Chapter 6
Anthony Downs (1930-)[1]

Bernard Grofman[2]

Introduction

Anthony Downs' *An Economic Theory of Democracy* (Downs, 1957) is one of the founding books of the Public Choice movement, and one of the most influential social science books of the twentieth century. It has been reprinted and continuously in print (with the exception of a handful of months) for 50 years. Citations to it now surpass that of any other book on American electoral politics, including such classics as Campbell et al.'s *The American Voter* (1960), which laid the foundations for the behavioral approach to the study of voter behavior that has come to be associated with the University of Michigan (Gray and Grofman, 2005). Downs' book introduced seminal ideas, such as a cost-benefit calculation of political participation, a spatial model of party competition, knowledge about public affairs as a by-product of other more directly instrumental activities, and concepts such as rational ignorance and cue-taking behavior. While Downs has written more than a dozen other books since 1957, the sum of all this work has not come close to the influence of his first book, and our discussion will focus on this work.

An Economic Theory of Democracy was Downs' doctoral dissertation in economics at Stanford, and was published without any changes. Several political scientists who read it, including scholars such as Robert Dahl, recognized its innovation and importance, and after being shown the work by Dahl, Charles Lindblom, whom Downs had never met, arranged for three different publishers to offer Downs contracts for its publication (Downs, 1993). Yet, at the time of its publication no one could have truly anticipated its long-run impact on the political science discipline. Remarkably, too, it is largely an accident that Downs wrote on the topic he did, rather than on the political economy of expressways (Downs, 1993). Downs was encouraged to switch dissertation topics by scholars such as

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C.K. Rowley and F.G. Schneider (eds.), *Readings in Public Choice and Constitutional Political Economy.*

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Julius Margolis, who introduced Downs to the writings of Joseph Schumpeter, and by his thesis supervisor, Kenneth Arrow (Downs, 1993).

The Paradox of Voting

Like most classic works in the social sciences, *An Economic Theory of Democracy* tends to be more cited than read (or reread), and its main ideas have entered the social sciences (especially political science) in only bare bones form. In particular, among many political scientists, the book has come to stand primarily for the simple (and simplistic) idea that rational voters should not bother to vote since the expected direct benefits, in terms of the probability that their vote will change the outcome multiplied by the benefit they gain in seeing one candidate win as opposed to another, is almost certainly less than the transaction costs involved in voting for the simple reason that the likelihood that one's vote will be decisive can be expected to be minuscule (Owen and Grofman, 1988).

Downs has changed the way political scientists think of the act of voting by problematizing that decision and making it a puzzle to be explained. Before Downs, it was essentially taken for granted that if you preferred a candidate you would vote for that candidate. Now, following Downs, it seems necessary to appeal to noninstrumental reasons for voting. One such factor is what has come to be called D, citizen duty. Yet, since time at the polls is time away from other (more profitable or more pleasurable) activities, and it requires time and effort to collect the information necessary to make a reasoned choice among available alternatives, an opportunity-cost perspective on voting suggests that few voters should bother. The fact that there is often a substantial level of political participation has led some political scientists to suggest, albeit partly tongue-in-cheek, that turnout is the "paradox that ate rational choice theory" (Morris Fiorina, quoted in Grofman, 1993), and it has led others to completely reject the rational choice perspective as something like "nonsense on stilts" (Green and Shapiro, 1994).

Downs' model of the turnout decision as one to be made in cost-benefit terms directly parallels other seminal public choice work on the provision of collective good and the avoidance of public bad, since supporters of a given candidate (or a given point of view) wish to see their candidate elected (or their point of view prevail) but would prefer to bear no cost to obtain this outcome. The large literature seeking to explain why people bother to vote thus parallels the even larger literature on "free riding." Ways to explain turnout within a generally rational choice perspective include ideas of expressive voting (Brennan and Hamlin, 1998; Glazer, Grofman, and Owen, 1998), approaches linking voting to group solidarity (Uhlaner, 1989; Morton, 1991), and work that emphasizes a comparative statistics approach to turnout whose concern is to explain variation in turnout *across* elections in terms of the factors that Downs used to explain the individual decision to vote or not to vote, such as expected electoral closeness, magnitude of candidate differences, and costs of electoral participation, along with size of the electorate, and the relative importance of the election (Hanks and Grofman, 1998; Grant, 1998).

The Median Voter Theorem

The other result most often associated with the name of Downs is the "median voter theorem." This theorem (also sometime called the Black–Downs theorem, in acknowledgement of Duncan Black's work on the power of the median voter when preferences are single-peaked (see Rowley, Chapters 1 and 3, this volume)), asserts that in a two-party competition along a single ideological or policy dimension, the candidates of each party will converge toward the location of the median voter in the electorate, i.e., we expect tweedledum-tweedledee politics. In the Downsian adaptation of the Hotelling–Smithies spatial model of economic competition, in which shops seek to locate where they can maximize their flow of customers, politicians compete to locate where (in policy terms) they can attract the most votes.

The median voter theorem has led to a huge literature on spatial models of politics. Since this topic is treated in detail in Hinich and Munger (Chapter 18, this volume) our comments will be brief. First, it would be a mistake to identify the median voter theorem as the Downsian model of party competition, since Downs offers other important but much neglected insights into party competition, e.g., on what happens with multidimensional politics and single-issue voters. Second, the fact that complete party convergence is not found in the United States (and in other countries using plurality-based elections) does not invalidate the insights that Downs had into the centripetal pressures on party platforms generated by different voting methods. The median voter theorem rests on a large number of quite specific assumptions whose violations often lead to non-convergence.

The Role of Information

A third important contribution of *An Economic Theory of Democracy* is on the role of information. Indeed, Downs deserves to be regarded as a founding figure in information economics.

First and foremost, Downs offers what might be called a model of "rational ignorance." Just as Downs' approach to voter turnout emphasizes the need to take into account whether one's vote can be expected to make a difference in the election outcome, Downs' approach to political information emphasizes the need to take into account whether new information can be expected to make a difference in the choice we make about which candidate/party to support or about whether to vote. Only if new information can be expected to improve our decision making so as to give us a higher expected payoff than before, and only if that expected gain exceeds the costs of pursuing the new information, will it be instrumentally rational to seek additional political knowledge. Second, to counteract this expectation of rational ignorance, Downs points out that information useful to political choice may be gained at a relatively low cost as a "by-product" of other activities. For example, while voters may not know the values (or recent time path) of aggregate indicators such as GDP, inflation, or unemployment rates, they can use the information that comes to them when they buy things, and from their conversations with friends and neighbors, to assess inflation, unemployment, and the overall state of the economy. Third, Downs highlights the "signaling" power of various types of informational cues, such as party labels, interest-group endorsements, and self-professed ideology. Such low-cost cues allow voters to infer what choices are in their best interest, i.e., a vote that matches the choice the voter would make if she were in possession of complete information about the options available to her.

Conclusion

While *An Economic Theory of Democracy* is Downs' most important contribution to social science, the corpus of his other work is also quite impressive. He has written extensively in areas of public policy such as housing policy, transportation policy, and urban development, and on the politics of bureaucracy. He has been a Senior Analyst at the RAND Corporation and on the faculty of the University of Chicago, and is currently a Senior Fellow of the Brookings Institution.

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