

Ignorance and the Incentive Structure confronting Policymakers

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Abstract: The paper examines one of the considerations that determines the extent to which policymakers pursue the objectives demanded by constituents. The nature and extent of their ignorance serve to determine the incentives confronted by policymakers to pursue their constituents' demands. The paper also considers several other consequences of policymaker ignorance and its relationship to expert failure.

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IGNORANCE AND THE INCENTIVE STRUCTURE CONFRONTING POLICYMAKERS

Chairman Senator J. William Fulbright (D-Arkansas):
 “Among the other comments you made that arouse my interest...[is] that you are not looking at this purely from a moral standpoint, but from a practical one, of what can be achieved. You call attention to the great differences in the culture and race and language and so on between this area and other areas where we have become involved.

I take it by this you mean that this is simply not a practicable objective in this country. We can't achieve it even with the best of will.”

Former Ambassador George F. Kennan: “This is correct. I have a fear that our thinking about this whole problem is still affected by some sort of illusions about invincibility on our part, a feeling that there is no problem in the world which we, if we wanted to devote enough of our resources to it, could not solve. I disbelieve in this most profoundly.”

Testimony regarding the Vietnam War before the *United States Senate Committee on Foreign Relations*, February 10, 1966

PRELIMINARY CLARIFICATIONS

My goal in this paper is merely to expose an important point that has heretofore been largely obscured and to draw out some of its implications. The paper considers several of the consequences of *the problem of policymaker ignorance*, i.e., the simple and, once it is first recognized, obvious fact that what can be deliberately achieved through political action is necessarily constrained by the nature and extent of policymakers' ignorance, and their capabilities for learning.

My approach to the problem might look rather strange to some readers. My method is that old (some might think anachronistic) philosophical workhorse, conceptual analysis. I set out my research question, explicate my assumptions, state the relevant thesis, and draw out several of its more apparent and important implications. I do not, however, provide a wealth of independent empirical verification of these implications. (Of course, if the thesis is right and the logic from which these implications are drawn is valid, such independent empirical verification is wholly unnecessary.)

I do not aim to provide a comprehensive analysis of the problem or to deduce all of its consequences. Neither am I concerned in the present context with any possible methods of solving or mitigating the problem. There are many ways that policymakers might seek to improve their knowledge. Most relevant in the present context, of course, are all those so-called “experts” whose judgments frequently in-

form the policymaking process.¹ However, given that policymakers are neither omniscient nor omnipotent, unless we think such expert-policymakers infallible and the other learning devices available to policymakers perfect, we must accept that policymakers are sometimes ignorant. The consequences discussed in the present paper manifest insofar as policymakers are indeed ever ignorant.²

The paper is meant to be the opening salvo of a new political-epistemological research program focused on the implications of policymaker ignorance for the possibilities of effective deliberate political action and, consequently, for the necessity of the intervention of spontaneous forces to effect certain political objectives. If we can gain greater clarity about what can and cannot be deliberately achieved through political action, we also (*ipso facto*) achieve greater clarity as to which political objectives can and cannot be realized without the aid of spontaneous forces. It is here that empirical concerns will enter the future research program. Considerations such as the epistemic requirements of a potential policy objective and the epistemic capabilities of a set of policymakers are theoretically and, at least to some degree, empirically tractable. That is, we can ask, e.g., what do policymakers need to know in order to realize policy objective *O*? What do they actually know? What are the possibilities in the relevant context for learning any missing knowledge required to realize *O*? What are the consequences of pursuing *O*, given the nature and extent of policymakers' ignorance? What spontaneous forces must intervene if *O* is to be realized, despite the nature and extent of policymakers' ignorance? What are the prospects in the relevant context for the intervention of these necessary spontaneous forces? The fact that I do not answer these questions in the present context should not be interpreted as ignorance or insensitivity to them. However, in order to set about solving a problem, it must first be recognized and its significance appreciated. My goal in the present paper is merely to expose the problem and encourage further research about it.

INTRODUCTION

It may occasionally happen that the policy objectives that constituents demand are exactly the same goals at which policymakers would otherwise aim were constituents' demands immaterial, but it is naïve to think that policymaker and constituent are always *simpatico*.³ My hope here is to clarify one of the (surely many and complex) considerations that determines the extent to which policymakers pursue the objectives demanded by constituents rather than

other goals that constituents demand less, or not at all. The present note considers the relationship between the policy objectives that constituents want policymakers to pursue, the *knowledge* that policymakers either possess or can – or, more significantly, *cannot* – acquire, the various incentives policymakers confront to pursue particular objectives, and the actual objectives that policymakers ultimately pursue.⁴

ASSUMPTIONS

It is probably a typical fact of politics that there are ways for a policymaker to get what he wants – whatever this might be, public approval, popularity, praise, power, whatever – that do not require the earnest pursuit of the policy objectives demanded by his constituents. That is, in many political contexts, there are multiple ways for a policymaker to realize his preferred outcomes; one of these *could* be pursuing the policy objectives that constituents demand, but a shrewd politician might accrue the same benefits by instead, say, engaging in a public relations campaign to convince constituents either that he earnestly pursues their preferred policy objectives (while in fact pursuing others) or that they should prefer the objectives he is otherwise inclined to pursue.

I start from the assumption that policymakers know the objectives demanded by their constituents just as well as they know anything at all. By assumption, there is no unique epistemic burden involved in discovering the populace's preference ranking over policy objectives.⁵ The policymaker's sole epistemic burden is confronted in discovering and effectively implementing the specific policy actions that will manifest particular objectives. Policymakers know what their constituents want as well as they know anything, but may not know how to realize related outcomes.

Of course, that policymakers know what constituents want is something of an idealized assumption. First, there is hardly any such single univocal thing as “what constituents want.” The policymaker typically confronts an array of constituent demands that are in some degree of tension and cannot all be pursued at the same time for reasons metaphysical, physical, political, or economic. There is no such thing as “the populace's preference ranking over policy objectives.”⁶ Second, the assumption is unrealistic because extant mechanisms of political communication perform their epistemic function quite poorly. What is needed is some sort of epistemic device that conveys the demands of constituents to policymakers in an efficient fashion.

Actually though, this would solve the problem of political communication only with respect to one half of the constituent-policymaker dialogue. Efficient communication between constituents and policymakers requires epistemic mechanisms that convey both the demands of constituents to policymakers and correct information about the actual objectives that policymakers in fact pursue to constituents. Only with such mechanisms in place could policymakers acquire knowledge of the objectives that constituents want them to pursue; and only with such devices could constituents come to know that policymakers earnestly pursue these objectives, rather than merely making to appear that they do.⁷ Unfortunately, as it is, both sides of this dialogue are rather weakly voiced and only ever heard through considerable noise.⁸ As compared to, say, the epistemic processes of the price system (see Hayek [1945] 2014), standard voting mechanisms and other devices for expressing constituents' policy preferences (e.g., [competing] public protests, [competing] political parties, [competing] interest groups, social media) at best convey relevant knowledge to the policymaker in a limited, vague, and confounded form. Unlike price signals, such signals as are received by the policymaker from constituents concerning their policy demands express relatively little about *what to do*. On the other hand, policymakers are often sophisticated manipulators of public opinion with sizable media budgets who, with journalistic handmaidens in tow, can too easily stoke a public misimpression of their constituent-mindedness. Normal democratic mechanisms – much less whatever mechanisms might operate in non-democratic contexts – are meager epistemic devices.⁹

Suffice it to say that this idealized assumption is made for the sake of simplifying the analysis and does nothing to undermine the relevant conclusions. Indeed, as should become apparent, relaxing the assumption would strengthen my argument (at the expense of making it more complex), as the more realistic premise that policymakers in fact do confront an epistemic burden in discovering the policy preferences of their constituents makes the pursuit of constituents' preferred objectives yet less appealing than other possible pursuits, keeping other factors constant. If policymakers have to perform epistemically burdensome searches to discover the policy objectives that constituents demand, then, *ceteris paribus*, it is (epistemically) easier to pursue other objectives which do not require that such burdens be confronted.¹⁰

THESIS

The relevant question is, assuming that policymakers know the objectives that their constituents want them to pursue, how might their ignorance with respect to the means of realizing various potential policy objectives affect the incentives they confront to pursue particular policies and, thus, to the extent such incentives determine their actions, the policy objectives they ultimately pursue? Plainly put, assuming policymakers know what constituents want, how might ignorance of the means to realize what constituents want influence the policymaker's incentive to pursue what constituents want, other factors held constant?

Scheall, Butos, and McQuade (2018) point out that, other factors held constant, the epistemic burden of narrowly self-interested policymaking, pursuing policy goals that the policymaker takes to be in his own selfish interests, is often though not always, lower than that of broadly altruistic policymaking, i.e., pursuing objectives that the policymaker believes to be in the interests of his constituents. The epistemic burden of selfish policymaking tends to be lower than that of constituent-minded policymaking. If you like, the means to selfishness are often (not always) more easily known than the means to altruism. As they put the point, "Other things equal, the relative epistemic complications of satisfying the wishes of the public should incentivize more [narrowly] self-interested policymaking. We should expect to find more self-interested political behavior where (*ceteris paribus*) the epistemic burden of making effective public-minded policy is comparatively heavy" (Scheall, Butos, and McQuade 2018, p. 9, fn. 7)

This point can be generalized. *Other factors held constant, the relative weights of the epistemic burdens of competing policy objectives serve to determine the objectives that policymakers pursue.* If this is right, then, *ceteris paribus*, the policymaker is incentivized to pursue policy objectives that bear the lowest epistemic burden, i.e., those goals he knows or has the best prospects of learning how to realize. Other factors held constant, the policy objectives that constituents demand will be pursued only if they impose a lighter epistemic burden on policymakers than alternative policy objectives. Otherwise, the policy objectives that constituents demand will be ignored in favor of other policy pursuits (perhaps accompanied by a public pretense of the pursuit of constituents' demands). In short, the nature and extent of his ignorance of the means required to realize his constituents' demands serve to determine the extent to which the

policymaker pursues constituent-minded rather than other policy objectives. The relative epistemic burden of constituent-minded policymaking is a factor that contributes to determining how much of it we get.

This thesis bears several implications.

SOME IMPORTANT IMPLICATIONS

If the relative epistemic burden of the pursuit of the policy objectives that constituents demand is heavy relative to other potential pursuits, even where policymakers are entirely predisposed to pursue their constituents' demands, we are likely to find the pursuit of objectives other than those demanded by constituents. Where the epistemic burden of satisfying their constituents' policy demands weighs comparatively heavy, even the most constituent-minded politician by predisposition can be incited into pursuing objectives that constituents demand less or not at all. The notion that there are principled, publicly-minded policymakers who will pursue their constituents' interests come what may is terribly quaint.

However, it is also an error to assume *a priori* that policymakers are no less selfish, no more altruistic, than non-political actors. In this regard, public choice economics misplaces the cart of incentives in front of the horse of epistemics.¹¹ Whether and to what extent a policymaker pursues selfish or constituent-minded objectives is not some brute inexplicable fact but is partially determined by the relative epistemic burdens involved in being one rather than the other. The policymaker's incentives to selfishness rather than constituent-mindedness are partially determined by the burden involved in acquiring the knowledge necessary to realize through political action the demands of his constituents. The nature and extent of his ignorance serves to determine the incentive structure confronted by the policymaker.

The first problem of constitutional economics would seem to be less (*per se*) how to write constitutional rules that limit the negative effects of venal political behavior than how to write a constitution that limits the negative effects of policymaker ignorance, one of which is non-constituent-minded political behavior, which encompasses selfish political behavior.¹²

When seeking explanations of government's failure to satisfy constituents, one place to look is the gap separating the knowledge required to realize outcomes that constituents want and the knowledge that the policymaker possesses or can acquire. If this gap is too large, if the burden of ac-

quiring the knowledge necessary to realize his constituents' demands is too high relative to the burden of acquiring the knowledge necessary to realize other potential objectives, then, *ceteris paribus*, the policymaker is incited to pursue the latter and neglect the former.¹³

Political epistemology is in some sense prior to political economy. The policymaker's knowledge and ignorance serve to determine what policy objectives he is incited to pursue or to not pursue, but the opposite is not true: that a policymaker is incited to some objective is irrelevant to whether he possesses or can acquire the knowledge required of its realization. Whatever incentives policymakers confront to realize world peace are grossly insufficient to its epistemic requirements. Epistemic burdens are factors in the determination of incentives, but incentives are irrelevant to epistemic burdens. In particular, that a policymaker faces an incentive to pursue some policy objective cannot lighten his epistemic load.

Indeed, political epistemology is prior to all normative political considerations, i.e., to all questions of what policies policymakers "ought" to pursue. To see this, consider the significance for both policymaking and the methodology of political inquiry of the principle that *ought implies can*.

It is generally accepted that there can be no normative obligation to pursue the impossible. Insofar as we accept this principle in everyday life, our judgments concerning what we can possibly achieve bracket the choices to which we then apply normative criteria. That is, we normally include among our options only things that we think we can do. Of course, such judgments are often made only sub-consciously. When considering various potential modes of travel, for example, no (sane) person explicitly considers attempting to fly like a bird without mechanical assistance. On some less-than-fully conscious level, we all recognize that flying like a bird without mechanical assistance is impossible and therefore irrelevant to the travel options to which normative considerations apply. If we do not think we can do something, we typically exclude it from our incentive structure. What we can do – at least, what we can do *deliberately* – depends on what we know or can learn. The array of options from which we choose is partially determined by whether we believe that we possess or can acquire adequate knowledge to realize some potential outcome. Men may do what they are incited to do, but what they are incited to do is partially determined by what they know.

Of course, there is always the possibility that some outcome might be realized, as it were, spontaneously or non-deliberately, despite the actor's ignorance. I might just run

off a cliff and find myself flying like a bird without mechanical assistance for the first time in human history—but, I do not consider this sufficient ground to include this possibility when considering the best (according to some normative criteria) mode of getting from point A to point B. We occasionally get lucky despite our ignorance, but we do not include among our options possibilities that, given the nature and extent of our ignorance, require considerable luck for their realization.

Thus, insofar as we bracket possibilities that require such luck, *ought to X implies can X, which implies knows (or can learn) enough to X*.

If the principle that ought implies can is as applicable within as outside political contexts – and one would need an independent argument to think it less pertinent in politics – then, by parity of reasoning, the same priority of epistemic over normative considerations exists in the political realm. Thus, whatever the context, political or otherwise, before we decide what we ought to do, we need to determine what we can do deliberately, which means determining what we know or can learn to do.^{14, 15}

Epistemic considerations are crucial to determining what is and what is not included, and, if so, where, in a person's – in this case, a policymaker's – incentive structure. Policy objectives the realization of which require the policymaker to accept a heavy epistemic burden are likely to be either excluded altogether or deeply discounted in his incentive structure *prior* to the application of normative considerations.

In his essay “Of the Independency of Parliament” (1742), David Hume famously argued that “Political writers have established it as a maxim, that, in contriving any system of government, and fixing the several checks and controuls of the constitution, every man ought to be supposed a knave, and to have no other end, in all his actions, than private interest.” If my argument here is sound, then Hume and the political writers to whom he referred misplaced the normative cart before the epistemic horse no less than their intellectual descendants in the public choice tradition. We should assume not that all men are knaves, but that all men are ignoramuses and that the extent of their knavery is in part a function of the extent of their ignorance.¹⁶ Perhaps unfortunately, “All men are ignoramuses and, because of this, sometimes knaves too” falls from neither tongue nor pen as mellifluously as Hume's famous phrase.¹⁷

If we assume that all men are knaves in political affairs and should be analyzed as such, then we will be hard pressed to explain why policymakers ever earnestly pur-

sue the objectives demanded by their constituents (to the extent that they ever do), except to say that, in the case in question, the political demands of constituents happened to align with the interests of a bunch of knaves. This is not a very satisfying explanation. Indeed, it may not be an explanation at all as it comes dangerously close to implying that bad things happen when people do bad things and good things happen when people do good things. As social scientists and political philosophers, we want an explanation of *unintended* consequences. We want to know why bad things can happen even when people do good things and *vice versa*. The public choice economist need not start from the perhaps, at least in some cases, dubious assumption that policymakers are narrowly self-interested; he can instead start from the manifest fact that policymakers are ignorant and get the same results. The analytical accomplishments of public choice economics notwithstanding, the assumption that all men are ignoramuses and, because of this, sometimes knaves too, promises to yield a richer understanding of the interrelationships between knowledge, incentives, policy pursuits, and social outcomes.

If there is anything to the present analysis, then much of what falls under the heading of political epistemology in the existing literature in fact misses the fundamental political-epistemological point. Indeed, much of this literature concerns issues that I have explicitly set aside here, namely, either the epistemic characteristics of constituents, i.e., whether voters are “wise” or “rational,” or the effectiveness of the means by which knowledge of constituents' demands is conveyed to policymakers.¹⁸

Even were constituents maximally rational and some means for perfectly conveying their demands to policymakers discovered, the problem raised in the present paper would appear insofar as policymakers remain ignorant of the means to realize these demands. The *problem of policymaker ignorance* – the fact that what can be deliberately realized through political means is, in the final analysis, constrained by the nature and extent of policymakers' ignorance, and their capabilities for learning – is the fundamental problem of politics and of political inquiry. It is the problem that remains when all of the other problems of politics and political inquiry have been solved.

Where we observe a relatively high degree of disappointment with government, we will often find constituents demanding the pursuit of comparatively epistemically burdensome policy objectives. Under such circumstances, constituents are disappointed because they demand out-

comes from policymakers that require more knowledge than the latter either possess or can acquire.

The motivations of those who enter politics vary from one person to the next. At one extreme, there are people who enter the political arena in pursuit of personal recognition and power over their fellows. At the other extreme, there are those who enter politics with the best intentions in mind, the desire to serve the public and improve the lives of others. However, there is in any case no reason to think that these attitudes remain static over the course of political careers. Empirical observation, as well as common sense, seem to suggest a gradual tendency, frequent but by no means universal, toward a deterioration of motivations for political action over time. That which once motivated, say, the first-term congressperson often no longer moves the sixth-term congressperson. The thesis that the incentive to pursue constituent-minded rather than other policy objectives is determined by the relative epistemic burdens involved implies an explanation of this phenomenon: the wide-eyed constituent-minded idealist new to politics is eventually ground down over time by (*inter alia*) the dawning recognition of the comparatively heavy epistemic burden involved in pursuing his constituents' demands.

In general, potential policy objectives range from the unambitious and epistemically simple to the grandiose and epistemically difficult, if not impossible. Other factors held constant, we should expect to find more simplistic than more ambitious policymaking.¹⁹ Anyone expecting policymakers to forthrightly address the world's most complex problems – especially when there are epistemically simpler options on the table, including that of merely pretending to address the world's most complex problems – is neglecting the effects of ignorance on the incentive structure confronting policymakers.²⁰

There is a direct relationship between the height of political expectations and the extent of political disappointment. Put another way, there is a tension between effective government and ambitious government. A state in which policymakers are constitutionally constrained to the pursuit of goals the epistemic burden of which is relatively light is likely to be quite effective as compared to a more ambitious government in which few potential policy goals are constitutionally debarred. We can have a government that is effective in the sense that it regularly meets policy objectives or we can have a government that is ambitious in the sense that it permits the pursuit of comparatively epistemically burdensome policy objectives, but we cannot have both. Until policymakers approach omniscience and omnipo-

tence, governments of the latter kind will always be less effective – they will tend to achieve their objectives less regularly – than will governments of the former kind.²¹

I have silently and purposely conflated these issues to this point, but we can further distinguish the consequences of *first-order* and *second-order* policymaker ignorance. A policymaker is first-order ignorant with respect to some policy objective when he lacks some of the knowledge required to deliberately realize it. Spontaneous forces are required to realize an objective with respect to which policymakers are first-order ignorant. A policymaker is second-order ignorant with respect to some policy objective when he is ignorant of his first-order epistemic condition regarding the objective.

A policymaker who is both second-order and first-order ignorant – i.e., who is ignorant of his ignorance – with respect to some policy objective is a potentially dangerous character, for he can easily fall into the trap of believing he can accomplish things through political action that he manifestly cannot. It would seem to be such characters that F.A. Hayek ([1975] 2014) had in mind when he spoke of policymakers' "Pretence of Knowledge" in his 1974 Nobel Prize Lecture.

In keeping with the analysis above, the incentive structure of a policymaker who is second-order knowledgeable about his first-order ignorance – i.e., who knows that he is ignorant – with respect to some policy objective will be partially determined by his epistemic circumstances, other factors held constant. The objective will occupy a lower place, if it appears at all, in his incentive structure than it would, *ceteris paribus*, were its epistemic burden lighter.

A policymaker who is second-order ignorant of his first-order knowledge – i.e., who mistakenly thinks he is ignorant – with respect to some policy objective will be less inclined, other factors held constant, to pursue this objective that he, in fact, knows enough to deliberately realize. The excessively epistemically humble policymaker would seem to be a rare bird, seldom observed in the wild.

Finally, a policymaker who is second-order knowledgeable about his first-order knowledge – i.e., who knows that he knows – with respect to some policy objective would seem to be something like the wise captain of the ship of state. The incentive structure of such a policymaker is unaffected by epistemic considerations. Because he is knowledgeable of the means of realizing his constituents' policy demands and knows *this*, (second-order) ignorance cannot dissuade him from their pursuit. Of course, other factors might subsequently dissuade him, but ignorance will not

be among them. However, where constituent-mindedness bears an epistemic burden over and above other potential policy pursuits, as I have suggested it often does, this counterpart of the wise captain of the ship of state would seem to be a mythical creature.

The problem of policymaker ignorance is not unique to any particular political system or party. It will appear to some extent or other wherever political representatives, whether democratically elected or not, are expected to act in the interests, and as the agents, of other people. Insofar as this condition obtains, the problem that Mises and Hayek raised for socialists (see footnote 16 above) appears even in the most liberal systems.

The central issue exposed in the present paper, namely, that the epistemic burden of some policy objective serves to determine whether and where it appears in the policymaker's incentive structure, is not unique to political contexts. It can arise elsewhere. Indeed, it is a problem that arises whenever a *proxy* acts on behalf, and presumably in the interests, of some other person. If there is a disconnect between the knowledge possessed by the proxy and the knowledge required to do the thing that the proxied demands, the problem appears, i.e., *ceteris paribus*, when considering his options, the proxy discounts or neglects altogether those options that he takes the person proxied to prefer.

The problem is common in policymaker-constituent relationships, but can arise elsewhere, e.g., in the context of corporate shareholder-voting, or doctor-patient, lawyer-client, teacher-student or, indeed, parent-child relationships.²² In this respect, the present paper exposes some of the epistemic aspects of a very general principal-agent problem.

PARTING REFLECTIONS ON *EXPERT FAILURE* AND THE PROBLEM OF POLICYMAKER IGNORANCE

Koppl's book offers a plethora of examples of expert failure that also double as case studies of the problem of policymaker ignorance and its consequences. One need read no further than the book's introduction to learn that expert-policymaker ignorance is behind the Flint water crisis (p. 1), many of the failings of child-protective social work (pp. 2-4), the manifest deficiencies of Obamacare relative to constituents' original demands for health-care reform (p. 5), and perhaps even the Iraq War (p. 5). Donald Rumsfeld's infamous "unknown unknowns" are instances of second-order ignorance of first-order ignorance. In keeping with the analysis offered here of policymakers who are igno-

rant of their ignorance – mere pretenders to knowledge, as Hayek might have called them – the Iraq War (not to mention the Vietnam War that is the subject of the paper's epigraph) seems to be a paradigmatic case of the policymaker falling "into the trap of believing he can accomplish things through political action that he manifestly cannot." Similarly instructive, as Koppl (pp. 5-6) notes, is the sad and cruel history of attempts to make social policy on the basis of eugenicist theories. Though he might have, Koppl apparently did not wish to stack the deck against potential critics by invoking the name Trofim Lysenko, the infamous Soviet biologist and agronomist, whose "expertise" contributed materially to famines in both Russia and China.

Thus, the significance of *Expert Failure* for the present paper lies primarily in the empirical support the book provides to what is otherwise a conceptual argument. Whenever there is a case of expert-policymaker failure, there is an illustration of the consequences of the problem of policymaker ignorance. Closely related to this, it is also well to remember that, as noted in the second footnote above, in a world of expert failure, paying experts to contribute their opinions to the policymaking process is not necessarily a tool for the mitigation of the problem of policymaker ignorance.

The significance of the argument of my paper for *Expert Failure* is, I think, rather more complex. This topic deserves more time and space than I can dedicate to it here. Unfortunately, the following, merely suggestive and admittedly rather sketchy, comments will have to suffice for present purposes.

As noted in the last section of the present paper, the problem that ignorance affects incentives appears in all proxy relationships. What Koppl (2018, p. 189) calls the "rule of experts" – contexts in which a monopoly expert decides on behalf of a nonexpert – is essentially rule-by-proxy. Thus, if the argument of the present paper is sound, insofar as the policy objectives preferred by those proxied are epistemically burdensome, these objectives will be discounted relative to less burdensome goals in the incentive structure of the responsible monopoly expert-proxy; especially burdensome objectives are likely to not appear at all among the array of options from which the monopoly expert-proxy selects on behalf of the proxied nonexpert. Thus, under the rule of experts, the interests of constituents are prone to systematic discounting and chronic neglect.

The quasi-rule of experts (Koppl 2018, p. 194) is also rule-by-proxy. However, unlike pure expert rule, in contexts of quasi-rule, experts compete among themselves to decide on

behalf of nonexperts. Under conditions of the quasi-rule of experts, the extent to which expert-proxies pursue objectives that proxied constituents demand depends crucially on the effectiveness of those features of the competitive landscape that differentiate quasi-rule from the rule of monopoly experts. In particular, under quasi-rule, constituents can exit from policymaker relationships that they find unacceptable. Thus, given the possibility that his constituents might replace him with some other, the expert-proxy seems to have a greater incentive to act to realize constituents' demands under quasi-rule than under the rule of experts.

However, as we have seen, in the first instance, epistemic burdens serve to determine incentives. We can easily imagine epistemic circumstances in which the crucial exit option that distinguishes quasi-rule from rule of experts might fail to motivate competitive expert-proxies to pursue the policies most demanded by proxied constituents. In order to exit from a policymaker relationship, a constituent must be privy to such knowledge as might motivate him to exit. This is another way of saying that exit will not appear among a constituent's options if its epistemic burden is too high relative to that of non-exit.

The effectiveness of the exit mechanism afforded by competition requires that policymakers know what constituents want and that constituents, in turn, know what policymakers in fact pursue, as well as how far, and at what cost, policymakers realize what they pursue (see footnote 7 above). Where these conditions do not obtain – where policymakers confront a relative epistemic burden in discovering their constituents' demands, or constituents cannot tell how far their demands are pursued or determine the cost at which their demands are realized to the extent that they are, the greater incentive that policymakers feel to pursue their constituents' policy demands under quasi-rule in virtue of the exit option may well vanish. An expert-proxy under quasi-rule who knows his own preferred objectives, but faces an epistemic burden in discovering the policy demands of his proxied constituents, and who, moreover, knows that his constituents can neither distinguish an earnest from a merely pretended pursuit of their demands nor easily check on the extent and cost of their realization, is not obviously more incented to pursue his constituents' policy demands than the monopoly expert-proxy under the rule of experts. Thus, whether quasi-rule is likely to improve upon the rule of monopoly expert-proxies with respect to the pursuit of policy objectives most demanded by proxied constituents will depend crucially on empirical considerations concern-

ing the epistemic features of the policymaking environment.

Given that there are no relevant proxy relationships involved, I have little to say about those contexts that Koppl dubs expert-dependent choice and self-rule, where nonexperts decide for themselves, albeit perhaps on the basis of expert advice. Of course, it should perhaps be emphasized again that every objective, political or otherwise, can be deliberately realized without the intervention of spontaneous forces only if the knowledge upon which a plan of action for its realization is adequate to the task; and, thus, that the problem of policymaker ignorance cannot necessarily be avoided by making the policymaker and the constituent the same person.

Finally, I will close by noting that the argument of the present paper seems to suggest a limitation on the possibility for competition among experts. If I am correct that ignorance serves to determine incentives, then, other things equal, we should expect to find fewer experts with regard to relatively epistemically burdensome topics and more experts regarding topics with respect to which adequate knowledge is more easily acquired. This explains why there are many experts on flying an airplane, but few experts on flying like a bird, many experts on extending your golf swing, but few experts on extending your height. If this is right, then the potential for expert competition would seem to be greatest where competition is least required, i.e., with regard to the simplest topics, and *vice versa*, the potential for expert competition might be least where it is most needed, i.e., with regard to difficult topics. In effect, for many people, the epistemic burdens of especially difficult topics seem likely to act as barriers to entering the market for experts about these topics.

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NOTES

1. In order to avoid confusion, it should be emphasized that nothing in the present paper hinges on the presence of experts in the policymaking process. The paper was not originally written with either expert-policymakers *per se* or Koppl's (2018) Expert Failure foremost in mind. The class of policymakers that is the subject of the present paper is both broader and narrower than the class of experts that is the subject of Expert Failure. For Koppl (2018, p. 8), an "expert" is anyone paid for their opinion, whether or not as a contribution to the policymaking process. My "policymaker" includes not only experts paid to contribute their opinions to the policymaking process, but also nonexpert-policymakers (see footnote 3 below for the relevant definition of policymaker) and excludes paid experts outside the policymaking process.

The argument of the present paper is meant to be fully general with regard to political systems. It is meant to apply both to policymakers in so-called "administrative states" (Koppl 2018, p. 13) ruled by experts – the "knowledge class" that supposedly knows not only "what is best for the people" (Hamburger 2014, p. 495), but also how to achieve it – as well as to policymakers in other contexts, where the influence of paid experts might be more limited.

2. The presence of paid experts in a policymaking process would seem to be an implicit response to the problem of nonexpert-policymaker ignorance, meant to mitigate the fact that the knowledge of nonexpert-policymakers is often inadequate to the policy objectives they are tasked with realizing. That is, experts are paid to contribute their opinions to the policymaking process because the problem of nonexpert-policymaker ignorance is real. If this is right, then insofar as expert-policymakers fail, the problem of policymaker ignorance is not mitigated.
3. I mean to be neutral regarding the mechanism whereby policymakers attain their positions. In particular, there is no assumption that they are (or are not) democratically elected. Rather, the crucial premise concerning the political system assumed in the paper is merely that constituents widely (though not necessarily universally) believe that the policymaker's proper business is the pursuit of his constituents' interests, just as constituents in our modern world, where even monarchical governments are typically expected to respect republican principles, widely (though not universally) believe that policymakers should pursue their constituents' interests. This is not to say that

constituents in the model are as naïve as to think that policymakers always (or even ever) pursue their constituents' interests, just that constituents broadly agree that policymakers ought to pursue their constituents' interests.

For present purposes, a "policymaker" is anyone directly involved in the design, determination, implementation, and administration of government policy. The term encompasses any so-called experts involved in the design of policy, as well as the government officials who decide policy, and the bureaucrats who implement and administer policy. A "constituent" is a member of the class of persons whose interests, on this way of conceiving the proper business of political action, should figure foremost in the policymaker's political-decision calculus.

4. I use the word "knowledge" in a broad sense to encompass both propositional and non-propositional knowledge, or what epistemologists call both *knowledge-that* and *knowledge-how* (Ryle [1946] 1971). Moreover, knowledge need not be conscious, but might be merely *tacit* (Polanyi 1966), i.e., knowledge of which we are not "explicitly aware," but that we "merely manifest...in the discriminations which we perform" (Hayek [1952] 2017, p. 152).
5. The *epistemic burden* of some objective is simply everything that the actor must know (that and how), which the actor does not already know, in order to realize the objective deliberately as a result of related actions directed to its realization, i.e., not spontaneously, or otherwise in virtue of luck or fortune. Epistemic burdens are thus relative to both knowers and their potential objectives. Epistemic burdens are always relative to some actor with respect to some goal.

The present argument assumes that actors can evaluate their epistemic burdens with regard to various objectives with some facility, but not necessarily infallibly. Thus, epistemic burdens encompass both "known unknowns," i.e., considerations that the actor knows he does not know, and "unknown unknowns" that the actor cannot evaluate in advance of action.

Epistemic burdens should not be conflated with epistemic costs. Rather, epistemic costs are incurred in the process of attempting to overcome epistemic burdens. Indeed, epistemic costs need not track epistemic burdens very closely. Just as one might climb a mountain of a given height in a more or less circuitous fashion and incur greater or lesser physical costs in the process, there can be more or less epistemically costly ways in which a given epistemic burden might be met.

Many thanks to Bill Butos for helping me better understand the nature of epistemic burdens.

6. For a mathematical proof of a closely-related thesis, see Arrow (1950).
 7. In a perfect world, we would probably also have an epistemic mechanism that conveyed accurate knowledge not merely about the extent to which policymakers pursued, but also realized and at what cost, constituents' preferred policy objectives. See Wolf (1979, p. 114): "To monitor output quality requires precise, representative, and regularized feedback which is hard to realize for nonmarket output. Congressional committees, the Congressional Budget Office, ombudsmen, consumer groups, voter and consumer surveys, and other 'watchdog' devices help, but their separate and collective effectiveness in monitoring output quality inspires only limited confidence."
 8. Related to this, see Arnold (1990, pp. 44-51) on what is required for a policy action to be "traceable" to a policymaker and how the absence of these requirements in democratic contexts can undermine the retrospective voting rule, i.e., the "incumbent performance rule," according to which constituents evaluate incumbent policymakers and vote accordingly on the basis of the perceived effectiveness of a policymaker's past policy actions.
 9. This meagerness is analyzed adroitly by DeCanio (2014).
 10. DeCanio (2014, p. 639) makes a similar assumption for similar reasons and to the same effect.
 11. On the standard assumptions of public choice analysis, see Dunleavy (1991, pp. 3-4).
 12. Of course, the constitution-maker, no less than the constitution-bound policymaker, confronts an epistemic burden in discovering the means by which this end might be achieved that affects his incentive to pursue it. For an argument that the very project of designing an effective constitution is ill-founded (an argument with which I am sympathetic), see Devins, Koppl, et al., 2015.
 13. In reviewing Schuck's (2014, p. 150) discussion of Charles Wolf's (1979) "Theory of Nonmarket Failure," Levy and Peart (2015, p. 669) write that "Perhaps a policy fails because it fails to align the private goals of acting individuals who administer the policy and those in the collective polity who establish the administering agencies on the basis of an articulation of public goals. Economists typically take Wolf's 'public' goals as motivational forces, whereas they may neglect important private goals that counteract or confound the so-called 'public' goals." In effect, part of what I am arguing here is that in order to ensure that "public" and private goals align, the epistemic burden of realizing the first category of goals cannot greatly exceed that of the second. The extent to which "public" goals act as motivational forces is partially determined by the relevant knowledge that policymakers possess or can acquire.
- By "private" goals, it should be noted that Wolf (1979, p. 116; italics in the original) meant "'internalities': The goals that apply within nonmarket organizations to guide, regulate, and evaluate agency performance and the performance of agency personnel [...] nonmarket agencies often develop internalities that do not bear a very clear or reliable connection with the ostensible public purpose which the agencies were intended to serve." The argument is not materially affected if the range of "private" goals is expanded to include, in addition to such "internalities," policy objectives that constituents demand relatively less than other potential policy objectives.
14. The main point does not ultimately hinge on acceptance of the principle that ought implies can, which, though widely accepted, is not without controversy. One might think that a logical connection weaker than implication obtains between normative and epistemic considerations, and still agree that the normative force of policy objectives about which policymakers are ignorant is relatively weak.
 15. DeCanio (2014, p. 639) "examines specific problems associated with knowledge, democracy, and the market and presents a method for mitigating the effects of ignorance on human affairs." However, DeCanio misses the fundamental issue concerning knowledge and politics. Granting his explicit argument for his method for mitigating the effects of ignorance, do policymakers possess, or can they acquire, the knowledge required to effectively implement the method? Other factors held constant, if the epistemic burden of DeCanio's method is too high, or seems to require greater luck, as compared to some other method of mitigating the effects of ignorance – in short, if it is to ignorance-mitigation what flying like a bird is to human travel – DeCanio's method will not even figure among the options to which policymakers apply normative considerations. DeCanio (2014, p. 643) notes correctly that knowledge problems do not depend on incentive structures but fails to notice that the opposite is in fact true: the nature and extent of our ignorance serves to determine what we are incented to do and, more importantly, to not do.
 16. This is a fact that authors in the Austrian economic tradition have always understood (see Leeson and Subrick 2006, p. 109, and Boettke 2018, p. 945). In their various attacks on the feasibility of socialism, neither Ludwig von Mises (1920) nor F.A. Hayek ([1935] 1997a, [1935] 1997b, [1940] 1997) assumed that socialist administrators were knaves. Rather, their respective socialist calculation arguments started from the

premise that such administrators were purely constituent-minded and knowledgeable about the central plan, i.e., the relevant set of policy objectives, that constituents demand. Both appreciated that there would be practical difficulties involved in coming to such agreement, but this was not the central point of either of their critiques. Similarly, Hayek's ([1975] 2014) "Pretence of Knowledge" argument against the effectiveness of countercyclical policymaking assumed that policymakers aim always and only at effective macroeconomic management. The problem, Mises and Hayek argued, is that an insurmountable knowledge problem remains even if such assumptions are granted. Good intentions and knowledge of the desired policy objective are insufficient to ensure the realization of a well-intentioned plan. The socialist administrator still requires knowledge of the *means* by which the plan can be realized, and this requires knowledge, i.e., of what Hayek ([1945] 2014) called "the particular circumstances of time and place," that extends beyond the policymaker's capabilities. Indeed, according to Hayek ([1968] 2014), such knowledge simply does not exist outside of market contexts.

For an argument from outside the Austrian economic tradition that similarly emphasizes the policymaker's epistemic difficulties *given* their moral probity, see Friedman (1947).

17. David Hume is my favorite writer of all time, so I am pained to present this critique. I prefer to think that Hume was not wrong on this point as much as he simply forgot to fully follow the principles of his epistemological skepticism, as applied to the realm of politics, through to their ultimate consequences.
18. See, e.g., Landemore (2012), the essays collected in Friedman (2014), and Brennan (2016).
19. One might be inclined to think that the *ceteris paribus* assumption is carrying too much of the weight of the argument of the paper. There are a number of things to say against this initially plausible objection. First, the present paper is meant to be the initial contribution to a research program focused on the implications of a seemingly important, but heretofore largely neglected, problem, namely, the problem of policymaker ignorance. The relevant assumptions should certainly be loosened at some point in the development of this research program, but there can be no obligation to complete the research program in its initial statement. Second, for reasons similar to those given above concerning the consequences of the more realistic assumption that policymakers do confront an additional epistemic burden in discovering the policy demands of their constituents, loosening the *ceteris paribus* assumption would seemingly complicate the analysis for both

analyst and analysand. That is, the policymaker in a world in which all other relevant factors are not being artificially held constant does not necessarily because of this confront a less epistemically burdensome environment. *A priori* of the development of the relevant research program, there is little reason to think that loosening the *ceteris paribus* assumption would necessarily undermine, rather than bolster, the current argument.

20. A previous reviewer objected that the paper "provides no evidence that policymakers know which policies are epistemically demanding. Without this knowledge, epistemic demandingness could not affect incentives in the way you posit." If I understand this objection, it seems to assume a conception of knowledge as infallible, but this is no part of my understanding of knowledge (see footnote 5 above concerning the fallibility of evaluations of epistemic burdens). The relevant evidence that policymakers have some, albeit fallible, knowledge of what the reviewer calls "epistemic demandingness" is simply the knowledge that each of us possesses of our own capacity to evaluate with some, albeit fallible, facility the nature and extent of our ignorance concerning the means to realize various ends, coupled with the plausible assumption that policymakers are similarly capable.

The same reviewer further objected that "if we look around at politics, do we find [policymakers] reluctant to take on monumentally difficult tasks like restructuring the entire health-care system or the entire banking system? No, I don't think that we do. On the contrary, we find policymakers eager to undertake such tasks. Presumably this is because they are confident that they know what they need to know about these matters. If they are *overconfident*, they don't recognize it. That is, they are unknowingly ignorant. Your argument would apply to reality only if they were *knowingly* ignorant."

This objection begs the question against me. In particular, the reviewer assumes without argument or evidence that the policy measures taken to restructure "the entire health-care system [and] the entire banking system"—presumably, the reviewer refers to the various policies along these lines made by American policymakers during the Obama administration—were instances of policymakers earnestly pursuing the demands of their constituents, rather than, as I would classify them, public relations efforts by policymakers to convince constituents that their demands were being pursued.

I do not recall there being a consensus among constituents for either of the relevant policies referred to here. In-

deed, it seems that the policies that were ultimately enacted were significant comedowns from what constituents in fact demanded in each case. If memory serves, what constituents wanted in each case was a policy objective more epistemically burdensome than could ever have been realized by the policies that were ultimately made. What constituents really wanted was the realization of a policy objective that was epistemically gargantuan, if not plainly impossible. To the extent that there was a consensus among constituents regarding health-care reform, it was for the quite epistemically burdensome—indeed, perhaps epistemically impossible—objective of a health-care system both more expansive, in the sense of covering more of the population, and less costly to both individuals and the country as a whole. Similarly, insofar as there was a consensus among constituents regarding banking reform, it was for the epistemically heavy, if not impossible, goal of a system immune at least to financial crises and, ideally, to sudden economic fluctuations as well. Whatever else might be said for or against them, the relevant policies that were ultimately made, it seems to me, aimed at less ambitious objectives than those the realization of which constituents most demanded. That is, in keeping with my analysis, when confronted with demands for solutions to some of America’s most complex problems, policymakers ultimately did *something else*. These cases are instances of, not counterexamples to, the argument of the present essay.

21. Note that my criterion of policy effectiveness is more modest than some alternatives that might be preferable on independent grounds. Schuck (2014, p. 41), e.g., argues that determining whether a policy is effective is a matter of deciding whether its “benefits exceed its costs and whether it is cost-effective.”
22. Many thanks to Parker Crutchfield for helping me see some of the other contexts in which the problem appears.

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