

Readings in Public Choice and Constitutional Political Economy

Charles K. Rowley • Friedrich Schneider

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 Springer

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We dedicate *Readings in Public Choice and Constitutional Political Economy*
to the memory
of Duncan Black
23 May 1908 to 14 January 1991
The Founding Father of Public Choice

Preface

Readings in Public Choice and Constitutional Political Economy provides a detailed and comprehensive account of the subject known as *public choice*. However, the title would not convey sufficiently the breadth of the contents, which can be summarized better as the fruitful interchange of economics, political science and moral philosophy on the basis of an image of man as a purposive and responsible actor who pursues his own objectives as efficiently as possible.

This fruitful interchange between the fields mentioned above existed in the late eighteenth century, during the brief period of the Scottish Enlightenment when such great scholars as David Hume, Adam Ferguson and Adam Smith contributed to all these fields, and more. However, as intellectual specialization gradually replaced broad-based scholarship from the mid-nineteenth century onwards, it became increasingly rare to find a scholar making major contributions to more than one field.

Once Alfred Marshall defined economics in neoclassical terms, as a narrow positive discipline, the link between economics, political science and moral philosophy was all but severed and economists redefined their role as that of ‘the humble dentist’ providing technical economic information as inputs to improve the performance of impartial, benevolent and omniscient governments in their attempts to promote the public interest. This indeed was the dominant view within an economics profession that had become dominated by the economics of John Maynard Keynes and Paul Samuelson, immediately following the end of the Second World War.

Even during this ‘dark age’ for political economy, however, a little known Scot named Duncan Black was sowing the seeds for a renaissance that would enable a reunion between economics and political science. Black launched the public choice research program in 1948 with a seminal paper on the rationale of group decision-making and in so doing earned later fame as the founding father of public choice.

Black’s seminal contribution was extended in 1951 by Kenneth Arrow in his famous monograph entitled *Social Choice and Individual Values*. A further major extension occurred in 1957, when Anthony Downs published his seminal book entitled *An Economic Theory of Democracy*. In 1962, James Buchanan and Gordon Tullock, in their famous book *The Calculus of Consent*, extended the perspective of

public choice by shifting attention away from direct elections and parliamentary democracy, to outline a rational choice approach to the logical foundations of a constitutional republic. In 1965, Mancur Olson opened up the discussion of interest group behavior to rational choice analysis in his famous book entitled *The Logic of Collective Action*. In 1971 William A. Niskanen opened up the discussion of bureaucratic behavior to rational choice analysis in his book entitled *Bureaucracy and Representative Government*.

These six contributions constitute the foundations of the public choice research program. Two other books also contributed to the early public choice tradition, namely the 1951 monograph by Black and Newing entitled *Committee Decisions with Complementary Valuation* and the 1962 masterpiece by William Riker entitled *The Theory of Political Coalitions*. All these works are as relevant to scholars of public choice now as they were several decades ago when they were written.

Since public choice first emerged during the years of reconstruction from the devastation of the Second World War, the world's political environment has evolved and changed dramatically. The Marshall Plan enabled Western Europe to eliminate its dictatorships and to establish and/or to reinforce democracy. The European colonial powers eased themselves out of their imperial roles, releasing their former colonies into independence, albeit in many cases an independence that rapidly deteriorated into the one party state, outright dictatorship or even kleptocracy. Even Latin-America has slowly eased itself into democracy, albeit in many cases of a fragile and unstable nature.

The United States utilized its economic strength and its political resilience to confront and contain the USSR throughout the Cold War and eventually to defeat it, thus opening up Eastern Europe and even Russia itself to varying forms of democratic or semi-democratic government. The remaining communist dictatorships, notably The People's Republic of China, Cuba and North Korea, clearly are endangered species, unlikely to survive the first decade of the new century. The last bastions of non-communist, non-sub-Saharan African dictatorship, mostly located in the Middle East, are finding it increasingly costly and difficult to fend off the democratic desires of their down-trodden and mostly impoverished subjects. For the first time in the history of the world, a majority of individuals now live under conditions of democracy, a state that public choice is uniquely qualified to analyze.

Given the enormity of the political changes outlined above, it is very reassuring to discover, not least through the contributions to this book, that public choice has retained its ability to explain and predict the behavior of all actors in political markets—even the behavior of al-Qaeda terrorists—within the framework of the rational choice approach.

Many of the contributions to this volume are revised versions of essays published in Volume 1 of *The Encyclopedia of Public Choice* also edited by Charles K. Rowley and Friedrich Schneider (Kluwer 2004). The volume has been significantly re-organized and several new essays have been added. Great care has been taken throughout to make the language of the Readings as non-technical and comprehensible as possible. For this reason, the *Encyclopedia* should be accessible to all

scholars, all graduate and undergraduate students of economics, political science, and public choice as well as to most scholars and students of such closely related disciplines as law, philosophy, sociology and psychology. The volume should be an indispensable companion to all practitioners of public policy.

The editors have made every effort to present a well-balanced and comprehensive body of public choice scholarship from the early beginnings of the discipline to its current flourishing state. By and large, we believe that we have achieved this goal. However, as always, the proof of the pudding is in the eating. We trust that you will enjoy the rich banquet that is set before you.

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