may fail to recognize and appreciate important public goods. We now take a closer look at the obstacles to this communication that are raised by ambiguity in delegation.

2.2.1 Obstructions to communicative democracy

As noted in §2.1, the work of liberal democratic government is basically to recognize public goods that are—or may become—important and to make good social choices of them. In addition to making these choices, those governments must also execute them. The social choice part of democratic government is performed by elected representatives rather than by citizens because citizens do not have the resources for this and are far too busy with their own occupations. As Young points out, strong communication between citizens and representatives would help representatives recognize and choose the public goods that citizens would want if they were able to give them full consideration. However, ambiguous delegation interferes with this communication by placing representatives in a position where their primary incentive is not to attend to social choice, but to get elected or re-elected. As observed above, the delegation is ambiguous because it is done with frequent elections in which
incumbents may run for re-election. The fact that elections are frequent (relative to the span of a human life) is a significant cause of ambiguity because an incumbent’s performance in the last few years of a term of office is likely to be increasingly influenced by the state of public opinion that he or she anticipates for the looming election. This influence will cover more of the incumbent’s term if it is short. But if incumbency is limited to one term only and if representatives are elected for terms of, say, twenty to thirty years instead of two to six years, their responsibility to act as trustees and their freedom to fully attend to the social choice task of government would be clear. This would, of course, virtually eliminate their accountability to the electorate, but as discussed below in §2.2.5, the accountability provided by the current electoral system is defective, so this is not quite the problem it may seem to be.

At this point, a sketch of the representative process may help illustrate the blocking of communicative democracy by ambiguous delegation. To the extent that electors consider that they elect trustees, they transfer to politicians the responsibility and authority to execute the social choice task of government. In this mode, electors may not think much about these choices, as they are leaving them to their representatives. If their representatives act accordingly, as trustees, and think seriously about issues, they are likely to develop views that are more sagacious than those of most electors, who will then not appreciate the utterances and actions of their representatives. Such incomprehension by voters would tend to make them hostile to trustees, who would then lose votes at the next election. Representatives will therefore allocate a lower priority to trusteeship than to the task of performing as delegates for electors. As delegates they are concerned to show that they are carrying out the wishes of electors and will be reluctant to point out that this means they, the representatives, are not fully focused on social choice. This lack of openness will be encouraged by representatives’ awareness that they do actually attend to some of that choice, as it will be some of what citizens want them to do as delegates. In addition to this element of deception by representatives, they will also
be reluctant to ask citizens to think more carefully about public policy when the people have largely given this task to them, as trustees. Another way of describing this deceptive behaviour is that citizens elect representatives to provide leadership, but as citizens expect this to come from their representatives they neglect their own role in that relationship (as discussed above in §2.2), making it dysfunctional. However, in order to get re-elected, representatives must pretend that their leadership is in excellent shape and doing a great job of providing public goods.

It might be expected that deficiencies in public policy generated by ambiguous delegation would be corrected by the expert knowledge and professional behaviour of public servants. But bureaucrats have limited freedom to act. When upper echelon bureaucrats are appointed by politicians, the bureaucracy will only offer advice that politicians can implement to enhance (or at the very least, to not endanger) their prospects for re-election. Public choice economist Bryan Caplan describes the situation as follows.

In complex modern political systems, leaders can only make a handful of big decisions. The rest must be left in subordinates’ hands. High level subordinates face the same dilemma, pushing concrete decisions further down the bureaucratic food chain. This fosters the sense that elected leaders are not in charge. The real power, supposedly, is the ‘faceless bureaucracy.’

The economics of principal-agent relations cuts against this inversion. When a principal delegates a task to a subordinate, his tacit instruction is, ‘Do what I myself would have done if I had the time,’ not, ‘Do as you please.’ The former does not have to evolve into the latter. Common sense tells a principal to occasionally audit his subordinates to see how well they mimic the decisions he would have made himself.

It makes little difference if there is one principal and one agent, or one principal at the top of a tall bureaucratic pyramid. The preferences of the apex trickle down to the base …

In a deep sense, the leader of an organization is responsible for everything his organization does … Those who have been a cog in
the political machine frequently relay a different impression, but their objections are fairly superficial. The fact that you have some latitude over the cosmetics of a delegated decision hardly shows that you — not your nominal superior — control its substance. (2008, 172–73, emphasis in original)

Bureaucrats are therefore unable to influence very significant areas of policy, and major policy flaws generated by the ambiguity of delegation are likely to remain uncorrected.

Because ambiguous delegation produces not only some incompetence in democratic public policy, but also a lack of candour and even direct deception by many politicians, electoral politics arouses the distrust of electors. In other words, it appears that the ambiguity of delegation creates what political scientist Paul Whiteley (2004, 7) calls the ‘paradox of trust’. As he describes it, this is the flouting of the classical Greek ‘elected principle’ that citizens will trust representatives they can throw out more than those they cannot. According to this principle, citizens should trust people who are elected and the institutions they run, more than those that are not based on elections. However, surveys in Britain have shown the opposite to be true, with low public trust in politicians and only modest trust in government and the House of Commons, compared with high trust in the courts and the public service (Whiteley 2004, 7). The same result is shown by surveys in Sweden, where institutions whose leaders are elected, such as political parties, unions, the European Union Parliament, the Swedish Parliament and city councils, generate less confidence than those in which citizens do not elect leaders, such as the public health care system, universities, the courts, the police, the Central Bank and the Royal Family (Rothstein 2011, 84). However, if one recognizes that delegation by means of fairly frequent elections is somewhat ambiguous, then there is no ‘paradox’ of trust at all, for the ambiguity should make those who delegate suspicious of those they delegate to.

The effect of ambiguous delegation might be summarized as being to hobble democratic government with a failure of leadership in which leader and followers do not relate effectively be-
cause followers neglect to make crucial contributions to their leadership while the leaders have an incentive to pretend that it is working well. To rectify this, followers must contribute, first by deliberating their choices of public goods and then by influencing their representatives with those well-considered choices. As indicated in the preceding section with its discussion of operational/tactical/strategic policy and also in this section by Caplan’s views on delegation, the essential role for citizens — especially in view of their limited time for this — is to focus on strategic policy. If such participation could be institutionalized, it should place citizens very ostensibly in the role of directing their democracy, and that would oblige them to do it carefully.

The conventional terms for political influence by citizens are ‘popular control’, ‘popular rule’ and ‘popular sovereignty’, but ‘directing’ and ‘directorship’ will be used here, to indicate that citizens must determine strategic or fundamental policy. As discussed below in §2.2.3 and §2.2.4, citizens do provide much of this direction, but as their awareness of this is very limited, their guidance lacks thought. Directorship is not the same as leadership because, as noted above, leadership is the relationship between leader and followers and does not include management, decision-making and authority. These other functions are those of directors and as democracy is ‘government by the people’, it is they who must direct government. As a democratic state has thousands or millions of such directors there is an obvious need for facilitators to coordinate their work. These facilitators might be the elected politicians, but if the people regard them as their leaders rather than as their facilitators, then they will follow rather than direct. A democratic state therefore requires that the people curb their need for leaders so that they can clearly see themselves as its directors. Such a replacement of the focus on ‘leadership’ with an emphasis on ‘directorship’ may help clear the fog observed by communication theorist John Gastil (1994), as he wrote that ‘conceptual ambiguity and operational inconsistency has clouded the findings of the last four decades of research on democratic and autocratic leadership.’ Political scientist Marjan Brezovsek (2009, 641) describes this fog as follows.
Despite the modern flood of literature on leadership generally, the specific problem of democratic leadership seldom appears. We argue that this strange silence is in fact symptomatic of the ambiguous place leadership occupies in a democracy, being both essential to democratic government yet finding no secure justification within a theory resting on the concept of popular sovereignty. The present scholarship on democratic leadership is deficient precisely because it is unwilling to contemplate the possibility that the tension between leadership and popular sovereignty is incapable of resolution. We claim that this is not a political problem to be overcome, but rather a theoretically invaluable starting point for understanding both the unique authority of democratic leaders and the perennial challenges they face…

A few years after Brezovsek, political scientists John Kane and Haig Patapan (2012, 170) also noticed ‘this strange silence’ on democratic leadership and came to the same conclusion: It is ‘not a political problem to be overcome’. In their words,

leadership is absolutely necessary and yet in permanent tension with the democratic principle of popular sovereignty…In compelling leaders perpetually to negotiate the problem of leadership legitimacy, democracies constantly reaffirm the sovereignty of the people even while enjoying the benefits of leadership.

So it is suggested here that democracies should ‘constantly reaffirm the sovereignty of the people’, by having them act as a board of directors that chooses strategic public policy. If the people perform this role with full awareness that they are doing this, then they may be able to transform their sovereignty into an intelligent directorship that, over time, develops into a broad management of all public policy, from strategic through tactical to operational.

To summarize this introduction to ambiguous delegation, we might begin by recognizing that democratic leadership is a relationship in which it is fundamentally the followers who make the social choices. It is they who direct government. If these fol-
lower do not clearly see this and thus do not think and act as directors, some—or many—public goods will be neglected. As confusion in a democracy about who directs it is crucial, ambiguous delegation is now surveyed in more detail, in the following six stages.

- Although politicians are popularly regarded as the policy makers, research indicates that citizens are the basic directors of policy in liberal democracies.
- Research also indicates that citizens are generally ignorant of many issues concerning public goods. It is argued that this is partly because ambiguous delegation allows citizens to be unconscious of their role as directors and thereby feel free to focus on private goods and ignore important public goods. Six specific motivations for this bias are proposed.
- The unconsciousness of citizens’ directorship allows them to strengthen that unconsciousness by seeing others as directors. Five motivators of this perception are suggested.
- Democratic accountability and legitimacy are flawed by the ambiguity of delegation.
- Supermajoritarianism is a type of ambiguous delegation in politics, albeit less fundamental than the type being considered here.
- An objection to ambiguous delegation being considered a major problem is described—and assessed as misleading.

2.2.2 Citizens as directors
Although the ambiguity of electoral delegation means that neither citizens nor politicians perceive a clear responsibility to direct government policy, many observers of US democracy conclude, in effect, that citizens are the directors. As political scientist James Druckman (2006, 405) observes, a ‘defining feature of democracy is government responsiveness to citizens’ preferences’. Michael Xenos (2005, 164), who studies political communication, observes that politicians ‘and candidates are remarkably responsive to public sentiment… [because citizens who are] politically uninformed and apathetic… nonetheless
occasionally engage in the active disciplining of representatives through electoral rewards and punishments. Sociologist Paul Burstein (2003, 29) states that ‘public opinion influences policy most of the time, often strongly. Responsiveness appears to increase with salience, and public opinion matters even in the face of activities by interest organizations, political parties, and political and economic elites.’ Druckman (2006, 406, 408) notes that presidents will make appeals for policies when the public already supports the president’s position … particularly on domestic issues … the bottom line is that public opinion affects the direction of policy … the president does not manipulate public preferences by going public; rather he highlights certain issues, making them salient, and as a result, public opinion subsequently has an impact on these issues (because Congress follows this opinion on these issues).

Political scientist James Stimson has analysed the political influence of citizens in *Tides of Consent: How Public Opinion Shapes American Politics*. His assessment is summarized by political scientist Mark D. Brewer (2005, 632):

*The bottom line of this book is that public opinion, specifically, public opinion change, is the most important factor in American politics. Political conflicts and strategies are dictated in good measure by its shapes and contours. Political elites (at least astute ones) are attentive of it and responsive to it. Policy formation is dependent on it, and policy outputs are ultimately reflective of it. In short, Stimson argues that public opinion drives American politics, and that political change is the result of shifts in public opinion.*

For Stimson, not all opinion change is the same. Sometimes, opinion change is fast and responsive, such as the spikes in presidential approval immediately after a national crisis or the fluctuations in presidential horserace polls during election campaigns. Other change is so slow as to be almost glacial or tidal in pace (hence, the ‘tides’ of the title) and occurs in such small increments that it is almost always overlooked as it is occurring. In other in-
stances, opinion change falls somewhere between these two types. Each type is important here.

Legal scholar Ilya Somin (2000, 147, 153) notes that although some researchers find that public opinion is followed much less slavishly than others report, ‘the case studies they themselves rely on show that public opinion constrains policy makers more than they claim.’ He concludes that ‘flouting centrist public opinion poses severe risks for politicians … [raising] the danger that close adherence to ill-informed public opinion might lead to disastrous, internally contradictory policies.’ Political scientist Derek Bok (2001, 359) has stressed the sensitivity of US politicians to voters’ opinions, with government involving ‘minute measurement of public appetites.’

Somewhat counter-intuitively, evidence of directorship by the people appears to be provided by this account from political scientist Graham Smith (2009 17, 18, emphasis in original).

Evidence from consultation exercises suggests that the deep scepticism expressed by citizens about their capacity to affect the decision-making process is often justified… Janet Newman and her colleagues argue there is often an orientation towards ‘enabling the public to operate within the norms set by the bureaucracy… a process of possible incorporation of the lay public into official institutions’… While public policy may praise the virtues of participation (and may even make it a statutory requirement), evidence suggests that organisational and professional resistance to participation is often an obstacle for successful engagement… It is not unusual to find the belief amongst agency officials that citizen involvement is not suitable for strategic level decisions.

If directorship by the people is taking place largely unconsciously through the electoral process, as would be expected from ambiguous delegation (see §2.2.4 below), then when public authorities ask for input from citizens on specific projects or policy areas, these authorities will be constrained by the broad directorship of the mass public to ignore any contrary recom-
recommendations from such consultations. This is because that input lacks political power because it comes from a small subsection of the mass public and/or because the subject of the consultation is relatively specific policy that is subservient to broader policy controlled by the directorship of the mass public. What agency officials and politicians like to think of as their strategic or fundamental policy may in fact be tactical or operational, for much of the policy that is really strategic may be invisible to them as it is predetermined by the prevailing attitudes, values and assumptions of most citizens. If politicians are to be elected, they must embrace these mind-sets, either unconsciously or with conscious agreement or in Machiavellian conformity with the rule of the political game that says voters will not allow their major mind-sets to be overruled.

So it is concluded here that public policy in democracies is basically directed by citizens. This is, of course, what elections and their frequency are intended to achieve. Politicians usually follow this directorship by making decisions (often presented as leadership) that carefully avoid clashing with the values and strongly held opinions of the majority of the public. Fukuyama (2014, 519) provides a military analogy for this: ‘The autonomous platoon leader … does not weigh in on grand strategy; that’s the appropriate function of generals. In a democracy, the people are ultimately the generals.’ Political scientists Bruce Bueno de Mesquita and Alastair Smith (2012, 281) concur: ‘Democratic leaders listen to their voters because that is how they and their political party get to keep their jobs.’

2.2.3 Ignorant directors
Directorship by citizens is perversely strengthened by their well-documented reluctance to discuss and deliberate policy with each other (Hibbing and Theiss-Morse 2002). Because most citizens pay limited attention to public policy it is very difficult for politicians to lead by attempting to develop or change the political views of citizens. The people are thereby left firmly in charge, because, as we have seen, politicians are responsive to their opinions. Political scientist Stephen Bennett (2006,
120) has described this general disinterest in policy in emphatic terms: ‘Low levels of political information among the mass public have been observed again and again.’ The editor of Critical Review, Jeffrey Friedman (cited in Bennett 2006, 120), describes this as ‘one of the strongest findings that have been produced by any social science — possibly the strongest.’ In 1964, political scientist Philip E. Converse made the first attempt to statistically describe the competence of citizens to offer sensible advice on affairs of state with his paper ‘The Nature of Belief Systems in Mass Publics’. Bennett (2006, 105) notes that this research served ‘to overwhelmingly confirm the worst fears of … democratic skeptics’. Somin (2006, 255) notes that these observations remain valid: ‘More than 40 years after the pioneering work of Converse, political ignorance remains as widespread as ever.’ Many others agree (e.g. Hardin 2006; Kinder 2006; Zaller 1992). Surveys have shown this ignorance to be profound in something like 80% of the population. Friedman assesses the current significance of the work of Converse and his University of Michigan colleagues in the following terms.

Subsequent research, inspired by the work of the Michigan school has amply borne out its ‘bleak’ findings. Whether the question is what the government does, what it is Constitutionally authorized to do, what new policies are being proposed, or what reasons are being offered for them, most people have no idea how to answer accurately…

Most of this scholarship establishes that the public lacks the most elementary political information. It is paradoxical, then, that nothing more dramatically brought public ignorance home to public opinion scholars than Converse’s paper, which focused on the public’s ignorance of relatively esoteric knowledge: knowledge of political ideology…

The chief prescriptive implication is, I believe, that the will of the people is so woefully uninformed that one might wonder about the propriety of enacting that will into law. (Friedman 2006, iv, v)
Political scientist Larry Bartels (1996, 194) has observed that the ‘political ignorance of the American voter is one of the best documented features of contemporary politics, but the political significance of this is far from clear.’ The competence of voters depends not only on their levels of information but on how they use the information they have. Some scholars have suggested that one or both of two processes could cause a mass public of fairly uninformed citizens to act as if it were well-informed. One process is that the statistical aggregation of voters’ choices may cause the uninformed votes to cancel each other — if the uninformed error is random — so that the informed votes decide the issue. The other process is that uninformed voters use heuristics (cues or information shortcuts) as labour-saving devices to guide their vote. It is suggested that merely by observing the opinions of like-minded citizens or groups, a citizen can vote the way she would if she were fully informed. Empirical studies (e.g. Lupia 1994; Bartels 1996) have shown that in some cases, voters can use heuristics as substitutes for being well-informed, while in other cases neither heuristics nor the cancellation of ignorance through the aggregation of votes can compensate for voter ignorance.

The right question to ask is not whether heuristics always (or never) yield competent decisions, because we know the answer is no. The right question to ask is about the conditions under which use of particular proxies is necessary or sufficient for competent voting. (Lupia 2006, 229)

Heuristics may fail when elites do not understand an issue well, perhaps because of partisan bias, or insufficient public debate and deliberation, or lack of information. Bias or insufficient debate may mean there has been an inadequate demand for information, so more research is needed to produce it and then subsequent public discourse to process and disseminate it. Insufficient deliberation often occurs because an issue can only be understood by considering consequences that may follow the initial results of the action aimed at resolving it. This problem
is explored later with descriptions of feedbacks in §5.3 and a discussion of ‘thinking beyond stage one’ in §5.4. Where politicians serve as elites or proxies, citizen ignorance may constrain them to have partisan attitudes and limited understandings of issues in order to attract votes. An illustration of how this effect has distorted and constrained public debate on the issue of the desirable future size of Australia’s population is given later in §4.2.1.

Public opinion scholar Scott Althaus (2003) has observed that while

many respondents may use heuristics, on-line processing, and information shortcuts to arrive at the political opinions they express in surveys, these substitutes for political knowledge do not necessarily help ill-informed people express policy preferences similar to those of well-informed people. If they did, surveyed opinion across the board should closely resemble fully informed opinion (2003, 143) ... Despite assurances by public opinion researchers that the public’s low levels and uneven social distribution of political knowledge are relatively benign to the functioning of democracy, the mass public is often unable to make up for its inattentiveness. (2003, 311)

As indicated above, this inattentiveness means that not enough accurate and crucial information is sought out and publicised. Political scientist Doris Graber (2006, 176) has expressed concern at this situation:

Decision quality is very much constrained by the information available to decision makers at the mass as well as at the elite level. When that information is incomplete or wrong, it may be very difficult for mass publics and even elites to detect the inaccuracies and discover the truth ... [for example,] the question of weapons of mass destruction in Iraq.

Four current and persisting issues that are difficult for both elites and citizens to be sufficiently informed on are discussed in Chapters 4 and 5. These are global warming, unemployment,
overpopulation and the closely related syndrome, the ‘scarcity multiplier’, in which scarcities are exacerbated by short-sighted attempts to avoid them. To prepare for those discussions, as well as to add to our understanding of citizen ignorance, six incentives for that ignorance are presented below. These are all motivations to ignore public goods in favour of private goods and they have the effect that (especially as these two types of goods compete for resources (see §2.1)) public goods are neglected and underprovided. The first three of these six motivations are fairly stable over time, but the other three tend to grow through positive feedback. This bias, of citizens being much more motivated to consider and choose private rather than public goods, is not only likely to have trivial private goods chosen instead of important public goods, but it is also likely to prevent citizens from getting practice at understanding and evaluating public goods.

Later, in §4.1 we will add to this understanding of ignorance of public goods by describing several characteristics of many issues concerning public goods that make it difficult for citizens to recognize and evaluate them. Then in section §8.1 it is suggested that these cognitive obstacles to choosing public goods might explain some of the difference in the policy preferences of conservatives and liberals.

### 2.2.3.1 Fairly stable motivations of citizens’ ignorance of public goods

**The relative ease, urgency and effectiveness of the choice of private goods.** In a democracy, the choice of a private good is much easier than the choice of a public good because the latter requires social or collective choice while the former only needs the decision of one person or entity, that is, individual choice. The non-excludability of public goods requires the members of a democracy to discuss each issue concerning these goods to try to understand what private and public goods are competing in the issue, then decide what trade-offs they want between these goods, and, finally, aggregate their preferences in some way. In contrast, the individual choice of private goods is merely the choice of a person or an entity to either make it, or take it,
or purchase it, or go without. Purchasing is facilitated by the market, as its ‘invisible hand’ automatically elicits supplies and computes prices. The market also gives an impression that private goods have a very definite value — their price — but price actually registers exchange power rather than value. In contrast, those public goods that have to be purchased are not priced directly to consumers because they are non-excludable, so their value appears vague and perhaps inconsequential. Moreover, many public goods are not priced as they are freely available to all from nature or society, so their value and even their existence tend to be overlooked. The urgency of looking after oneself with many excludable goods such as food, shelter, clothing, entertainment, recreation equipment and facilities, and medical care, adds to the attraction of individual choice. In addition to these seductions of private goods and the individual choice that secures them, people are decisive in individual choice, whereas in social choice they know they are non-decisive, being merely one of thousands or millions of people voting together to choose or reject a non-excludable good or an uncertain bundle of these (Brennan and Lomasky 1989, 49–50). As public policy scholar Anthony Downs (1957) observed, it is therefore rational for voters to remain ignorant of issues concerning public goods. This ‘rational ignorance’ makes many citizens vote expressively, in which they choose policies that make them feel good, without having any interest in whether those policies actually work; and they also vote with the ‘rational irrationality’ of believing, without any supporting evidence, that feel-good policies actually do work (Caplan 2008, 138–39).

In these ways, the comparative ease, urgency and effectiveness of the individual choice of private goods encourage people to focus on choosing these instead of giving serious attention to public goods. This tendency is generated with incentives created by the excludability of private goods. And it is encouraged because the ambiguity of electoral delegation allows citizens to neglect their democratic responsibility to carefully consider public goods.
Citizens’ fear of free-riders. Political scientist Kevin Smith (2006, 1015, 1013) notes considerable cross-disciplinary empirical evidence of a human predisposition to avoid ‘being played for a sucker… It is not just what they get from decisions, but whether they perceive the process of decision-making as fair that leads people to view the decisions as legitimate’ (see also Hibbing and Alford 2004; Orbell et al. 2004). ‘Sucker aversion’ can have a powerful effect on the provision of public goods because their non-excludability leads some people to consider that, because this makes them vulnerable to free riding, private goods must be preferable. In this view, the ‘higher the proportion of resources that are allocated in a market way, where there’s no escape from paying for what you get and getting what you pay for, the more just and efficient the economy is likely to be’ (Stretton and Orchard 1994, 55–56). This motivation for overvaluing private goods is also facilitated by ambiguous delegation, for this allows citizens to neglect their responsibility to reject such heuristic shortcuts and to carefully consider needs for public goods.

Citizens’ fear of government incompetence. Observations by citizens of government incompetence may lead them to see the market as more reliable, in which case they may focus on obtaining private rather than public goods. This attitude will further erode the competence of democratic government and help to make it a self-fulfilling prophecy. As hedge fund manager George Soros (2010, 16) observes for the US: ‘A large majority of the population is convinced that the government is incapable of efficiently managing investments. Again, this belief is not without justification: a quarter of a century of calling government bad has resulted in bad government.’ Again, it might be expected that such irresponsibly convenient thinking by citizens is invited by the ambiguity of electoral delegation.

Whether Americans’ experience of political bungling has produced scepticism of the capacity of government to produce public goods or whether other factors cause it, fear of government incompetence and the resultant bias towards private goods is strikingly influential in the United States (for a discussion of
this see §3.2). Economics journalist Robert Kuttner (2008, 75) describes this fear as an ‘undertow’ on US government: ‘Regulation is still widely considered a pejorative word. Obama … must hose away a prevailing ideology in which large government endeavours are deemed to be outmoded by modern markets’. Kuttner (2008, 75–76) notes several American expressions of this ideology: ‘Government is generally perverse or incompetent … Tax cuts are one of the few benefits that governments can reliably deliver … Private markets invariably work better than government … [and] Democrats need to talk more like Republicans’. Within the last four decades, three presidents have strongly expressed this mindset. Jimmy Carter, in his 1978 State of the Union address, declared: ‘Government cannot solve our problems, it can’t set our goals, it cannot define our vision.’ In 1981 Ronald Reagan observed in his Inaugural Address: ‘In this present crisis, government is not the solution to our problem; government is the problem.’ And in January 1996, Bill Clinton stated, in his State of the Union speech: ‘We know big government does not have all the answers …. The era of big government is over’ (Kuttner 2008, 87–88).

As Soros observed, reluctance to correct financial markets is a very significant rejection of solutions from government by US citizens. Nobel laureate economist Joseph Stiglitz (2009, 46) has assessed that ‘confidence in financial markets will not be restored unless governments take a stronger role in regulating financial institutions … Even former Federal Reserve System chairman Alan Greenspan, the high priest of deregulation, admits he went too far.’ Amartya Sen (2009) has given similar advice. At George Mason University on 8 January, 2009, President-elect Barack Obama (FederalNewsService 2009) appeared to recognize that the ‘undertow’ required an emphatic rebuttal: ‘Only government can break the cycle[s] that are crippling our economy.’
2.2.3.2 Relatively dynamic motivations of citizens’ ignorance of public goods

Distracting by positional competition. Economist Eban Goodstein (2005, 218–19) has observed that ‘when relative consumption becomes important… people tend to overvalue increases in private consumption (given the negative externalities imposed on others), and undervalue noncompetitive public goods’. The externalities he refers to are the costs of ‘positional competition’, some of which are described by economist Richard Layard (2005, 7, 44) as follows: ‘Our wants are not given… We are heavily driven by the desire to keep up with other people. This leads to a status race, which is self-defeating since if I do better, someone else must do worse.’ Doing better provokes retaliation, then counter-response, which provokes more retaliation and so on. Positional competition is not only a zero-sum game but it continues indefinitely in a positive feedback. Also, as its consumption produces no ultimate benefit (which would be the social status it tries to establish) the players of the game reap only the repetitive costs of their consumption (e.g. Frank 2005).

Positional competition occurs not only as status rivalry, but also as people try to buy products or services that are in scarce supply relative to the number of people in a society, such that not everyone can have access to them. Examples are land suitable for leisure living and leadership positions in politics and business. This competition becomes strong when people are well-provided in basic needs such as shelter, food, security and companionship. They can then afford to focus more on comparing their private goods with those of their neighbours, so, as Goodstein puts it, their ‘relative consumption becomes important’. Citizens in democracies are encouraged to overlook the public costs of positional competition by ambiguous delegation confusing them about who should take care of public goods. As citizens expect their politicians to do this, they tend not to notice when they themselves are destroying these goods with their positional competition.
**Distraction by Adaptation.** People are distracted from appreciating and choosing public goods by another failure to anticipate the consequences of choosing private goods. This is that their satisfaction with these depends not only on how well they are doing relative to their neighbours, but also on how well they are doing relative to what they are used to having (Layard 2005, 42, 48). This is known as adaptation or habituation. It operates vigorously on some things, but not on others, such as the pleasures of friendship and sex, and the miseries of unpredictable loud noises, widowhood and caring for someone with Alzheimer’s disease. Layard (2005, 49) makes the point that the ‘things we get used to most easily and most take for granted are our material possessions’. Adaptation therefore escalates our desires for private goods rather than for public goods. One manifestation of this is that the level of income that people feel they require is usually not much below what they currently have. For example, over the period 1952 to 1987, the income that US citizens considered they required increased by 70% of their increase in real income (Layard 2005, 42–43). Another indication of adaptation is given by survey results that show if one’s real income rises by a dollar, then after a while one’s required income will rise by at least 40 cents (Layard 2005, 49). As with positional competition, adaptation tends to re-establish wants for private goods after an increase in their supply, which produces a tendency for positive feedback in wants for private goods and a corresponding decline in wants for public goods. This feedback is encouraged by ambiguous delegation, because confusion about who directs public policy leaves citizens free to ignore the impacts of their adaptation on the provision of public goods.

**Distraction by Advertising.** Half a century ago the iconoclastic economist John Kenneth Galbraith pointed to sales promotion as another motivation of neglect of public goods. He called this a ‘problem of social balance’ and described it as a lack of satisfactory relationship between the supply of privately produced goods and services and those of the state… The problem of social
balance is ubiquitous, and frequently it is obtrusive … [Every] corner of the public psyche is canvassed by some of the nation’s most talented citizens to see if the desire for some merchantable product can be cultivated. No similar process operates on behalf of the non-merchantable services of the state. (Galbraith 1958, 198, 202–3)

‘Social balance’ is a straightforward concept when it compares purchases of private goods with purchases of those ‘non-merchantable services of the state’ that are funded from taxes, such as law enforcement, national defence and the construction and maintenance of public infrastructure. However, the ‘problem of social balance’ is subtle in the case of public goods that are free and therefore do not directly compete with private goods for purchasing power, but which nevertheless do compete with them because both types of good require the same resources. The largest class of such resources is natural capital, much of which is a public good. Natural capital is defined as the stock of natural (or ‘non-produced’) things that are the means of producing flows of natural resources and services that people may utilize. Such flows are termed natural income. Examples of natural capital are stocks such as: soil, biodiversity, forests, wilderness, natural scenery, the sun and its distance from earth, a stable climate, geographic space and air, seas, rivers and lakes. In the cases of soil, forests and rivers we have stocks that may produce flows of produce such as food, timber and fish. When natural capital is increasingly used to produce private goods it becomes scarcer and its public component may thereby be allocated a price, transforming it into a private good (e.g. Daly and Cobb, 1989). Such transformations and the resultant rising scarcities of natural capital are also problems of social balance.

As Galbraith described it, the problem is one of democratic governments being compelled to underprovide public goods by the advertising industry focusing citizens on private goods. An example of this is given in §4.2.3 with a discussion of the biasing of society’s labour-leisure choice (which should produce the public good of optimizing the availability of leisure) towards excessive hours of work. The advertising industry is permitted to
do this at least partly because the ambiguity of electoral delegation leaves citizens without a firm obligation to recognize and consider public goods.

In common with positional competition and adaptation, advertising tends to escalate wants for private goods through positive feedback. By increasing sales, advertising provides more funds for more advertising to further increase sales and so on. Galbraith (1958, 124) called this feedback the ‘dependence effect’; a cycle in which ‘wants are increasingly created by the process by which they are satisfied’. Sales promotion works by encouraging both positional competition and adaptation, so the three mechanisms form a feedback complex in which two positive feedbacks, those of positional competition and adaptation, are boosted by sales promotion, which tends to boost itself in another positive feedback. This complex is referred to later in §5.3.1 in an analysis of addiction to economic growth by modern industrial societies. It is depicted diagrammatically there in Figure 5.1 (p. 211).

The six incentives described here that nudge citizens to neglect public goods all work by making private goods appear more attractive. As noted for each incentive, citizens allow themselves to be swayed by them at least partly because they are confused about their role in democratic government. This confusion is now examined more closely.

2.2.4 Unconscious directors
We have seen that the ambiguity of delegation by frequent elections leaves citizens partly or even largely unaware of their position as the directors of government policy. Citizens therefore feel free to want private goods, with little sense that they should consider restraining these desires to allow, and to demand, the production or protection of public goods. Politicians are pressured by these private wants to make social choices that tend to express aggregations of wants for private goods rather than wants for public goods. Over time, this will progressively destroy public goods that require resources needed for private goods, such as environmental quality versus commercial consumption
of natural capital, fair-minded foreign policy versus access to markets and commercial resources, and equality among citizens versus financial incentives for private innovation and productivity. If we are to correct such erosions of public goods we must fully understand why citizens lack consciousness of their democratic role as directors. Six causes of this have been described above, in the form of incentives for citizens to be ignorant of public goods. In addition, the following five factors have a similar effect, as these are incentives for citizens to be unconscious of their democratic responsibility to direct public policy.

**Personal involvement in passing power to a figure of authority.** Citizens lack consciousness of their role as directors partly because the delegation of that authority and responsibility from citizens to politicians by means of elections is a very public, formal procedure in which many or most citizens are personally involved. They therefore get a strong impression that it transfers their directorship until the next election. The selection of leaders is thereby conflated with the selection of directors. Democratic systems that hold popular elections of presidents are likely to accentuate this cause of unconscious directorship by the people, as those events dramatically appoint figures of supreme authority. Historian Dana Nelson (2008, 183–85) laments this effect in *Bad for Democracy: How the Presidency Undermines the Power of the People.*

The sway of presidentialism reduces our democratic skill-set … and has made it all the harder to imagine not only how to make democratic community together but even how to picture why we would want to … I’m arguing that we imagine democracy as something we, the people lead together, amid our differences …. that democracy is not served by the president. Rather it is served by us, the people, working together for its present and its future.

Not only may the ambiguity of delegation be greater in presidential democracies than in other types, but the huge amount of money required for presidential campaigns helps the wealthy
to influence the president, making government even less democratic. Barack Obama’s 2008 presidential campaign showed that the internet may be used to counter this effect, but such facilitation of small donations to presidential contests brings millions of ordinary citizens into more intimate contact with that process, so it may strengthen the ambiguity of delegation by reinforcing citizens’ impressions that it is not them, but presidents who govern. Presidential campaigns can be emotionally engaging, drawing many citizens into politics with great enthusiasm. But this participation is largely driven by the emotional appeal of personalities, so the pros and cons of issues are neglected and public deliberation virtually nonexistent. After a new president is elected, the opinions and attitudes of the people are likely to be little more developed than before and the new leader must then basically follow these or be replaced by one who does. In parliamentary systems the head of government is chosen by politicians, which may allow citizens more freedom to see that it is they who must govern, for that head is not directly their leader, but the leader of their representatives.

Appearance of authority. As politicians appear to be the ones who direct public policy, citizens tend to regard themselves as bystanders and not as democratic directors. However, as discussed above, because politicians have to face elections frequently, their policy decisions tend to be within the boundaries of the opinion of the general public—or if they are outside these, then they tend to be within the boundaries of the opinion of their constituencies—or if they are beyond these limits on particular issues, then they attempt to counter the electoral cost with policies on other issues that satisfy more urgent desires of their constituencies. This gives an appearance of—rather than real—directorship by politicians. The appearance is reinforced when they are called ‘leaders’, which is the case at least when they are presidents, prime ministers or heads of parties. Haslam, Reicher and Platow (2011, 218) call for this appearance to be changed, hoping that
by articulating a new psychology of leadership that focuses equally on leaders and followers within the group, we… hope to open up the possibility of a new politics of leadership centered on inclusive debate about what our groups stand for and where they are heading.

**Pragmatism.** Citizens tend to be unconscious of their directorship because they want delegates to do this for them. This is because citizens recognize to some degree that they do not have the time, the interest, the expertise, the institutional support and the incentives for them to competently identify and choose public goods.

**Psychological predispositions.** As with the pragmatic motive, psychological predisposition is another case of citizens not thinking of themselves as directors because they want others to do the job. However, this want arises not from the practical need for specialists to handle a complex task, but in human nature: We have a genetic predisposition to belong to a group and in doing so, to either lead the group or follow its leader. Therefore, when a group tries to be democratic and be governed by all the people, a few of them try to lead while the great majority look for the leader that they feel like following. This is rather different from all citizens regarding themselves as the members of a very large board of directors. To understand this democratic problem and gain some perspective on how it may be countered, it is looked at here in some detail.

Primate ethologist Frans de Waal (2005, 232) has described humans as ‘Janus-headed’, that is, egalitarian but with a desire to control and dominate. He (2005, 78–79) notes that we ‘often permit certain men to act as first among equals. The keyword here is ‘permit’, because the whole group will guard against abuses’. De Waal (2005, 232–33) notes that this ‘bipolar’ balance of egalitarian and hierarchical dispositions makes people both dependent on, and sensitive to, hierarchies. The dependency arises from the need for harmony, which requires stability, which depends on a well-acknowledged social order. We therefore ‘crave hierarchical transparency’, which produces the paradox ‘that although
positions within a hierarchy are born from contest, the hierarchical structure itself, once established, eliminates the need for further conflict’ (de Waal 2005, 64). Thus, in De Waal’s view, humans have an instinctive desire for leaders who are strong, reliable and seen to be good for the group. This is consistent with evolutionary psychology, which recognizes that we are social animals who instinctively form and join groups. As this has been a basic survival strategy during our most recent evolution we fall into the zoological category of ‘obligatorily gregarious’ (de Waal 2005, 231). This has exposed us to the pressures of group life and these are conjectured to have selected predispositions for individuals to adopt social roles, such as leading, or following a dominant individual who leads in the interests of the group (Alford and Hibbing 2004; Barkow et al. 1992; Dugatkin et al. 2003; Fehr and Fischbacher 2003; Keltner and Haidt 2003; Smith et al. 2007; Van Vugt et al. 2008).

The physical activation of the predisposition to follow has actually been observed. Neuroscientist Uffe Schjoedt (2010) and colleagues have done this with functional magnetic resonance imaging that shows when a person listens to someone they regard as authoritative and trustworthy, they shut down parts of their prefrontal and anterior cingulate cortices. These parts of the brain play key roles in vigilance and scepticism when judging the importance and truth of what others say, so their deactivation would permit the listener to be motivated to follow authoritative and trustworthy figures. Subjects who do not regard a speaker as being charismatic do not have this response. Although these tests were done using religious authority figures, Schjoedt speculates that the deactivation should also be stimulated by listening to people such as doctors, parents and politicians.

In line with the opening paragraph of this section, social psychologists Mark van Vugt, Robert Hogan and Robert B. Kaiser (2008, 186) suggest that human ‘populations contain individuals with genotypes predisposing them to either leadership or followership.’ They argue that the predisposition to follow will be the more prevalent in any population because any ‘increase in
the frequency of leader genotypes reduces the payoffs for this strategy—because many would-be leaders compete and fail to coordinate—thus selecting against leader genotypes’ (Van Vugt et al. 2008, 186). Van Vugt and his colleagues argue that these predispositions evolved over 2.5 million years of Pleistocene hunter–gatherer life in small groups of 50–150 individuals, creating an innate preference for reverse dominance hierarchy. In that type of hierarchy (as observed by De Waal) leadership is desired but evaluated by group members ‘against egalitarian ‘hunter–gatherer’ standards such as fairness, integrity, competence, good judgment, generosity, humility, and concern for others’ (Van Vugt et al. 2008, 188).

This power reversal made it possible for our ancestors to reap the benefits of cooperation and conquer the world. When leaders are kept in check, as has happened throughout most of human evolutionary history, and others are permitted to reproduce, then followers have a vested genetic interest in protecting the welfare of the group and stability results. (Van Vugt and Ahuja 2010, 192)

In the small groups typical of our environment of evolutionary adaptation (EEA, see Thornhill 1997), intra-group communication was easy and effective, allowing members to make accurate evaluations as they approve a suitable leader. The difficulty of intra-group communication in very large groups such as modern nation-states means that such evaluations in these circumstances may be superficial, producing poor collective judgement.

Van Vugt and his colleagues (2008) suggest that in current circumstances, predispositions to lead and follow make leader-follower patterns emerge more quickly in situations that resemble adaptive problems of the EEA, such as internal group conflict and external threats such as natural disasters or attacks on the group. In such emergencies, followers will readily defer to the decisions of a single individual because the interests of leader and followers have converged. Natural selection in the EEA appears to have produced predispositions for followers to prefer different leaders depending on the problem they face. For exam-
ple, US voters tend to choose hawkish presidents when threatened by war and ‘show an increased preference for charismatic leaders and a decreased preference for participative leaders when reminded of their own mortality’ (Van Vugt et al. 2008, 189). This corresponds with the behaviour of people in hunter-gatherer societies, in which ‘Big Men wield influence only within their realms of expertise, and they lead by example … Prestige is given to individuals with specific skills who can help the group achieve its aims’ (Van Vugt and Ahuja 2010, 158). As Van Vugt and his colleagues (2008, 191) express it, leadership ‘in the ancestral environment was fluid, distributional and situational.’

Such specificity of leadership response by both leader and followers may have been occurring recently in Russia. The confusion, corruption and stress of attempting to replace communism and the command economy with democracy and capitalism may have helped to make the autocratic style of Vladimir Putin popular with many Russians. In such situations, the instinctive response does not promote democracy. As political scientist Ellen Carnaghan (2007, 64) observes,

emerging democracies are vulnerable, not because unprepared citizens do not like democracy as they understand it, but because many average citizens do not understand the intricacies of democratic practice well enough … The fate of democracy in Russia remains vulnerable, then, in part as the result of actions by people in power who do not seem to value democratic institutions, but also because citizens may not sufficiently appreciate the opportunities that democracy provides to protect the future they want.

**Corruption by special interests.** A fifth cause of citizens lacking consciousness of their directorship may be that some of them consider it is not them, nor politicians, but special interests who largely perform this role. These interests usually have financial resources or very large memberships or other forms of power that they can use to deliver votes or other favours to politicians, who, in return, produce laws, policies and programs that those interests want. One indication of this power of special
interests is the scale of their lobbying expenditure, as discussed in Chapter 1 and below in §2.3.2.

**SUMMARY.** There appear to be five ways in which citizens of liberal democracies are kept unconscious of their responsibilities as directors: 1, citizens personally elect politicians to direct government; 2, citizens see politicians directing it; 3, citizens want them to do it because citizens don’t have the necessary time, interest and resources; 4, it is also likely that citizens want politicians to be the directors because most citizens are genetically predisposed to follow; and 5, to some citizens, special interests seem to direct the government.

If democracies are to function effectively, this unconsciousness of their citizens must be dispelled, for as long as they elect representatives via frequent elections, citizens are the ultimate authorities, essentially directing government by setting its strategic goals. They do this with their attitudes and values, such as assigning low importance to long-term probabilities and insisting on the provision of short- and medium-term private and public goods (which has strategic effects). It is therefore essential that the people clearly recognize that they are the directors, for it is only then that their democracy can perform well.

### 2.2.5 Failure in accountability and legitimacy

A slightly different way of describing democratic government being made irresponsible by citizen directors who are largely politically ignorant and also unconscious of their role is that the accountability of politicians to citizens is defective because citizens are too ignorant of public policy to use that accountability wisely. Over time, this failure of accountability may register with citizens despite their disengagement, for many will be affected by the resultant underprovision of public goods. This could damage the legitimacy of government, so that when it is inclined to implement good policy it cannot muster the political will to do it, producing adverse consequences that further damage its legitimacy. Such deterioration appears to be especially
well-developed in the US, where distrust of government has a firm hold, as discussed later in §3.2.

Unconscious directorship by citizens further damages the legitimacy of government by facilitating corruption by special interests. When citizens do not realize that they are the directors, when they expect to be led and when they lack institutions that would help them to direct in a considered, competent manner, their directorship is open for others to exploit. Manipulation by special interests was noted previously as possibly facilitating citizens’ unconsciousness of their directorship, but at the same time their unconsciousness facilitates the manipulation. To some degree, then, public goods will suffer, the political process will be seen as corrupt, the legitimacy of politicians and government is damaged and more citizens will disengage, perhaps with some becoming actively hostile to government. Public-minded citizens may be discouraged from trying to improve their government by becoming well-informed voters, or by offering themselves as political campaigners and candidates, or by working honestly and constructively as bureaucrats and politicians. Public goods may then suffer further, escalating the illegitimacy of government. Such alienation may at times flare into the outrage and protest of civil disobedience, such as the Franklin River protest in Tasmania (noted below in §4.1(3) and §5.1). The Tea Party movement in the US may be another expression of this distrust, as discussed later in §3.2.

Of course, even in issues where special interests do not influence outcomes, unconscious directorship by citizens is still likely to underprovide public goods because the ‘rational ignorance’ (Downs 1957) of citizens and their feeling that they have delegated the task to politicians leaves them feeling free to focus on private goods. Perhaps such malfunction was observed by Richard Clarke (2004, 238–39), National Security Coordinator for US presidents Clinton and G.W. Bush, as he declared: ‘America, alas, seems only to respond well to disasters, to be distracted by warnings. Our country seems unable to do all that must be done until there has been some awful calamity that validates the importance of the threat.’ Clarke was referring to the
management of national security, but his observation could also be applied to other public issues in the US, such as the National Health Service, global warming, energy supply, oil industry regulation (highlighted in April 2010 by the explosion and blowout of BP’s Deepwater Horizon rig in the Gulf of Mexico), financial regulation (failure of which caused the 2007–8 global financial crisis, as analysed in Soros 2010, Madrick 2010 and Stiglitz 2010) and, as discussed below in §2.3, foreign affairs. The Secretary-General of the UN, Kofi Annan (2006), appeared to agree with Clarke’s assessment with thinly veiled criticism of the US at the Nairobi Climate Change Conference. He declared that, as we consider how to proceed beyond the Kyoto Protocol, ‘there remains a frightening lack of leadership.’

Clive Hamilton, public ethics scholar at the Australian National University, has described what appears to be another symptom of the lack of accountability and the resultant irresponsibility to be expected from ambiguous delegation. Hamilton (2011) calls it

the riddle of Australian politics: voters want a strong leader, but one who will deliver only symbols of action on climate change. Australians want to feel good about themselves without making any sacrifices.

The source of the venom directed at [Prime Minister] Gillard seems to lie in this flaw in the modern Australian character. Confusing what Australians say they want with what they actually want, her plan to push through a carbon tax has turned her into a hate figure.

Perhaps the problem is not a uniquely Australian character flaw, but a predictable response of citizens who consider that at the last election they delegated their democratic authority and responsibility to politicians, chief of whom in this case is the Prime Minister. Citizens thereby feel relieved of responsibility and act accordingly. So it seems that the question is: How can citizens be given the feeling that it is they who are responsible for government policy? Without trying to completely substitute
direct democracy for representative democracy, this might be done with a new institution that gave citizens a very public, influential and deliberate role in choosing specific policies. If this institution was very easy for citizens to use, it should give them an ownership of policy that prepares them for any sacrifices they must make in order to have it executed. This objective for institutional design will be addressed in Part 2.

2.2.6 A less fundamental type of ambiguous delegation—supermajoritarianism

The idea that confusion of authority and responsibility produces defective public policy has a wider application than the situation covered here, of citizen principals failing to clearly delegate from themselves to political agents. In §2.2 this failure was described in terms of uncertainty about two aspects of delegating authority and responsibility: whether any or how much is delegated; and its ambit or type. But in addition to these problems, ambiguity about which agent or group of agents the citizen principals are attempting to delegate authority and responsibility to, will also hinder the development and implementation of good public policy. McGann (2006) argues that this happens with supermajoritarianism, damaging policy by establishing different and competing agents, sometimes as ‘checks and balances’. Supermajoritarian devices are those that require more than simple majorities for decisions, such as federalism, bicameralism, presidentialism, judicial review, the 60 per cent cloture rule to end a filibuster in the US Senate, the two-thirds requirement to overrule a US presidential veto and the need for a supermajority to amend the US Constitution. McGann’s (2006, 115–52) argument is that these devices all damage political equality and public deliberation and therefore tend to prevent the development and implementation of good public policy. As supermajoritarianism generally arbitrarily promotes the status quo, it may damage public policy by preventing informed judgement from prevailing. Another aspect of supermajoritarianism is that it blurs accountability with ambiguity about which agent or group of agents has been delegated authority and responsibility. Political
scientists Jacob S. Hacker and Paul Pierson (2012, 56) observe that this makes it easier for politicians to depart from voters’ priorities. In parliamentary democracies, voters can relatively easily reward or punish politicians. The party or coalition in power, from the prime minister to the backbenchers, must bear responsibility. In the United States, responsibility is much harder to assign — especially now that a party needs at least sixty votes in the Senate to overcome the omnipresent filibuster. GOP leaders know the president and his party are likely to receive most of the blame for poor economic performance, even if the scorched-earth resistance of conservative Republicans is the biggest obstacle to enacting the president’s policies.

The concept of ambiguous delegation could therefore be broadened from ambiguity about whether principals have actually delegated and what they have delegated, to include ambiguity about which agents the principals have delegated to. In this book, however, we focus on the ‘whether and what’ ambiguity, as this is the fundamental one, being a direct consequence of electoral systems. The supermajoritarian, or ‘which-agents’, ambiguity is not a necessary outcome of frequent elections that are open to incumbents but is imposed independently of that electoral structure by other, less fundamental institutional arrangements.

2.2.7 An objection to ambiguous delegation being seen as a major problem

Citizens who are particularly concerned about special interests pursuing private goods at the expense of public goods might respond to the suggestion that democratic governments malfunction because of ambiguous delegation by proposing that the real problem is manipulation by special interests. This view has two errors. The first is that if we choose to view special interests, rather than the institutions of government, as being responsible for its failure we are assuming that we need not design governments to be capable of governing in the real world, where self-interest is a powerful motivation. The second error is that even
if blaming special interests succeeds in stopping their manipulations, electors would still make defective inputs into public affairs, because ambiguous delegation means they are not clearly asked to deliberate these. However, notwithstanding these problems with that conspiratorial view, it actually implies that ambiguous delegation is significant. Seeing the solution as blaming manipulators is to see it as provoking outrage in citizens so that they take charge by demanding that their manipulated representatives outlaw, or otherwise prevent, their own manipulation. But getting citizens to ‘take charge’ is what the ambiguous delegation view of democratic dysfunction calls for — not only to prevent manipulation by special interests, but to take charge of public goods in general. Whereas the blaming view is that we must empower citizens by making them angry, the ambiguous delegation view is that we must empower citizens by clarifying delegation. Making citizens angry provokes action, but not necessarily deliberation; however, clarifying delegation produces division of labour, which should facilitate both deliberation and action.

Two decades ago, in a review of the capacity of democracies to make collectively binding decisions and carry them out, political sociologist Claus Offe concluded that it has declined.

To be sure, states and governments, citizens and social movements, social classes and political parties, elites, administrative authorities, interest groups, coalitions, nations, blocs and associations are all well and alive; it is just that neither the spectators nor they themselves seem to have a very clear notion about their distinctive domain of action… What turns out to be surprisingly and essentially contested is the answer to the question ‘who is in charge?’ (Offe 1996, vii–viii)

Offe suggested several causes of this uncertainty, such as the growing permeability of national borders due to globalization and multinational agreements, and the decline of traditional political activity such as voting turnout and party membership as activism on specific issues becomes more attractive to increas-
ingly individualistic citizens. He does not mention ambiguous delegation, but if frequent elections have this effect, they should indeed have citizens wondering ‘who is in charge?’

2.2.8 An overview of ambiguous delegation

The idea of ambiguous delegation is primarily that democracies are confused about whether they are run by the people or by their political agents. Supermajoritarian devices produce a less fundamental confusion of responsibility and authority by obscuring which political agent or group of agents this obligation and power may have been delegated to. Much of the confusion of the fundamental form of ambiguous delegation is caused by citizens wanting good leaders whereas democratic government demands that they want to be good directors. Their desire for good leaders is the biological urge of a deeply social species and it is partly because citizens expect any government, including democratic ones, to satisfy this desire that they neglect to engage as its directors. As we have seen, leadership is produced by both followers and leaders, whereas directorship is produced by directors choosing policy and then instructing operatives to execute it. In a democracy, those operatives are the elected representatives, but this is not clearly recognized because citizens’ primal urge to be led makes them regard their operatives as their ‘leaders’. Citizens are confused about whether they should direct, not only because that means they actively lead their ‘leaders’, but also because they have few specific ways of directing. If they had easy and effective ways of doing this they would be deliberating and choosing public policies and then instructing their operatives to execute them. But it is easier and more natural for citizens to embrace leadership. This merely requires them to be followers, looking for leadership qualities such as charisma, strength of purpose and apparent concern for the group.

Electorally representative democracy demands that citizens grow out of their primal need for leaders and develop the self-reliance and maturity that will enable them to select representatives according to their policies rather than their leadership
qualities. They will then be directing their democracy instead of looking for good leaders. But exhorting citizens to grow up will not move them. Instead, new institutions are needed that would transform them into mature democrats by giving them the incentives and tools to collectively deliberate issues and direct their political agents accordingly. A design for such an institution is offered in Part 2— but before we go there, the analysis of dysfunction that must guide such design is pursued by identifying two more democratic dysfunctions. We then test the resultant threefold view of government failure by seeing whether it appears to account for such failure in several different liberal democracies and also in a few major public policy issues.

2.3 Excessive competition

In democracies, the competitive device of election is used to select representatives in a manner that is intended to generate energy, ideas, truth and accountability (e.g. Shapiro 2012, 200–207). The competition here is between politicians and political candidates and it is almost continuous because of the regular repetition of elections, usually at intervals of from two to eight years. This periodicity was described in §2.2.1 as frequent because it is a small part of the human life span. As it makes elections an almost constant threat to incumbents who are eligible for re-election, they tend to focus on holding office rather than on choosing good policy. In order to attract votes they often simplify the voter’s choice by aligning themselves with a party. Political scientist Ian Marsh and environmental scientist David Yencken (2004, 82) observe that in Australian politics, this simplification (driven by the imperatives of political survival and dominance) is so pronounced that the ‘familiar competitive two party system is now itself a principal obstacle… to wise policy choices.’ They describe one form of this as ‘fake adversarialism.’

If the government declares a contentious issue to be white, and public opinion is divided or uncertain, the Opposition almost invariably declares it to be black. Yet in government, the Opposition
may often have supported a similar approach … It happens because, when public opinion is divided or uncertain, rewards accrue to leaders who champion contrasting alternatives, even if they are hollow or only manufactured for political impact … The present system is distorted by the way electoral incentives trump attention to arguments based on considerations of merit and prudence. (Marsh and Yencken 2004, 32–33)

In the UK, the contrasting performances of the unelected House of Lords and the elected House of Commons illustrate the distractions of competition between elected representatives.

The Lords often scrutinises legislation that the Commons has not had time to look at (it has carved out an important role examining edicts from the European Commission) … Members are astonishingly polite to each other. ‘It can become quite syrupy at times,’ says Meg Russell, who watches the upper house from University College London. When asked how they would like their elected politicians to behave, voters tend to describe something that sounds a bit like the unelected Lords. (Economist 2012, 48)

Electoral competition encourages blatant corruption in politicians by tempting them to rig the economic/social/political situation in favour of their election and re-election. An example of this is South Africa under President Jacob Zuma, where it has been reported, ‘Freedom of the press is being chipped away under an embattled ANC’ (Economist 2015b). However, electoral competition can be much more destructive than provoking bad manners, irrelevance, fake adversarialism and corruption.

For two months, Kenya, East Africa’s most prosperous and supposedly stable country, hovered on the brink of self-immolation as two warring factions ripped the country apart after a disputed election at the end of 2007. Kofi Annan, the former Secretary-General of the United Nations was brought in to try to resolve the conflict … As ethnic violence raged nearby, negotiators from the two sides would sometimes almost come to blows themselves as Mr. Annan tried
to find common ground between them… Rival politicians can be brought into open conflict by elections, such as in Kenya, or now in Zimbabwe. (Economist 2008a, 67)

Legal scholar Amy Chua (2003) has described examples in which electoral competition inflamed long-suppressed hatred against market-dominant prosperous ethnic minorities: for example, the ‘ethnic cleansing’ of Croats in parts of the former Yugoslavia following the first free post-wwII elections in 1990; attacks on the Chinese minority in Indonesia as the autocrat Suharto retired and elections were held in 1998; and the massacre of Tutsis in Rwanda in 1994 as the corrupt totalitarian President Habyarimana responded to pressure from the west by making a show of abandoning dictatorship in favour of pluralism and multiparty democracy. Zakaria (2003, 114) has observed that ‘without a background in constitutional liberalism, the introduction of democracy in divided societies has actually fomented nationalism, ethnic conflict and even war.’ The example of Jamaica indicates that such background must be very strong if it is to prevent destructive competition.

A relatively stable, peaceful, and ‘good natured’ democracy started to go astray in the 1970s. A political confrontation between the two parties that escalated out of control drove Jamaica into a vicious circle of corruption, favoritism, clientelism, and organized crime. The Jamaican case shows that in developing countries, unchecked democratic competition can destroy a civil service and a law enforcement sector of relatively high quality by politicizing them for clientelist purposes. (Rothstein 2011, 202)

This spectrum—from bad manners to deception and lethal violence—indicates that the relentlessly competitive nature of electoral politics encourages politicians to be impatient with careful deliberation. It is also likely to attract political candidates with combative dispositions. Democratic politicians may therefore have a tendency to treat issues as fights rather than as cases where pros and cons must be carefully understood and
compared. Examples of such combativeness are given by the journalist and historian Peter Scoblic in *Us vs Them: How a Half Century of Conservatism Has Undermined America’s Security*. In one of these he sympathetically describes US President Ronald Reagan’s shift from denunciation to negotiation in talks on nuclear arms reduction with the President of the Soviet Union, Mikhail Gorbachev. But he also observes that it had previously not ‘even occurred’ to Reagan

that adopting a war-fighting strategy, beginning with a widespread missile defense program, researching a missile shield, while increasing the military budget by 35 per cent, starting a new bomber program, deploying a new ICBM, and deploying missiles in Europe could be construed as threatening. (cited in Power 2008, 68)

Scoblic also sees dangerous combativeness in US President George W. Bush. Samantha Power (2008, 68), a scholar of foreign policy and special assistant to President Obama, observed that

Scoblic’s account becomes most chilling at the end, when the same conservative voices that had long preferred confrontation to cooperation — such as Dick Cheney and Donald Rumsfeld — actually become dominant players in George W. Bush’s executive branch. On January 21, 2000, a year before he would move into the White House, Bush said:

‘When I was coming up, it was a dangerous world. And we knew exactly who the ‘they’ were. It was us versus them, and it was clear who ‘them’ was. Today we’re not sure who the ‘they’ are but we know they’re there.’

Having suffered through what one diplomat called the ‘enemy deprivation syndrome of the 1990s,’ September 11 gave hard-line conservatives an opportunity to apply their pre-hatched theories; and from the start they sought to unshackle the United States from international agreements and to reduce reliance on diplomatic engagement.
The great influence of the conservative politicians that Scoblic and Power criticize means that both scholars are troubled by American democracy. The combativeness that alarms them is also evident in the record of the US ignoring human rights such as political freedom and self-determination by supporting authoritarian regimes where this has been convenient for US interests, such as backing Israel (e.g. Mearsheimer and Walt 2007), fighting communism and securing access to markets and resources such as oil (e.g. Perkins 2004; Bueno de Mesquita and Smith 2012). For example, although the US upheld the principle of self-determination for Kosovo (versus Serbia) in 1999, it abandoned this rule in the case of Abkhazia and South Ossetia (versus Georgia) in 2008, apparently because it wanted to control oil pipelines (Lantier 2008; Orlov 2008). Russia took the opposite attitude on Abkhazia and South Ossetia, although it had ignored self-determination in its two wars against Chechnya in 1994–96 and 1999–2000. On those separatist movements the Russian daily Kommersant compared the [Russian] recognition of the Georgian territories with 9/11, stating that world politics would never be the same again. ‘For the first time in history, Russia demonstrably undermined the principle of territorial integrity, giving preference to the principle of self-determination of peoples’ (WeekendEditor 2008, 32)…

[This has produced] a chill directed towards Russia by its usual allies — and the most important part of this is China’s appalled reaction… For years it has joined Russia in defending the notion of territorial integrity, saying that sovereign borders were inviolable. Now it sees Moscow jettison this principle to both countries’ potential cost. (Maddox 2008, 15)

We have strayed here from democracies to authoritarian regimes, but the digression illustrates a need for democracies to provide a strong lead, not only by promulgating principles for the just conduct of international affairs, but by adhering to them even if the immediate cost to those democracies is considerable. Unfortunately, it appears that competitive reflexes prevent de-
mocracies from doing this. Other impacts of these reflexes are now inspected.

2.3.1 Competition distracts politicians from producing public goods

As political scientist Ian Shapiro (2012, 202) emphasizes, ‘competition for power is indispensable’ as it gives ‘political aspirants incentives to shine light in dark corners and expose one another’s failures and dissembling.’ But electoral competition in democracies also limits the openness and honesty of politicians because they are tempted to win the competition by pandering to the ignorance of electors. Politicians will rarely risk alienating electors with benevolent policies that electors do not understand. Pandering can produce bad legislation and policy not only as an immediate result, but also as a delayed effect because it inhibits the development of public opinion by preventing or distorting inputs to public debate. Instead of discussing issues in public with constructive candour, politicians often personally attack their opponents, indulge in fake adversarialism and respond to difficult questions from journalists and others with irrelevant answers or by raising and answering another question that they prefer. Such bluster, spin, concealment and even lying (e.g. Mearsheimer 2011) hinders the development of public opinion and thereby constrains the provision and protection of public goods. Some of this corruption is obvious to many citizens and thereby helps to produce the ‘paradox of trust’ described in §2.2.1.

In Australia, as well as many other democracies, the competitive electoral environment cultivates a popular obsession with leaders of parties and governments, which distracts citizens from being aware that it is they who basically direct government policy. It focuses their attention on personalities and on character assassination rather than on discussing and debating issues, an effect that joins with the evasiveness of politicians observed above to hinder the development of public opinion. Another consequence of competition in Australian politics is a rigid insistence by politicians that government is formed virtu-
ally exclusively from the party with the most members in the legislature, so that when the two major parties have almost the same number of members a minor party may exert unrepresentative influence — a ‘balance of power’ situation. This insistence on opposition politics often prevents much public opinion from being represented in government and deprives it of much talent in the legislature. The oppositional fetish motivates parties to try to destroy each other’s public image rather than to devise and negotiate good policy. It also tempts governments to seek electoral advantage over the opposition by using public money to sell their policies to the public, especially before elections. Instead of opposition politics, parliaments could form a governing legislative majority in the lower house from a coalition of minor parties, or they could have all the members of the lower house work as the government. In Australia, both arrangements are repugnant to most representatives. This combative attitude is fuelled by the need to attract votes, because a fairly disengaged populace will only register simplistic images and messages from their political agents. The same competitive approach may also make the internal affairs of each party a fractious business. Abandoning opposition politics would not eliminate competition, but it should moderate it to be more constructive because politicians would still compete with each other to propose the smartest policy ideas and to gain positions of status and influence within the legislature. The consensual democracies of Scandinavia demonstrate that there is no absolute requirement for electoral democracy to be fiercely oppositional, for those polities mostly govern with coalitions of minority parties.

2.3.2 Competition tempts politicians to sell legislation Shapiro (2012, 203) points out that a major difficulty with political competition ‘is that, particularly in the United States but increasingly in other democracies, politicians compete first for campaign contributions and second for votes.’ Al Gore (2007) has corroborated this by stressing that the costliness of television advertising exerts extreme pressure on US politicians to
raise money. In order to get it, they will be tempted to produce the legislation that lobbyists will pay for. Television campaigning not only corrupts democracy in this way, but it also truncates the public debate that is essential for the development of the mass opinion that democratic governments basically follow. Television promotions do this by being made very brief in order to have impact and to minimize their cost, but this eliminates balance and rational argument.

Payments for legislation also pose temptations for both lobbyists and politicians to use this money for personal financial gain as well as for political campaigns. The Abramoff Indian lobbying scandal illustrates the complexity and scale of such corruption. This erupted over work performed by political lobbyists Jack Abramoff, Ralph E. Reed Jr., Grover Norquist and Michael Scanlon for Indian casino gambling interests who paid them fees of an estimated US$85 million. Abramoff and Scanlon grossly overbilled their clients and orchestrated lobbying against them in order to force more payments for counter-lobbying services. The lobbyists were accused of illegally giving gifts and making campaign donations to legislators in return for legislative action. Representative Bob Ney (R-OH) and two aides to House Majority Leader Tom DeLay (R-TX) were directly implicated. Both Ney and DeLay were forced to give up their Republican leadership posts. Ney was sentenced to thirty months in prison and Abramoff to five years, ten months (Schmidt et al. 2005). The fact that they were caught demonstrates that liberal democracy works at the level of limiting the extent of corruption, but the case also indicates that the competitive pressures of electoral politics coerce politicians to accept—and seek—the bribes of lobbyists.

Corporations may, in effect, buy legislation and government projects by rewarding a representative who favours them by establishing a business in that legislator’s district to improve their electoral prospects, or by offering a post-political career as an executive or consultant (Freedland 2007, 20). Such favours may be ‘earned’ by politicians introducing bills, lobbying, log rolling, earmarking and introducing tax credits. Log rolling is the bar-
Log rolling also covers the bundling together of diverse measures into a single package to broaden their basis of support. Earmarking is inserting a special provision favouring one constituent or a very narrow group into an appropriations bill (Kirkpatrick 2006; Kuttner 2008). In March 2010 the House Appropriations Committee banned earmarks to for-profit organizations. Such insertions are permitted by the legislator who proposes a bill in order to get votes for it, or to allow that legislator to insert earmarks in the bills of other representatives in return for the favour. Tax credits create similar corruption of legislation. As Kuttner (2008, 96) points out, these ploys ‘are hardly ever subjected to normal legislative hearings; rather, deals are cut behind doors and the general public only learns of the intended beneficiary afterward, if ever.’ Pork barrelling is another attempt to pay for favours in which representatives bribe electors for votes by spending public funds or locating government agencies or businesses in their electorate. Such deals often allow policies and programs to be dictated by the interest groups able to lobby for or buy them, rather than by the strengths of arguments for and against policies, as judged on their merits, either by the public or by their representatives. As a result, US scholar of international relations Chalmers Johnson (cited in Freedland 2007, 20) has observed that ‘the legislative branch of our government is broken’.

Such manipulation of electoral and legislative affairs could be reduced by legislation, but special interests pursuing private goods make it virtually impossible to enact. That subversive effect was described by Mancur Olson (1965) and public choice theorist Gordon Tullock (1993, 39–40) assessed it as ‘the crucial weakness of democracy’, the evident bias of the political process in favour of voters who are concentrated and well-informed on issues that are significantly relevant to them and against voters who are dispersed and ill-informed on issues that are less directly relevant …. [This is how] special in-
terests penetrate in order to rent-seek, to the general detriment of society as a whole.

But in electorally representative democracies, special interests are only able to ‘penetrate’ by helping politicians to compete with each other; primarily for votes but also for money. Tullock’s ‘bias of the political process’—which has been dubbed ‘Olson’s Law’ (Mickelthwait and Wooldridge 2014, 111)—might be mitigated or eliminated in two ways. The first is to reconfigure the political process so that it brought together ‘voters who are dispersed and ill-informed on issues that are less directly relevant’ (to them). The second way is for the reconfiguration to provide incentives for voters to become better informed. The new institution proposed in Part 2 is designed to produce both reforms. This would change democratic government into a less representative and more direct form. If it worked, it would demonstrate that Tullock’s ‘crucial weakness of democracy’ is a weakness only of electorally representative forms of democracy and not necessarily of other forms. But as Zakaria (2003, 177) observes, this weakness is the heart of America’s dilemma today. The American people believe that they have no real control over government. What they do not realize is that the politicians have no control, either. Most representatives and senators believe that they operate in a political system in which any serious attempts at change produce instant, well-organized opposition from the small minority who are hurt by the change. And it is these minorities who really run Washington.

Public choice theory has much to say about such corruption in electoral democracy, but it is viewed by some as misguided because it tries to explain and predict political behaviour as rational utility maximization by actors such as voters, politicians and lobbyists, while ignoring their benevolent and irrational motivations. However, the simplification of assuming that politicians are purely self-interested may be accurate enough because the competition that threatens to put them out of politics makes
self-interest their overriding priority. For example, public choice economist Peter Leeson (2006, 357, 364) has given a theoretical demonstration that

even when policymakers are partially benevolent towards the public, they are still led to cater to special interests and society fares no better off than if politicians were strictly self-interested. Political agent benevolence is thus an all-or-nothing proposition. Unless benevolence is total, policy looks the same… Despite its departure from motivational realism, if we get the same results with partial political agent benevolence as we do with zero, the standard public choice assumption is vindicated predictively.

Leeson’s analysis is based on competition between political agents for votes from citizens. The latter generally pay inadequate attention to public issues, so each agent must be at least as willing as her competitors to ignore public welfare by taking advantage of public ignorance to pander to special interests who may deliver votes. As Leeson (2006, 357) writes: the ‘absence of an effective enforcement mechanism for punishing politicians who cater to special interests gives political agents strong reason to doubt the commitment of their fellow statesmen to the public welfare’. His analysis indicates that this doubt will coerce politicians to produce defective public policy as they compete with each other for votes.

Selectorate theory (which is outlined later in Chapter 10) is a public choice (‘rational choice’) approach to political science, as it uses the economist’s method of explaining and predicting political behaviour by looking for incentives, especially those appealing to the self-interest that is mandatory for success in the highly competitive environments of markets and politics. The major incentive recognized by selectorate theory is that competition for political office is so persistent and potentially lethal (at least politically lethal, and in some autocracies, biologically lethal as well) that it compels each politician to make political survival his top priority. Selectorate theory therefore regards competition for office as a fundamental feature of poli-
tics, across the entire spectrum from democracy to autocracy. (Bueno de Mesquita et al. 2003, 25)

2.3.3 Political competition intensified by commercial competition

In the last few decades, competition between politicians has been heightened by the media manufacturing and dramatizing it for commercial advantage. Public communication scholars Jay Blumler and Stephen Coleman (2001) claim that this sensationalism has been facilitated by a growing fickleness in public opinion, which arises from increasing individualism and its weakening of traditional social ties such as political parties, the nuclear family, mainstream religion, the workplace and social class.

Relations between journalists and politicians have been transformed as a result. Given the fluidity and fickleness of public opinion, news coverage matters enormously to politicians and their advisors. They consider they are engaged in a daily competitive struggle to influence and control popular perceptions of key political events and issues through the major mass media. They aim therefore to permeate and dominate the news agenda so far as possible.

But political journalists have not taken such attempts to narrow and determine their news choices lying down. Wherever possible, they impose their own interpretive frames on politicians’ statements and initiatives, limiting the latter to compressed quotes and soundbites. They concentrate on issues that politicians cannot keep under control, ones that reporters can run and break open doors with and apply conventional news values to. They put a spotlight on any weaknesses, failings, and blunders that the professionalised politicians may happen to commit. In particular, they continually ‘unmask’ politicians’ publicity efforts, often saying more about the PR motives behind them than about the substantive pro’s and con’s of their records and proposals… The logic of this is like submitting political communication to the ravages of a shoal of piranha fish… Thus, in democracies where measures across a series of recent election campaigns are available, the balance of the evidence
shows that media coverage of politics is diminishing in amount and becoming more ‘mediated’ (dominated more by journalists and their frames of reference), more focused on power tactics at the expense of issue substance, and more negative. (Blumler and Coleman 2001, 9, 10, 11)

Commercial competition does more than exacerbate the competitiveness of democratic politics through the media. It is also a pervasive influence on the lives and attitudes of all citizens in democracies, for they must continually cope with and contribute to commercial competition as they consume and work. In some personalities this may encourage an ethos of looking for advantage to the limits of law, so that ethical judgment is neglected and self-interest is followed to excess. Australian examples of this are given by journalist and public relations analyst Bob Burton (2007) in Inside Spin: The Dark Underbelly of the PR Industry. The title of the autobiography of a ‘numbers man’ for the Australian Labor Party, Graham Richardson (1994), expresses a similar view of democratic politics: Whatever It Takes. Perhaps their training in, their experience in, and their inclination for adversarial behaviour is why lawyers and businessmen often do well in democratic politics. Bryan Caplan has observed that as the modal US politician has a law degree (with 70% of the presidents, vice presidents and cabinet officers and more than 50% of the US senators and House members being lawyers) it is clear that ‘the electoral process selects people who are professionally trained to plead cases persuasively and sincerely regardless of their merits’ (Caplan 2008, 169, emphasis in original).

2.3.4 Exacerbation of political competition by ambiguous delegation

Ambiguous delegation may have a tendency to exacerbate competition between politicians because uncertainty about who directs government invites them to try to show the people that they, the politicians, are the directors. So they are encouraged to compete with each other to be the most powerful, as in contests for leadership of their party, state and nation. If delegation
unambiguously gave the director’s role to the people, all actors would see those contests as less important and politicians would be able to restrict more of their competition to getting elected. They would also be able to reduce their competition by leaving argument over strategic policy to the people.

It is also likely that rancourous competition between political agents encourages voters to either ignore politics or debate it with less civility and reason. This may produce a polarization in the community that further encourages rancour between their agents. As political scientists Marc Hetherington and Jonathan Weiler (2009) report, political polarization is now a problem in the United States, so it would seem that any measures that might reduce competition and foster understanding and cooperation in politics would be beneficial, certainly in that country and probably in many others as well.

2.3.5 Minimizing the damage from competition
Two general approaches can be employed to reduce the damage done to public goods by competitive struggles between politicians. One is to produce as much policy as possible without having politicians do it, which may be achieved by helping citizens to be more effective as the directors of government, as discussed above in §2.3.4. This calls for the ambiguity to be eliminated from delegation, and it would not only take strategic policy out of the hands of politicians but it would guide the tactical and operational policy that it leaves them with, for strategy eventually determines the broad directions and limits of all other policy.

The other damage-reduction approach is to reduce the competition between politicians. Here again, eliminating ambiguity in delegation is essential. If there is no confusion about who directs the polity, then the competition between politicians might be reduced in two stages. The first is that the clarification of responsibilities would help to confront citizens with the fact that it is up to them to devise rules that moderate competition between politicians. These rules are a matter of strategic policy, so their determination by the people is a part of their job as directors. Moreover, this particular policy is a type that politicians cannot
be expected to make because, as a general rule, regulators are more objective and effective when they regulate others, rather than themselves. Any improvement in the responsibility of politicians that is achieved through their regulation by citizens may then produce a second stage of competition reduction: politicians being more responsible about considering and choosing or accepting other changes that could further moderate incentives for them to compete with each other.

2.4 Excessive compromise

As political scientist Mark Warren (2002a, 192) observed, the ‘most famous objection to democracy, immortalized by Plato, is that democratic decisions are likely to be worse than decisions made by those better qualified by virtue of their knowledge’. Psychiatrists Wilfred Abse and Lucie Jessner (1962, 86) have described the problem as follows:

In the democratic system of values, men have equal rights, but they are not equal in ability, personal development, and education. A democracy which promotes illusions in this respect is undermining its own strength: its power to foster and release the full capacity of the group.

Liberal democracy ensures that this problem will be ever-present because of its universal franchise with one vote per person and equal power for each vote. One vote per person means each person has one vote for one objective: for example, in presidential systems each elector has one vote for a presidential candidate and also one vote for a member of each legislative body, such as a house of representatives or a senate. In mixed member proportional electoral systems such as in New Zealand, Bolivia, Germany and Italy, the elector has one vote for a member of a legislature and also one vote for a party.

One vote of equal power for each citizen ensures that high ideals, imagination and cultivated tastes are blended with low aims, insensitivities and disengagement in the public opinion.
that representatives respond to with their policies and legislation. So competence is heavily compromised and the public goods that politicians deliver reflect average ideals and awareness. Philosopher John Lucas (1976, 254) bluntly described part of the problem by observing that where

a democracy altogether rejects the aristocratic principle, and regards it as undemocratic for anyone to acknowledge anyone else as his superior in artistic taste … artistic creativity is stunted, and the whole of society is submerged in a tide of tasteless mediocrity.

However, it is not only artistic taste in the sense of taste in music, literature, art, architecture and so on that is overruled in this way. Any public goods whose values only become appreciated through some form of learning are also likely to be ‘submerged’ — either by being consumed to produce other things, or by being converted from public to private goods. Public goods of this more subtle type are often essential for the provision of other goods, for example: the public good of a high ratio of natural capital to population may permit a widely available lifestyle of residence in spacious rural or coastal environments and good opportunities for outdoor recreation such as hobby farming, rafting, wilderness backpacking, fishing, hunting and the observation of wildlife. Likewise, the public goods of free education, economic equality and political equality may foster responsible foreign policy and human rights. To illustrate the dependence of the quality of foreign policy on another public good we might turn again to Samantha Power. The public good that she discusses here is the competence of American public opinion.

Bush’s stated goals were to strengthen the US military, bring stability to Iraq and Afghanistan, combat terrorism, prevent rogue states and militants from acquiring nuclear weapons, and promote democracy around the world. In each case, two terms of Republican rule have been disastrous for US national security. The question is: Have American voters noticed?
Joe Biden has. In an interview with MSNBC, Senator Biden, the chairman of the Senate Foreign Relations Committee, was asked whether Democrats could be trusted on national security. He erupted:

‘I refuse to sit back like we did in 2000 and 2004. This administration is the worst administration in American foreign policy in modern history — maybe ever. The idea that they are competent to continue to conduct our foreign policy, to make us more secure and make Israel secure, is preposterous … Every single thing they’ve touched has been a near disaster.’

Poll data show that voters are in fact beginning to share Biden’s view and at last question Republicans’ reliability on national security. On Election Day in 2004 exit polls showed that a majority of voters (49–44 per cent) believed that the war in Iraq had made the country less safe. Yet those same exit polls gave Bush an 18-per cent edge in handling national security. (Power 2008, 68, emphasis added)

Power is observing that the average US voter is not well-informed about public policy, is slow to learn and that the US government has performed at about the same level. These observations are in line with the results of the empirical studies noted above in §2.2.2 and §2.2.3.

The problem of excessive compromise was indicated earlier in §2.2.5 by observing that the accountability of politicians to electors is defective because the ignorance of most electors on many aspects of public policy means that they are often poor judges of the performance of their representatives. However, excesses of compromise may be reduced by eliminating the ambiguity in delegation. This should work by making the people more aware that it is they who direct their government, which should spur them to give their political influence to those among them who are most likely to have informed and sensible views. The new institution proposed in Part 2 is designed to help them do this.
2.5 Triple dysfunction

The dysfunctional tendencies of liberal democracies discussed above are summarized by Figure 2.1. This shows three dysfunctions producing two expressions or types of behaviour, which in turn produce government failure, that is, an underprovision of public goods. This view of democratic failure is called the triple dysfunction hypothesis. The five elements of the electoral process that are proposed to cause these three dysfunctions are separated into two groups in Figure 2.1 to indicate their differing effects. The upper group comprises elections, their frequency and the eligibility of incumbents to run for re-election; the lower group is universal franchise and equality of the vote. The upper group produces ambiguity in the delegation of authority and responsibility, causing confusion about whether electors or politicians are the directors of the polity. It also creates competition between politicians, which is excessive as it interferes with the formulation and implementation of good policy. These two dysfunctions are indicated to interact by two arrows that are drawn thin, meaning that these effects may be slight. The short, thin, downwards arrow indicates that excesses of competitive struggle may be exacerbated because confusion about directorship widens the area in which political agents may compete with each other. Without this confusion they would compete primar-
ily for election to the legislature and, to a lesser degree, for dominance over each other for factional political influence and party leadership. But as this confusion exists, political agents are also invited to compete with each other for directorship of the whole polity, or leadership of the state or nation. The short thin arrow that points up from ‘Excessive competition’ to ‘Confusion of directorship’ indicates that the need for politicians to compete for votes encourages them to act as if they are the directors in order to impress electors, which may encourage electors to neglect to carry out their democratic role of directorship, adding to the confusion about who directs democratic government.

The third dysfunction is that universal franchise and equality of the vote make the polity compromise knowledge, ideas and sensitivity with ignorance and indifference. As described above in §2.4, this effect is also encouraged by confusion about directorship. If the system of delegation was very clear that it is the people who direct government (with mass opinion more clearly controlling public policy), then citizens may be more likely to minimize any compromising of their wisdom with their ignorance. Because this impact of confusion about directorship may be slight, it is indicated here by a thin arrow. Excesses in compromise are also affected by competition between politicians because this coerces them to express and enact the views of the majority of their constituents, regardless of the wisdom of these views, in order to secure electoral support. This effect is shown by an arrow from ‘Excessive competition’ to ‘Excessive compromise’. It is drawn thin to minimize emphasis, because the major compromising effect is considered to be indicated by the thick arrow pointing to ‘Excessive compromise’ from ‘Universal franchise’ and ‘Equality of the vote’.

Confused directorship and excessive competition are expected to be expressed as an element of irresponsibility in democratic government. Confusion about who directs will do this by preventing electors and those they elect from being clear about which group has the responsibility to deliberate and develop policy. So both groups tend to leave this work up to the other. If one group does try to assume responsibility, the ambiguity
observes whether that group should address strategic, tactical or operational policy, so irresponsibility still tends to occur, especially at the strategic end of the spectrum, as both groups have more incentive to focus on the other end. Competition between politicians for both electoral success and ultimate directorship (state or national leadership) will encourage irresponsibility by focusing them on choosing policies that appeal to, or at least do not offend, the ignorance of somewhat disengaged electors. The third dysfunction (excessive compromise) may have a rather different expression: a degree of ignorance that then limits the competence of public policy. These tendencies towards irresponsibility and ignorance thus cause democratic governments to fail, to some extent. In other words, as explained in §2.1, they underprovide public goods.

The two-way vertical influence between the expressions of dysfunction indicates that irresponsibility and ignorance each tend to strengthen the other. It should be noted that these expressions are tendencies only, not complete irresponsibility and ignorance. The triple dysfunction hypothesis thus offers at least a partial model of deficiencies in the behaviour of democratic governments and appears to indicate that confusion about who directs is the major cause.

This hypothesis describes government failure partially as an ‘agency problem’ (e.g. Stiglitz 2010, 13), which is that when agents (in this case, political representatives) are appointed by principals (in this case, citizens) to act for them, then the principals may not be able to make sure that the agents act in the principals’ interests rather than in the agents’ interests. Agents often have some advantage over principals in that their agency gives them access to information that principals do not have and also some scope for action that principals cannot see or control. The first two parts of triple dysfunction are agency problems. Ambiguity in delegation gives agents a degree of freedom to further their own interests rather than the interests of the principals, which is the public good. Excessive competition between political agents gives them a very strong incentive to look after their own interests rather than those of their principals. The
third part of triple dysfunction is not a classic agency problem because excessive compromise is a failure by the principals to fully consider their own good — the public good — as they issue directions to their agents and monitor their performance.

2.6 Checking the hypothesis by backward mapping from two democratic failures

The prediction of democratic failure given above could be described as a mapping of consequences. It starts from basic democratic structure to predict any consequences of this that would be failures of performance (‘dysfunctions’) by democratic principals and their agents. It then looks for probable consequences of those failures (‘expressions’ of dysfunction) and then for likely consequences of those consequences (government failure). However, instead of referring to this systems thinking as a mapping of consequences, it is here called ‘forward mapping’, a term that was adapted from public affairs academic Richard Elmore (1980) by two scholars of public policy and administration, Brian Head and John Alford (2008, 16). I now compare the results of this particular forward mapping with two causal mappings that proceed in the reverse direction, which Head and Alford call ‘backward mappings’. In these, the circumstances of an adverse consequence are inspected to see what may have caused it and then probable causes of this cause (or causes) are investigated for their likely causes and so on, as far back along the causal web as appears clear and useful for identifying points where effective corrections may be possible. Backward mapping should identify the same causal chain or web that a forward mapping of the same system reveals. The first backward mapping that is presented here investigates causes of neglect of the long-term in Australian politics and the second asks why many US environmental policy problems recur. These problems are both failures in strategic policy, and as this is predicted by triple dysfunction theory, these mappings should test the theory.
2.6.1 Neglect of the long term in Australian politics

Marsh and Yencken (2004) have investigated why Australian politics neglects the long term, as shown by problems such as salinity, land degradation, deteriorating rivers, the effects of globalization on employment, inadequacy of research and innovation, public cynicism about politics, massive expansion of foreign debt, problems in the health and development of children and youth, energy issues and greenhouse emissions. This political failure is widely recognized, as environmental scientists David Mercer and Peter Marden (2006) observe: ‘There is little doubt that Australian politics has failed to grapple with the challenges posed by a post-sustainable development society. The unwillingness of liberal democracy to resolve environmental problems has been recognized for a considerable time.’ Judith Brett has backed this assessment with her scrutiny of Prime Minister John Howard’s legacy of federal government in Australia. She suggested that his performance on global warming, related environmental issues and dependence on oil made him

similar to the now faceless and nameless men who condemned Galileo for claiming that the world went round the sun…after ten years in power we know far more about how he sees the past 100 years than how he sees the next. (Brett 2006)

Marsh and Yencken (2004, 31–41) diagnose the causes of this neglect of long-term issues in Australia as threefold: ‘fake adversarialism’; limitations of the policy-forming structure; and limitations in the availability of information. As they start with symptoms and then look for causes, their analysis tends to focus on those which are most immediately responsible for the neglect. The fundamental changes that are required to produce lasting corrections of the neglect of long-term issues therefore tend to escape attention. Marsh and Yencken (2004, 83) appear to acknowledge this in their closing two sentences. ‘All these changes will be in vain if they do not lead to effective action. There is therefore a final requirement — political leadership of vision, courage and conviction.’ This conclusion agrees with the
diagnosis of forward mapping: that leadership is confused and therefore seriously deficient. The cause of this confusion — frequent elections that are open to incumbents — is recognized by Marsh and Yencken (2004). They observe that the first of their three causes of policy neglect, fake adversarialism,

arises from the dynamics of the electoral contest between parties... The present system is distorted by the way electoral incentives trump attention to arguments based on considerations of merit and prudence... electoral needs have required public contention between the major parties. Issues have been distorted or fabricated to create the appearance of difference or to undermine opponents. (Marsh and Yencken 2004, 31, 32–33)

This means we may replace ‘fake adversarialism’ with a more fundamental cause, ‘the dynamics of the electoral contest’, the operative parts of which have been suggested above to be ambiguous delegation and excesses in competition and compromise.

To explain their second cause of neglect, ‘limitations of the policy-forming structure’, Marsh and Yencken observe that the ‘inability to create a public conversation about longer-term issues is partly caused by the dynamics of electoral competition between the major parties. It is also caused by a number of organisational features of the formal policy-making structure’ (2004, 35, emphasis added). They list those organisational features as (a) work overload created by the restricted size of the policy-making executive; (b) lack of access for interest groups; (c) inability of the policy-making system to create interest coalitions around longer-term issues; and (d) weak working relationships between the federal and state governments. Feature (b) here refers to a lack of formal access structured for fairness to all stakeholders, not a lack of the underhand access for special interests discussed above under ‘Excessive competition’. Marsh and Yencken do not remark that their four organisational features (a) to (d) are also likely to be largely caused by ‘the dynamics of the electoral contest’. This is suggested to happen as
follows. The restricted size of the executive referred to in (a) is likely to be a response to the electoral imperative of being seen to provide strong, decisive leadership free of drawn-out internal argument, an imperative that arises from ambiguous delegation and excessive competition between politicians, which as noted above are two parts of ‘the dynamics of the electoral contest’. Problems (b) and (c) may be responses by politicians to the electoral imperative to be seen to be catering to the broad mass of voters, so they appear to be cases of excessive compromise. Politicians are reluctant to confuse their simplistic appeal to disengaged electors by being seen to cooperate with minority opinions, however benevolent to the public interest these might be, because these minority opinions are not well understood by the mass of voters. Finally, problem (d) arises because federal–state conflict is almost obligatory for politicians wanting to demonstrate their allegiance to their constituents and impress them with their leadership qualities. Such demonstrations are driven by excessive competition and permitted by the ambiguity of delegation. We may thus alter most of Marsh and Yencken’s second cause of neglect of the long term from ‘limitations of the policy-forming structure’ to ‘dynamics of the electoral contest’ and in turn alter this to ambiguous delegation plus excesses in competition and compromise. So their second cause of neglect of the long term appears to be fundamentally the same as their first cause.

Their third cause of neglect, ‘limitations to the availability of information’ may also be largely ascribed to the ‘dynamics of the electoral contest’, which in this case is the influence of ambiguous delegation. To see this we may start with Marsh and Yencken’s observation that, with the exception of well-established regimes of economic reporting at every level of Australian government, the reporting of trends and conditions is inadequate, especially in social reporting. They point out that these deficiencies mean ‘issues are buried, neglected by the media and given scant attention by politicians’ (2004, 38), but they do not mention that these deficiencies are likely to be caused by a lack of demand for that information, which in turn would be caused by a lack of
interest from the public. But such disinterest is what one would expect from ambiguity in delegation, for this allows citizens to think they have given the entire task of choosing public goods to politicians — so they can focus on their private goods, including their purchasing power. Of course, analysts, media and government respond to this strong interest by citizens in business and the economy by providing the relevant information.

Marsh and Yencken (2004, 40) observe that the limitations they postulate as causing neglect of the long term, ‘political, organisational and information limitations … are widely acknowledged as the cause of present public disaffection with the major parties. They are at the root of public cynicism about politics.’ However, as indicated above, inspection for possible causes of these causes appears to show more fundamental causation: the democratic structures of frequent elections, eligibility of incumbents, universal franchise and equal vote, which produce ambiguity in delegation, excessive competition and ignorance from compromise. Marsh and Yencken’s analysis amounts to an exhortation to politicians or to the disengaged electorate or to anyone who might have influence to fix the political, organisational and information deficiencies that they identify. This seems unlikely to work for several reasons. One is that few citizens are listening, as discussed above in §2.2.2 and §2.2.3. Another is the number of defects to be corrected. A third problem is that of making any corrections continue to work. If an underlying cause such as counterproductive structure is not corrected or persistently countered by a new, permanent institution, it will prevail by continuing to exert its effects. The reforms suggested by Marsh and Yencken are likely to be ignored or to fail because the existing electoral structure provides little incentive for citizens and politicians to support them. As these scholars recognize in their conclusion, the crux is leadership, so the major task is to make this effective and to do it in a way that is self-maintaining. However, the analysis of leadership given above indicates that, as this is the relationship between leaders and followers, then the performance of followers is at least as crucial as that of leaders. Following the terminology used above, we might define the
problem of government failure more usefully by revising Marsh and Yencken’s view that the crux is leadership, by saying that the crux is directorship. This invites us to consider whether we can improve directorship by eliminating ambiguity in delegation.

2.6.2 Recurrence of environmental policy failures
In Table 2.1, the University of Michigan’s Steven Yaffee (1997) ascribes several types of failure in ecosystem management by successive administrations in the US to five behavioural biases of humans and human institutions. He proposes that the solutions listed in the right-hand column may eliminate these biases and thereby produce better policy. This analysis was focused mainly on repetitive mismanagement of the northern spotted owl, but it recognizes similar behavioural biases in attempts to manage other species, such as the red-cockaded woodpecker, black-footed ferret, California condor, whooping crane, grizzly bear, gray wolf and whales. Yaffee’s method is a short backward mapping as it identifies ‘policy problems’ and inspects these for likely proximal causes.

To compare the forward mapping of the triple dysfunction analysis with Yaffee’s backward mapping, each one of his five biases (in the left-hand column, ‘Behavioural bias’) and each suggested correction for these (in the right-hand column, ‘Solutions’) is followed in the table by a bracketed comment of D, C or I. These letters indicate that the relevant behavioural bias or solution identified by Yaffee is judged equivalent to one or more of the dysfunctions or solutions suggested by our forward mapping. In these bracketed comments, D stands for directorship (so under ‘Behavioural bias’, D is confusion about who directs and under ‘Solutions’, D is clear responsibility for directorship); C is for competition (so under ‘Behavioural bias’, C is excessive competition; and under ‘Solutions’, C is the moderation of competition, for example by cooperation); and I is for ignorance by the polity (so under ‘Behavioural bias’, I is ignorance from excessive compromise; and under ‘Solutions’, I is dissemination of information or greater political influence for those citizens who are relatively well informed). The particular allocation of
<table>
<thead>
<tr>
<th>Behavioural bias</th>
<th>Policy problems</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term rationality outcompetes long-term rationality (D, C, I)</td>
<td>Poor long-term direction</td>
<td>Learn about the future. (D, I); Bind ourselves to the future through directives, information and ‘fixers’. (D, C); Promote innovation and experimentation. (D); Find creative ways to meet both short-term and long-term objectives. (D)</td>
</tr>
<tr>
<td>Competition supplants cooperation (D, C)</td>
<td>Impasses; inferior solutions</td>
<td>Develop processes that promote sharing and develop trust and relationships. (D, C); Protect those who may be exploited. (D, C); Focus on super-ordinate goals. (D, C); Be firm on ends; flexible on means. (D, C)</td>
</tr>
<tr>
<td>Fragmentation of interests and values (D, C, I)</td>
<td>Impasses; inferior solutions</td>
<td>Promote discourse &amp; values ratification. (D, C, I); Build political concurrence. (D, C); Promote education of the public. (D, I)</td>
</tr>
<tr>
<td>Fragmentation of responsibilities and authorities (D, C)</td>
<td>Slow, inconclusive decision-making; diminished accountability; piecemeal solutions</td>
<td>Foster leadership. (D); Create coordinating mechanisms. (D, C); Structure incentives. (D); Develop clear measures of success and an ability to monitor performance. (D)</td>
</tr>
<tr>
<td>Fragmentation of information and knowledge (I)</td>
<td>Inferior solutions</td>
<td>Promote information flows within and between organizations. (D, C, I); Invest in better data bases. (D, I); Build centres of up-to-date expertise. (D, I); Use data negotiation. (C)</td>
</tr>
</tbody>
</table>

Table 2.1. Behavioural biases that generate environmental policy problems and suggest solutions. Based on Yaffee 1997, 330.
comments D, C and I that is made in this table is necessarily a subjective set of judgements and each reader might prefer a somewhat different set. But on the allocation suggested here, the broad impression is that Yaffee’s biases and solutions tend to be covered by the dysfunctions and solutions suggested by our forward mapping. However, in addition to this broad agreement of forward and backward mapping, forward mapping yields something that Yaffee’s truncated backward mapping falls short of doing: It prescribes fundamental structural reform that appears necessary if Yaffee’s ‘Solutions’ are to be systemically introduced, driven and given permanent incentives to be maintained.

Yaffee’s backward mapping indicates five policy problems being caused by five behavioural biases that might be ameliorated by thirteen different actions (the ‘Solutions’ in the right-hand column). Forward mapping produces a simpler set of solutions by suggesting that a multitude of policy problems (far more of these exist than just those in this particular set of ecosystem mismanagements) are at least partly caused by just three political dysfunctions. Table 2.1 indicates that confused directorship (D) is probably the most damaging of these dysfunctions, as it is suggested to be roughly equal to excessive competition (C) in producing behavioural bias (both are noted 4 times here, compared with 3 times for I) while it may be much more influential in producing solutions (D is suggested 18 times) than both C (suggested 10 times) and I (suggested 6 times) taken together. On this rough assessment, the most useful single solution might be to eliminate ambiguity in delegation. This is also the conclusion reached in comparing Marsh and Yencken’s backward mapping with the forward mapping analysis of triple dysfunction.

It appears that forward mapping tends to find something that backward mapping may have trouble reaching far enough back to see. In analysing government failure, forward mapping starts with fundamental structure, so as soon as it sees problems near this level it suggests systemic solutions in the form of either changes to basic democratic structures or designs for new institutions that should prevent or rectify the failures produced by these structures. Such changes or new institutions should estab-
lish and then maintain better governance, and they will tend to be a smaller set of remedial actions than backward mapping will initially find, for this starts with a multitude of symptoms that need correcting. On the other hand, backward mapping should produce operational and tactical solutions that complement the strategic solutions indicated by forward mapping.

2.7 Summary and implications

As the preceding two backward mappings of government failure appear to support the triple dysfunction hypothesis, it seems to point us toward corrections that are systemic and very few in number. As triple dysfunction locates failure in the structure of democratic government — rather than in particular circumstances or in particular actors such as politicians, bureaucrats, citizens and special interests — it suggests one of two major remedies. Either the democratic delegation of directorship from the people to politicians is completed by making the latter the absolute rulers, or the nature of the incomplete delegation is made explicit, so there is no ambiguity for politicians and citizens. A third strategy, that of making the people the absolute rulers at all levels of public policy, is impractical because citizens do not have the time to devote to this. Some form of representation is necessary. The first strategy of making politicians the absolute rulers or directors calls for eliminating the frequency of elections, either by greatly lengthening the interval between elections, to, say, twenty years or more, or by eliminating elections altogether, for example by selecting representatives by lot. This strategy eliminates much of the accountability of politicians to the electorate, so it risks the quality of public policy. And that risk makes it extremely difficult to get citizens to accept this strategy.

For the second strategy of making the incomplete delegation explicit, the people and their politicians must be continually reminded of their respective responsibilities under current systems of electoral delegation. As these systems leave electors in the position of directors, they can only produce good public
policy if they realize they must determine the broad objectives that they want for public goods and if politicians know they are restricted to choosing the relative details of how to achieve those objectives. Under this strategy, politicians must regard themselves as executives or managers for electors who are their directors, so it is confusing for both them and citizens when they are called, or when they call themselves, ‘leaders’. However, it is unlikely that these roles will be permanently clarified by merely renaming or describing them. Most citizens would not hear the descriptions and in any case would soon forget them. Some politicians may ignore descriptions or titles that demote them from leader to manager. Descriptions will also do little to help either citizens or politicians to perform these functions. But new institutions may be able to continually remind citizens and politicians of their different roles while providing them with permanent incentives and assistance to perform in those ways. However, that problem of institutional design is set aside here, to be taken up in Part 2. At this stage we may begin to eliminate the confusion arising from the word ‘leader’ by being careful to use it with the specific meaning discussed above in §2.2, §2.2.1, §2.2.4 and §2.2.8, while using ‘director’ when we mean that, rather than leader. Both terms are needed to describe how a democratic government functions and how it should function if it is to be fully effective.

In respect of the citizen’s job of director, political scientist Diana Mutz (2006, 150) cautions that deliberation and active political participation are seriously incompatible. A citizen who participates vigorously is unlikely to deliberate much and one who deliberates fully is unlikely to be an active participant. Mutz offers two mechanisms to explain this: The cross-cutting exposure to policy issues that deliberation produces creates ambivalence about political decisions, which inhibits action; and crosscutting exposure heightens awareness of the potential for involvement in controversy, which also deters many from participation. Mutz’s first mechanism may include the following two influences: Paying attention to crosscutting arguments takes time and energy, so the deliberant has less of these for participation;
and this attention also demands and may cultivate an analytical or reflective attitude, which is the antithesis of the impulsive, action-demanding mood that may be needed for participation. The difficulty of producing both deliberation and participation in the same citizen must be ameliorated or overcome by institutions that execute the second strategy noted at the outset of this summary, which is to encourage citizens to deliberate strategic policy and then assist them to participate by helping them to get their politicians to execute their findings.

The corruption of the democratic system of social choice that has been described in this chapter means that individual choice of private goods is very often able to take advantage of the weakness in social choice to replace or overrule it. A major way in which this occurs is that citizens find it rewarding to avoid the ineffectuality and frustration of the muddled and rancourous system of social choice by focusing on individual choice. The market is adept at encouraging them to do this, as Reich (2007) describes in *Supercapitalism* and political scientist Michael Sandel (2012) laments in *What Money Can’t Buy*. So people focus on ‘me, now’, their narcissism grows, private wealth flourishes (for those who can get it) and the public domain decays. In Australia, sociologist Michael Pusey (2003, 183) is deeply troubled by this progression, noting that with economic reform has come a thinning of democracy and an induced retreat of the people into a purely private sphere of caring only for one’s own, of mood states, of consumption, of recuperation, of therapy, and incommunicable anger at what is being done to them.

After many years of social research in Australia, psychologist Hugh Mackay (2004, 7–8) observed that Australians have become

[i]nfi nitely more snobbish, infinitely more stratified, with a much stronger sense of there being a wealth class… who think they’re there, they’ve made it, we deserve to be here, we’ve got to look after
our children and those people well that’s just how it is … nothing to do with us.

Mackay’s (2004, 7) conclusion is that we need a much more ‘compassionate, harmonious, generous, accommodating society, paying excessive regard to the disadvantaged, the poor, the unintelligent.’ Triple dysfunction is a way of understanding why many democracies are in this crisis and others appear to be drifting towards it. In Chapter 6, this prediction is used as a diagnosis to guide the prescription of a remedy. Before this is done, the next three chapters further investigate the accuracy of the diagnosis. In Chapter 3, the performances of some liberal democracies with structures and cultures that minimize triple dysfunction are inspected and compared with one that cultivates it. Chapter 4 looks at the characteristics of issues that make triple dysfunction liable to produce serious mismanagement. It then gives examples of this occurring in three issues, each of which has several of those troublesome characteristics. The diagnosis of Part 1 is concluded in Chapter 5 with a more detailed inquiry into the way in which a fourth issue is mismanaged by triple dysfunction: the issue of human wants for scarce natural capital.