

Virginia Viewpoint

July 2002 • No. 2002-14

Government and Business: Populist Mythology vs. Democratic Oligarchy

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Summary

Call it an oligarchy, or call it a good ol' boy network, the purpose is the same. Those who make a living from government largess want to make sure the spigot stays open.

Main text word count: 795

Undoubtedly, much of the increased government spending being promoted by the Coalition for Virginia's Future would eventually flow through the various business enterprises that compose the Coalition. Smaller government and reduced public sector spending, therefore, are not likely to be on its agenda.

In the past year, sixteen business associations formed an alliance called the Coalition for Virginia's Future. Among the groups represented in this Coalition are the Virginia Chamber of Commerce, the Virginia Manufacturers Association, the Virginia Business Higher Education Council, the Northern Virginia Technology Council, and several local Chambers of Commerce. (Information on the Coalition appears at www.vachamber.com.)

The mission of this Coalition is to work with Governor Warner and the General Assembly to promote what Coalition members think are desirable policies for transportation, education, public safety, and taxation. Taxation falls within the purview of the Coalition because promotion of the Coalition's mission will cost a lot of money. Transportation alone is cited as calling for "tens of billions of dollars worth of improvements."

There is, of course, nothing wrong with people of all sorts contributing to the public debate. Doing so is central to democratic governance. Nevertheless, there is analysis currently available that supports policy positions that are almost the opposite of those the Coalition endorses. For instance, the big government answer to transportation challenges is more roads and increased subsidies for public transit. Yet there is research that supports the superiority of alternatives such as pricing schemes for highways, which reduce congestion by distributing traffic more evenly throughout the day. This approach, however, would involve less government, not more. That represents a problem for the Coalition. Undoubtedly, much of the increased government spending being promoted by the Coalition for Virginia's Future would eventually flow through the various business enterprises that compose the Coalition. Smaller government and reduced public sector spending, therefore, are not likely to be on its agenda.

It is not unusual for companies, particularly politically powerful and well-connected large corporations, to seek ways of transferring their cost of doing business to others. The thousands of lobbyists in state capitals and in Washington, D.C. are oftentimes employed by companies that have become more adept at seeking government handouts than at satisfying consumer demand. The particular form of corporate welfare can vary from public assistance to pay for infrastructure, to off-loading the expense of employee training. Of course, these are costs of doing business, and should not be

obligations imposed upon individual taxpayers who cannot defend themselves by mounting a lobbying campaign comparable to that of a large corporation, a trade association, or a coalition of trade associations.

What is particularly interesting about the Coalition for Virginia's Future is not its standard liberal policy positions, but what its very formation says about contending theories of democratic governance. It is common to address the relationship between government and business from a populist framework. People are supposed to participate equally in their governance, and government protects against the dominance of large business.

A cooperative alliance between business and government most certainly does not fit the populist model of democracy. It does, however, fit the oligarchic model. This model asserts that in democratic governance, the well-organized few necessarily and inevitably dominate the unorganized or poorly-organized many.

The mythology of democratic equality clashes with the reality of democratic oligarchy. The nature of this clash resides in nothing more complicated than the arithmetic of time. How can Virginians participate equally in deliberations on matters of public interest? They can't. What would be required to give each Virginian a say on some public issue? There are roughly 4,800,000 Virginians of voting age. To give each of them just one minute to be heard would require 80,000 hours. This is forty years of full-time work.

We might simplify the problem by selecting 120 people at random, a number slightly less than the membership of the General Assembly, and let these people do the deliberating. To be sure, this is not equal participation for all, but selected participation for a few. If we now give each person twenty minutes to be heard on some particular issue, it will take forty hours to hear everyone. And this is but one issue among many that is on the public agenda. Moreover, it is one thing to speak, but it is quite another thing to be heard. People are busy living their lives, which intensifies the impossibility of anything approaching equal access to the public agenda.

In reality, access for some must come at the expense of access for others. Those who succeed in the competition for access will be well-organized interest groups. Oligarchic rule is a way of life, regardless of the form of government.

In democratic oligarchy, there is a relationship of mutuality among politicians and large businesses. The centralization of information in large corporations clearly eases the collection of taxes and the enforcement of regulations. Large companies are handmaidens of large government, and the Coalition for Virginia's Future is making a play to expand its influence in this process of democratic oligarchy.

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