

The Encyclopedia of Public Choice

Editors

CHARLES K. ROWLEY

*The Locke Institute, and
George Mason University*

and

* **FRIEDRICH SCHNEIDER**

*Johannes Kepler University of Linz,
Institute of Economic Policy*

(

L4

Kluwer Academic Publishers

DORDRECHT / BOSTON / LONDON

TABLE OF CONTENTS

Preface	xiii
Acknowledgments	xvii

ESSAYS

Public Choice and Constitutional Political Economy Charles K. Rowley	3
Public Choice: An Introduction Dennis C. Mueller	32
Are Vote and Popularity Functions Economically Correct? Martin Paldam	49
Constitutional Political Economy James M. Buchanan	60
Corruption Susan Rose-Ackerman	67
Dictatorship Ronald Wintrobe	77
Environmental Politics Hannelore Weck-Hannemann	91
Experimental Public Choice Arthur J.H.C. Schram	r..... 96
Gordon Tullock at Four Score Years: An Evaluation Charles K. Rowley	105
Interest Group Behavior and Influence Frans van Winden	118
International Trade Policy: Departure from Free Trade Arye L. Hillman	129
James M. Buchanan Robert D. Tollison	” 139

Milton Friedman, 1912: Harbinger of the Public Choice Revolution Charles K. Rowley and Anne Rathbone	146
Monetary Policy and Central Bank Behavior Manfred Gartner	159
The Political Economy of Taxation: Positive and Normative Analysis when Collective Choice Matters Stanley L. Winer and Walter Hettich	173
Public Choice from the Perspective of Economics Robert D. Tollison	191
Public Choice from the Perspective of the History of Thought Charles K. Rowley	201
Public Choice Theory from the Perspective of Law Francesco Parisi	214
Public Choice from the Perspective of Philosophy Hartmut Kliemt	235
Public Choice from the Perspective of Sociology Viktor J. Vanberg	244
Public Finance Harvey S. Rosen	252
Regulation and Antitrust William F. Shughart II	263
Scholarly Legacy of Mancur Olson Melvin J. Hinich and Michael C. Munger	284
Shadow Economy Friedrich Schneider	286
Social Choice, Contracts and Logrolling Peter Bernholz	296
Spatial Theory Melyin J. Hinich and Michael C. Munger	305
Trade Liberalization and Globalization Arye L. Hillman	312

William H. Riker	
JohnAldrich	321

BIOGRAPHIES

ALDRICH, John Herbert	..327
ANDERSON, Lisa Renee	328
BAUMOL, William J.	328
BAVETTA, Sebastiano	329
BENNETT, James Thomas	330
BENSON, Bruce Lowell	330
BERNHOLZ, Peter	332
BESLEY, Timothy John	334
BESOCKE, Portia DiGiovanni	335
\	
BOETTKE, Peter J.	335
BORCHERDING, Thomas Earl	336
BRADBURY, John Charles	337
BRAMS, Steven J.	338
BUCHANAN, James McGill	339
CAIN, Michael J.G	340
CAPLAN, Bryan Douglas	341
CONGLETON, Roger Douglas	341
COUGHLIN, Peter Joseph	343
COWEN, Tyler	344
CRAIN, William Mark	344
CREW, Michael Anthony	346

DA EMPOLI, Domenico		347
DAVIS, Otto Anderson	<i>c</i>	348
EKELUND, Robert Burton Jr.		349
FISCHEL, William A		351
FROHLICH, Norman		352
GARRETT, Thomas A		353
GOFF, Brian L		...354
GROFMAN, Bernard N		..355
HANSON, Robin Dale		357
HETTICH, Walter	:	357
HINICH, Melvin J.		358
HOLCOMBE, Randall Gregory		359
HOLLER, Manfred Joseph		361
HOLT, Charles A		362
KAEMPFER, William Hutchison		363
KEIL, Manfred Werner		364
KENNY, Lawrence Wagner		365
KLEINDORFER, Paul Robert		366
KURRILD-KLITGAARD, Peter		367
LABAND, David Neil		368
LANGBEIN, Laura		369
LEE, Dong Won		370
LEE, Dwight R.		370
LOHMANN, Susanne		372

LOPEZ, Edward John		373
MATSUSAKA, John G		374
McCHESNEY, Fred Sanderson		375
MUDAMBI, Ram		375
MUNGER, Michael Curtis		376
NAVARRA, Pietro		377
OPPENHEIMER, Joe		.378
PADOVANO, Fabio		379
PALDA, Filip		381
PARISI, Francesco		382
PEACOCK, Alan Turner		383
PECORINO, Paul		384
RATHBONE, Anne Elissa}	385
REKSULAK, Michael		..385
ROMER, Thomas		386
ROWLEY, Charles Kershaw	—	387
RUBIN, Paul Harold	...^	388
SASS, Tim Roger		390
SCHMID-LUEBBERT, Stefanie		391
SCHNEIDER, Friedrich Georg		391
SCHOFIELD, Norman James		392
SCULLY, Gerald William		393
SENEDEK, Itai		.394
SHUGHART, William Franklin II		395

SMITH, Vernon L.	396
SOBBRIO, Giuseppe	398
SOBEL, Russell Steven	399
STEPYKINA, Ekaterina	400
STRATMANN, Thomas	400
THOMPSON, Earl	401
THORNTON, Mark	401
TIDEMAN, Thorwald Nicolaus	402
TOLLISON, Robert Dewitt	403
TOWER, Edward	405
TULLOCK, Gordon	406
TWIGHT, Charlotte Augusta Lewis	407
URKEN, Arnold Bernard	408
VACHRIS, Michelle Albert	409
VANBERG, Viktor J.	410
VAUBEL, Roland	412
WAGNER, Richard E	413
WECK-HANNEMANN, Hannelore	414
WILLETT, Thomas Dunaway	415
WILLIAMS, Walter E	417
WINER, Stanley Lewis	418
WITTMAN, Donald Alan	419
WU, Wenbo	420
Index	421

The Encyclopedia of Public Choice

Volume II ,

TABLE OF CONTENTS

Preface	i	xxi
Acknowledgements		xxv

CONCEPTS

Academia		
Susanne Lohmann		3
Al-Qaeda		
Anne Rathbone and Charles K. Rowley		5
Alternative Voting Methods		
Bernard Grofman		9
Altruism		
Paul H. Rubin		12
The Anatomy of Political Representation		
Tim R. Sass		17
	1	
Approval Voting		
Steven J. Brams		20
Arbitration and Bargaining		
Paul Pecorino		22
Arrow's Impossibility Theorem		
Bernard Grofman		25
An 'Austrian' Perspective on Public Choice		
Peter Boettke and Peter Leeson		27
Autocracy		
Gordon Tullock		32
Autocratic Succession		
Peter Kurrild-Klitgaard		34
Bicameralism		
John Charles Bradbury and W. Mark Crain		39

Blackmail	
Walter E. Williams	41
Black's Single-Peakedness Condition	
Bernard Grofman	43
Budgetary Processes [^]	
W. Mark Crain	46
Budget Deficits	
William F. Shughart II	49
Bureaucratic Discretion	
Laura Langbein	53
Campaign Contributions and Campaign Finance	
Thomas Stratmann	59
Campaign Finance 1	
Edward J. Lopez	62
Campaign Finance 2	
Filip Palda	- 66
Central Banks	
Susanne Lohmann	69
Chicago Political Economy	
Robert D. Tollison	74
The Clayton Act	
Carlos D. Ramirez	75
Coalitions and Power Indices	
Manfred J. Holler	78
Coalitions and Social Choice	
Itai Sened	83
Coase Theorem and Political Markets	
Francesco Parisi	85
Coercion	
Sebastiano Bavetta and Antonio Cognata	91

Collective Action under the Articles of Confederation Keith Dougherty	93
Committee Assignments Michael Munger	95
Committee Jurisdictions and PAC Contributions Michael C. Munger	98
Committees in Legislatures Randall G. Holcombe	100
Commons and Anticommons Francesco Parisi and Ben Depoorter	102
Constitution Gordon Tullock	104
Constitutional Frameworks and Economic Progress Gerald W. Scully	105
The Constitution of the European Union Stephanie Schmid-Lubbert and Hans-Bernd Schafer ,	106 j-
Constitutional Political Economy StefanVoigt	112
The Contemporary Political Economy Approach to Bureaucracy Thomas E. Borcharding and Portia D. Besocke	116
Contractarianism James M. Buchanan	121
Corruption 1 Francesco Forte	123
Corruption 2 OmarAzfar	126
Cost and Choice James M. Buchanan	130
The Cost Disease of the Personal Services William J. Baumol	132

Customary Law	
Francesco Parisi	136
The Demand-Revealing Process	
T. Nicolaus Tideman	140
^a Deregulation of Postal Service	
Michael A. Crew and Paul R. Kleindorfer	142
Dictators and Social Contracts	
Stefan Voigt	146
Direct Democracy	
John G. Matsusaka	149
Discrimination	
Walter E. Williams	153
	A
Dynamic Inconsistency	
W. Mark Crain . . . T	157
Economic Freedom and its Measurement	
Sebastiano Bavetta	161
Economic Freedom and Political Freedom	
Wenbo-Wu and Otto A. Davis	163
Economic Regulation	
Robert D. Tollison	172
The Economic Theory of Clubs	
Gary M. Anderson, William F. Shughart II and Robert D. Tollison . . .	175
Economists versus the Public on Economic Policy	
Bryan Caplan	180
Education and the State	
Eugenia F. Toma	183
Efficiency of Democracy	
Donald Wittman	186
Efficiency of Democracy?	
Charles K. Rowley and Michelle A. Vachris	189

The Efficiency of the Common Law Hypothesis	
Francesco Parisi	195
Elected versus Appointed Regulators	
Timothy Besley	198
Election Models	
Peter J. Coughlin	201
Electoral College	
Randall G. Holcombe	206
Electoral Competition in Mixed Systems of Representation	
Ram Mudambi and Pietro Navarra	208
The Elusive Median Voter	
Thomas Romer	211
Emerging from the Hobbesian Jungle	
Bruce L. Benson	213
Endogenous Morality	
Bruce L. Benson	216
Enron	
Michael Reksulak and William F. Shughart II	219
Environmental Politics and Economic Development	
Roger D. Congleton	224
The Euro	
Roland Vaubel	229
European Political Integration	
Roland Vaubel	230
Evolution of Institutions	
Earl Thompson	232
The Evolution of Law	
Bruce L. Benson	237
Experimental Economics and Public Choice	
Lisa R. Anderson and Charles A. Holt	240

Experimental Public Choice Vernon L. Smith	243
Expressive Voting and Redistribution Russell S. Sobel and Gary A. Wagner	245
Fair Division Steven J. Brams	248
Fame and Politics Tyler Cowen	250
Federal Reserve System MarkToma	251
Forecasting Presidential Elections in the United States Henry Chappell	254
Game Theory Steven J. Brams	257
Game Theory in Public Choice Robin D. Hanson	258
Generality and the Efficiency of Government Decision Making Roger D. Congleton	261
Group Roles in Evolution and Cognition Adam Gifford Jr.	264
Growth of Local Government in the United States Randall G. Holcombe	268
The Growth of Public Expenditure Sir Alan Turner Peacock	270
The Growth of the Relative Size of Government Thomas E. Borcharding and Dong Lee	273
Heresthetics and the Evolution of the US Constitution Norman Schofield	279
Homo Economicus Robert D. Tollison	281

Human Evolution and Political Behavior	
Paul H. Rubin	284
Ideology	
Paul H. Rubin	291
The Importance of the Middle in Spatial Politics	
Otto A. Davis and Melvin J. Hinich	297
Initiative and Referendum	
John G. Matsusaka	300
Institutions of Trade Protection	
Willem Thorbecke	304
Interest Groups 1	
Michael C. Munger	307
Interest Groups 2	
Filip Palda 312
International Game of Power	
Peter Bernholz 315
International Organization	
Roland Vaubel	319
Internet Voting	
Arnold B. Urken	321
Is Russia a Market Economy?	
Ekaterina Stepykina	323
Is Voting Rational?	
William F. Shughart II	326
The Italian Public Finance Contribution to Public Choice	
Domenico da Empoli	329
The Judiciary	
Gary M. Anderson	334
The Law and Economics Movement	
Francesco Parisi	341

Legal Precedents and Judicial Discretion Ben Deorter and Francesco Parisi	. 343
Legal Rules and Standards Hans-Bernd Schaefer	347
Legislative Politics William F. Shughart II	350
Legislators Robert D. Tollison	353
Leviathan Models of Government Fabio Padovano	356
Logic of Collective Action William F. Shughart II	360
The Logic of Liberty Emory Peters and Charles K. Rowley	363
Logrolling 1 Thomas Stratmann	372
Logrolling!2 Joe Oppenheimer	375
Meddlesome Preferences and Rent Extraction: The Tobacco Shakedown Richard E. Wagner	378
The Median in Politics David M. Levy	380
The Median Voter Model Roger D. Congleton	382
Medieval Church Robert B. Ekelund, Jr.	387
Mercantilism Robert B. Ekelund, Jr.	388
Monetary Politics Henry Chappell	390

The New Deal William F. Shughart II	394
Nonprofit Organizations James T. Bennett	397
The Origins of Social Choice Theory Arnold B. Urken	400
The Paradox of Rebellion Peter Kurrild-Klitgaard	403
Parchment versus Guns Richard E. Wagner	406
Political and Cultural Nationalism Frank Buckley and Francesco Parisi	409
Political Business Cycles Thomas D. Willett and Manfred W. Keil	411
Political Economics and Public Choice Fabio Padovano	415
The Political Economy of FEMA Disaster Payments Thomas A. Garrett and Russell S. Sobel	418
The Political Economy of Italian Electoral Reform Ram Mudambi, Pietro Navarra and Giuseppe Sobbrivo	420
Political Transaction-cost Manipulation Charlotte A.L. Twight	424
Pressure Groups and Uninformed Voters Donald Wittman	429
Principal-Agent Relationships in the Theory of Bureaucracy Michelle A. Vachris	433
Prohibition Mark Thornton	437
Public Choice and Socialism Peter J. Boettke and Peter T. Leeson	439

Public Choice and the Chicago School of Antitrust Fred S. McChesney	444
Public Choice in Italy Fabio Padovano	448
Public Enterprise Louis De Alessi	450
Public Finance and the Median Voter Model Randall G. Holcombe	453
Public Finance in Democratic Process Richard E. Wagner	455
Public Goods Laura Razzolini	457
Public Schools Lawrence W. Kenny	459
Public Utility Regulation Michael A. Crew and Paul Ri Kleindorfer	462
Rational Choice Approaches to Economic and Political History Norman Schofield	465
Rational Ignorance Bryan Caplan	468
Rational Irrationality Bryan Caplan	470
Reciprocity Francesco Parisi	472
Redistribute Politics 1 Gordon Tullock	477
Redistribute Politics 2 Thomas Romer	479
Regulating Government J.R. Clark and Dwight R. Lee	482

Regulatory Takings Karol Boudreaux	484
Rent Dissipation Gordon Tullock	491
Rent Extraction Fred S. McChesney	493
Rent Seeking Robert D. Tollison	495
Rent Seeking and Political Institutions Roger D. Congleton	499
Rent-Seeking Games Amihai Glazer	502
Rent Seeking in Development Paul Pecorino	504
The Rule of Law Peter J. Boettke and Ryan Oprea	507
Rules Versus Standards Francesco Parisi	510
Self-Interest Norman Frohlich and Joe Oppenheimer	517
Selfish Gene Gordon Tullock	519
September 11,2001 William F. Shughart II	520
Single-Peaked Preferences and Median Voter Theorems Peter J. Coughlin	524
The Social Cost of Rent Seeking David N. Laband	528
Sortition Alan A. Lockard	530

Standard Oil and Microsoft: Antitrust Lessons Donald J. Boudreaux	533
State-Sponsored Murder as a Rent-Seeking Activity Gerald W. Scully	536
Structure-Induced Equilibrium William F. Shughart II	538
Supply of Public Goods Francesco Forte	540
The Supreme Court Brian Goff	545
Takings and Public Choice: The Persuasion of Price William A. Fischel	549
Term limits 1 Edward J. Lopez	553
Term Limits 2 Bruce Bender	555
Terrorism Anne Rathbone and Charles K. Rowley	558
The Theory and Measurement of Economic Freedom Gerald W. Scully	563
Totalitarianism Peter Bernholz	565
Trade Protectionism William H. Kaempfer, Edward Tower and Thomas D. Willett	570
Transitional Economies Michael J.G. Cain	576
Transitions from Autocracy to Democracy Peter Bernholz	580
Triangulation William F. Shughart II	584

Underground Government: The Off-Budget Public Sector James T. Bennett	587
The Value of Voting Rights Hannelore Weck-Hannemann	590
Votes for Women Lawrence W. Kenny	592
Voting Equipment, Minorities and the Poor Stephen Knack	594
Voting in U.S. Presidential Elections Robert D. Tollison	596
Voting Paradoxes in List Systems of Proportional Representation Peter Kurrild-Klitgaard	599
The War on Drugs Donald J. Boudreaux	603
Welfare Economics and Public Choice Timothy Besley	606
Welfare Economics and the Theory of the State William J. Baumol	610
Why Government Succeeds Amihai Glazer	613
Index	617