

# The Value and Limits of Democracy

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Over the last several decades of American political life the idea of liberty has taken a back seat to that of democracy. Liberty involves human beings governing themselves, being sovereign citizens, while democracy is a method by which decisions are reached within groups. In a just society it is liberty that is primary – the entire point of law is to secure liberty for everyone, to make sure that the rights of individuals to their lives, liberty and pursuit of happiness is protected from any human agent bent on violating them. Democracy is but a byproduct of liberty. Because we are all supposed to be free to govern ourselves, whenever some issue of public policy faces the citizenry, they are all entitled to take part. Democratic government rests, in a free society, on the right of every individual to take whatever actions are needed to influence public policy.

Because freedom or liberty is primary, the scope of public policy and, thus, of democracy in a just society is strictly limited. The reason is that free men and women may not be intruded on even if a majority of their fellows would decide to do so. If one is free, which means a self-governing person, then even the majority of ones fellows lacks the

authority to take over ones governance without ones consent. This is what the US Declaration of Independence means when it mentions that government derives its just powers from the consent of the governed. In a just society no one loses his or her authority for self-government without giving it up as a matter of choice. No one gets to operate on you, no matter how wise and competent, without your giving your consent, and the same is true, in a just system, about imposing duties and obligations on people. They must agree to this. If they do not, they aren't to be ordered about at all.

The only apparent exception is when it comes to laws that protect everyone's rights. One may indeed be ordered not to kill, rob, rape, burglarize, and assault other persons, even if one fails to consent to this. And when the legal authorities do this job of protecting individual rights, they may order one to abstain from all such aggressive actions.

However, this doesn't actually involve intruding on people, only being duly authorized, via the consent of the governed, to protect everyone from intrusions. It is along these lines that the idea of limited government – or legal authority – arises: it may only act to protect rights, to impose the laws that achieve that goal, nothing more. Again, as the Declaration of Independence notes, it is to secure our rights that governments are instituted, not for any other purpose.

Of course, this idea of limited government hardly figures into considerations of public policy in the USA or elsewhere. We have never actually confined government to this clearly limited, just purpose. It has always gone beyond that and today its scope is nearly totalitarian (albeit somewhat "permissive"), the very opposite of being limited. But there is no doubt that even though liberty has been nearly forgotten as an ideal of just government in America as well as elsewhere, democracy does remain something of an operational ideal. In this way liberty has been curtailed tremendously, mainly to the minor sphere of everyone having a right to take part in public decision-making. Whereas the original classical liberal idea is that we are free in all realms and democracy concerns mainly who will administer a system of laws that are required to protect our liberty, the corrupt version of this idea is that democracy addresses everything in our lives and the only liberty we have left is to take part in the decision-making about whatever is taken to be a so called "public" matter.

One way this is clearly evident is how many of the top universities in the USA construe public administration to be a topic having to do primarily with the way democracy works. Indeed, after the demise of the Soviet Union, even though the major issue should

have been the establishment and maintenance of a regime of individual liberty, the experts in academe who write and teach the rest of the world about public administration are nearly all focused on democracy, not on liberty.

For example, the courses at America's premier public administration graduate school, the John F. Kennedy School of Government at Harvard University, are mainly focused on problems of democracy. At this institution nearly 40 percent of the students attending come from 75 foreign countries, many of them from those that used to be under Soviet rule, and what they focus on in nearly all their courses is democracy, not liberty. Assignments in these courses tend all to raise problems about implementing democratic governance and leave the issue of how individual liberty should be secured as practically irrelevant. Or, to put it more precisely, the liberty, or human right, that is of interest in most of these courses is the liberty to take part in democratic decision-making. ("Human rights" has come to refer in most of these course and their texts mainly to the right to vote and to take part in the political process!) Yes, of course, that is a bit of genuine liberty that many of the people of the world have never enjoyed, so for them it is a significant matter, to be sure. But it is clearly not the liberty that the Declaration of Independence mentions when it affirms that all of us are equal in

having unalienable rights to our lives, liberty and pursuit of happiness. The Declaration speaks of a very wide scope of individual liberty, while the premier public administration school of America teaches, at least by implication, that the only liberty of any importance is the liberty to take part in public policy determination.

This, I submit, is a travesty. Once democracy is treated as the premier public value, with individual liberty cast to the side except as far as taking part in democratic decision-making, the scope of government is no longer limited in principle or in practice. Nearly anything can become a public policy issue, so long as some measure of democracy is involved in reaching decisions about it. And that, in fact, turns out to be a serious threat to democracy itself. Because when democracy trumps liberty, democracy can destroy itself, and the law could permit the democratically reached destruction of democracy itself!

That is just what happened in the Weimar Republic, where a democratic election put Hitler in power and destroyed democracy. If you ever wonder why it is that public forums, including the Sunday TV magazine programs, the Op Ed pages of most newspapers, the feature articles of most magazines do not discuss human liberty but fret mostly about democracy, this is the reason: the major educational institutions tend not to care about liberty at all and have substituted a

very limited version of it, namely, democracy as their primary concern. Once that is accomplished, individual liberty becomes defenseless. Indeed, democracy is just as capable of being totalitarian as is a dictatorship, only with democracy it seems less clearly unjust, given that this little bit of liberty is still in tact, namely, to take part in the vote. (A little of this has come to be discussed recently on some programs because of Harvard educated *Newsweek International* editor Fareed Zakaria's recent book, *The Future of Freedom* [W. W. Norton, 2003], which is subtitled "illiberal democracy at home and abroad.")

Let me now extend this discussion to the very special topic of corporate management since it is now often argued that such managed ought to be democratic.

One result of prizing democracy over liberty is to make it a ruling method for reaching decisions in all realms of community life. For example, nearly all university management has some kind of democratic form, although it is by no means clear that this is a good thing. Perhaps it would be better for all concerned if universities were managed by professionals, with the appropriate education and skills and corresponding set of duties.

In any case, this often blind worship of democracy has led some to recommend it as the proper approach to corporate governance. There is even the general movement, headed up the Ralph Nader,

called “economic democracy.” It derives from the Naderite thesis that corporations are creatures of government, having been established by the monarchy in mercantilist-feudal times. Accordingly, when governance changed from monarchic to democratic, corporations, too, should have been placed under the democratic principle of management.

Of course, the Naderite thesis omits from consideration that when monarchy was rejected, the substitute wasn't pure, unlimited democracy. Instead in monarchy's place the American Founders, at least, installed a constitutional democracy which confined democracy to certain limited areas of governance – to wit, to the election of administrators of the law. Many laws, however, were shielded from majoritarian democracy – for example, the Bill of Rights. The major – we might say, revolutionary, change Nader & Co., ignore is the principle of individual human rights, including to the right to private property (as alluded to in the Fifth Amendment to the U.S. Constitution). The recognition of that right places the authority to create corporations from government to individual citizens. So, in a free society corporations are creatures of individuals who come together to form them for various purposes.

Whether democratic management is prudent is, then, not a matter of whether the government has various democratic elements

involved in its administration but whether the goal for which a company is set up would be best served via democratic means. Indeed, some may well be, but that depends on what the goals are and not on some one-size-fits-all conception governance or management.

In my role as a business ethics teacher I often run across proposals as to how companies ought to be managed. I have seen some that use the military as the model; some that use Samurai leadership; some that use what is called "market based" management, meaning, management modeled on the general free market place; some even use the Mafia as their model, and some recommend populism.

None of these fit every form of corporate undertaking, yet some may well fit certain ones indeed. There should be no worship of any of them for all purposes, including of democratic management.

It should be a matter of discovery what kind of management is appropriate to what sort of corporate undertaking, not of some preconceived generalized theory that does not take the goals at hand into consideration.

In conclusion I wish to touch on where in society there is a proper role for democratic decision making. Of course, any club or other organization where members agree to reach decisions

democratically but belong voluntarily may, of course, use this method and in some cases there is nothing wrong with that. Should a symphony orchestra be directed democratically? Probably not? How about a football team? Again, probably not. But perhaps a magazine could be edited democratically, with the editorial board voting on various policy decisions.

However there is one area where society as a whole must very likely rely on what amounts to the democratic method, namely, in its establishment. So long as the principles on which such a society is to rest – its constitution, for example – are just, it will require at least a majority – or a powerful minority – for it to be established. This is a matter not so much of propriety but of power – without such a majority support, even a just society cannot be established and maintained. It will lack the requisite force to resist those – criminals and foreign aggressors – who would want to destroy it. Democracy in this case is necessary so as to stand firm in defense of the principles of justice for such a society. And because democracy would serve those principles, not overturn or undermine them, it would then be a just approach, as well.