

# CHOOSING IN GROUPS

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# Constitutions

“Constituting” is the act of setting up, arranging, or creating something. In terms of governance, we might say that the establishment of a system of government “constitutes” the nation, and that the document or rules that describe and legitimize that system of government.

Groups are characterized by their constitutions, which can be formal or informal. And constitutions in general have six key elements, though any particular constitution might be silent on one or more of these elements.

# Constitutions: 7 Key Features

- **Source of Sovereignty:** An account of the source of state authority, which could be citizen consent, the Constitution itself (as a contract), or an historical event or legacy.
- **Citizenship:** Provisions for allowing (or denying) entry and membership into the group, often called “citizenship.” Citizenship might be either voluntary (initiation) or involuntary (annexation).
- **Amendment:** Rules for deciding how to decide how to change the rules.
- **Decision Rules:** Rules for deciding how to decide normal business for the group, choosing outcomes or policies.
- **Collective Domain:** Rules to define and limit what the group can demand of or do to members, as well as limits on specific powers of magistrates or officials of different branches of government.
- **Citizen Obligations:** Rules to define and limit what members can demand of the group.
- **Exit:** Provisions for allowing (or denying) exit from the group.



Here is Circe's dire warning to Odysseus  
(Chapman 2000: Chap. XII, lines 56-89; emphasis  
added):

First to the Sirens ye shall come, that taint  
The minds of all men, whom they can acquaint  
With their attractions. Whomsoever shall,  
For want of knowledge moved, but hear the call  
Of any Siren, he will so despise  
Both wife and children, for their sorceries,  
That never home turns his affection's stream,  
Nor they take joy in him, nor he in them.  
The Sirens will so soften with their song  
(Shrill, and in sensual appetite so strong)  
His loose affections, that he gives them head.  
And then observe: They sit amidst a mead,  
And round about it runs a hedge or wall  
Of dead men's bones, their wither'd skins and all  
Hung all along upon it; and these men  
Were such as they had fawn'd into their fen, And  
then their skins hung on their hedge of bones.

Sail by them therefore, thy companions  
Beforehand causing to stop every ear  
With sweet soft wax, so close that none may hear  
A note of all their charmings. Yet may you,  
If you affect it, open ear allow  
To try their motion; *but presume not so  
To trust your judgment, when your senses go  
So loose about you, but give straight command  
To all your men, to bind you foot and hand  
Sure to the mast, that you may safe approve  
How strong in instigation to their love  
Their rapturing tunes are. If so much they move,  
That, spite of all your reason, your will stands  
To be enfranchised both of feet and hands,  
Charge all your men before to slight your charge,  
And rest so far from fearing to enlarge  
That much more sure they bind you.*

# Bound to the Mast

The paradox is exquisite:

Odysseus *orders* his men to *ignore his orders*. The ropes bind Odysseus to do what he wants himself ( $O_1$ ) to want to do, rather than what he will want to do later when he ( $O_2$ ) is seduced by the song of the Sirens.

Everyone, including (especially!) Odysseus 1, knows that Odysseus 2 will struggle to free himself, and beg to be released from his previous agreement.

**Can Leg1 bind Leg2, even if the SAME members?**

# Collective v. Public

<p>Property of <i>Choice</i> → Property of <i>Good</i> ↓</p>	<p><b>Individual Decision:</b> I can choose, alone and without interference</p>	<p><b>Collective Decision:</b> Choices are made by a group, and are binding on all</p>
<p><b>Private Decision:</b> My choice has no consequence for your welfare</p>	<p><i>Liberty of the individual:</i></p> <ul style="list-style-type: none"> <li>• What socks should I wear?</li> <li>• Whom should I marry?</li> </ul>	<p><i>Tyranny of the majority:</i></p> <ul style="list-style-type: none"> <li>• Invasion of privacy</li> <li>• Theft of property rights</li> </ul>
<p><b>Public Decision:</b> My choices affect your welfare</p>	<p><i>Underinvestment, or else theft by the minority:</i></p> <ul style="list-style-type: none"> <li>• Air or water pollution</li> <li>• Education</li> </ul>	<p><i>Liberty of the group</i></p> <ul style="list-style-type: none"> <li>• How much to spend on defense?</li> <li>• How to take care of the poor?</li> </ul>

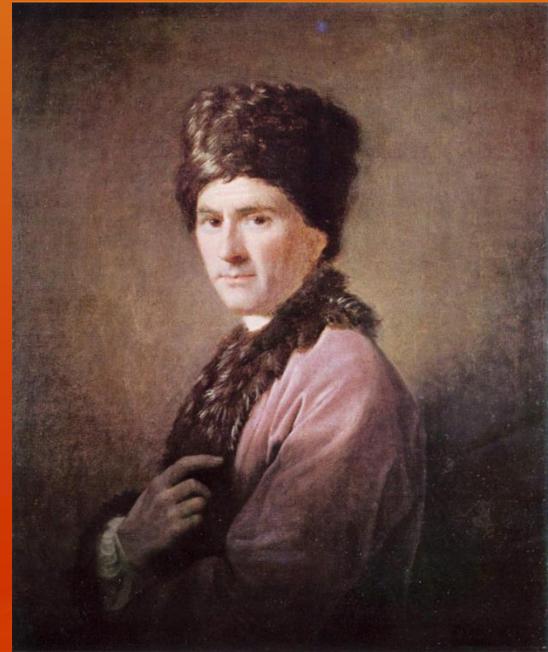
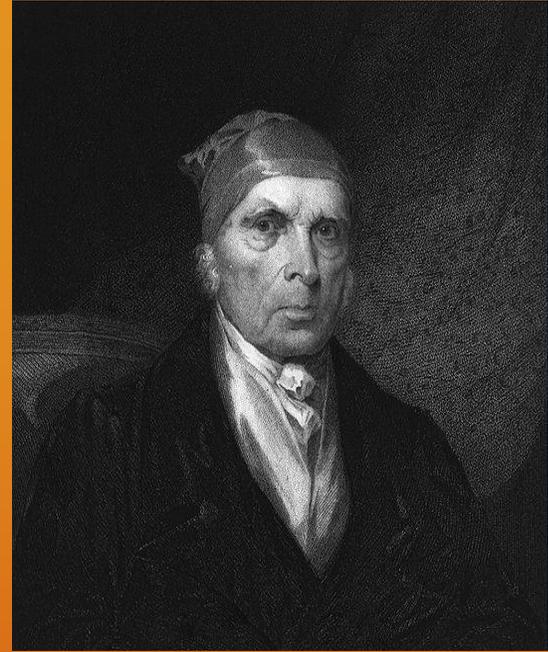
Step back for a moment....  
The Fundamental Human Problem  
(according to Munger)

*How can we construct or preserve  
institutions that make individual  
self-interest not inconsistent with  
the common good?*

## Two Approaches

*Madisonian:* Take self-interest as given, and design institutions to take advantage. "Ambition must be made to counteract ambition..."

*Rousseauvian:* Transform the self, solve problem of *amour propre*. Inscribe the law on the hearts of men. Some preferences are better than others.



# Origins of Government Institutions

What if we all wanted the same thing?  
Would government even be necessary?

It would. Because we *do* all want the same thing: *more....*

On disagreement, Charles IV:

“My cousin Francis and I are in perfect accord—he wants Milan and so do I.”

# A movie: Pure Democracy in Action



# Constitutions are "Bridges"

- Strength?
- Beauty?
- Stability?

# Central Questions:

Can reasonable people differ? Can a reasonable person oppose gay marriage? Can a reasonable person be pro-life? Is it possible to support the war in Iraq?

What is the basis of disagreement—

1. Chocolate vs. Vanilla? In politics, values. Are they primitives? Deliberation won't help.
2. Different information sets? Evidence about causes, different understandings of means-ends relations. Deliberation might help.

Is there a "*fact of the matter*"?

# Central Problems:

The real problems of democratic choice:

1. Scope of government/collective power: the Buchanan problem
2. Information of time and place: the Hayek problem
3. Coherence and legitimacy: The Condorcet / Arrow problem

# Problem #1: Scope

What can government decide? How would we decide what government can decide?

What do I get to decide, by myself? What things does my family get to decide?

Suppose a group of people want to decide something for me, for my own good? Can they do that? How could I stop them?

# P.J. O'Rourke Problems

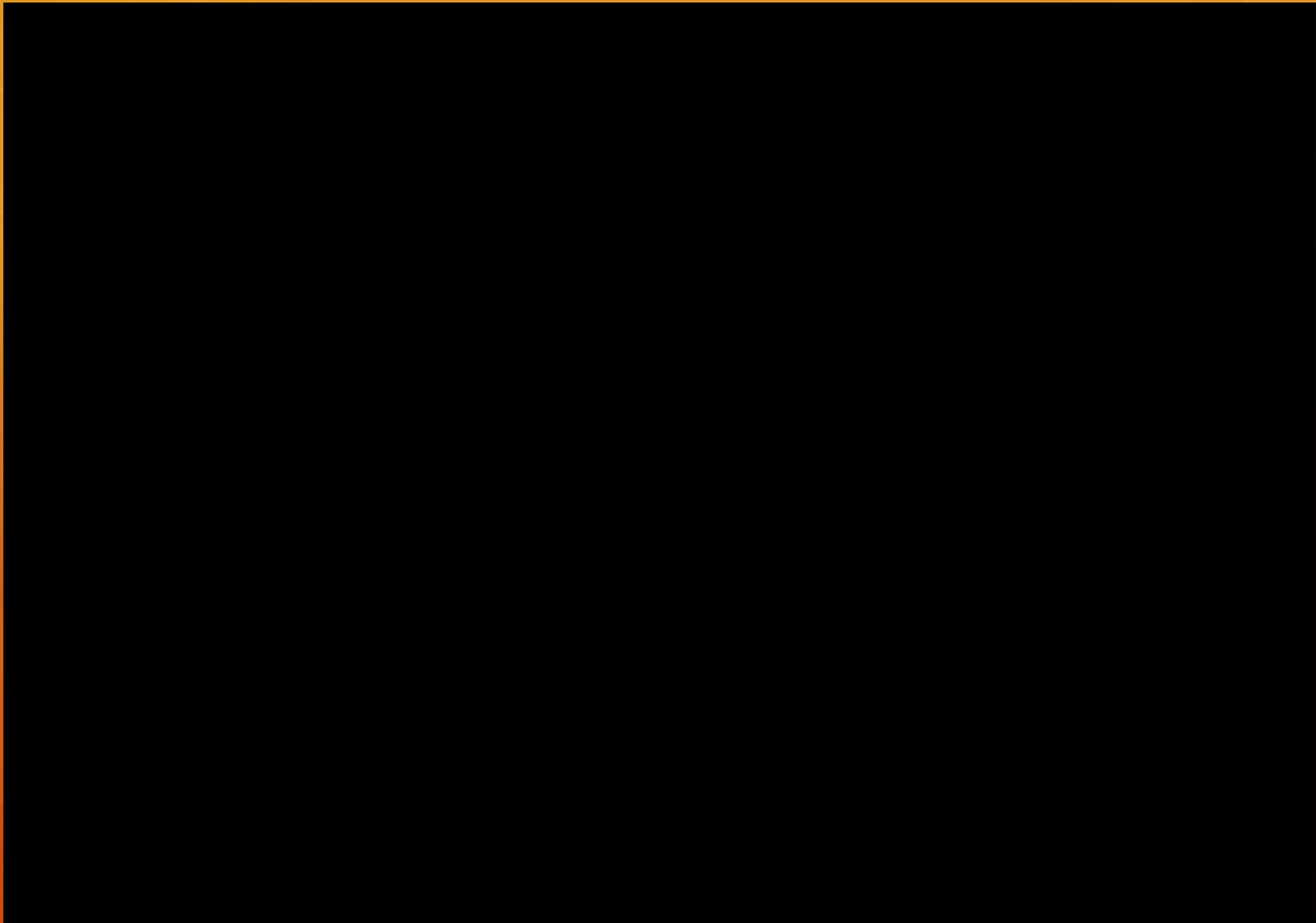
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# nd Scope

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Mer Gibson.



## Problem #2: Information /Local Incentives

- Absence of price information (Hayek)
- Problems of expertise, centralized power in bureaucratic agencies (Wm. Niskanen)
- Deciders, Source of Money, and Beneficiaries of Money are all different (M. Friedman)
  1. I spend my money on myself (I know cost & need)
  2. I spend my money on someone else (Try to reduce cost, don't really know need)
  3. I spend someone else's money on me (I know need, but don't care about costs)
  4. I spend someone else's money on someone else (Don't know if they need it, don't care about cost)

## Problem #3: Coherence and Legitimacy

Can a group of people who disagree come to a consensus?  
How would this work? Why would we believe that the  
“consensus” is any more than an imperfect choice?

Do the choices of majorities tell us anything about “the  
right thing to do” in the face of disagreement? Do the  
desires of the majority bind the rest? When: always,  
sometimes?

Is there such a thing as “the majority,” which we just have  
to discover through voting or some political process?

I want...you want...what do **we** want?

# Problem of the U.S. in Iraq



# Democratic Choices: War in Iraq

You've got to help me out here...play along!

Preferences and beliefs, on the little card. REALLY!

Accept the premise, and act like those are your preferences. Three choices:

No war: **N**

Aggressive war: **W**

Police/political means: **P**

# Choices: War in Iraq

One possibility: isolationist variant of Powell doctrine

$$N > W > P$$

We should not get involved.

But, if we do, we should go in with overwhelming force.

Worst thing is to expose our troops/workers in a limited police action, depend on the U.N.

# Choices: War in Iraq

Another possibility: Rummy World

$$W > P > N$$

Iraq/Saddam is an imminent threat, will develop WMD.

If not war, then must vigorously pursue sanctions

Worst thing is to do nothing, relax sanctions and let Iraq become nuclear power

# Choices: War in Iraq

Final possibility: Prudent Dove

$$P > N > W$$

Let sanctions and inspections do their work,  
because Iraq is a potential danger to its  
neighbors and the world

We have no good claim to just war, so next  
best is to do nothing

Worst thing is to use war against a nation that  
has made no overt attack on the U.S.

Choices: War in Iraq

So...we have disagreement

1. Prudent dove wants to use P, police action
2. Rummy wants war
3. Isolationists would prefer to stay far away from foreign entanglements, so do nothing.

## Choices: War in Iraq

Let's use "democracy," the pure kind where the people make the choice directly.

First, let's decide whether to use force, or do nothing....

Vote P vs. W to decide which activity is better, and then vote that against N. That way, we are comparing the best "do something" against "do nothing."

## Choices: War in Iraq

Consider what just happened. Simply by changing the order in which we consider the alternatives, I could generate as the “winner” any one of the three alternatives.

Choosing an agenda is tantamount to choosing the outcome.

Is this just a conjurer’s trick, or does it tell us something about democracy?

Choices: War in Iraq

If there are three (or more) alternatives, and there is disagreement, then democracy may be radically indeterminate.

More simply, there is no correct answer to the question, "What do the people want?"

In fact, *some majority opposes every alternative.* NOT A TIE!

# Choices: War in Iraq

Here is the problem:

I/P	Rummy	Prud	Dove	
N	W	P		Best
W	P	N		Middle
P	N	W		Worst

Majority preferences:

$W > P > N > W$

Endless, infinite cycling over alternatives. Not a tie, but a literal perpetual motion machine

But this is nonsense: meetings end

That is what should terrify you: meetings end, and things get decided. The point is that we are rarely presented with three or more alternatives. We usually are presented with two. How are those two chosen?

The “**Horwitz Revolution**”: coalitions form, charismatic people take power. Not the will of the people, but the force of will of some demagogue or tyrant

If the rules matter to this extent, that means that procedures, not preferences, determine outcomes. And elites control procedures....

Democracy works fine....  
So long as everyone agrees

But if there is disagreement, and at least three alternatives, then a majority opposes every available choice. So, democracy fails us when we need it most!

Since some choice has to be made, we are left with an outcome that is either

- Imposed (tyranny)
- Arbitrary (random or procedure-driven)

In either case, “democratic choice” is chimerical

**Dictatorship with *trappings* of democracy**

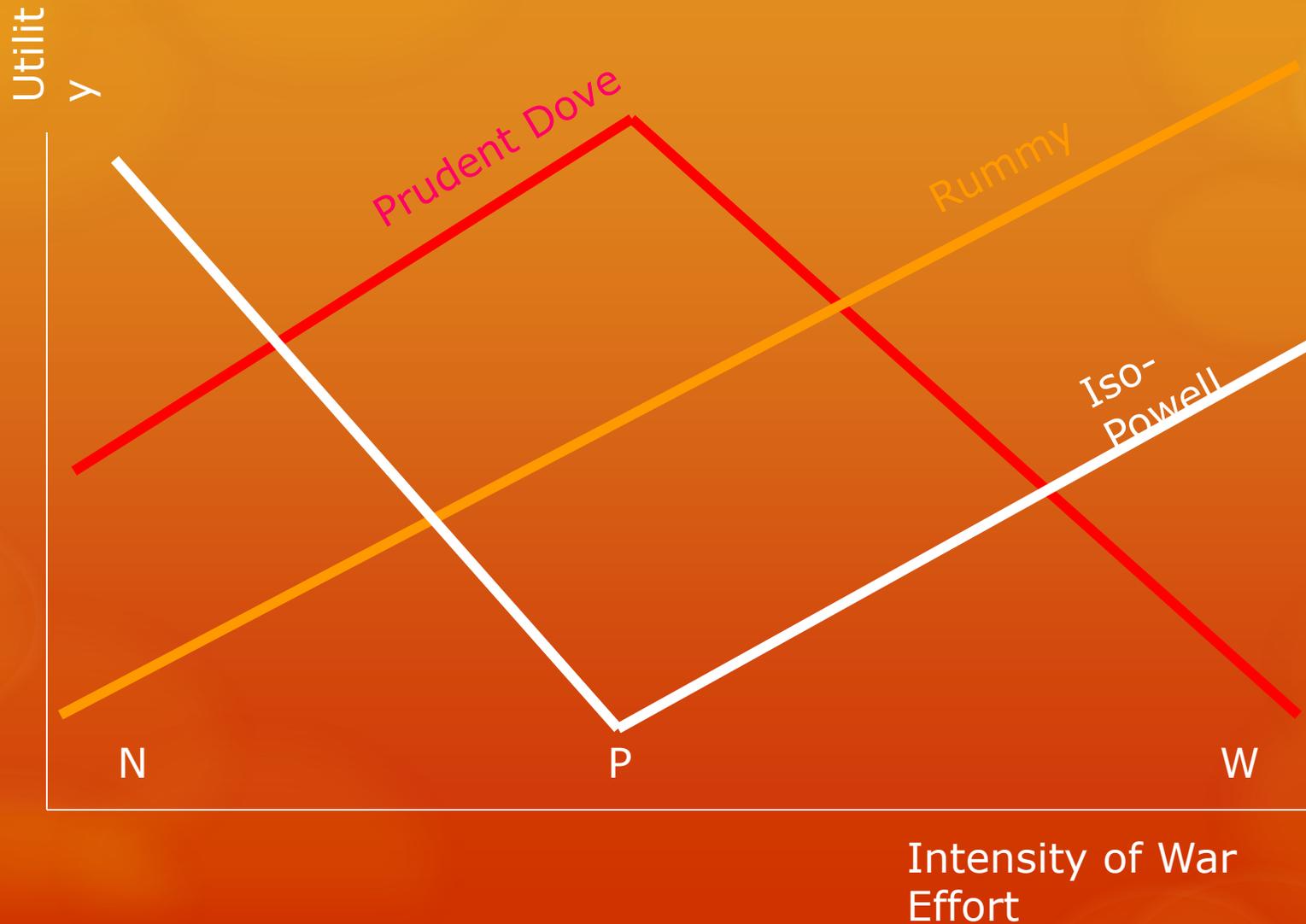
# The worst of all worlds

Democracy without *constitutional restrictions...*

1. Rule of law, protections of property and liberty
2. Limits on scope of issues within the jurisdiction of collective choice...

Democracy without these is the most terrifying kind of tyranny you can imagine. Americans, and the West, are confused about “good government.” The key is constitutional liberalism, not democracy.

In our example, Iso-Powell was the culprit...



# Cannot Rely on the Conditions of the MVT to Turn Up by Chance

Institutions shape the choices nations make.  
But:

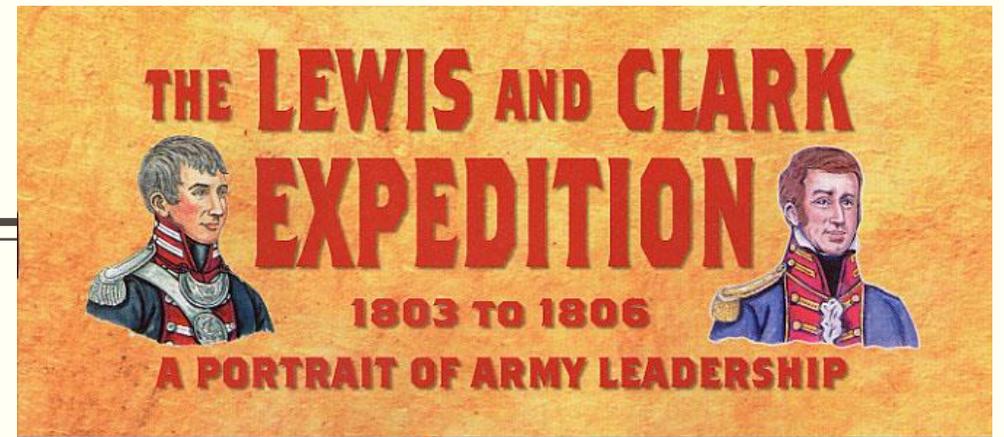
- Preferences aren't single-peaked
- Issues are not always one-dimensional
- Democratic institutions are likely to fail when we need them most...

Real solutions? Why does the bridge stand?

*CHOOSING IN GROUPS:*  
CONSTITUTING  
COLLECTIVE CHOICE

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# Politics as Constituted Cooperative Action

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- Politics: Choosing in groups, based on rules that are agreed upon in advance
- Politics as “what makes us human” and allows societies to become good
- Tension between selfishness and teamwork
- Relation between “what we see and what should be”

## politeia: The Soul of the Polis

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The Greek word that is usually translated into the English word “constitution” is *politeia*, but the literal translation is not quite right. The meaning of *politeia* is better expressed as the self-defined identities, obligations, and rights of a citizen in a community, or *polis*. Some translators, in trying to capture the sense of the word, have claimed that the *politeia* is to a *polis* as the soul is to an organism, something that both organizes and animates the body. A community without a *politeia* is just a bunch of people, not a community at all.

## Heraclitus: Never Step in the Same River Twice Aristotle: Constitution?

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...shall we say that while the race of inhabitants, as well as their place of abode, remain the same, the city is also the same, although the citizens are always dying and being born, as we call rivers and fountains the same, although the water is always flowing away and coming again? ...For, since the state is a partnership, and is a partnership of citizens in a constitution, when the form of government changes, and becomes different, then it may be supposed that the state is no longer the same... And if this is true it is evident that the *sameness of the state consists chiefly in the sameness of the constitution* [politeia], and it may be called or not called by the same name, whether the inhabitants are the same or entirely different. (Emphasis added).

# Why Do Groups Constitute Themselves?

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- Benefits of voluntary exchange
- Start with pairs....
- Scale up, with groups. But requires non-market institutions. Economists have it wrong; only political science can possibly help us with this question.
- “Wisdom of Crowds”
- Consulting more people will add to the total knowledge: The group knows more than any member of the group

## But Why VOTE? 1. Information

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- Single decision-maker might miss an important fact
- Voting allows “crowd-sourced” information to enter decision-making process
- Average opinion is often more correct than any individual’s opinion

## But Why VOTE? 2. Establish Legitimacy

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- Allow all stakeholders to feel represented
- Take ownership of the outcome
- Create incentives to work for success of chosen policy
- “Cement reciprocal trust” among leaders and members
- Give everyone a chance to publicly express views

## Back to Lewis and Clark

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- November, 1805, had completed their outbound mission, as given to them by President Jefferson:

*The river Missouri, & the Indians inhabiting it, are not as well known as is rendered desirable by their connection...with us...An intelligent officer with ten or twelve chosen men...might explore the whole...to the Western Ocean.* (Confidential letter from Thomas Jefferson to the U.S. Congress, January 18, 1803)

*To explore the Missouri River and such principal stream of it as by its course and communication with the waters of the Pacific Ocean, whether the Columbia, Oregon, Colorado or any other river that may offer the most direct and practicable water communication across this continent for the purpose of commerce.* (Official Letter of Commission from President Thomas Jefferson, June 20, 1803)

## This Decision *Mattered*: November 24, 1805

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- Nine days earlier, William Clark had written in his journal:

*...from [November] 5th in the mornng. untill the 16th is eleven days rain, and the most disagreeable time I have experienced confined in a tempiest coast wet, where I can neither git out to hunt, return to a better situation, or proceed on: in this situation we have been for Six days past.*

- Later, on November 22, Clark wrote:

*O! how horriable is the day. this Storm did not sease at day but blew with nearly equal violence throughout the whole day accompaned with rain. O! how horriable is the day waves brakeing with great violence against the Shore throwing the Water into our Camp &c. all wet and confind to our Shelters...*

Lewis & Clark Historical Map  
Mouth of the Columbia River 1800-1806

Station  
Camp

Back  
Up-River



Fort  
Clatsop

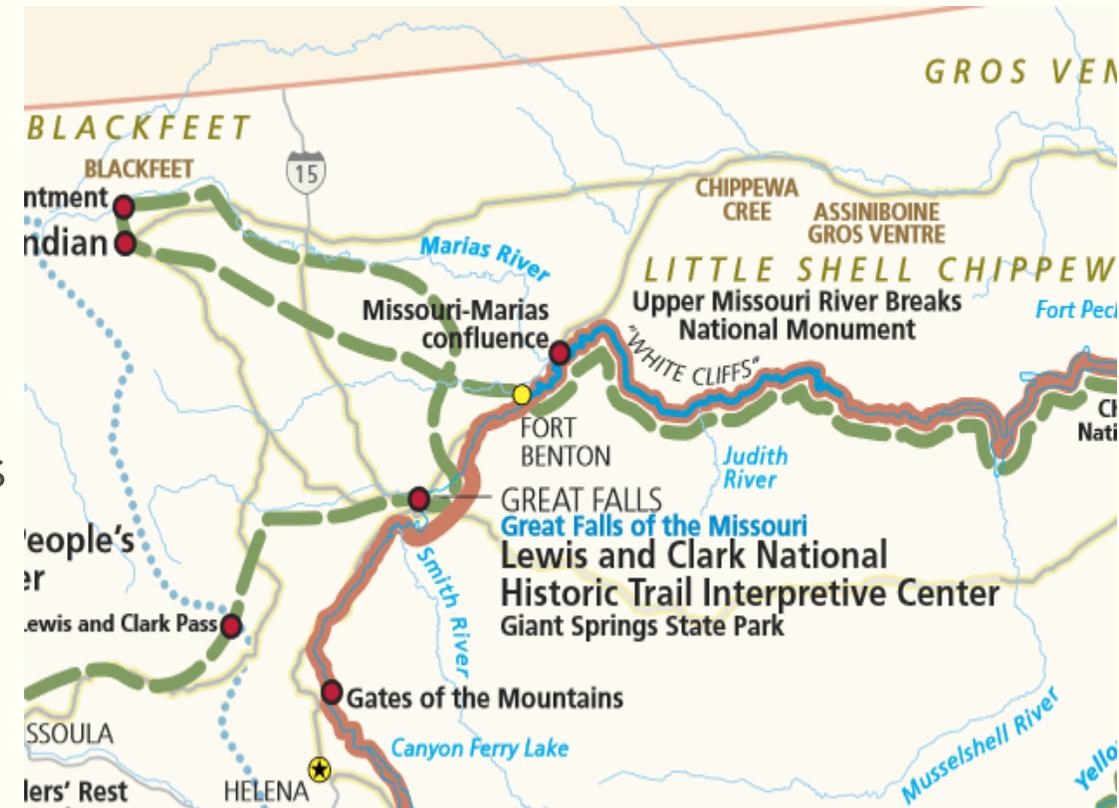


# They Decided to Decide by Voting

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*So the captains made up their own minds, but on this occasion they decided to let everyone participate in the decision. They never explained why. Perhaps they felt that, since they were all going to be in this together, they should all have a say; maybe they just wanted to involve everyone so that none would have a right to complain. (Ambrose, *Undaunted Courage*, p. 316).*

Not an obvious choice to make. Earlier, when “to a man” the Corps had thought that the North Fork was the “true” Missouri, the two Captains had ordered the group to go South, though they did send out scouting parties to check the choice. It turned out that the Captains were right, and the 31 to 2 “majority” was wrong.



# North Fork or South Fork?

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## Also...a military unit!

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The structure of command in the Corps had been military and hierarchical. The two captains, Meriwether Lewis and William Clark, had given orders. The men had carried out those orders, or had suffered martial discipline. Dissent or neglect of duty was punished harshly: at least six members of the Corps had been whipped, receiving 25 or more lashes each.

One of these (Alexander Willard) received one hundred lashes on his bare back – for sleeping on duty – though these were delivered in four sets of 25 lashes so as to spare his life Clark's Journal Entry for July 12, 1804 (Clarke 1970, p. 76.) The actual language was "*do Sentience* him to receive *One hundred lashes, on his bear back, at four different times in equal proportion.* And Order that punishment Commence this evening at Sunset, and Continue to be inflicted (by the Guard) every evening untill Completed." (Emphasis original).

A longer discussion of this incident, and the question of military discipline on the journey generally, can be found in Ambrose (1997: 149-150). Apparently, the discipline, though harsh in our eyes (Willard bore deep scars in his back for the rest of his life, and the whipping on consecutive nights opened the scabs of the previous night's beating), was actually accepted, and perhaps even approved, by the rank and file members of the Corps. Willard had fallen asleep while serving as a sentry at night (he said he had lain down, but had not fallen asleep). As Ambrose (1997) put it, "One shudders at the thought of Willard's back after the fourth day; one shudders at the thought of what might have happened had a roving band of Sioux come up while Willard was sleeping on guard duty."

Falling asleep on guard duty was a capital offense in a military unit in hostile territory. Willard was, if anything, shown mercy, and became a useful (though not prominent) member of the Corps. The other whippings, as described by Ambrose, seem to have been accepted as just by the company, and taken as merited by those being punished.

# Plurality rule

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- “First Past the Post”
- The alternative with the most votes wins
- No expression of secondary preferences
  - The selected alternative might be the least-preferred option for more than half the voters!
    - In this example, B is chosen by plurality voting, but is worst option for 16 of 28 voters
  - Other voting schemes are possible that consider secondary preferences

	Clark's Account	Clark's Journal	Gass' Account
Option A: Station Camp	10	9	12
Option B: Fort Clatsop	12	13	12
Option C: Upriver	6	6	5

# A Conjecture About Preferences

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	Station Campers (10)	Fort Clatsop-ers (12)	Up-River (6)
Best	Station Camp	Fort Clatsop	Up-river
Middle	Fort Clatsop	Up-river	Station Camp
Worst	Up-river	Station Camp	Fort Clatsop

## Suppose you wanted “Up-river” to win....

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- Vote first on North or South of Columbia, then vote WINNER against “Up-river”
- Station Camp beats Fort Clatsop
- Then Up-river beats Station Camp

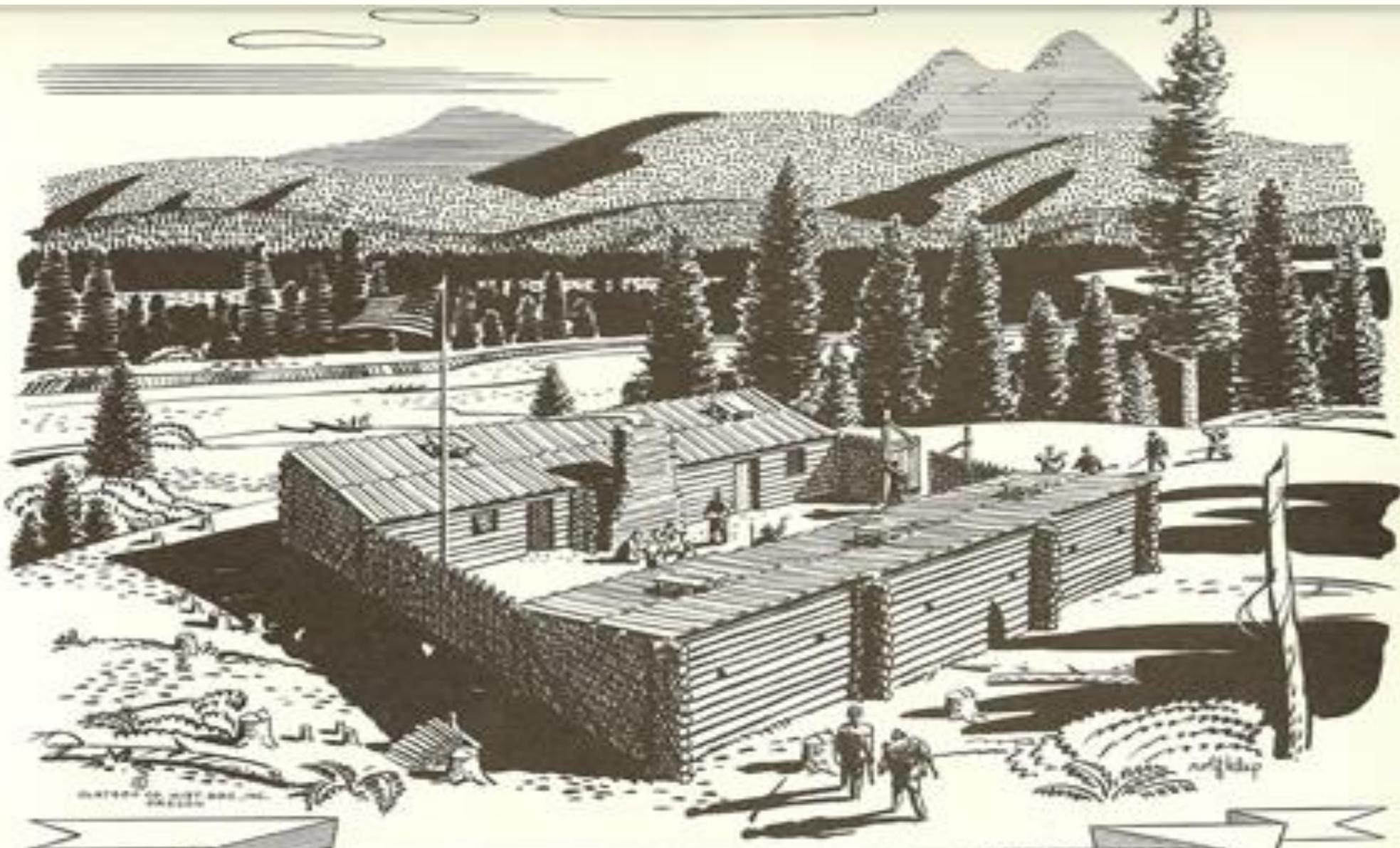
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Worst	Up-river	Station Camp	Fort Clatsop

## Suppose you wanted “Station Camp” to win...

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- Vote first on which one to move to (they were living at Station Camp), then vote WINNER against “Status quo,” or Station Camp
- Fort Clatsop beats Up-river
- Then Station Camp beats Fort Clatsop

	Station Campers (10)	Fort Clatsop-ers (12)	Up-River (6)
Best	Station Camp	Fort Clatsop	Up-river
Middle	Fort Clatsop	Up-river	Station Camp
Worst	Up-river	Station Camp	Fort Clatsop



FORT CLATSOP 1805-06 WINTER QUARTERS OF LEWIS AND CLARK EXPEDITION

# Choosing to Choose

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- Act of constituting a group is first decision
  - Acting individually is an option
  - Forming groups is a fundamentally human act
- Necessary to choose “how to choose”
  - Rules for how to make decisions in groups aren’t obvious
  - Choice of rules will influence outcome
- Variety of factors goes into determining rules of group choice
  - Effect on outcome
  - Legitimacy of outcome
  - Power relations
  - Traditions
- But...if you choose not to decide, you still have made a choice!