# Section 2: The Definition of Dictatorship and Democracy

The Market has been analyzed a lot in the previous lectures, so this section focuses on these questions: what is dictatorship? And what is democracy?

Ruling out subjective feelings and ideologies that are incompatible with the requirement of objectiveness in science, “dictatorship” literally means deciding alone. Deciding alone does not mean refusing to listen to other’s opinions. A dictator may or may not listen which is his own choice. What matters is that he is the final decider. In theory, he does not need to obey or submit to the will of others. In fact, on private affairs, each of us is a dictator because how to use those we have clear PPRs is, of course, entirely up to us to decide alone.

Extending the logic above, the boss of a company must be a dictator. He is equivalent to the landlord of a house mentioned in the previous section who decides alone how to use the public spaces in his house. What about the manager in a company? He is hired by the boss (owner) of the company. Within the authority stipulated in the contract, he is also a dictator. Although the boss is the real owner of the company and has the right to fire the manager when he is dissatisfied with his decision, as long as he is still in office, according to the authority given by the contract, the manager does not need to submit to the will of the boss in theory. Similarly, PMC of a community is also a dictator within the authority stipulated in the contract. Its management of the residential area must be obeyed by every owner in the residential area. If some owners are dissatisfied, they can revise the authority through owners committee, or even change the PMC (just as the boss of the company can revise the contract or even fire the manager if he is dissatisfied with his performance). However, if they fail to do so through owners committee, they still have to accept the PMC’s decisions on the public affairs. In the previous section, it has been pointed out that PMC in a community is equivalent to a government, so government is also a dictator during its term of office.

In modern politics, there is system of separation of powers, among which government, which is a dictator, has the executive power, and court, which is also a dictator, has judicial power. Unless using the jury system, judges decide alone on the cases. A government is likely to form by election, while judges are not even elected, so their autocratic style is even stronger. Some will certainly argue that judges decide according to laws and facts, so they are not dictatorial. But which dictator in the world does not decide alone based on something? A completely unfounded decision is not a choice but a random draw.

As mentioned above, any individual’s decisions on those they have PPRs are dictatorial, but in Lecture 23 about Coase Theorem, it has been pointed out that one has PPRs does not mean the use right is completely unconstrained. For example, if one has an apple, he can choose to eat it, give it to others or sell it, but he cannot throw it on other’s head. Is there any essential difference between that a judge must decide according to laws and facts, and that one must use an apple of his according to the laws? A judge who does not judge a case according to laws and fact will be rejected by the higher court, one who throws an apple on other’s head will be punished by law, a PMC who makes the owners dissatisfied will be expelled by the owners, a manager whose performance is poor will be fired by the boss, and a dictator who runs the nation by tyranny and arouses resentment and anger will be overthrown by people's uprising ... Are there essential differences? The answer is no! The relevant constraints are different, and the constraint forces are different, but the nature of deciding alone is exactly the same.

Let’s turn to democracy. What is the definition of democracy? There are many definitions in politics most of which are vague and cannot be tested by facts from the perspective of science. It can only be defined as voting if it is clear enough for test. Certainly many will doubt if democracy can be simply equivalent to voting, but let’s check the other common definitions of it.

If democracy is defined as popular sovereignty which means the political power of a nation belongs to people, “people” itself is a very vague concept. And what is sovereignty? If it refers to the well delineated or effectively protected property rights, as mentioned in the previous examples of a house and a community, public choice is related the affairs in public spaces which cannot be well delineated as PPRs. In other words, democracy in politics is logically similar to public ownership in economics in that everyone has ownership means no one has it. It is said that a nation’s properties are owned by all people in public ownership, which are actually owned by no one. Similarly, it is said that the political power of a nation is owned by all people in democracy, which are actually owned by no one. The latter analysis of democracy changing from “tyranny of the majority” to “tyranny of the minority” is deducted from the fact that democracy is essentially public ownership in politics which causes vague property rights of political power.

Or if democracy is defined as majority rule, how to identify the majority? Of course by voting. Therefore, the clearest and most testable definition of democracy is nothing but voting.

After the definition of democracy has been clarified, the definition of dictatorship also become very clear, although the previous definition of dictatorship as deciding alone is clear enough. Since democracy is defined as voting, dictatorship can be defined as not voting. From the similar perspective, the market can be defined as voting with money because it is price criterion that is used in the market.