



# The Elgar Companion to Public Choice, Second Edition

Edited by **Michael Reksulak, Laura Razzolini**  
and **William F. Shughart II**



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*Edited by*

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## Preface to the second edition

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I usually have a three-word description [of public choice] – it is ‘politics without romance’. Politics is a romantic search for the good and the true and the beautiful. ‘Public choice’ came along and said, ‘Why don’t we model people more or less like everyday persons? Politicians and bureaucrats are no different from the rest of us. They will maximize their incentives just like everybody else.’ By taking that very simple starting point, you get a completely different view of politics and its analysis.

(James M. Buchanan on how to define ‘public choice’)<sup>1</sup>

When we were approached to commission contributions for a new edition of *The Elgar Companion to Public Choice* some two years ago, we envisioned it not to be simply a follow-up or extension to the original volume. In essence, we wanted it to serve as a complement, which would stand on its own and highlight additional facets of this field that lies at the intersection of the economic and political sciences.

Although the approach we took to topic selection and the solicitation of potential contributors was broad, the chapters in this volume continue to emphasize the application of public choice theory to the study of collective decision-making on Election Day, in committees, in legislatures and in many other non-market settings, where choices are made in the absence of explicit price and profit signals and where the agreement of a qualified majority is required before action can be taken. The readers of this new *Companion* will encounter a wealth of evidence concerning the ability of public choice models to explain and predict the behavior of *Homo economicus* in all walks of life and in many marketplaces, be they for public goods and services, votes, religions, revolutions or judicial rulings, to name just a few. To that end, we have included chapters on topics not covered in the first edition, such as antitrust law enforcement, tribal systems of governance, instrumental versus expressive motives for voting, the political economy of war and peace, and transnational terrorism. We have also broadened our coverage geographically by adding relatively more contributions from scholars based in Europe.

The editors of the first edition of the *Companion* have been heartened by the positive response it received when it was published more than a decade ago; we are hopeful that this second edition, too, will establish itself as a valuable reference tool and compendium of new ideas for students and scholars of public choice alike. In working with the authors of the various chapters included in this volume, we have been impressed, once more, by the vibrant nature and the continuing applicability and viability of the by now well-established public choice research program.

We are grateful to the outstanding and helpful support we received from the staff at Edward Elgar. As with the first edition, the publisher provided us with the necessary support to bring this undertaking to fruition while giving us a completely free hand regarding the content and direction of the various parts of the project. Thankfully, Edward Elgar was very understanding when unforeseen circumstances caused a delay or two regarding the delivery of certain chapters. We would also like to thank Joshua Blotter for his eagle-eyed error-checking of the reference section.



We are particularly indebted to the outstanding scholars who agreed to contribute to the first and the second editions of the *Companion*, most especially Randall Holcombe, who once again graciously came to the rescue when the promise made by another contributor fell through at the last minute. Given their prominence in the profession and the many time-intensive projects they are working on, we are aware of the high opportunity cost of their time. We, therefore, are even more appreciative of their commitment to this project.

Michael Reksulak  
Laura Razzolini  
William F. Shughart II

## NOTE

1. 'Interview with James Buchanan, 1986 Nobel Prize Winner in Economics', available at: <http://www.aims.ca/en/home/library/details.aspx/359> (accessed 20 January 2012).

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## Preface to the first edition

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A man who writes a book, thinks himself wiser or wittier than the rest of mankind; he supposes that he can instruct or amuse them, and the publick to whom he appeals, must, after all, be the judges of his pretensions.

(Samuel Johnson)

This volume, which has been more than two years in the making and represents the collaborative effort of more than thirty scholars, is intended to encapsulate the field of public choice as it stands at the close of the twentieth century. While we are certainly not the first to attempt to do so, owing to the explosive growth of the literature over the past several decades, it has become nearly impossible to survey the theory and evidence of public choice comprehensively. Multiple perspectives by multiple authorities help to fill in the unavoidable gaps and to add the nuance necessary for a deeper understanding of what has been accomplished thus far and what questions remain unanswered.

This does not mean that we have not tried to be exhaustive. Far from it. Contributions to the *Companion* were solicited with an eye toward providing its readers with a thoroughgoing rehearsal of public choice principles. Undoubtedly, however, some topics have been overlooked and some of the relevant literature left uncited. For that we apologize. But we think that those who spend time with this volume will come away with a fuller appreciation of the power of the public choice model to illuminate the behavior of *Homo politicus*. It is our hope that students of public choice and scholars actively contributing to the field will find the *Companion* to be a valuable reference tool and will learn as much from reading as we did from writing and editing.

Many debts were accumulated in preparing this volume for publication. We are grateful to Edward Elgar for his confidence in our abilities to carry this project through to its conclusion, for the free hand given to our decisions about topical coverage and authorship, and for his patient willingness to await delivery of a manuscript acceptable to us. Once that point was at last reached, his staff supervised the production process with a high level of professional competency.

While each of the contributors to the volume deserves our thanks as well – they did most of the work, after all – a number of them merit special recognition. Lisa Anderson and Randall Holcombe came to the rescue when, at nearly the last minute, prior commitments with other contributors fell through. Mark Crain and Robert Tollison not only wrote their own chapters, but provided extremely useful comments and suggestions on several others as well.

Melissa Yeoh did yeoman's work tracking down obscure bibliographic details and corroborating classical allusions; we here thank her for her able research assistance. If not for Michael Reksulak's proofreading skills, there would have been many more errors in the final product. A timely and much appreciated summer grant from the Robert M. Hearin Support Foundation afforded the senior editor the opportunity to devote his full attention to finishing the project. While we are both grateful for all the help we received along the way, the two of us accept full responsibility for any remaining

defects. We lay down our red pens, turn off our computers, and submit to the judgment of the market.

William F. Shughart II  
Laura Razzolini

This volume, which has been more than two years in the making and represents the collaborative effort of more than thirty scholars, is intended to encapsulate the field of public choice as it stands in the close of the twentieth century. While we do certainly not claim to be the first to attempt to do so, owing to the explosive growth of the literature over the past several decades it has become nearly impossible to survey the theory and evidence of public choice comprehensively. Multiple perspectives by multiple authorities help to fill in the unavoidable gaps and to add the human necessary for a deeper understanding of what has been accomplished thus far and what questions remain unanswered.

This does not mean that we have not tried to be exhaustive. Far from it. Contributions to the Companion were solicited with an eye toward providing its readers with a thoroughly substantial treatment of public choice principles. Unfortunately, however, some topics have been overlooked and some of the relevant literature left unmentioned. For that we apologize. But we think that those who spend time with this volume will come away with a better appreciation of the power of the public choice model to illuminate the behavior of government. It is our hope that students of public choice and scholars seeking contributions to the field will find the Companion to be a valuable reference tool and a pleasure as much from reading as we did from writing and editing.

Many debts were acknowledged in preparing this volume for publication. We are grateful to Edward B. Fieser for his confidence in our abilities to carry this project through to its conclusion. For the free grant given to our decisions about topical coverage and authorship, and for his patient willingness to await delivery of a manuscript acceptable to us. Once that point was at last reached, his staff supervised the production process with a high level of professional competency.

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Michael Jacobson's work tracking down obscure bibliographic details and corroborating statistical citations; we here thank her for her able research assistance. If not for Michael Razzolini's painstaking skills, there would have been many more errors in the final product. A finally and much appreciated reminder came from the Robert M. Hertz Support Foundation which the senior editor has the opportunity to devote his full attention to finishing the project. While we are both grateful for all the help we received along the way, the two of us accept full responsibility for any remaining

To Hsiao-Ting (Adeline), Claire ChinYan and Vivian TianAi – MR  
To the memory of my father (1929–1991) and to my mother – LR  
To Hilary, Willie and Frank – WFS



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