

# 1 Introduction

The Theory of Public Choice - II  
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## Public Choice, 1972–82

*Robert D. Tollison*

In 1972, the University of Michigan Press published *The Theory of Public Choice*, a collection of papers edited by James M. Buchanan and myself. The volume sold well, and the comments of reviewers were encouraging. The *Economist* reported that “it would be wrong to dismiss gleans of insight on grounds that they fail to illuminate everything at once. The economics approach is stimulatingly different and if pursued with due modesty provides a useful challenge to political scientists.”<sup>1</sup> Ursula Hicks noted that “this book is essentially a manifesto of the ‘Virginian School’ of Economics. . . . The whole approach is so (relatively) new that it is very useful to have them [the papers] all brought together in this way, so that their interrelation can be appreciated.”<sup>2</sup> James E. Meade stressed that “for a number of years some economists have been working on the assumption that . . . both in spending their income in the market place and in casting their votes in the political arena citizens have been motivated by the unredeemed selfishness of ‘economic man’ . . . any economist who seeks a suggestive survey of what can be achieved by ‘positive applied’ work in this field . . . may usefully turn to this volume.”<sup>3</sup>

The reviewers were right to stress the promise of public choice. Though many of the foundation works in the field, such as Buchanan and Tullock’s *Calculus of Consent*, had been published in the early 1960s and before, the “movement” was just gathering steam in the early 1970s. The first classes of graduate students (many of them trained by Buchanan at the University of Virginia) had taken their places in the profession, and started to try to survive in academia by applying and expanding public choice principles. As Buchanan and I emphasized in 1972, public choice was a new entrant on the academic landscape: “The ‘theory of public choice’ remains on the threshold of development, but to those who seek both ‘realism’ and ‘relevance’ in their science, who seek informed and impartial ‘involvements,’ these preliminary essays may be suggestive of the extensive scope for research in a sub-discipline that will remain open-ended.”<sup>4</sup> The young field of inquiry had a toehold in the profession; how would it fare?

In introducing a 1980s sequel to *The Theory of Public Choice*, it seems appropriate to try to answer this question from the perspective of approximately ten years later. To my knowledge public choice has no chronicler, no Boswell, and I do not pretend to that role in what follows. (I might add parenthetically that the growth of public choice is a topic worthy of a good history.) I have simply sought to pull together enough information to convey a general impression of the course of public choice over the past ten years. My

review will be parochial, with an emphasis on the contributions of the “Virginian School” of political economy, both because I consider myself to be a member of this school and because I know it best. I offer my apologies in advance for omissions of other important developments and individuals.

I begin with the growth of the journal of the Public Choice Society, *Public Choice*. *Public Choice* started out as a publication called *Papers on Non-Market Decision Making*, which had no subscriptions and was simply sold. In 1966, *Papers* sold about 300 copies. *Papers II* and *Papers III* were published in 1967 and again sold about 300 copies. Over time, the back issues market for all of the early issues of *Papers* and *Public Choice* has been strong, so that a good many more than 300 copies of the early issues have been sold. In 1968, the journal changed its name to *Public Choice*, and began to be a regular journal with a subscription rate of about 350. Over the intervening years, it has grown to a subscription rate of about 1,400, of which about 350 are library and the others individual subscriptions. Martinus Nijhoff Publishing took over publication of *Public Choice* in 1978, and currently publishes it regularly. The journal appears to have a sound commercial footing.

In 1973, an effort was made to accommodate the more mathematical members in the society by appointing Peter Ordeshook as mathematics editor, with an allocation of one issue a year. In 1976, he was replaced by Kenneth Shepsle who, in turn, was replaced by Peter Aranson in 1980.

Gordon Tullock, of course, was a cofounder (with Buchanan) of *Public Choice* and the Public Choice Society, and continues to serve as the senior editor of the journal. Other members of the editorial board include: Peter Bernholz, Duncan Black, Kenneth Boulding, Steven Brams, James M. Buchanan, James S. Coleman, Anthony Downs, Francesco Forte, John Haranyi, Melvin J. Hinich, Gerald Kramer, Richard G. Niemi, William A. Niskanen, Mancur Olson, Charles R. Plott, William A. Riker, and Akihito Udagawa.

The Public Choice Society began as an informal group headquartered at the University of Virginia called the Committee for Non-Market Decision Making. Buchanan and Tullock were cofounders of the group, and others in attendance at early meetings of the committee included John Rawls, James Coleman, Duncan Black, William Riker, Roland McKean, and Vincent Ostrom. In 1968, the group changed its name to the Public Choice Society. Membership in the society has grown to a present number of about eleven hundred scholars. Past presidents of the Public Choice Society include: Buchanan, Tullock, William Riker, Charles Plott, Vincent Ostrom, Mancur Olson, Otto Davis, James Coleman, Gerald Kramer, and John Ledyard. The president as of this writing is Elinor Ostrom of Indiana University.

There is a very active European Public Choice Society which started under the presidency of Peter Bernholz of Basel, Switzerland, about 1973. Originally, meetings were held every second year, but now every year, and the attendance at the most recent meeting in Poitiers, France, was about ninety. Charles Rowley has also served as president of the European section,

but he resigned recently because he is moving to the United States. He is being replaced by Jean-Dominique Lafay of Poitiers. A special Spanish section of the Public Choice Society was formally launched in 1981. There is also a Japanese Public Choice organization which publishes its own journal. Akihito Udagawa is more or less in charge of this activity.

One point should be made about these empirical details—they undoubtedly understate the growth of interest in public choice. The reason for this is that many scholars, especially young ones, use the library or their professor's copy of the journal. So details of subscription and membership rates tend to understate the range of professional following of public choice.

On the general point of whether the society's growth is a "lot" or a "little," I would tend to say "a lot." To go from nothing to a steady-state revealed preference of fourteen hundred subscriptions in less than fifteen years, and *not* to be a regionally based academic group but rather a national organization with active counterparts in Japan and Europe, represents a remarkable achievement.

Of course, the impact of public choice is not revealed by these details; it resides in the impact of the ideas of public choice scholars. It is to this issue that I now turn.

The amount of public choice literature has grown rapidly. I would judge that now most important public choice research is not published in *Public Choice*, but in the major journals of economics and political science.<sup>5</sup> Moreover, the diversity of the scholarly backgrounds that are attracted to public choice makes it difficult to keep track of the growth of the literature. Fortunately, there are a number of sources of good bibliographies. Mark Pauly published an early bibliography of public choice literature in *Papers on Non-Market Decision Making*.<sup>6</sup> More current sources include the publication of public choice reading lists by Eno River Press, and the bibliography in Dennis Mueller's recent survey book on public choice.<sup>7</sup> Beyond these fairly accessible sources, there is a well-known "underground" bibliography circulated privately by Thomas Borcharding of Claremont Graduate School. Borcharding's bibliography is the most extensive and current source of public choice literature of which I know. I might add that he has always been willing to share his list and to accept suggestions for additions.

In this same vein it should also be noted that public choice has attained a niche in the *Journal of Economic Literature's* classification system for economic writing. The classification falls under "General Economic Theory" and is listed as "025 Social choice; bureaucratic performance." The fact that the profession provides a convenient means to keep up with current research in the area is an impressive sign of the general scientific acceptance of public choice.<sup>8</sup>

What I have been covering to this point might be termed the straight empirical facts about the growth of public choice in scholarly circles. A follow-up question concerns the degree to which public choice has trickled down from the rarified atmosphere of the scientific journals to have a broader

educational influence. Has public choice made it to the textbooks? Has public choice influenced public policy? These are heavy questions, and I stress again that my answers to them will only be suggestive of general developments.

The dent made by public choice in textbooks is large and growing. This process started in public finance textbooks, which until recently had basically been devoted to old-fashioned principles of taxation, with very little attention paid to modern developments in public choice theory. Today the tide is running in the other direction. More attention is paid in public finance textbooks to explaining why government does what it does than to normative tax principles. Books are increasingly oriented to a public choice approach, and virtually no major textbook comes without substantial sections devoted to public choice analysis. In sum, public choice has changed the way public finance (both undergraduate and graduate) is taught, no mean feat in a sub-discipline with as long and entrenched a history as public finance.<sup>9</sup>

In the highly competitive world of introductory textbooks, entries stressing a public choice perspective have appeared, and the commercial success of these books indicates that students and instructors are interested in the public choice approach. The best example from economics is Gwartney and Stroup's *Economics: Private and Public Choice*.<sup>10</sup> This is an introductory economics textbook with a public choice emphasis, which by all accounts ranks among the best-sellers in this market. This book and others indicate the growing viability of public choice in the undergraduate classroom.<sup>11</sup>

This is a brief, too brief, look at the impact that public choice has had on the literature of economics and political science. It is not meant to be extensive but to suggest a pattern of influence and evidence. There are, of course, many other ways to measure the intellectual impact of public choice. For example, public choice scholars such as Buchanan and Tullock are among the most often cited scholars in the social sciences. This is an important index because it measures the degree to which research is *used* by other scholars. In this sense citations are a better indication of professional success than, for example, sheer numbers of publications, and in this regard public choice scholars are generally among the most successful members of their professions.

The influence of public choice has also spread beyond scholarly circles. Of primary importance in this regard is the practical application of public choice in the movement in the United States toward tax and other types of limitations on government. This is not to take credit for the work of political entrepreneurs who have advanced tax and spending limitation and balanced budget proposals, but surely the intellectual precursors of such proposals are scholars such as Buchanan and, much earlier, Wicksell.<sup>12</sup>

Nor is this to argue that public choice scholars have sought an active role in public affairs. The vast majority have not, and their influence comes as a by-product of their scholarly work. There are, nevertheless, a number of individuals who have risen to prominent positions in government and who have also made useful and important contributions to public choice research.

James C. Miller III, chairman of the Federal Trade Commission, and William A. Niskanen, a member of the President's Council of Economic Advisers, are outstanding examples of public choice scholars in government service.<sup>13</sup>

I have discussed the direct influences of public choice on the ideas of scholars and policy makers. The indirect influences are perhaps even more important. Many scholars, journalists, politicians, and intellectual leaders generally may never have heard about "public choice," as such, but their way of thinking about politics, government, and governmental process has been affected. In a very real sense "public choice" provides the intellectual-analytical-empirical foundations for the increasingly pragmatic, realistic, and hard-nosed appraisal of political alternatives that describes general public attitudes in the 1980s.

Finally, it is important to note that although interest in public choice in the United States is great, it is a fair guess to say that it is greater in Europe. As noted earlier, there is a European Public Choice Society, and public choice seems to have captured the imagination of popular writers and young scholars in Europe. In his widely distributed book that surveyed new developments in economics, *Demain le Capitalisme*, Henri LaPage devoted a whole chapter to public choice.<sup>14</sup> These developments may be explicable by the fact that European countries and the European community generally are struggling with issues that are more nearly constitutional in nature. Public choice, with its emphasis on an equitable framework within which to conduct day-to-day government, is thus more relevant to European issues. This point, for example, applies with great force to Spain.

So public choice has fared well over the past decade, and we are pleased to bring out a second installment of readings which illustrate some of the reasons for this success. We have tried to pull together an interesting collection of public choice work over this period. We do not outline the contents of the volume here because the organization of the volume is straightforward and self-explanatory. Undoubtedly, we have missed papers and have been more or less "Virginian" in our selections. As the old saying goes, however, if it ain't broke, don't fix it! *Public Choice I* was received well; we hope the same fate awaits *Public Choice II*.

We launch our volume with the following sentiment: "Indeed, it is precisely because it deals with some of the oldest and toughest questions a community faces, that public choice attracts so many fine scholars. And for this reason, one can remain optimistic about the field's future growth and development."<sup>15</sup>

#### NOTES

I am grateful to James M. Buchanan and Gordon Tullock for help in preparing this essay. The usual caveat applies.

1. *The Economist*, August 5, 1972, 50.
2. Ursula Hicks, "Problems of Public Choice," *Finanzarchiv* 31 no. 2 (1972): 363–66.

3. James E. Meade, "Review of *Theory of Public Choice*," *Economic Journal* 82 (December 1972): 1423–25.
4. Robert D. Tollison, "Involved Social Analysis," in *The Theory of Public Choice: Political Applications of Economics*, ed. James M. Buchanan and Robert D. Tollison (Ann Arbor: University of Michigan Press, 1972), 7.
5. I would note, however, that many papers that are now widely cited in the literature have appeared in *Public Choice*. Tullock's paper on federalism is a good example. See Gordon Tullock, "Federalism: Problems of Scale," *Public Choice*, Spring 1969, 19–29.
6. Mark Pauly, "Bibliography of Recent Work in Non-Market Decision Making," *Papers in Non-Market Decision Making II* (Charlottesville: Thomas Jefferson Center for Political Economy, 1967), 105–18.
7. *Economics Reading Lists and Course Outlines*, compiled by Edward Tower (Durham, N.C.: Eno River Press, July 1980); and Dennis Mueller, *Public Choice* (Cambridge: Cambridge University Press, 1979), 271–88.
8. Indeed, public choice was the subject of a major review article published by this journal. See Dennis C. Mueller, "Public Choice: A Survey," *Journal of Economic Literature* 14 (June 1976): 395–433. Mueller's article was the basis for his subsequent book (*Public Choice*) published by Cambridge University Press as a part of its series on Surveys of Economic Literature. Also see A. Allan Schmid, "Theory of Public Choice: A Review Article," *Journal of Economic Issues* 8 (June 1974): 519–24; and Victor P. Goldberg, "Public Choice—Property Rights," *Journal of Economic Issues* 8 (September 1974): 555–79.
9. A leading example of "new wave" public finance texts is Richard E. Wagner, *The Public Economy* (Chicago: Markham, 1973). This book is now out of print, but Wagner is presently working on an expanded version to be published by Little, Brown.
10. James D. Gwartney and Richard M. Stroup, *Economics: Private and Public Choice*, 2d ed. (New York: Harcourt, Brace, Jovanovich, 1980).
11. At the advanced undergraduate level a number of specialized books have appeared that feature a public choice approach. See, for example, Ryan C. Amacher, Robert D. Tollison, and Thomas D. Willett, eds., *The Economic Approach to Public Policy* (Ithaca: Cornell University Press, 1976). For a review of public choice developments in the textbooks, see William C. Mitchell, "Textbook Public Choice: A Review Essay," *Public Choice* 30, no. 1 (1982): 97–112.
12. See the various papers by Buchanan in this volume; and Knut Wicksell, "A New Principle of Just Taxation," reprinted in *Classics in the Theory of Public Finance*, ed. Richard A. Musgrave and Alan T. Peacock (New York: St. Martin's Press, 1958). Also see Richard E. Wagner and Robert D. Tollison, *Balanced Budgets, Fiscal Responsibility, and the Constitution* (San Francisco: The CATO Institute, 1980).
13. See, for example, James C. Miller III, "A Program for Direct and Proxy Voting in the Legislative Process," *Public Choice* 7 (Fall 1969): 107–13; and Niskanen's widely acclaimed *Bureaucracy and Representative Government* (Chicago: Aldine, 1971).
14. Henri LaPage, *Demain le Capitalisme* (Paris: Librairie Generale Francaise, 1978). This book has now been translated into English; see *Tomorrow, Capitalism* (Lasalle, Ill.: Open Court Publishing Co., 1982).
15. Mueller, *Public Choice*, 270.