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MILLENNIA INSTITUTE

**PRELIMINARY EXAMINATION 2 2009
Pre-University 3**

GENERAL PAPER

8806/02

Paper 2

4 September 2009

Friday

1 hour 30 minutes

INSERT

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Write your **name**, **class** and **admission number** in the spaces provided at the top of this page.
This insert contains the passage for Paper 2.

This document consists of **3** printed pages.

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In this article, Bryan Caplan writes about the reasons for democracy's failure.

- 1 In a dictatorship, government policy is often abysmal but rarely baffling. The building of the Berlin Wall, which divided Germany into East and West Germany, each subscribing to different political ideologies, sparked worldwide outcry but few wondered. The Berlin Wall had some drawbacks for the ruling clique. But all things considered, the Wall protected the interests of elite party members. No wonder democracy is such a popular political panacea. This history of dictatorships creates a strong impression that bad policies exist because the interests of rulers and the ruled diverge. 5
- 2 This optimistic story is, however, often at odds with the facts. Democracies frequently adopt and maintain policies harmful for most people. Protectionism is a classic example. Economists across the political spectrum have pointed out its folly for centuries, but almost every democracy restricts imports. When free trade agreements are negotiated, the subtext is not, "Trade is mutually beneficial", but "We'll do you a favour of buying your imports if you do us the favour of buying ours." Admittedly, this is less appalling than the Berlin Wall, yet it is more confounding. In theory, democracy is a bulwark against socially harmful policies, but in practice, it gives them a safe harbour. How did this Paradox of Democracy come about? 10
- 3 One answer is that the people's 'representatives' have turned the tables on them. Elections might be a weaker deterrent to misconduct than they seem on the surface, making it more important to please special interests than the general public. A second answer, which complements the first, is that voters are deeply ignorant about politics. They do not know who their representatives are, much less what they do. This beguiles politicians to pursue personal agendas and sell themselves to donors. 15
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- 4 The real reason why democracy fails is based on the central idea that voters are worse than ignorant; they are, in a word, irrational – and vote accordingly. Economists and cognitive psychologists usually presume that everyone "processes information" to the best of his ability. Yet common sense tells us that emotion and ideology – not just the facts or their "processing" – powerfully sway human judgment. Protectionist thinking is hard to uproot because it feels good. Likewise for other socially divisive issues like abortion and cloning. When people vote under the influence of false beliefs that feel good, and force their elected representatives to enact policies to enforce their false beliefs, democracy persistently delivers bad policies. 25
- 5 Across the board, irrationality is not a strike against democracy alone, but all human institutions. Irrationality, like ignorance, is selective. We habitually tune out unwanted information on subjects we do not care about or do not know about. In the same manner, we turn off our rational faculties on subjects where we do not care about the truth. Economists have long argued that voter ignorance is a predictable response to the fact that one vote does not matter as it is not important in the grand scheme of things. Why study the issues if you cannot change the outcome? Similarly, why control your knee-jerk emotional and ideological reactions if you cannot change the outcome? 30
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- 6 In the naïve public-interest view, democracy works because it does what voters want. In the view of most democracy sceptics, it failed because it does not do what the voters want. In my opinion, democracy fails because it does what the voters want. An irrational voter does not hurt only himself. He also hurts everyone who is, as a result of his irrationality, more likely to live under misguided policies. Since most of the cost of voter irrationality is paid for by other people, we should indulge in our emotions. If enough voters think this way, socially harmful policies win by popular demand. 40

- 7 In our modern time, the logic is chillingly simple. Time is money, and acquiring information to make better decisions takes time. Individuals balance the benefits of learning against its costs. In markets, if individuals know too little, they pay the price in missed opportunities; if they know too much, they pay the price in wasted time. The prudent path is to find out enough to make a tolerably good decision. Similarly in politics, where one vote is extraordinarily unlikely to change an election's outcome, it is no wonder that an ignorant citizen votes randomly. Except in freak cases where the vote cast is the decisive vote, the probability of the citizen's vote affecting the outcome of the election is next to zero. If time is money, acquiring political information takes time and the expected personal benefit of voting is zero, a rational, selfish individual chooses to be ignorant. 45 50
- 8 When cataloguing the failures of democracy, one must keep things in perspective. Hundreds of millions of people under democratic rule enjoy standards of living that are, by historical standards, amazingly good. The shortcomings of the worst democracies pale in comparison with those of totalitarian regimes. At least democracies do not murder millions of their own citizens. Nevertheless, now that democracy is the typical form of government, there is little reason to dwell on sayings like "better than Communism". Such comparison is setting the bar too low. It is more worthwhile to find out how and why democracy disappoints. 55 60
- 9 What then could societies do? If voters' ignorance is the biggest problem, and since it is highly unlikely that it will change any time soon, perhaps we should return to the true roots of democracy as once practised by the Greeks who gave us democracy in the first place. We should return to the ideals where only the truly responsible members of society should be allowed to vote. In Ancient Greek societies, only elite male members of the society; the scholars, businessmen, soldiers and people of similar stature, are allowed to speak and vote on matters of grave importance. We should revive this practice today where only responsible members of society get the majority of the votes. While this might go against the spirit of equality, the prospect of the eventual destruction of society by ignorant voters necessarily forces us to consider this unpopular option. We have to give those who have the capability to vote responsibly so that greater good for society is achieved. Other members of society will still get their vote. What I propose is that the responsible members' vote gets twice the power over others. This will certainly mitigate the dangers posed by ignorant voters. 65 70 75
- 10 There is no other reasonable option to democracy as history has proven. Yet, democracy itself is a failing system because of the irrational voter. It is the lesser of the two evils; we have chosen to live under a potentially flawed system of democracy rather than the certain failure of communism. Yet, this flaw is easily overcome, if societies can take the first bold step to eradicate the irrational voter. Some might say that better education helps. However, we already live in a media saturated world where information is readily available. Sheer laziness and irresponsibility are incurable. Only by moving back to the true practices of democracy that Man can save democracy and society itself. 80

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