Why Policymaking Won't Work for Complex Societies (and Why Principles Will) - Part 1

I hate policy debates so much.

Should health care be delivered by government agencies? Should people spend more money on roads? Should kids be educated in the same age grades?

Let's put aside that these questions assume only one answer which "we" all have to agree on or submit to.

A main problem with all of these policymaking questions is that they're far too simple – and people's methods for establishing answers presume too much. A lot of people have opinions about how to solve these kinds of problems – more than could know the full depth of the issues at hand. Don't even get me started on the politicians themselves.

We live in a complex world, where recordbreaking amounts of data are being created every day. That's all data which human beings don't have time to process.

If you've read a couple of articles on healthcare, you are more knowledgeable than the average person on the challenges and opportunities of that industry. It does not mean that you have nearly enough knowledge to know how to deliver healthcare cheaply and reliably.

When it comes to healthcare, you don't know a damn thing about transportation costs, storage costs, opportunity costs, legal liability issues, human anatomy, medical innovation, medical refrigeration, ligaments, medical business models, or prescription drug manufacturing – to name just a few of the many facets of an industry you supposedly know how to steer.

You are not an expert. Even the experts know they are not experts. They will spend their entire lives just grappling with one sub-facet of one of these facets, and their work still won't be done.

To claim to empirically know how to ensure the best outcome for everyone in any issue is folly.

The only way industries like medicine actually work? Millions of people – most of whom will never speak to each other – do what they're best at. All of those individuals face the same incentives we all face, and their individual work somehow comes together to generate the industry we know as medicine.

This critique of central planning is not unique to me. It's an old one. But this critique applies to any other kind of society-wide (or even city or township-wide) policy-making as well. **Policy has a methodological problem.**

Policymaking as we know it leans on the idea that we should make decisions on "all the available data." It says we should use all the available data as our guide for what is best for the greatest number of people. It's.... well... bullshit.

At a certain scale, all the available data is more than any group or individual could contain or control or maintain or interpret. We are well past that scale. There are simply too many factors to consider when you are considering the resulting impact of a policy on "the greater good."

Policymaking (the practical utilitarianism used in most political thinking) is an unscalable way to make decisions.

Principles – those old things we threw away – are. In part two of this essay, we'll explore why.