

THE MARKET AND THE FORUM

Three varieties of political theory

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I want to compare three views of politics generally, and of the democratic system more specifically. I shall first look at social choice theory, as an instance of a wider class of theories with certain common features. In particular, they share the conception that the political process is instrumental rather than an end in itself, and the view that the decisive political act is a private rather than a public action, viz. the individual and secret vote. With these usually goes the idea that the goal of politics is the optimal compromise between given, and irreducibly opposed, private interests. The other two views arise when one denies, first, the private character of political behaviour and then, secondly, goes on also to deny the instrumental nature of politics. According to the theory of Jürgen Habermas, the goal of politics should be rational agreement rather than compromise, and the decisive political act is that of engaging in public debate with a view to the emergence of a consensus. According to the theorists of participatory democracy, from John Stuart Mill to Carole Pateman, the goal of politics is the transformation and education of the participants. Politics, on this view, is an end in itself – indeed many have argued that it represents the good life for man. I shall discuss these views in the order indicated. I shall present them in a somewhat stylized form, but my critical comments will not I hope, be directed to strawmen.

I

Politics, it is usually agreed, is concerned with the common good, and notably with the cases in which it cannot be realized as the aggregate outcome of individuals pursuing their private interests. In particular, uncoordinated private choices may lead to outcomes that are worse for all than some other outcome that could have been

attained by coordination. Political institutions are set up to remedy such *market failures*, a phrase that can be taken either in the static sense of inability to provide public goods or in the more dynamic sense of a breakdown of the self-regulating properties usually ascribed to the market mechanism.¹ In addition there is the redistributive task of politics – moving along the Pareto-optimal frontier once it has been reached.² According to the first view of politics, this task is inherently one of interest struggle and compromise. The obstacle to agreement is not only that most individuals want redistribution to be in their favour, or at least not in their disfavour.³ More basically consensus is blocked because there is no reason to expect that individuals will converge in their views on what constitutes a just redistribution.

I shall consider social choice theory as representative of the private-instrumental view of politics, because it brings out supremely well the logic as well as the limits of that approach. Other varieties, such as the Schumpeterian or neo-Schumpeterian theories, are closer to the actual political process, but for that reason also less suited to my purpose. For instance, Schumpeter's insistence that voter preferences are shaped and manipulated by politicians⁴ tends to blur the distinction, central to my analysis, between politics as the aggregation of given preferences and politics as the transformation of preferences through rational discussion. And although the neo-Schumpeterians are right in emphasizing the role of the political parties in the preference-aggregation process,⁵ I am not here concerned with such mediating mechanisms. In any case, political problems also arise within the political parties, and so my discussion may be taken to apply, to such lower-level political processes. In fact, much of what I shall say makes better sense for politics on a rather small scale – within the firm, the organization or the local community – than for nationwide political systems.

In very broad outline, the structure of social choice theory is as follows.⁶ (1) We begin with a *given* set of agents, so that the issue of a normative justification of political boundaries does not arise. (2) We assume that the agents confront a *given* set of alternatives, so that for instance the issue of agenda manipulation does not arise. (3) The agents are supposed to be endowed with preferences that are similarly *given* and not subject to change in the course of the political process. They, are, moreover, assumed to be causally independent of the set of alternatives. (4) In the standard version, which is so far the only operational version of the theory, preferences are assumed to be purely ordinal, so that it is not possible for an individual to express the intensity of his preferences, nor for an outside observer to compare preference intensities across individuals. (5) The individual preferences are assumed to be defined over all pairs of individuals, i.e. to be complete, and to have the formal property of transitivity, so that preference for *A* over *B* and for *B* over *C* implies preference for *A* over *C*.

Given this setting, the task of social choice theory is to arrive at a social preference ordering of the alternatives. This might appear to require more than is needed: why not define the goal as one of arriving at the choice of one alternative? There is,

however, usually some uncertainty as to which alternatives are really feasible, and so it is useful to have an ordering if the top-ranked alternative proves unavailable. The ordering should satisfy the following criteria. (6) Like the individual preferences, it should be complete and transitive. (7) It should be Pareto-optimal, in the sense of never having one option socially preferred to another which is individually preferred by everybody. (8) The social choice between two given options should depend only on how the individuals rank these two options, and thus not be sensitive to changes in their preferences concerning other options. (9) The social preference ordering should respect and reflect individual preferences, over and above the condition of Pareto-optimality. This idea covers a variety of notions, the most important of which are *anonymity* (all individuals should count equally), *non-dictatorship* (*a fortiori* no single individual should dictate the social choice), *liberalism* (all individuals should have some private domain within which their preferences are decisive), and *strategy-proofness* (it should not pay to express false preferences).

The substance of social choice theory is given in a series of impossibility and uniqueness theorems, stating either that a given subset of these conditions is incapable of simultaneous satisfaction or that they uniquely describe a specific method for aggregating preferences. Much attention has been given to the impossibility theorems, yet from the present point of view these are not of decisive importance. They stem largely from the paucity of allowable information about the preferences, i.e. the exclusive focus on ordinal preferences.⁷ True, at present we do not quite know how to go beyond ordinality. Log-rolling and vote-trading may capture some of the cardinal aspects of the preferences, but at some cost.⁸ Yet even should the conceptual and technical obstacles to intra- and inter-individual comparison of preference intensity be overcome,⁹ many objections to the social choice approach would remain. I shall discuss two sets of objections, both related to the assumption of given preferences. I shall argue, first, that the preferences people choose to express may not be a good guide to what they really prefer; and secondly that what they really prefer may in any case be a fragile foundation for social choice.

In actual fact, preferences are never 'given', in the sense of being directly observable. If they are to serve as inputs to the social choice process, they must somehow be *expressed* by the individuals. The expression of preferences is an action, which presumably is guided by these very same preferences.¹⁰ It is then far from obvious that the individually rational action is to express these preferences as they are. Some methods for aggregating preferences are such that it may pay the individual to express false preferences, i.e. the outcome may in some cases be better according to his real preferences if he chooses not to express them truthfully. The condition for strategy-proofness for social choice mechanisms was designed expressly to exclude this possibility. It turns out, however, that the systems in which honesty always pays are rather unattractive in other respects.¹¹ We then have to face the possibility that even if we require that

the social preferences be Pareto-optimal with respect to the expressed preferences, they might not be so with respect to the real ones. Strategy-proofness and collective rationality, therefore, stand and fall together. Since it appears that the first must fall, so must the second. It then becomes very difficult indeed to defend the idea that the outcome of the social choice mechanism represents the common good, since there is a chance that everybody might prefer some other outcome.

[. . .]

A second, perhaps more basic, difficulty is that the real preferences themselves might well depend causally on the feasible set. One instance is graphically provided by the fable of the fox and the sour grapes.¹² For the ‘ordinal utilitarian’, as Arrow for instance calls himself,¹³ there would be no welfare loss if the fox were excluded from consumption of the grapes, since he thought them sour anyway. But of course the cause of his holding them to be sour was his conviction that he would in any case be excluded from consuming them, and then it is difficult to justify the allocation by invoking his preferences. Conversely, the phenomenon of ‘counter-adaptive preferences’ – the grass is always greener on the other side of the fence, and the forbidden fruit always sweeter – is also baffling for the social choice theorist, since it implies that such preferences, if respected, would not be satisfied – and yet the whole point of respecting them would be to give them a chance of satisfaction.

Adaptive and counter-adaptive preferences are only special cases of a more general class of desires, those which fail to satisfy some substantive criterion for acceptable preferences, as opposed to the purely formal criterion of transitivity. I shall discuss these under two headings: autonomy and morality.

Autonomy characterizes the way in which preferences are shaped rather than their actual content. Unfortunately I find myself unable to give a positive characterization of autonomous preferences, so I shall have to rely on two indirect approaches. First, autonomy is for desires what judgment is for belief. The notion of judgment is also difficult to define formally, but at least we know that there are persons who have this quality to a higher degree than others: people who are able to take account of vast and diffuse evidence that more or less clearly bears on the problem at hand, in such a way that no element is given undue importance. In such people the process of belief formation is not disturbed by defective cognitive processing, nor distorted by wishful thinking and the like. Similarly, autonomous preferences are those that have not been shaped by irrelevant causal processes – a singularly unhelpful explanation. To improve somewhat on it, consider, secondly, a short list of such irrelevant causal processes. They include adaptive and counter-adaptive preferences, conformity and anti-conformity, the obsession with novelty and the equally unreasonable resistance to novelty. In other words, preferences may be shaped by adaptation to what is possible, to what other

people do or to what one has been doing in the past – or they may be shaped by the desire to differ as much as possible from these. In all of these cases the source of preference change is not in the person, but outside him – detracting from his autonomy.

Morality, it goes without saying, is if anything even more controversial. (Within the Kantian tradition it would also be questioned whether it can be distinguished at all from autonomy.) Preferences are moral or immoral by virtue of their content, not by virtue of the way in which they have been shaped. Fairly uncontroversial examples of unethical preferences are spiteful and sadistic desires, and arguably also the desire for positional goods, i.e. goods such that it is logically impossible for more than a few to possess them.¹⁴ The desire for an income twice the average can lead to less welfare for everybody, so that such preferences fail to pass the Kantian generalization test.¹⁵ Also they are closely linked to spite, since one way of getting more than others is to take care that they get less – indeed this may often be a more efficient method than trying to excel.¹⁶

To see how the lack of autonomy may be distinguished from the lack of moral worth, let me use *conformity* as a technical term for a desire caused by a drive to be like other people, and *conformism* for a desire to be like other people, with anti-conformity and anti-conformism similarly defined. Conformity implies that other people's desires enter into the causation of my own, conformism that they enter irreducibly into the description of the object of my desires. Conformity may bring about conformism, but it may also lead to anti-conformism, as in Theodore Zeldin's comment that among the French peasantry 'prestige is to a great extent obtained from conformity with traditions, so that the son of a non-conformist might be expected to be one too'.¹⁷ Clearly, conformity may bring about desires that are morally laudable, yet lacking in autonomy. Conversely, I do not see how one could rule out on a priori grounds the possibility of autonomous spite, although I would welcome a proof that autonomy is incompatible not only with anti-conformity, but also with anti-conformism.

We can now state the objection to the political view underlying social choice theory. It is, basically, that it embodies a confusion between the kind of behaviour that is appropriate in the market place and that which is appropriate in the forum. The notion of consumer sovereignty is acceptable because, and to the extent that, the consumer chooses between courses of action that differ only in the way they affect him. In political choice situations, however, the citizen is asked to express his preference over states that also differ in the way in which they affect other people. This means that there is no similar justification for the corresponding notion of the citizen's sovereignty, since other people may legitimately object to social choice governed by preferences that are defective in some of the ways I have mentioned. A social choice mechanism is capable of resolving the market failures that would result from unbridled consumer sovereignty, but as a way of redistributing welfare it is hopelessly inadequate. If people affected each other only by tripping over each other's feet, or by dumping their garbage

into one another's backyards, a social choice mechanism might cope. But the task of politics is not only to eliminate inefficiency, but also to create justice – a goal to which the aggregation of pre-political preferences is a quite incongruous means.

This suggests that the principles of the forum must differ from those of the market. A long-standing tradition from the Greek *polis* onwards suggests that politics must be an open and public activity, as distinct from the isolated and private expression of preferences that occurs in buying and selling. In the following sections I look at two different conceptions of public politics, increasingly removed from the market theory of politics. Before I go on to this, however, I should briefly consider an objection that the social choice theorist might well make to what has just been said. He could argue that the only alternative to the aggregation of given preferences is some kind of censorship or paternalism. He might agree that spiteful and adaptive preferences are undesirable, but he would add that any institutional mechanism for eliminating them would be misused and harnessed to the private purposes of power-seeking individuals. Any remedy, in fact, would be worse than the disease. This objection assumes (i) that the only alternative to aggregation of given preferences is censorship, and (ii) that censorship is always objectionable. Robert Goodin, in his paper 'Laundering preferences', challenges the second assumption, by arguing that laundering or filtering of preferences by self-censorship is an acceptable alternative to aggregation. I shall now discuss a challenge to the first assumption, viz. the idea of a *transformation* of preferences through public and rational discussion.

II

Today this view is especially associated with the writings of Jürgen Habermas on 'the ethic of discourse' and 'the ideal speech situation'. As mentioned above, I shall present a somewhat stylized version of his views, although I hope they bear some resemblance to the original.¹⁸ The core of the theory, then, is that rather than aggregating or filtering preferences, the political system should be set up with a view to changing them by public debate and confrontation. The input to the social choice mechanism would then not be the raw, quite possibly selfish or irrational, preferences that operate in the market, but informed and other-regarding preferences. Or rather, there would not be any need for an aggregating mechanism, since a rational discussion would tend to produce unanimous preferences. When the private and idiosyncratic wants have been shaped and purged in public discussion about the public good, uniquely determined rational desires would emerge. Not optimal compromise, but unanimous agreement is the goal of politics on this view.

There appear to be two main premises underlying this theory. The first is that there are certain arguments that simply cannot be stated publicly. In a political debate it is

pragmatically impossible to argue that a given solution should be chosen just because it is good for oneself. By the very act of engaging in a public debate – by arguing rather than bargaining – one has ruled out the possibility of invoking such reasons.¹⁹ To engage in discussion can in fact be seen as one kind of self-censorship, a pre-commitment to the idea of rational decision. Now, it might well be thought that this conclusion is too strong. The first argument only shows that in public debate one has to pay some lip-service to the common good. An additional premise states that over time one will in fact come to be swayed by considerations about the common good. One cannot indefinitely praise the common good ‘du bout des lèvres’, for – as argued by Pascal in the context of the wager – one will end up having the preferences that initially one was faking.²⁰ This is a psychological, not a conceptual premise. To explain why going through the motions of rational discussion should tend to bring about the real thing, one might argue that people tend to bring what they mean into line with what they say in order to reduce dissonance, but this is a dangerous argument to employ in the present context. Dissonance reduction does not tend to generate autonomous preferences. Rather one would have to invoke the power of reason to break down prejudice and selfishness. By speaking with the voice of reason, one is also exposing oneself to reason.

To sum up, the conceptual impossibility of expressing selfish arguments in a debate about the public good, and the psychological difficulty of expressing other-regarding preferences without ultimately coming to acquire them, jointly bring it about that public discussion tends to promote the common good. The *volonté générale*, then, will not simply be the Pareto-optimal realization of given (or expressed) preferences,²¹ but the outcome of preferences that are themselves shaped by a concern for the common good. For instance, by mere aggregation of given preferences one would be able to take account of some negative externalities, but not of those affecting future generations. A social choice mechanism might prevent persons now living from dumping their garbage into one another’s backyards, but not from dumping it in the future. Moreover, considerations of distributive justice within the Pareto constraint would now have a more solid foundation, especially as one would also be able to avoid the problem of strategy-proofness. By one stroke one would achieve more rational preferences, as well as the guarantee that they will in fact be expressed.

I now want to set out a series of objections – given altogether – to the view stated above. I should explain that the goal of this criticism is not to demolish the theory, but to locate some points that need to be fortified. I am, in fact, largely in sympathy with the fundamental tenets of the view, yet fear that it might be dismissed as Utopian, both in the sense of ignoring the problem of getting from here to there, and in the sense of neglecting some elementary facts of human psychology.

The *first objection* involves a reconsideration of the issues of paternalism. Would it not, in fact, be unwarranted interference to impose on the citizens the obligation to

participate in political discussion? One might answer that there is a link between the right to vote and the obligation to participate in discussion, just as rights and duties are correlative in other cases. To acquire the right to vote, one has to perform certain civic duties that go beyond pushing the voting button on the television set. There would appear to be two different ideas underlying this answer. First, only those should have the right to vote who are sufficiently *concerned* about politics to be willing to devote some of their resources – time in particular – to it. Secondly, one should try to favour *informed* preferences as inputs to the voting process. The first argument favours participation and discussion as a sign of interest, but does not give it an instrumental value in itself. It would do just as well, for the purpose of this argument, to demand that people should pay for the right to vote. The second argument favours discussion as a means to improvement – it will not only select the right people, but actually make them more qualified to participate.

These arguments might have some validity in a near-ideal world, in which the concern for politics was evenly distributed across all relevant dimensions, but in the context of contemporary politics they miss the point. The people who survive a high threshold for participation are disproportionately found in a privileged part of the population. At best this could lead to paternalism, at worst the high ideals of rational discussion could create a self-elected elite whose members spend time on politics because they want power, not out of concern for the issues. As in other cases, to be discussed later, the best can be the enemy of the good. I am not saying that it is impossible to modify the ideal in a way that allows both for rational discussion and for low-profile participation, only that any institutional design must respect the trade-off between the two.

My *second objection* is that even assuming unlimited time for discussion, unanimous and rational agreement might not necessarily ensue. Could there not be legitimate and unresolvable differences of opinions over the nature of the common good? Could there not even be a plurality of ultimate values?

I am not going to discuss this objection, since it is in any case preempted by the *third objection*. Since there are in fact always time constraints on discussions – often the stronger the more important the issues – unanimity will rarely emerge. For any constellation of preferences short of unanimity, however, one would need a social choice mechanism to aggregate them. One can discuss only for so long, and then one has to make a decision, even if strong differences of opinion should remain. This objection, then, goes to show that the transformation of preferences can never do more than supplement the aggregation of preferences, never replace it altogether.

This much would no doubt be granted by most proponents of the theory. True, they would say, even if the ideal speech situation can never be fully realized, it will nevertheless improve the outcome of the political process if one goes some way towards it. The *fourth objection* questions the validity of this reply. In some cases a little discus-

sion can be a dangerous thing, worse in fact than no discussion at all, viz. if it makes some but not all persons align themselves on the common good. [. . .]

A *fifth objection* is to question the implicit assumption that the body politic as a whole is better or wiser than the sum of its parts. Could it not rather be the case that people are made more, not less, selfish and irrational by interacting politically? The cognitive analogy suggests that the rationality of beliefs may be positively as well as negatively affected by interaction. On the one hand there is what Irving Janis has called ‘group-think’, i.e. mutually reinforcing bias.²² On the other hand there certainly are many ways in which people can, and do, pool their opinions and supplement each other to arrive at a better estimate.²³ Similarly autonomy and morality could be enhanced as well as undermined by interaction. Against the pessimistic view of Reinhold Niebuhr that individuals in a group show more unrestrained egoism than in their personal relationships,²⁴ we may set Hannah Arendt’s optimistic view:

American faith was not all based on a semireligious faith in human nature, but on the contrary, on the possibility of checking human nature in its singularity, by virtue of human bonds and mutual promises. The hope for man in his singularity lay in the fact that not man but men inhabit the earth and form a world between them. It is human worldliness that will save men from the pitfalls of human nature.²⁵

Niebuhr’s argument suggests an aristocratic disdain of the *mass*, which transforms individually decent people – to use a characteristically condescending phrase – into an unthinking horde. While rejecting this as a general view, one should equally avoid the other extreme, suggested by Arendt. Neither the Greek nor the American assemblies were the paradigms of discursive reason that she makes them out to be. The Greeks were well aware that they might be tempted by demagogues, and in fact took extensive precautions against this tendency.²⁶ The American town surely has not always been the incarnation of collective freedom, since on occasion it could also serve as the springboard for witch hunts. The mere decision to engage in rational discussion does not ensure that the transactions will in fact be conducted rationally, since much depends on the structure and the framework of the proceedings. The random errors of selfish and private preferences may to some extent cancel each other out and thus be less to be feared than the massive and coordinated errors that may arise through group-think. On the other hand, it would be excessively stupid to rely on mutually compensating vices to bring about public benefits as a general rule. I am not arguing against the need for public discussion, only for the need to take the question of institutional and constitutional design very seriously.

A *sixth objection* is that unanimity, were it to be realized, might easily be due to conformity rather than to rational agreement. I would in fact tend to have more

confidence in the outcome of a democratic decision if there was a minority that voted against it, than if it was unanimous. I am not here referring to people expressing the majority preferences against their real ones, since I am assuming that something like the secret ballot would prevent this. I have in mind that people may come to change their real preferences, as a result of seeing which way the majority goes. Social psychology has amply shown the strength of this bandwagon effect,²⁷ which in political theory is also known as the ‘chameleon’ problem.²⁸ It will not do to argue that the majority to which the conformist adapts his view is likely to pass the test of rationality even if his adherence to it does not, since the majority could well be made up of conformists each of whom would have broken out had there been a minority he could have espoused.

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My *seventh objection* amounts to a denial of the view that the need to couch one’s argument in terms of the common good will purge the desires of all selfish arguments. There are in general many ways of realizing the common good, if by that phrase we now only mean some arrangement that is Pareto-superior to uncoordinated individual decisions. Each such arrangement will, in addition to promoting the general interest, bring an extra premium to some specific group, which will then have a strong interest in that particular arrangement.²⁹ The group may then come to prefer the arrangement because of that premium, although it will argue for it in terms of the common good. Typically the arrangement will be justified by a causal theory – an account, say, of how the economy works – that shows it to be not only *a* way, but the only way of promoting the common good. The economic theories underlying the early Reagan administration provide an example. I am not imputing insincerity to the proponents of these views, but there may well be an element of wishful thinking. Since social scientists disagree so strongly among themselves as to how societies work, what could be more human than to pick on a theory that uniquely justifies the arrangement from which one stands to profit? The opposition between general interest and special interests is too simplistic, since the private benefits may causally determine the way in which one conceives of the common good.

These objections have been concerned to bring out two main ideas. First, one cannot assume that one will in fact approach the good society by acting as if one had already arrived there. The fallacy inherent in this ‘approximation assumption’³⁰ was exposed a long time ago in the economic ‘theory of the second best’:

It is *not* true that a situation in which more, but not all, of the optimum conditions are fulfilled is necessarily, or is even likely to be, superior to a situation in which fewer are fulfilled. It follows, therefore, that in a situation in which there exist many constraints which prevent the fulfilment of the Paretian optimum

conditions, the removal of any one constraint may affect welfare or efficiency either by raising it, by lowering it or by leaving it unchanged.³¹

The ethical analogue is not the familiar idea that some moral obligations may be suspended when other people act non-morally.³² Rather it is that the nature of the moral obligation is changed in a non-moral environment. When others act non-morally, there may be an obligation to deviate not only from what they do, but also from the behaviour that would have been optimal if adopted by everybody.³³ In particular, a little discussion, like a little rationality or a little socialism, may be a dangerous thing.³⁴ If, as suggested by Habermas, free and rational discussion will only be possible in a society that has abolished political and economic domination, it is by no means obvious that abolition can be brought about by rational argumentation. I do not want to suggest that it could occur by force – since the use of force to end the use of force is open to obvious objections. Yet something like irony, eloquence or propaganda might be needed, involving less respect for the interlocutor than what would prevail in the ideal speech situation.

As will be clear from these remarks, there is a strong tension between two ways of looking at the relation between political ends and means. On the one hand, the means should partake of the nature of the ends, since otherwise the use of unsuitable means might tend to corrupt the end. On the other hand, there are dangers involved in choosing means immediately derived from the goal to be realized, since in a non-ideal situation these might take us away from the end rather than towards it. A delicate balance will have to be struck between these two, opposing considerations. It is in fact an open question whether there exists a ridge along which we can move to the good society, and if so whether it is like a knife-edge or more like a plateau.

The second general idea that emerges from the discussion is that even in the good society, should we hit upon it, the process of rational discussion could be fragile, and vulnerable to adaptive preferences, conformity, wishful thinking and the like. To ensure stability and robustness there is a need for structures – political institutions or constitutions – that could easily reintroduce an element of domination. We would in fact be confronted, at the political level, with a perennial dilemma of individual behaviour. How is it possible to ensure at the same time that one is bound by rules that protect one from irrational or unethical behaviour – and that these rules do not turn into prisons from which it is not possible to break out even when it would be rational to do so?³⁵

III

It is clear from Habermas's theory, I believe, that rational political discussion has an *object* in terms of which it makes sense.³⁶ Politics is concerned with substantive decision-making, and is to that extent instrumental. True, the idea of instrumental politics

might also be taken in a more narrow sense, as implying that the political process is one in which individuals pursue their selfish interests, but more broadly understood it implies only that political action is primarily a means to a non-political end, only secondarily, if at all, an end in itself. In this section I shall consider theories that suggest a reversal of this priority, and that find the main point of politics in the educative or otherwise beneficial effects on the participants. And I shall try to show that this view tends to be internally incoherent, or self-defeating. The benefits of participation are by-products of political activity. Moreover, they are *essentially* by-products, in the sense that any attempt to turn them into the main purpose of such activity would make them evaporate.³⁷ It can indeed be highly satisfactory to engage in political work, but only on the condition that the work is defined by a serious purpose which goes beyond that of achieving this satisfaction. If that condition is not fulfilled, we get a narcissistic view of politics – corresponding to various consciousness-raising activities familiar from the last decade or so.

My concern, however, is with political theory rather than with political activism. I shall argue that certain types of arguments for political institutions and constitutions are self-defeating, since they justify the arrangement in question by effects that are essentially by-products. Here an initial and important distinction must be drawn between the task of justifying a constitution *ex ante* and that of evaluating it *ex post* and at a distance. I argue below that Tocqueville, when assessing the American democracy, praised it for consequences that are indeed by-products. In his case, this made perfectly good sense as an analytical attitude adopted after the fact and at some distance from the system he was examining. The incoherence arises when one invokes the same arguments before the fact, in public discussion. Although the constitution-makers may secretly have such side effects in mind, they cannot coherently invoke them in public.

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Politics in this respect is on a par with other activities such as art, science, athletics or chess. To engage in them may be deeply satisfactory, if you have an independently defined goal such as ‘getting it right’ or ‘beating the opposition’. A chess player who asserted that he played not to win but for the sheer elegance of the game, would be in narcissistic bad faith – since there is no such thing as an elegant way of losing, only elegant and inelegant ways of winning. When the artist comes to believe that the process and not the end result is his real purpose, and that defects and irregularities are valuable as reminders of the struggle of creation, he similarly forfeits any claim to our interest. The same holds for E. P. Thompson, who, when asked whether he really believed that a certain rally in Trafalgar Square would have any impact at all, answered: ‘That’s not really the point, is it? The point is, it shows that democracy’s

alive . . . A rally like that gives us self-respect. Chartism was terribly good for the Chartists, although they never got the Charter.³⁸ Surely, the Chartists, if asked whether they thought they would ever get the Charter, would not have answered: ‘That’s not really the point, is it?’ It was because they believed they might get the Charter that they engaged in the struggle for it with the seriousness of purpose that also brought them self-respect as a side effect.³⁹

IV

I have been discussing three views concerning the relation between economics and politics, between the market and the forum. One extreme is ‘the economic theory of democracy’, most outrageously stated by Schumpeter, but in essence also underlying social choice theory. It is a market theory of politics, in the sense that the act of voting is a private act similar to that of buying and selling. I cannot accept, therefore, Alan Ryan’s argument that ‘On any possible view of the distinction between private and public life, voting is an element in one’s public life.’⁴⁰ The very distinction between the secret and the open ballot shows that there is room for a private–public distinction within politics. The economic theory of democracy, therefore, rests on the idea that the forum should be like the market, in its purpose as well as in its mode of functioning. The purpose is defined in economic terms, and the mode of functioning is that of aggregating individual decisions.

At the other extreme there is the view that the forum should be completely divorced from the market, in purpose as well as in institutional arrangement. The forum should be more than the distributive totality of individuals queuing up for the election booth. Citizenship is a quality that can only be realized in public, i.e. in a collective joined for a common purpose. This purpose, moreover, is not to facilitate life in the material sense. The political process is an end in itself, a good or even the supreme good for those who participate in it. It may be applauded because of the educative effects on the participants, but the benefits do not cease once the education has been completed. On the contrary, the education of the citizen leads to a preference for public life as an end in itself. Politics on this view is not *about* anything. It is the agonistic display of excellence,⁴¹ or the collective display of solidarity, divorced from decision-making and the exercise of influence on events.

In between these extremes is the view I find most attractive. One can argue that the forum should differ from the market in its mode of functioning, yet be concerned with decisions that ultimately deal with economic matters. Even higher-order political decisions concern lower-level rules that are directly related to economic matters. Hence constitutional arguments about how laws can be made and changed, constantly invoke the impact of legal stability and change on economic affairs. It is the concern with

substantive decisions that lends the urgency to political debates. The ever-present constraint of *time* creates a need for focus and concentration that cannot be assimilated to the leisurely style of philosophical argument in which it may be better to travel hopefully than to arrive. Yet within these constraints arguments form the core of the political process. If thus defined as public in nature, and instrumental in purpose, politics assumes what I believe to be its proper place in society.

NOTES

- 1 Elster (1978, Ch. 5) refers to these two varieties of market failure as *suboptimality* and *counterfinality* respectively, linking them both to collective action.
- 2 This is a simplification. First, as argued in Samuelson (1950), there may be political constraints that prevent one from attaining the Pareto-efficient frontier. Secondly, the very existence of several points that are Pareto-superior to the *status quo*, yet involve differential benefits to the participants, may block the realization of any of them.
- 3 Hammond (1976) offers a useful analysis of the consequences of selfish preferences over income distributions, showing that ‘without interpersonal comparisons of some kind, any social preference ordering over the space of possible income distributions must be dictatorial’.
- 4 Schumpeter (1961, p. 263): ‘the will of the people is the product and not the motive power of the political process’. One should not, however, conclude (as does Lively 1975, p. 38) that Schumpeter thereby abandons the market analogy, since on his view (Schumpeter 1939, p. 73) consumer preferences are no less manipulable (with some qualifications stated in Elster 1983a, Ch. 5).
- 5 See in particular Downs (1957).
- 6 For fuller statements, see Arrow (1963), Sen (1970), and Kelly (1978), as well as the contribution of Aanund Hylland to Elster and Hylland (1986).
- 7 Cf. d’Aspremont and Gevers (1977).
- 8 Riker and Ordeshook (1973, pp. 112–13).
- 9 Cf. the contributions of Donald Davidson and Allan Gibbard to Elster and Hylland (1986).
- 10 Presumably, but not obviously, since the agent might have several preference orderings and rely on higher-order preferences to determine which of the first-order preferences to express, as suggested for instance by Sen (1976).
- 11 Pattanaik (1978) offers a survey of the known results. The only strategy-proof mechanisms for social choice turn out to be the dictatorial one (the dictator has no incentive to misrepresent his preferences) and the randomizing one of getting the probability that a given option will be chosen equal to the proportion of voters that have it as their first choice.
- 12 Cf. Elster (1983b, Ch. III) for a discussion of this notion.
- 13 Arrow (1973).
- 14 Hirsch (1976).
- 15 Haavelmo (1970) offers a model in which everybody may suffer a loss of welfare by trying to keep up with the neighbours.
- 16 One may take the achievements of others as a parameter and one’s own as the control variable, or conversely try to manipulate the achievements of others so that they fall short of one’s own. The first of these ways of realizing positional goods is clearly less objectionable

- than the second, but still less pure than the non-comparative desire for a certain standard of excellence.
- 17 Zeldin (1973, p. 134).
 - 18 I rely mainly on Habermas (1982). I also thank Helge Høibraaten, Rune Slagstad, and Gunnar Skirbekk for having patiently explained to me various aspects of Habermas's work.
 - 19 Midgaard (1980).
 - 20 For Pascal's argument, cf. Elster (1979, Ch. II.3).
 - 21 As suggested by Runciman and Sen (1965).
 - 22 Janis (1972).
 - 23 Cf. Hogarth (1977) and Lehrer (1978).
 - 24 Niebuhr (1932, p. 11).
 - 25 Arendt (1973, p. 174).
 - 26 Finley (1973); see also Elster (1979, Ch. II.8).
 - 27 Asch (1956) is a classic study.
 - 28 See Goldman (1972) for discussion and further references.
 - 29 Schotter (1981, pp. 26 ff., pp. 43 ff.) has a good discussion of this predicament.
 - 30 Margalit (1983).
 - 31 Lipsey and Lancaster (1956–7, p. 12).
 - 32 This is the point emphasized in Lyons (1965).
 - 33 Cf. Hansson (1970) as well as Føllesdal and Hilpinen (1971) for discussions of 'conditional obligations' within the framework of deontic logic. It does not appear, however, that the framework can easily accommodate the kind of dilemma I am concerned with here.
 - 34 Cf. for instance Kolm (1977) concerning the dangers of a piecemeal introduction of socialism – also mentioned by Margalit (1983) as an objection to Popper's strategy for piecemeal social engineering.
 - 35 Cf. Ainslie (1982) and Elster (1979, Ch. II.9).
 - 36 Indeed, Habermas (1982) is largely concerned with maxims for *action*, not with the evaluation of states of affairs.
 - 37 Cf. Elster (1983b, Ch. III) for a discussion of the notion that some psychological or social states are essentially by-products of actions undertaken for some other purpose.
 - 38 *Sunday Times*, 2 November 1980.
 - 39 Cf. also Barry (1978), p. 47).
 - 40 Ryan (1972, p. 105).
 - 41 Veyne (1976) makes a brilliant statement of this non-instrumental attitude among the elite of the Ancient World.

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