

Symposium: Scott Scheall's *F. A. Hayek and the Epistemology of Politics: The Curious Task of Economics*

Thoughts on Scheall's *F. A. Hayek and the Epistemology of Politics: Whither Democracy?*

Aeon Skoble

Bridgewater State University

Scott Scheall's new book *F. A. Hayek and the Epistemology of Politics* is a fascinating and well-argued exploration of the problems for (mainly democratic) politics that have their basis in knowledge (as opposed to other problems such as bias, corruption, and so on). What follows are some reflections on why his thesis is not only correct, but presents an almost intractable problem for liberal democracy.

Scheall opens the book by stating his thesis that “the problem of political ignorance is logically prior to the problem...of policymaker incentives” (2).¹ The latter problem is generally characterized in terms of the extent to which policymakers are motivated to further the interests of their constituents, as opposed to their own self-interest. In a sense,

¹ Scott Scheall, *F. A. Hayek and the Epistemology of Politics: The Curious Task of Economics* (Abingdon, UK and New York: Routledge, 2020). All references to the book in this symposium are by page numbers in parentheses.

one might think that it has to be in a policymaker's self-interest to serve her constituents, because then they will like her and vote for her at reelection time. But it has been well-established that policymakers are susceptible to sustained lobbying efforts when there are concentrated benefits that accrue to a small group if the costs can be dispersed among a much larger group.² So, a policymaker may find it more advantageous to *seem* to serve her constituents as opposed to *actually* serving their interests, for instance by supporting an agricultural subsidy that costs voters an extra two dollars a year, but delivers a huge payoff to the small subset of constituents who reap the benefit. A policymaker may support a colleague's bill even when many voters do not support the bill, on the grounds that compromise and mutual back-scratching are the only way to get anything done. Obviously, at some point, too much voter dissatisfaction does result in ouster, but the incumbency return rate in the US Congress is over 90%,³ so evidently voters have a high tolerance for this sort of thing. Scheall does not deny the existence of the problem, but is arguing that there is another, more fundamental problem, which he calls the problem of political ignorance: "Even if policymakers were motivated to pursue only their constituents' interests, nothing would ensure that they know either what those interests are or how to realize goals associated with them" (2). In other words, were we to somehow solve the motivation problem, and found ourselves in a world where policymakers always and only tried to act in their constituents' interests, they would not know either (a) what their constituents' interests *are*, or (b) what policies would in fact help to realize those interests. His case for this is persuasive, so my contribution to this symposium is not adversarial but rather an attempt to explore some of the meanings and ramifications of this. I have two sets of thoughts on this which follow from his set up: 1, policymakers are generally incapable of knowledge about what their constituents' interests are, and 2, policymakers would be generally incapable of knowledge about how to realize those interests even when they do know them.

² See, for example, Mancur Olson, *The Logic of Collective Action* (Harvard University Press, 1965).

³ Huckabee, David C. "Reelection Rates of House Incumbents: 1790-1994." Congressional Research Service, Library of Congress, 1995.

1. People don't know their own interests, so they can't communicate that to their representatives

At his trial, Socrates noted that most of the people of Athens valued wealth and fame more than virtue, and suggested that this was a mistake.⁴ They think wealth and fame will bring them happiness, but if they neglect virtue, they will find themselves unhappy nevertheless. The broader point is that “what I want” and “what is in my best interests” may not be the same thing. For example, if Tom is a heroin addict, what he wants (more heroin) is *not* in his best interests. Socrates' charge is that many people don't engage in a sufficient level of self-reflection to even have a good sense of their own interests. This can lead them to support policies which are actively contrary to their own best interests, or to pursue short-term gains at the expense of long-term well-being. If I don't even know what my best interest is, I can hardly communicate it to my representative. To make matters worse, to the extent that I would even attempt to communicate my interest to my representative, I would not be thinking “I have no idea what my interests are,” but rather would assume I did know (much as the Athenians assumed they were correct in pursuing wealth and fame). So while I might be correctly communicating what I take to be my interests, I could just as easily be delivering a message *directly contrary to my interests*.

2. Where (1) isn't a problem, voters suffer from the same ignorance as policymakers, so they don't know what ask for

Assume for the sake of argument that Socrates overestimates how little self-knowledge people have, and that they do know their own interests. Obviously people *can* know their own values, but they don't always know how those values translate into law or policy, so they often do not know their own interests in the politically-relevant way. For example, say Susan engages in self-reflection and concludes that she genuinely does value safe communities. What is it she can communicate to her representatives? In a political context, the value “safe communities” needs to be translated into some law or policy by her representative. No one is lobbying explicitly for unsafe communities. So the question becomes, what laws or policies will produce safe

⁴ Plato, *Apology*, in *The Trial and Death of Socrates*, ed. John Cooper, tr. G.M.A. Grube (Hackett, 2000).

communities? Scheall suggests (correctly) that policymakers will typically not have sufficient knowledge to answer that question, but note also that the average voter doesn't either. All the reasons why a policymaker will be ignorant in Scheall's sense will be true for voters as well. Susan may think that the best way to attain safe communities is to have heavily armed, aggressive police forces, and this may be the reason why Susan's representative pushes for policies that bring that about. Or Susan may have no idea at all what laws and policies will foster safe communities. If Susan doesn't know how to translate her values into policy, she cannot communicate her interests (in the relevant sense) to her representatives.

3. Where (1) and (2) aren't problems, how are policymakers to aggregate diverse preferences among their constituents?

Assume for the sake of argument (and contrary to Scheall's hypothesis) that Susan and Bob are both self-reflective people who have a good sense of their own values and both invest enough time and energy into thinking about which policies best secure their interests. They may have very different values and interests, so when we talk about policymakers having knowledge of their constituents' interests, even under ideal circumstances this may mean "knowing" that their constituents want P and not-P. If Susan sincerely wants to continue the war and Bob sincerely wants to end the war, the policymaker is literally incapable of working towards both of their interests. Even if we restrict our consideration of this to epistemology: Susan believes P and Bob believes not-P, but the policymaker *cannot* believe P and not-P. So the policymaker cannot know her constituents' interests. One might object that the policymaker *can* know that Susan believes P and Bob believes not-P, or more generally that 37% of her constituents believe P, or at least say they do, concerns (1) and (2) notwithstanding, but this presupposes that the sampling was representative and valid, that the respondents were honest, that the survey question was well-formulated, and so on. Scheall mentions Arrow's Theorem⁵; this is one of many

⁵ Scheall notes on p. 26 that Kenneth Arrow "shows that, given a few fairly plausible assumptions, no voting system can translate individual preferences into a univocal preference ranking for the entire community." The reference is to Kenneth Arrow, "A Difficulty in the Concept of Social Welfare," *Journal of Political Economy* 58 (1950), pp. 328-346.

problems in policymakers' ability to aggregate preferences and be said to know their constituents' interests. So we have good reason to doubt that policymakers can have knowledge of their constituent's interests. Scheall's account of policymaker ignorance works synergistically with the motivation problem – policymakers have an incentive to remain ignorant because it immunizes them. They can have the motivations they have *because* they are ignorant. If her constituents either do not really know, or cannot adequately articulate, their own interests, then the policymaker can more easily feel justified in working towards either her own interests directly or towards the interests of the strongest lobby. Why work harder at acquiring knowledge of my constituents' interests if this is unknowable? This seems to presuppose that the policymaker *knows* that she is ignorant, but actually this conclusion follows either way. If she doesn't know that she doesn't know, she will still fail to acquire that knowledge. At best she can attempt to aggregate what seem to be the most vocally expressed preferences, and as the knowledge problem bleeds into the motivation problem, the distinction will not amount to anything.

Of course, Scheall makes the further point, which is surely correct, that policymakers would be generally incapable of knowledge about how to realize those interests even if they could know them. The title of the book mentions Hayek, who famously explained⁶ how tacit and dispersed knowledge cannot be aggregated by a single planner. An interesting ramification of Scheall's argument is the way the Hayekian knowledge problem applies both to policymakers' ability to know what their constituents' interests are *as well as* how to realize those interests even when they've been approximated. Policymakers can also be hindered in this regard by their weakness in predicting unintended consequences. If the policymaker perceives (rightly or wrongly) that most voters want laws that promote automobile safety, she may, in the classic example, push for seatbelt laws that inadvertently cause an *increase* in injuries due to drivers being more careless as a result of thinking they're safer.⁷

⁶ F. A. Hayek, "The Use of Knowledge in Society," *The American Economic Review* 35, no. 4 (1945).

⁷ E.g., Sam Peltzman, "The Effects of Automobile Safety Regulation," *Journal of Political Economy* 83 (1975), pp. 677-726.

4. The Problems for Liberal Democracy

But even just taking by itself the thesis about policymakers being incapable of knowing constituents' interests, Scheall presents a serious problem for supporters of liberal democracy. The basic idea of liberal democracy is that policymakers are responsive to the interests of the people they represent. Direct democracy wouldn't solve the problem, because then there's even less reliability in aggregating diverse preferences, for the reasons Arrow discusses as well as the inability of pure majoritarianism to account for minority interests (Scheall 151-152). The point of adopting representative democracy is to streamline deliberation – difficult enough among 435 people, but literally impossible among hundreds of millions. But the representatives' ability to represent presupposes information about their constituents' interests. If this is impossible to know, we might need to reconceive of representative democracy. The policymakers might be said, for instance, to represent ideas or positions rather than voters. But how would voters who ex hypothesi do not know which policies will realize their values know which representatives to vote for? The problem can't be removed by rebranding. Another alternative is to embrace a robust paternalism in which policymakers make a specific point of not caring what their constituents say, substituting their own judgment unreservedly. There are at least two objections to this. First, it would not be particularly liberal, nor even particularly democratic, to have the policymakers' decision-making be completely divorced from their constituents' expressed interests. And second, as Scheall suggests, the policymakers would *still* lack knowledge of how to best realize these new constituent-independent goals.

A third alternative would be to greatly minimize the scope of what policymakers make policy about. In conditions of persistent ignorance, perhaps it would be better not to take it upon yourself to make a decision that binds others. A trial and error process which facilitated discovery would be more effective than stumbling around in the dark guessing. Hayek's point about prices serving as a knowledge substitute can apply here as well. Just as top-down management of a market makes it unable to function as an actual market, perhaps it's also true that the more top-down management a polity has, the less it can function as a polity. Substituting the pretense of knowledge when the real thing is

unavailable is not an effective way to get good results. Just as we get better economic results when we let the pricing system work on its own, perhaps we would get better political results if we were to leave the polity free to work on its own. There's something of a paradox if we apply Scheall's thesis to *this*; namely, policymaker (and voter) ignorance also imply that we don't know how to get to the sort of polity I'm suggesting. But what I'm suggesting is a direct response to the implications of the ignorance thesis, whereas alternatives presuppose ignoring it. Of course I cannot provide a roadmap for delivering my preferred set of political institutions, but this is true for political philosophy generally. All we can do is make suggestions based on evidence and arguments, and hope they gain traction. The substitutes for pretense-of-knowledge policymaking would include greater openness of market transactions, with remedies for disputes in common-law or arbitration. We don't have to know in advance how we're all going to live together, which is good, since it turns out we cannot know this anyway. A much smaller set of ground rules, combined with trial-and-error discovery processes and bottom-up dispute resolution, would obviate most of the work that Scheall argues (correctly) gets done largely in ignorance of its subject.