

Democracy – Part 2: The Dependent Leader

A reader asked us to **explain**:

Why democracy prevents those in charge from doing too much damage. It seems to me that a monarch, for example, has more incentive to prevent damage to his country and its citizens than an elected official.

But how will the monarch decide what counts as 'damage', and how it is best repaired? Rulers are often wrong. Queen Mary thought that 'damage' was measured by the number of Protestants in the country, so she had them set on fire. Prince Charles talks to plants and **thinks** that

buried deep within each and every one of us, there is an instinctive, heart-felt awareness that provides -if we will allow it to- the most reliable guide as to whether or not our actions are really in the long term interests of our planet and all the life it supports.

Here speaks the voice of well-meaning tyranny and earnest unreason. Yet Charles' mistake is not that he wants to use intuition. For how else will the monarch – or any leader – decide when to overrule the experts, when to overrule the majority, when to overrule his advisers, and on the other hand, when to let some of those groups have their way despite his own contrary opinion? Charles' mistake is in his very conception of the problem: he conceives of it as being *how to find a reliable guide*, and it is implicit, as it always is with who-should-rule theories, that once we have found the reliable guide it is best to impose its judgements on everyone. How could it be otherwise?

But there is no such thing as a reliable guide. What makes the crucial difference between the possibility and impossibility of progress is not how reliable our leaders are, but how good our institutions for removing bad leaders and bad policies are. A key feature of good institutions is that under them, leaders are dependent on the people they lead. Democratic politicians are dependent on their constituents' good will for the political survival, and one mistake is sometimes enough to end a democratic politician's career. A key feature of bad institutions is that the subjects are dependent on the ruler: they are kept at the mercy of whatever intuitions, good or bad, he may suck out of who knows

where, and after they have paid for his mistakes, they are obliged to do whatever he says all over again.

The monarch is in essence the "owner" of the government. The elected official is on a short term lease and has many incentives to treat the land and its citizens as, well, rental property.

The analogy does not hold. Neither being a monarch nor being an owner gives one automatic knowledge of how to serve one's own best interests, let alone the country's. In a free society, owners who ruin their property, gradually cease to be owners of anything. But monarchs who ruin their countries still get to rule poor countries (which generally does not affect their own standard of living at all). And if they just don't know what to do for the best, having an 'incentive to treat people well' won't help. After all, everyone has an incentive to become a billionaire, but few know how.

A king cannot live among his people. He will have held a position of power before his ascension to the throne. He will have shared the king's tribute and been complicit in his crimes. As such, he will want to avoid being removed from his throne and demoted to the level of an ordinary person for fear of retribution. When a democratic politician retires from public office he usually stays in the country he formerly helped to govern. As such, he will want to ensure that when he leaves office he can earn a living on the free market.

The elected official can always blame the previous administration for the country's problems, the monarch cannot.

That's a feature, not a bug. A democratic politician gets into office by convincing people that previous policies caused problems that he can fix. People will vote him out of office if they think that explanation has not panned out. A monarch never has to face this issue as he cannot be removed from power when he makes mistakes. Democratic politicians are accountable for their mistakes, monarchs are not.

The elected official may need to "scapegoat" certain minorities to become popular enough to be elected. These minorities could be ethnic, economic, or religious. The monarch does not need to do this to acquire power.

This assumes that the monarch does not have to exert much effort to stay in power. In fact, a monarch has to work hard to stay in power because the only way of removing him is to kill him. Since he justifies his power by saying that his policies are right, he must blame other people for not following these policies. As such, he has an incentive to find scapegoats he can sacrifice to appease his subjects' anger. Furthermore, his family and friends have everything to gain by orchestrating his death and they too are gangsters and thugs. So, as history shows, destructive civil wars are common in monarchies.

Nobody has a monopoly on wisdom, so monarchs can only maintain

power by murdering people who have better ideas. In this respect, monarchy is no different from any other form of tyranny and is just as evil.

Mon, 01/10/2005 - 08:49 | [digg](#) | [del.icio.us](#) | [permalink](#)

Wow good response.

Worth the wait.

by Blixa on Mon, 01/10/2005 - 22:37 | [reply](#)

Niceness

A democratic politician gets into office by convincing people that previous policies caused problems that he can fix.

True, but many people seem to vote according to whether they think democrats or republicans are nicer people, and more specifically, whether one presidential candidate is nicer than the other.

The approach isn't without merit. If you don't understand much about policy then at least vote for a politician who is a good person, so that they will hopefully do the right thing in office.

David Blunkett, a former minister in the Labour Government here in the UK, left the cabinet as a result of mistakes made in his private life. In the eyes of most ordinary people these made him a bad person, and therefore not suitable for office.

A more knowledgeable electorate would have insisted on his departure much sooner for his centralizing and authoritarian policy initiatives.

by [Tom Robinson](#) on Tue, 01/11/2005 - 00:02 | [reply](#)

True but

"niceness" will probably tend to be a factor in inverse proportion to whether either of the candidates has a serious record of mistakes that the public perceives to be worthy of correction/punishment. If "niceness" is a significant factor this just means there aren't serious mistakes to punish in that particular election. When there are, "niceness" isn't - so this feature of democracies remains.

Jimmy Carter for example was and is widely perceived as very "nice".

by Blixa on Tue, 01/11/2005 - 00:33 | [reply](#)

Re: True but

Agree without reservation.

Btw, the "niceness" quotient is calculated from the sort of theories

that apply commonly in family relationships and IRL friendships.

Part of socialists' appeal is their aspiration to scale up these theories to govern interactions between millions of strangers -- war, agriculture, healthcare, etc.

by **Tom Robinson** on Tue, 01/11/2005 - 01:46 | [reply](#)

Contradiction:

The editor states: "But monarchs who ruin their countries still get to rule poor countries"

Yet in a following paragraph states: "In fact, a monarch has to work hard to stay in power because the only way of removing him is to kill him.....As such, he has an incentive to find scapegoats he can sacrifice to appease his subjects' anger. Furthermore, his family and friends have everything to gain by orchestrating his death and they too are gangsters and thugs."

On the one hand the editor is saying: "Monarchs are not held accountable for their actions." and on the other hand saying: "The monarch's subjects, friends and family will hold him accountable for his actions"

by a reader on Tue, 01/11/2005 - 02:43 | [reply](#)

uhh

No, he was saying monarchs who ruin their countries, still get to rule poor countries. This means if they have bad policies that make it a crappy place to live, they still get to rule. All they have to do is not get killed, or thrown out or somesuch. if they ruin the economy, say, they still get to rule.

btw awesome post :)

-- Elliot Temple

<http://www.curi.us/>

by **Elliot Temple** on Tue, 01/11/2005 - 05:22 | [reply](#)

Re: Contradiction

All rulers want to get their way, which usually means staying in power. All rulers try hard to do so. All rulers are removed if they play their cards wrong. In these respects, tyrants and democratic leaders are alike, and open societies and fear societies are alike too.

The difference lies in where a leader's creativity and effort have to be directed – what problems a leader has to solve, and what a leader has do, to get his way. In a fear society, a leader gets into power by killing the previous leader, and/or by killing or intimidating all others who might wish to step into the dead leader's shoes. In an open society, a leader gets into power by persuading people that he has better policies than the old leader. In a fear

society, the leader stays in power by creating a climate in which people are afraid to criticise his policies because if they do, they risk being hurt or killed. In an open society, a leader stays in power by persuading people that his policies are right.

Even more fundamental than these differences is that in an open society the creativity of both the leader *and his rivals* goes into creating knowledge that people will voluntarily agree with, while in a fear society the leader's creativity goes into suppressing knowledge and creating fear and suffering, while his opponents' creativity is either suppressed or goes into schemes to remove him by force.

by [David Deutsch](#) on Tue, 01/11/2005 - 11:13 | [reply](#)

Monarchy, democracy, aristocracy

Hans Hoppe wrote a book (Democracy, the God that failed) with these ideas that somehow a king will rule a country better than a democracy because a king has an incentive to maximize "his" country's value. True, to be sure. But maximizing a country's value to the king as an individual means maximizing taxes, maximizing his power over his subjects to benefit his ego, expending his subjects' lives so as to gain prestige in wars of conquest, etc. So Hoppe got it all backwards, since it's obvious that a king's motives will tend to be diametrically opposed to those of his subjects, **precisely because** he'll act as an owner so as to increase his own personal value he gets out of his subjects - unless the king happens to be a benevolent dictator, which indeed sometimes happens.

Furthermore, Hoppe could have been spared this mistake had he simply looked at history and the current world, which is full of examples of despotic oppressive kings and dictators far worse than any democracy.

That said, Hoppe is still right that democracy is a particularly bad system, though not as bad as absolute monarchy. A limited elitist form of democracy is actually much better than full democracy, as history clearly shows.

The Netherlands, for example, has been a "democracy" since 1848. But in the 19th century democracy meant only that men paying a minimum amount of taxes were allowed to vote. In that period only 10% of the populace was eligible to vote. And indeed it worked pretty well, with a relatively high degree of freedom and economic growth. After they increased suffrage to 100% around 1900 bad things started to happen almost immediately. Government slowly grew more oppressive and large and regulatory, and eventually that culminated in a giganticly inefficient welfare state, as it did in all other Western countries which all moved toward full democracy in a similar way.

The reason for this is not hard to understand. If you allow only an intelligent elite to rule, you'll tend get reasonably intelligent policy, as long as there are enough of them who care about justice rather than oppression of other groups - which is usually the case. If you

allow people of an average IQ of 100 to vote, you'll get reasonably stupid policy - since the average person is, unfortunately, not very insightful about politics and economics - and mostly just interested in getting more personal benefits.

The British parliamentary monarchy of the centuries before the 20th century and the Dutch elitist republic of the 17th century are more examples of aristocracies which did quite well, and had much better policies than our current democracies can deliver.

Yes, a system which allows criticism of bad policies is important. But the criticism is only half of the equation. There has to be a mechanism where good criticism tends to win over bad criticism. That works extremely poorly in full democracy. The mechanism is there to some extent, but it functions very badly and very slowly, simply because democracy by definition gives the power to judge the criticism to the average person rather than the wisest person.

There's plenty of good criticism of bad policy, but the bad policy continues because the stupid are very slow to accept it, and they've got the majority vote. Ludwig von Mises explained in 1922 that socialism wouldn't work, Hayek explained in the early 40s that the welfare state would lead to inefficiency and a loss of freedom. The criticism has always been there, it was never refuted, but only now is a change starting for the better, a change which might take another 50 years to get fully implemented.

So ordering political systems from worst to best I'd say this is the list:

1. absolute dictatorship / absolute monarchy (no mechanism for criticism)
2. full democracy (a good mechanism for criticism, but a very poor mechanism for processing the criticism)
3. parliamentary monarchy / elitist republic / very limited democracy / any other type of aristocracy (both a good mechanism for criticism and a good mechanism for processing the criticism)

Of course on 4 I'd put anarcho-kapitalism, but that's another story.

Henry Sturman

by [Henry Sturman](#) on Tue, 01/11/2005 - 23:30 | [reply](#)

Re: Fear

Monarchies and democracies both use fear, though the objects of the fear may differ. The leaders in democracies prey upon the fears of their constituents. "The Republicans will gut social security!" "The Democrats are corrupting the institution of marriage!" Fear.

I think leaders in democracies are good at creating consensus, not knowledge e.g: "wage and price controls will stop inflation" or "drug interdiction will stop drug abuse".

by a reader on Wed, 01/12/2005 - 05:06 | [reply](#)

Thanks

That was a great post.

AIS

by a reader on Thu, 01/13/2005 - 09:47 | [reply](#)

Re: Monarchy, democracy, aristocracy

But is it really true that an intelligent elite would choose better policies? If the last US election had been left to university professors to decide, Kerry would have won by a landslide.

If the last US election had been decided by who put up the most money, then again, Kerry would have won.

Isn't the idea of an elite electorate just another scheme for finding a 'reliable guide'? Isn't it just another 'who should rule' fallacy?

by a reader on Thu, 01/13/2005 - 12:07 | [reply](#)

Re: Fear

A reader wrote:

'Monarchies and democracies both use fear, though the objects of the fear may differ. The leaders in democracies prey upon the fears of their constituents. "The Republicans will gut social security!" "The Democrats are corrupting the institution of marriage!" Fear.'

They say that their opponents are backing policies that will have bad consequences. This is rather different from persecuting, torturing or murdering people who disagree with the government.

'I think leaders in democracies are good at creating consensus, not knowledge e.g: "wage and price controls will stop inflation" or "drug interdiction will stop drug abuse".'

On those particular issues, most politicians have not created much worthwhile knowledge. However, two exceptions to this rule spring to mind: Margaret Thatcher and Ronald Reagan, who created some practical knowledge about how to switch from socialism to a free market. The prevailing worldview in the West is soaked through with scientific nonsense and leftist cant and politicians are mostly just as ignorant and uncritical as most of the rest of the public. This is not praiseworthy, but it's not solely the politicians who are to blame.

by [Alan Forrester](#) on Fri, 01/14/2005 - 03:09 | [reply](#)

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But is it really true that an intelligent elite would choose better policies? If the last US election had been left to university professors to decide, Kerry would have won by a landslide.

It depends on who the elite is. An elite of university professors or

journalists would have done worse in this case, indeed. But there are other collections of elites who might have done better. An elite based on who pays most taxes might have done better. It's just my impression based on history and logic that generally intelligent elites will do better in decision making than full democracies. But it's not something I can prove, nor is it something I expect to be valid all the time.

Certainly if there is an elite which rules, it has to be an open community of elites, with membership based on some type of accomplishment, and with open debate. Something like a communist elite, for example, where your membership depends on full loyalty to the dictatorship or party, obviously works much worse than democracy.

If the last US election had been decided by who put up the most money, then again, Kerry would have won.

Not necessarily. If that were the rule, many more people would have put in money, and there's no telling who would have won under such conditions.

Isn't the idea of an elite electorate just another scheme for finding a 'reliable guide'? Isn't it just another 'who should rule' fallacy?

Yes, sure. It would be even better to get rid of politics altogether, and leave everything to the market. The market is the perfect process for testing ideas. Many companies or communities can all experiment with different policies or products or whatever, and competition will make the best ideas win.

Henry Sturman

by [Henry Sturman](#) on Fri, 01/14/2005 - 16:44 | [reply](#)