

Following Their Leaders

Models of democratic decision-making tend to assume that voters have preferences and that candidates adjust their platforms to conform with those preferences; however, the direction of causation is largely the opposite. Political elites offer policy platforms to voters, and voters adopt those policies – they follow their leaders. *Following Their Leaders* argues that policies are designed by the elite and the electorate has little say. Preferences for public policy tend to be anchored in a political identity associated with a candidate, party, or ideology; voters' preferences on most issues are derived from their anchor preferences. Holcombe argues that because citizens adopt the policies offered by the elite, democratic institutions are ineffective constraints on the exercise of political power. This volume explores political institutions that help control the elite who exercise political power and discusses the implications political preferences have on democracies.

Randall G. Holcombe is DeVoe Moore Professor of Economics at Florida State University. He served on Florida Governor Jeb Bush's Council of Economic Advisors from 2000 to 2006, and is past president of the Public Choice Society and the Society for the Development of Austrian Economics.

CAMBRIDGE STUDIES IN ECONOMICS, CHOICE,
AND SOCIETY

Founding Editors

Timur Kuran, *Duke University*
 Peter J. Boettke, *George Mason University*

This interdisciplinary series promotes original theoretical and empirical research as well as integrative syntheses involving links between individual choice, institutions, and social outcomes. Contributions are welcome from across the social sciences, particularly in the areas where economic analysis is joined with other disciplines such as comparative political economy, new institutional economics, and behavioral economics.

Books in the Series:

- Terry I. Anderson and Gary D. Libecap, *Environmental Markets: A Property Rights Approach*
 Morris B. Hoffman *The Punisher's Brain: The Evolution of Judge and Jury*
 Peter T. Leeson: *Anarchy Unbound: Why Self- Governance Works Better Than You Think*
 Benjamin Powell *Out of Poverty: Sweatshops in the Global Economy*
 Cass R. Sunstein *The Ethics of Influence: Government in the Age of Behavioral Science*
 Jared Rubin *Rulers, Religion, and Riches: Why the West Got Rich and the Middle East Did Not*
 Jean-Philippe Platteau *Islam Instrumentalized: Religion and Politics in Historical Perspective*
 Taizu Zhang *The Laws and Economics of Confucianism: Kinship and Property in Preindustrial China and England*
 Roger Koppl *Expert Failure*
 Michael C. Munger *Tomorrow 3.0: Transaction Costs and the Sharing Economy*
 Carolyn M. Warner, Ramazan Kilinç, Christopher W. Hale and Adam B. Cohen *Generating Generosity in Catholicism and Islam: Beliefs, Institutions, and Public Goods Provision*
 Randall G. Holcombe *Political Capitalism: How Political Influence is Made and Maintained*
 Paul Dragos Aligica *Public Entrepreneurship, Citizenship, and Self-Governance*
 Vernon L. Smith and Bart J. Wilson *Humanomics: Moral Sentiments and the Wealth of Nations for the Twenty-First Century*
 Andreas Thiel, William A. Blomquist and Dustin E. Garrick *Governing Complexity: Analyzing and Applying Polycentricity*
 Alex Nowrasteh and Benjamin Powell *Wretched Refuse?: The Political Economy of Immigration and Institutions*
 Shelby Grossman *The Politics of Order in Informal Markets: How the State Shapes Private Governance*
 Taisu Zhang *The Ideological Foundations of Qing Taxation: Belief Systems, Politics, and Institutions*

Following Their Leaders

Political Preferences and Public Policy

RANDALL G. HOLCOMBE

Florida State University



Cambridge University Press & Assessment
978-1-009-32316-1 — Following Their Leaders
Randall G. Holcombe
Frontmatter
[More Information](#)



CAMBRIDGE
UNIVERSITY PRESS

Shaftesbury Road, Cambridge CB2 8EA, United Kingdom
One Liberty Plaza, 20th Floor, New York, NY 10006, USA
477 Williamstown Road, Port Melbourne, VIC 3207, Australia
314-321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India
103 Penang Road, #05-06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of Cambridge University Press & Assessment,
a department of the University of Cambridge.

We share the University's mission to contribute to society through the pursuit of
education, learning and research at the highest international levels of excellence.

www.cambridge.org
Information on this title: www.cambridge.org/9781009323161

DOI: 10.1017/9781009323178

© Randall G. Holcombe 2023

This publication is in copyright. Subject to statutory exception and to the provisions
of relevant collective licensing agreements, no reproduction of any part may take
place without the written permission of Cambridge University Press & Assessment.

First published 2023

A catalogue record for this publication is available from the British Library

ISBN 978-1-009-32316-1 Hardback
ISBN 978-1-009-32319-2 Paperback

Cambridge University Press & Assessment has no responsibility for the persistence
or accuracy of URLs for external or third-party internet websites referred to in this
publication and does not guarantee that any content on such websites is, or will
remain, accurate or appropriate.

Cambridge University Press & Assessment
978-1-009-32316-1 — Following Their Leaders
Randall G. Holcombe
Frontmatter
[More Information](#)

For Lora, Ross, Emily, Mark, Bailey, Connor, and Becca

Contents

<i>List of Figures</i>	<i>page</i> x
<i>List of Tables</i>	xi
<i>Preface</i>	xiii
1 Introduction	I
1.1 The Impact of Enlightenment Ideas	3
1.2 Democracy as a Mechanism for Aggregating Preferences	6
1.3 Making Social Choices	8
1.4 Democracy as Ideology	12
1.5 Democratic Institutions and the General Will	12
1.6 Democracy as Freedom from Government Oppression	15
1.7 The Ideology of Democracy Cuts Two Ways	17
1.8 There Is No Public Interest	18
1.9 Conclusion	19
2 Instrumental and Expressive Voting	20
2.1 Individual Choice in Markets and in Voting	21
2.2 Instrumental Voting	23
2.3 Strategic Voting	23
2.4 Are Expressive Votes Wasted?	24
2.5 Rational Ignorance	26
2.6 Feedback in Markets and in Voting	28
2.7 Examples of Expressive Voting	29
2.8 Costs and Benefits of Expressive Voting	32
2.9 Expressive Behavior of Voters and Sports Fans	34
2.10 Ethical Voting	35
2.11 Conclusion	37
3 Influences over Preference Formation	39
3.1 Market Choices	43

viii	<i>Contents</i>	
	3.2 Advertising	45
	3.3 Created Desires	48
	3.4 Political Advertising	49
	3.5 Hope and Change	51
	3.6 Negative Advertising	52
	3.7 Conclusion	54
4	Preference Aggregation through Voting	56
	4.1 Voting Models and Public Policy	57
	4.2 Economic Models of Voting	61
	4.3 The Logic of Collective Choice Models	61
	4.4 Differing Methods of Aggregation	62
	4.5 Expressive versus Instrumental Preferences	64
	4.6 Aggregating Expressive Preferences	65
	4.7 Social Choice and Social Welfare	66
	4.8 The Link between Preferences and Outcomes	67
	4.9 Elites and Masses	68
	4.10 Conclusion	70
5	The Formation of Political Preferences	72
	5.1 Preferences and Choices	75
	5.2 Instrumental Preferences	76
	5.3 The Status Quo	78
	5.4 The Endowment Effect	80
	5.5 Peer Pressure	81
	5.6 Cognitive Dissonance	84
	5.7 The Bandwagon Effect	86
	5.8 Political Advertising	87
	5.9 Candidate Charisma	89
	5.10 Current Conditions	91
	5.11 Mass Media	93
	5.12 Conclusion	94
6	Anchor Preferences and Derivative Preferences	96
	6.1 Public Policy Preferences	96
	6.2 Anchor Preferences	99
	6.3 Principled Preferences	102
	6.4 Abstention	103
	6.5 Derivative Preferences	105
	6.6 Most Political Preferences Are Derivative	108
	6.7 Defining the Issue Space	111
	6.8 Conclusion	114
7	Preferences of Elites and Masses	117
	7.1 The Quest for Power	118
	7.2 Economic Power and Political Power	121
	7.3 Economic Power Can Buy Political Power	123
	7.4 Political Power Can Extort Economic Power	125
	7.5 The Discontinuity in Political Power	127

<i>Contents</i>	<i>ix</i>
7.6 Transaction Costs and Public Policy	129
7.7 Controlling the Agenda	132
7.8 Elite Influence on the Preferences of the Masses	134
7.9 Elite Objectives	137
8 Policies That Maximize Political Power	139
8.1 Principles and Politics	141
8.2 The Exercise of Power in Markets and in Politics	142
8.3 Politics and Power	144
8.4 The Adversarial Nature of Politics	146
8.5 Elites Want to Have Power, Not Use It	147
8.6 The Power of Populism	148
8.7 Elites Design Public Policy	150
8.8 Popular Policies	151
8.9 Power Leads to More Power	154
8.10 Perpetual Crises	155
8.11 Rule of Law and Political Power	156
8.12 Creating Dependence on the Political Elite	158
8.13 Conclusion	160
9 Patriotism, Propaganda, and the Public Interest	161
9.1 The Social Contract	163
9.2 Patriotism and Propaganda	167
9.3 Thank You for Your Service	169
9.4 Choosing Adversaries	170
9.5 Can't We All Just Get Along?	171
9.6 The Authority of the Elite	173
9.7 The Escape from Anarchy	175
9.8 Conclusion	177
10 Implications for Democracy	179
10.1 Academic Analysis	181
10.2 Democracy Is Divisive	183
10.3 The American Founders Did Not Create a Democracy	184
10.4 Constitutional Limits on Popular Opinion	187
10.5 Eroding Constitutional Constraints	188
10.6 Checks and Balances	189
10.7 Constraining Leviathan	192
10.8 Competition among Elites	193
10.9 Political Preferences and Public Policy	194
10.10 The Quest for Power	196
<i>References</i>	199
<i>Index</i>	209

Figures

9.1	Prisoners’ dilemma game	<i>page</i> 167
9.2	Masses and the elite	174
9.3	Escape from Hobbesian anarchy	176

Tables

1.1	Preferences that produce a cyclical majority	<i>page 9</i>
1.2	Value of preferences that produce a cyclical majority	10

Preface

The idea on which this book is built is that people adopt the public policy preferences of the candidates and parties with whom they identify. In the era of Donald Trump, this idea has a ring of plausibility to much of the general public, who see Trump supporters as people who blindly accept what President Trump has told them. At the other end of the political spectrum, a different set of people see Bernie Sanders supporters the same way. Nobody in the general public thinks this is true of them, personally. They will tell you they have sound reasons for the public policy preferences they express. They just think that other people uncritically accept the policy preferences espoused by candidates and parties.

So you, the reader of this book, should read it as if its arguments apply to other people, not to you. There may be an element of truth in that because readers of this book are likely to be better informed about public policy than most of the general public. However, the academic literature on the subject does suggest that well-informed citizens may be more susceptible to political persuasion than is the average citizen.

This idea is more difficult to sell to an academic audience than to the general public. Academicians studying the political process consistently begin with the assumption that citizens and voters have preferences, and that candidates and parties adopt platforms that correspond with those citizen preferences. Rarely does an academic analysis of preference aggregation through democratic processes take a step back to consider how those citizen and voter preferences are formed. There has been research on political preference formation, but it is rarely taken into account when social scientists model the process by which individual preferences are aggregated to make collective choices.

Academics have taken a partial step toward addressing this issue by noting that when voters make choices at the ballot box the choices they make, as individuals, do not affect the outcome they get. In market transactions, people get what they choose. If a diner orders a salad rather than pizza, the diner gets a salad. At the ballot box, the same candidates and parties will be elected regardless of how any individual voter votes. Because of this, voters may express preferences at the ballot box that are different from what they would choose if the choice were theirs alone. A voter may vote for candidate A even if the voter would prefer B to win the election. Voters can do this at no cost to themselves because they know their one vote will not change the election outcome. Voting is an expressive act that has no instrumental effect on election outcomes.

This idea, which has met with some resistance from academics, is considered in the chapters that follow, but even with this idea established, that academic literature has not taken the next step to analyze why citizens and voters form the policy preferences they express. The preferences they express at the ballot box may be at odds with policies they would choose if the choice were theirs, but if this is the case, where do those preferences originate? If they are influenced by friends or family, this just pushes the question one step further back. Where do those friends and family get their political preferences? This volume explains that people adopt the political preferences of the candidates and parties with whom they identify.

If the public policy preferences of citizens come from the political elite, one implication is that citizens in democratic countries have less control over their governments than the ideology of democracy would suggest. Supposedly, democratic governments are accountable to their citizens, but that accountability breaks down if citizens adopt the political preferences of the political elite.

Academic models of voting conclude that candidates and parties design their platforms to correspond with the political preferences of voters, but the direction of causation goes the other way. Voters adjust their preferences to conform with the platforms put forward by the political elite. This volume offers a pessimistic view of democratic government, but because there are competing members of the elite, that competition among elites offers some hope that that abuses of government power can be limited. The checks and balances built into political institutions offer stronger constraints on the abuse of power than democratic oversight by citizens and voters.

Preface

xv

The usual disclaimer that any shortcomings in this volume are the responsibility of the author is especially applicable here. If citizens adopt the policy preferences offered them by political elites, this calls into question some long-held conclusions about preference aggregation in the academic areas of public choice and social choice. One might expect that researchers would be cautious about accepting ideas that undermine long-held conclusions in those areas. I am under no illusion that this volume represents the last word on the subject. My hope is that it will prompt others to explore the merits – and demerits! – of the ideas in this volume.

I appreciate comments from Roger Congleton, Judit Kalman Joseph Newhard, and David Skarbek. I presented material from the manuscript at Texas Tech University and at the Public Choice Society annual meetings, where I received many helpful comments. A hazard in thanking readers for comments is that I have neglected to recognize some helpful readers, and that is surely the case here. I am deeply grateful for the support of my family, and dedicate the book to my wife, Lora, my three sons, and my three daughters-in-law.