

Chapter 1

The Impact of *The Calculus of Consent*

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The most authoritative thing we can say about the impact of *The Calculus of Consent: The Logical Foundations of Constitutional Democracy* is that it had a big impact on us. And though that hardly makes us unique among readers of this volume, providing a useful answer to the more interesting question about the wider impact of Buchanan's and Tullock's (1965 [1962]) book is a difficult task.

Any attempt to evaluate the impact of a particular book, even one as important as *The Calculus of Consent*, is a daunting task. What kind of impact are we talking about? In the case of a scholarly book such as *The Calculus of Consent*, its impact on education and research is obviously relevant. There are different ways to measure this impact, however, and in the case of *The Calculus of Consent*, the measures do not always point in the same direction. Also relevant in the case of the book is the impact on the political process, which is influenced by far more things than scholarly advances. Of course, ideas have important practical consequences, but there are generally long lags between the ideas and the consequences. Certainly the appropriate time frame for political changes of the type considered in *The Calculus of Consent* (fundamental constitutional changes) can be expected to extend far beyond the 50 years since it was published. Even when, and if, constitutional changes do occur, when judging their effectiveness, one should recall Henry Simons' (1951, p. 20) observation:

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Constitutional provisions are no stronger than the consensus that they articulate. At best, they can only check abuses of power until moral pressure is mobilized, and their check must become ineffective if often overtly used.

So another important measure of *The Calculus of Consent's* impact is the influence it has had on public opinion, an influence that would be primarily indirect, if it exists at all.

Obviously, any attempt to assess the impact of *The Calculus of Consent* will necessarily be largely conjectural. But there are some things that can be said at the onset with a reasonable degree of confidence. Buchanan and Tullock clearly made a major intellectual contribution in their book by using economic analysis to challenge dominant views of the democratic process that constituted the intellectual dogma of the day among political scientists, and other social scientists, including economists. Among these views were two that received particular attention from Buchanan and Tullock. The first was that increasing the substantive and procedural constraints on democratic processes would hamper the ability of government to provide for the general welfare by limiting its ability to respond to the desires of voters. The second was that an important function of government is to correct the failures which supposedly characterized real-world markets. The implicit assumption behind these two, as well as other prevailing understandings of the democratic process, was that political agents were motivated primarily by the desire to promote the public good and had the ability to effectively do so.

To mount their challenge, Buchanan and Tullock examined the implications of two powerful propositions that almost all of the leading political scientists of the day had either never considered or had dismissed. First, the most fundamental political choices are not concerned with what government should do but are choices on the rules political agents follow when making decisions that determine what government actually does. Second, the appropriate level for analyzing political choice is the individual, and when making political decisions, individuals are no less influenced by self-interest than when they are making market decisions. After the book was published, these propositions were rejected aggressively by most orthodox political scientists and accepted only reluctantly by many economists, if accepted at all. There is no denying, however, that *The Calculus of Consent* had an immediate intellectual impact, albeit one limited primarily to a small subset of economists and to an even smaller subset of political scientists.

Obviously, the appeal of *The Calculus of Consent* depends to a large degree on the political philosophy of the reader. Those with classical liberal, or libertarian, leanings find the book more appealing than those favoring a more active role for government. But though the book makes a case for strong constitutional limits on government and points to the importance of balancing criticisms of markets with a realistic consideration of political alternatives to market allocation, it also emphasizes the importance of the complex exchanges involved in the provision of public goods that require collective action of the type facilitated by government. So it is not surprising that some on the left have recognized the contribution of

The Calculus of Consent to deeper understandings of the political process. Still, some obvious insights have been largely ignored by most of the economics profession.

In Chap. 5, for example, economists found out, many for the first time, something that should have been obvious for a long time—that political activity generates negative externalities that are at least as pervasive and persistent as those generated by market activity. This has made it difficult, at least for economists, to discuss market failure without, at a minimum, feeling mildly embarrassed if they did not at least hint at the possibility of government failure. And economists could no longer claim explicitly that market failures were sufficient to justify government policies to correct those failures, although this claim was, and still is, often suggested implicitly. Maybe it is not surprising that Bator (1958) wrote “An Anatomy of Market Failure” before the publication of *The Calculus of Consent*. One can hope that an economist with the reputation of Bator would have written this article with more qualifications after 1962, or if he had not, *The Quarterly Journal of Economics* would have refused to publish it without the qualifications. There may be some basis for hope and for seeing the impact of *The Calculus of Consent* as the primary justification for it. Yet, as we shall see, at best, this hope needs to be qualified far more than academic discussions of market failure have been qualified since 1962.

The Impact on Economic Education

When looking for the impact of *The Calculus of Consent*, and public choice more generally, on the teaching of economics, the evidence is disappointing. In an admittedly quick and dirty sampling of 11 widely used economic principles texts, we found few pages containing a discussion of public choice. Based on an index search, the least number of pages containing a mention of public choice was 2, the median number was 4, the average number was 6.5, and the top two each had 18 pages. Those top two were Gwartney et al. (2010) and Arnold (2010), which is not surprising since Gwartney et al. contains “public choice” in the title and Arnold received his Ph.D. in economics from Virginia Tech in 1979 when the Public Choice Center was still there. Also, based on index references, market failure was discussed in all the economics principles text, with government, or political, failure discussed far less, if discussed at all. We want to emphasize that our “research” here was crude. A textbook can provide a public choice perspective on a wide range of issues without making use of the term public choice or government failure. We know this to be the case with Gwartney et al. (2010) and Arnold (2010). We doubt it is nearly as true with the other texts.

Our impression on the coverage of public choice in most principles text is consistent with that of Gwartney and Arnold. In private correspondence, Gwartney stated that

The failure of the profession to integrate public choice into principles of economics and economic analysis more generally is one of my biggest disappointments. I thought this would happen to a larger degree after Jim Buchanan won the Nobel Prize, but it did not. I believe that this omission is the most important shortcoming of modern economic analysis. As a result, we are leaving still another generation of students with a misleading impression about how the political process really works and failing to explain to them why it often results in outcomes that are inconsistent with economic efficiency and dynamic progress.

Arnold stated, also in private correspondence, that

Most of the leading principles texts do very little when it comes to public choice. What they do on public choice is usually quick and brief. Substantive content is missing. Market failure is discussed much more and usually in a “this is something that is really important” tone. For every 1 page on public choice and government failure, there are probably 6–8 pages on market failure.

Further information on the coverage of public choice in economic courses comes from Gwartney (2012), which is based on a paper he presented at the 2012 American Economic Association. His paper, titled “What Should We be Teaching in Basic Economics Courses,” examines the Advanced Placement economic courses taught in high school—which are structured to conform to what is being taught in macro and micro at the college level—and concluded that “the gravest omission of the current teaching of basic economics is the virtual exclusion of the economics of public choice.” Advanced Placement economics was examined further by Ferrarini et al. (2011, pp. 71–72) and concluded that

Students are presented with a highly imbalanced view of market versus government. Market failure is covered, but government failure is totally omitted. Students are left with the false impression of how the political process works and a lack of understanding of why government intervention often leads to outcomes that are dramatically different than those promised by politicians. The cause of economic enlightenment is poorly served by these omissions and imbalances.

This suggests that our expressed hope that Bator would have been unable to publish his article “The Anatomy of Market Failure” in the *Quarterly Journal of Economics* after 1962 may have been naïve. As further evidence in support of this view, Bator’s article has been described as “the standard reference to the approach [that] now forms the basis of textbook expositions in the economics of the public sector.”¹ The hope that *The Calculus of Consent* and the academic development of public choice that followed have had a significant effect on the teaching of economics, particularly at the principles level, is one that has yet to be realized.

¹ See <http://www.hks.harvard.edu/about/faculty-staff-directory/francis-bator>.

Research: The More Select, the Greater the Neglect

We are persuaded that the neglect of government failure, and public choice more generally, in principle text books is found at all levels of economic education, with this extending, though to a lesser degree, into research as well. It is also our impression that the tendency to emphasize market failures and conclude that these failures are sufficient to justify government action to correct them, while largely ignoring the insights of public choice, is more pronounced in the more prestigious or select universities. This impression is just that, an impression, based on general observations and examples, such as the following.²

One of the authors was asked recently to comment on a talk titled “Markets and Government” given by a Nobel Prize-winning economist from an elite American university. His first slide was on the importance of government functions without which markets could not perform well—certainly a reasonable point. The second slide was on four causes of market failures: (1) lack of competition, (2) externalities, (3) incomplete markets, and (4) asymmetric information. Again this is quite reasonable except for not mentioning that each of the four also causes government failures. The economist then acknowledged that while government can improve economic performance, they can also pursue policies that are harmful to economic performance, with the role of economic analysis being to determine what government does well, what it does poorly, and what it is not currently doing to improve the economy that it should be doing. After this introduction, however, the presentation consisted of an argument that the best hope for solving our current economic problem is higher taxes and more government spending and regulation. From conversations at a reception and dinner following the talk, it was obvious that this professor, not surprisingly, knew enough about public choice to have given a talk with a more realistic balance between market and government failures. But one got the impression that he did not quite feel it was in good taste to bring up public choice and government failure in polite company.

There is a plausible argument for why professors at elite universities would be more likely to deemphasize public choice than professors at less esteemed universities. Holding the view that market failures are ubiquitous and government action is justified to correct those failures surely opens more doors to interesting stints in Washington, DC, for the former professors than it does for the latter. This argument is captured in the old joke that “the fastest way for an academic to get to Washington is to go to Harvard and turn left.” When at the prestigious London School of Economics, Hayek (2007, p. 37) noticed a tendency for professors at elite universities

² We recognize that this impression may be biased by the fact that it is the writings and presentations of economists at the more prestigious universities that we, and other economists, are more likely to encounter. So even if the neglect of public choice were evenly spread over all economic departments (and the influence of economists at the elite universities on the rest of the profession certainly pushes in that direction), it could easily appear that it is concentrated in the most highly regarded universities.

to favor active government when in the first edition on *The Road to Serfdom* he wrote:

I am always told by my socialist colleagues that as an economist I should occupy a much more important position in the kind of society to which I am opposed—provided, of course, that I could bring myself to accept their views.

Another example of the neglect of public choice by prestigious professors from select universities comes from the relatively new subfield in economics known as behavioral economics. The early work in what developed into behavioral economics was done in the early 1970s by Daniel Kahneman, a professor of psychology at Princeton, who received the Nobel Prize in economics for this work in 2002 (sharing it with Vernon Smith for his work in experimental economics). The main thrust of behavioral economics, briefly stated, consists of identifying decisions people systematically make under experimental conditions that are inconsistent with the rationality assumption of standard microeconomic models. As examples, the negative value people assign to a loss is greater than the positive value they assign to a gain of the same magnitude, the value people are willing to pay for an item they do not own is less than they require to give it up as soon as they own it, and people will drive 5 miles to reduce the amount paid for a good from \$10.00 to \$5.00 but will not drive 5 miles to reduce the amount paid for another good from \$1000.00 to \$980.00.³

These results are interesting, though some scholars, such as Plott and Zeiler (2005), have argued that they are not as robust with respect to how the experiments are designed as suggested by behavioral economists. Also, see others such as McKenzie (2010) and Glaeser (2006) for broader critiques of behavioral economics. But assuming that such irrationalities are pervasive, there are still reasons to question the willingness of behavioral economists to suggest public policy implications, either implicitly or explicitly, from their results without giving serious thought to public choice considerations or considerations from any well-thought-out model of political behavior. This is a rather serious omission since behavioral economists commonly suggest that since people are not rational, they cannot be depended upon to effectively pursue their own interest in response to market incentives without the guidance of government.⁴ One is left wondering why the same irrationalities that

³ See McKenzie (2010, Chap. 6) for an extensive discussion of the different experimental results upon which behavioral economists base their critique of rationality.

⁴ Ariely (2008, p. 48) is more explicit than most in recommending that government step in to correct market failures due to irrationality. He states that “[i]f we cannot rely on the market forces of supply and demand to set optimal market prices, and ... help us maximize our utility, then we may need to look elsewhere. This is especially the case with society’s essentials, such as health care, medicine, water, electricity, education, and other critical resources. If you accept the premise that market forces and free markets will not always regulate the market for the best, then you may find yourself among those who believe that the government (we hope a reasonable and thoughtful government) must play a larger role in regulating some market activities, even if this limits free enterprise.”

plague market decisions are not also discussed when political decisions are being suggested.⁵

Behavioral economists are ignoring an insight of Buchanan's that was critical to the development of public choice. In recalling his year (1955–1956) in Italy on a Fulbright grant to read the Italian classics on public finance, Buchanan (2007, p. 7) observed that “[t]his Italian year was critical in the development of my ideas on the importance of the relation between the political structure and the positive and normative of economic policy.” Even confining ourselves to just Buchanan's contribution to public finance, we see this insight still paying dividends 24 years later when Brennan and Buchanan (1980) teamed up to write *The Power to Tax* in which they upended several long-standing normative conclusions about taxation by incorporating an explicit model of politics into the analysis. If behavioral economists applied the irrationalities found in their experiments to both market and political agents and compared the results, some of their policy suggestions would surely be upended, but whether upended or not, their policy discussions could be taken more seriously. Since they have not, we have yet another example of resistance to public choice theory in the academy.

Although it may seem that this section has been pessimistic regarding the impact of *The Calculus of Consent* on teaching and research, we do not see it that way. Indeed, we see the reaction to the book and the scholarship that followed from it as exactly what one would expect from any work that mounts a serious challenge to the entrenched wisdom in any academic discipline. Our view that the reaction has been most pronounced in the elite economic and political science departments is not surprising since it is in those departments that we find those with the most to lose from the threat public choice poses to their human capital.

There is also a measure of academic success that clearly points to the powerful positive impact of *The Calculus of Consent*. In the 24 years from the beginning of 1988–2012, *The Calculus of Consent* received 25,699 citations listed in the social sciences index, with this number of citations per year steadily increasing over these years (Thomson Reuters 2012). By way of comparison, over the same time *The Monetary History of the United States: 1857–1960*, by Milton Friedman and Anna Schwartz published in 1963, had 12,109 citations in the same index (Thomson Reuters 2012). It is widely accepted that Friedman and Schwartz (1963) had a big impact on monetary policy. Even if the citation numbers are to be believed, they do not mean that Buchanan and Tullock's book had more impact than Friedman and Schwartz's. But there can be no doubt that both books had a large impact on academic research.

⁵ Thaler and Sunstein (2008, Chap. 17) consider some objections to using behavioral economics findings to nudge (with government often doing the nudging) decisions in more rational directions, with some of these objections being based on concerns that government decisions are likely to make things worse instead of better. Their response focuses on the argument that government will do something about the problems they discuss, and it makes sense to offer good advice. No mention is made of the case for constitutional limits on government as a way of preventing government action that does more harm than good.

The Political Impact

The impact of *The Calculus of Consent*, and the literature it spawned, on economic education and research has not been as positive as we would have liked, but it would seem to be more encouraging than the impact, or lack thereof, on political decisions. Of course one can argue that disappointment in this regard is moderated by the fact that much of public choice analysis contained in, and followed after, *The Calculus of Consent* suggested strongly that it would not have much influence on “politics as usual.” As Buchanan (2007, p. 106) writes, “positive public choice theory suggests that the rent seekers are indeed to inherit our earth.” But this pessimistic view is based on only one of the two analytical threads running through *The Calculus of Consent*; that when people are making decisions within existing rules of the political game, they are concerned primarily with their narrow self-interest. The other analytical thread develops the insight that when considering which rules of the political game would be best, people are more concerned with the general long-run benefits that can be expected to emerge from rules that are chosen. Buchanan has long expressed the view that the hope is not in getting voters to elect better politicians who will put the public interest above those of the rent seekers because it is the right thing to do but in getting agreement on constitutional rules that will increase the political payoff from elevating the general interest above those of the rent seekers. But even here, Buchanan (2007, p. 106) is at best only cautiously optimistic, as reflected in his comment:

Constitutional reform offers the only escape from this gloomy prediction [of the rent seekers inheriting the earth]. But until and unless the rent-seeking potential embodied in the unconstrained institutions of governance is fully appreciated, it remains impossible to secure the requisite constitutional attitude or constitutional wisdom that will make reform a realistic alternative.

In other words, in order to achieve effective constitutional reform, it is necessary to develop a public awareness of the collective harm resulting from a political process that is no longer sufficiently disciplined by constitutional constraints. This takes us back to the observation by Henry Simons (1951, p. 20) that “[c]onstitutional provisions are no stronger than the consensus that they articulate.” The problem is that [see Buchanan quotation in previous paragraph] “the rent-seeking potential embodied in the unconstrained institutions of governance” has already been largely realized, with virtually everyone, either as an individual or a member of a group, benefiting from a government program and the rent seeking that allows it to be maintained or expanded. Almost all of us are now trapped in a prisoners’ dilemma in which government spending has expanded well into the region that leaves us collectively worse off but with each recognizing that he or she would be harmed by a unilateral surrender of their government largess. This prisoners’ dilemma explains both why the United States Congress has an approval rating only slightly higher than swine flu and why congressional incumbents have high reelection rates. People are not happy being surrounded by pirates, but they understandably hesitate to get rid of their own pirate when they are.

It is difficult not to give in to pessimism when hoping the growth in government will be halted and then reversed by constitutional reform. Perhaps this is why Buchanan has expressed somewhat mixed feelings about the impact of his academic work. On the one hand, he states “I should reject, and categorically, any affinity with the preacher who writes or speaks for the express and only purpose of persuading others to accept his prechosen set of values.”⁶ On the other hand, he writes a few pages later “I have often stated that I feel a moral obligation to hope that such [constitutional] reform can indeed take place.”⁷ So it is difficult to classify Buchanan as either a pessimist or an optimist. As he has been known to say, and we paraphrase here, I am a pessimist when I consider the future because there are so many problems on the horizon, but an optimist when I consider the past because things have always worked out better than I thought they would.

Is Reversing Government Growth a Reasonable Hope?

How reasonable is the hope that we can achieve constitutional reform that will make government more responsive to the public interest by reducing its discretionary power? And if such reform does take place, what, if any, role will *The Calculus of Consent* and public choice have played? We shall consider the question on hope first and speculate on the second question in the following section.

We believe there is a darkness-before-the-dawn argument that having hope that government can be beneficially reduced in size with constitutional reform is not delusional.⁸ We begin with Bastiat’s (1995, p. 144) observation that “[t]he state is the great fictitious entity by which everyone seeks to live at the expense of everyone else.” People can disagree as to whether ordinary politics driven by the rent-seeking prisoners’ dilemma described earlier has already made Bastiat’s state a reality in America. Even if we have not arrived at that state, however, we are rapidly headed in that direction with federal transfers in the form of Social Security, Income Security programs (means-tested programs not including Medicaid), Medicare, and Medicaid making up over 60% of the federal budget in 2012. The inevitable result, if this trend continues, is that an increasing number of people will be receiving less value from the government benefits than they are paying for the government benefits of others⁹.

⁶ Buchanan (2007, p. 81).

⁷ Buchanan (2007, p. 106).

⁸ This section will draw on a more complete argument made in Clark and Lee (2011).

⁹ See Office of Management and Budget (2012, Table 3.1, p. 47). Keep in mind that much of the federal government transfers of income and wealth are not recorded in the federal budget. It cost very little to enforce federal regulations and import restrictions that protect some industries from competition. Yet these regulations and restrictions transfer large amounts from consumers and potential competitors to those being protected. Furthermore, the federal transfers that are found in

A point can eventually be reached when forming a controlling coalition that favors shrinking government transfers and government spending in general becomes politically feasible. Of course, depending on how the costs and benefits are distributed, the transfers could become very large, with a majority still receiving more than they are paying or believing they are if they do not consider the largely hidden costs of what the transfers are costing them. But, given political reality, it is unlikely that a majority will remain net beneficiaries of transfers (even ignoring the hidden costs) if they expand much, if any, beyond current levels—the political reality being that the net gains (or losses) from taxes and transfers are more evenly distributed, as a percentage of income, over different income levels than the political rhetoric about transferring from the rich to the poor would have us believe.

Of course, even if most are net losers from government transfers, there would remain at least two serious problems with forming a politically effective coalition in favor of reducing those transfers. First, even if everyone were willing to scale back his transfers in return for others doing the same, there is the problem of reciprocity. As with any prisoners' dilemma, no one is willing to choose the cooperative solution (give up some of her benefits) without assurances that others (or at least large numbers of others) will do the same. Second, even if it is in everyone's narrow interest to sacrifice some of her transfers in return for others doing the same, people regularly ignore their narrow interest when voting. Since the probability that any one vote will determine the outcome of a state or federal election is literally less than that of being killed by jellyfish, the opportunity costs to disregarding one's private advantage to vote in favor of advancing broad social concerns are effectively zero. So, if people are ideologically convinced that government transfers promote such objectives, such as helping the poor or protecting American jobs from foreign competition, many will vote against a general reduction in government transfers (or politicians who support such a reduction) even if they recognize that they would personally benefit from such a reduction.¹⁰ This has become known as expressive voting.

Buchanan and Tullock contributed to understanding these two problems in ways that suggest insightful responses to them, both together in *The Calculus of Consent* and in separate writings. As emphasized in their book, it is easier to get agreement on rules of the game than on the outcomes that will emerge from those rules. To pick an obvious example, the teams in the National Football League are able to agree on the rules of professional football (and occasional changes in those rules), even though they could never agree on the next season's won-lost record of each team that will result from the rules they do agree on. One can think of constitutional rules as a way of providing reciprocity in the sense that we can each agree to subject ourselves to the restrictions imposed by those rules with the understanding

the budget will soon accelerate rapidly since the baby boomers have just begun to become eligible for Social Security and Medicare.

¹⁰ Voting is a good way to achieve a sense of moral virtue at low cost. But this does not always result in people voting against their narrow interest since people have a natural talent for convincing them-

that others will be doing the same. So if enough people want to restrict government transfers and spending collectively, constitutional reform is a way of overcoming, or at least diminishing, the reciprocity concerns that would otherwise prevent getting it done.

But this still leaves the problem of expressive voting—people supporting government actions for ideological reasons even when aware that those actions make them worse off. Most discussions of expressive voting use it to explain how it reduces the responsibility of voters for the costs of what they vote for and therefore why they tend to vote for more government than they would if their political votes in the ballot box were as decisive as their dollar votes in the market place. For example, the first discussion we know of what would later become known as expressive voting was published in 1954 when Buchanan (1999 [1954], p. 80) wrote the following:

It seems quite possible that in many instances the apparent placing of “the public interest” above mere individual or group interest in political decisions represents nothing more than a failure of the voters to consider fully the real costs of the activity to be under-taken. It is extremely difficult to determine whether the affirmative vote of a nonbeneficiary individual for a public welfare project implies he is either acting socially in accordance with a “nobler” ordering of alternatives or is estimating his own self-interest in accordance with a “collective-action” preference scale, or whether it suggests that he has failed to weigh adequately the opportunity costs of the project.¹¹

Tullock (1971) also makes use of expressive voting (again, before that label was coined) to explain why voting for expensive government programs to help others is not as charitable as it seems. If it is charitable at all, it is charity on the cheap since casting a vote either for or against increasing government spending has no meaningful effect on the voter’s personal cost. Of course, expressive voting can motivate support for more government spending on noncharitable activities, such as war, as discussed by Brennan and Lomasky (1993, pp. 49–51), who do use the term “expressive voting” and may have originated it. And Caplan (2007, Chap. 2) considers how expressive voting magnifies the support for what he discusses as four “systematic biased beliefs about economics”—antimarket bias, antforeign bias, make-work bias, and pessimistic bias—all of which can be used to justify more power for, and spending by, government.

However, expressive voting can cut both ways, either for or against larger government. This means that political ideology is the critical factor determining the direction of government growth, far more important than financial interest.¹² The political ideology that has prevailed at least since 1930 has, with minor and short exceptions, been sympathetic to government growth to address a host of problems

selves that government policies that are good for them (e.g., high pay for teachers if you are a teacher) are essential for promoting the general interest (e.g., improving the education of our children).

¹¹ A similar observation is made on p. 38 in *The Calculus*.

¹² If the probability that a vote will determine the outcome of an election is 1 in a million (which is on the high side of a reasonable estimate of the probability in most state or federal elections), then the voter who realizes a penny’s worth of ideological satisfaction from voting for a policy that will cost him \$10,000 if it passes will be indifferent between voting yes or no. In other words, political ideology is a million times more influential than financial interest in the voting booth.

that, though once seen as private or local concerns, are now widely seen as national concerns demanding action by the federal government. The current ideology represents a major shift from that which prevailed over the first 142 years of United States history, during which the federal government peace-time expenditures averaged less than 3% of GDP. If such a major ideological shift occurred once, it seems plausible that a reversal is possible, at least a partial one. But is there any reason to expect that *The Calculus of Consent* and public choice will deserve any credit for such an ideological reversal if it does occur?

The Long-Run Importance of *The Calculus of Consent*

It is easy to dismiss the influence on public opinion of ideas that are almost entirely confined to the work of a few academics. But it also takes little effort to trot out Keynes's (1936, p. 383) famous, but generic, statement in support of the argument that obscure ideas can have big consequences and then assume that this makes a serious case that particular ideas are consequential. It is no doubt true that "[p]ractical men who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist." But what is it about the ideas propagated by *The Calculus of Consent* and public choice that suggests that they will have much, if any, influence on the prevailing political ideology? There are, no doubt, a number of public choice insights that scholars in the field can think of in consideration of this question. But the one we feel deserves emphasis is taken from the title of Buchanan's (1999 [1979]) article "Politics without Romance."

Much of the *resistance* to public choice is a function of the fact that it strips away the romantic notions about the political process that make it so appealing to many. Consider the moral satisfaction that many realize from voting for noble-sounding government programs or for politicians who support them, despite (or because of) their high cost. That moral satisfaction depends on voters' belief that their votes represent their willingness to sacrifice personally to promote virtuous objectives. But the messages people receive from public choice are that (1) their votes do not represent a meaningful sacrifice since their individual votes have no noticeable influence on whether or not the programs they vote for are enacted, (2) those with the most influence on the details and implementation of the noble-sounding programs that are enacted will use their influence to promote their own interests by undermining the achievement of the noble objectives intended, and (3) many of the programs they vote for will end up harming the very people who were intended to be helped no matter how the programs are designed and implemented. If a person accepts these conclusions, there is not much left in the act of voting, or the political process in general, to feel particularly virtuous about.

There is a continuum of reactions to the above public choice messages that can be expected from those who value the righteous feelings they receive from their political "generosity." At one extreme, the reaction is to dismiss belligerently the

nonromantic view of public choice and become more attached to a pro-government ideology. The reaction becomes less hostile as an intermediate position along the continuum is approached at which point the public choice messages are simply ignored, leaving a person's pro-government ideology neither strengthened nor weakened. Beyond the intermediate point, the reaction ceases to be hostile and finds people becoming increasingly open to and convinced by the public choice messages until at the other extreme people are immediately converted to the view that morality would be best served by reducing the power and spending of government. Our belief is that, at any point in time, the hostile half of the continuum contains more people, probably far more, than the nonhostile half. Assuming this is correct, then if public choice were considered only by those who have an emotional attachment to the romantic view of government as a means of expressing their morality, it would have had an impact, but not the one Buchanan and Tullock would prefer.

But the impact of public choice is not limited to those with an emotional stake in the romantic view that the political process is a means of expressing their moral superiority. That number is surely no larger, and probably smaller, than the number who either do not think much about the proper role of government one way or the other or believe, with different degrees of passion, that government has become more destructive than constructive. The latter number has certainly been increasing in recent decades as confidence in the competence of government (the federal government in particular) has diminished along with government's increasingly clumsy and expensive attempts to solve a host of social problems that are inherently less amenable to centralized solutions than winning a war, building an interstate highway system, or putting men on the moon. Of course, it is this experience with government, not the influence of public choice scholarship, that is primarily responsible for increasing the number of people who have given up their romantic views of politics. But this still leaves an important means for public choice to have an impact that Buchanan and Tullock can be proud of.

It is one thing to believe that government should be smaller and less intrusive in our lives. It is quite another to have a coherent understanding of why government has become increasingly excessive and what to do about it. Probably the most common belief is that better people need to be elected to public office, meaning people who understand that the public welfare would be improved if government were reduced in size and scope and are willing to act on that belief independently of their personal advantages. Almost none of those who believe this have ever heard of public choice, much less read an article or book on it. But a few will read a popular piece by someone who does know something about public choice, or will talk to, or hear a discussion by, someone who has. And the academic influence of *The Calculus of Consent* and the public choice literature on constitutional economics it spawned make it likely that many of those desiring the downsizing of Leviathan will hear about the futility of attempting to achieve that objective by changing politicians, without changing the incentives they face. To these people, the stress on the importance of constitutions, and the need for constitutional reform, can lead to a sharper understanding of what is required to impose tougher restraints on the political

process and a stronger commitment to support such reform. Furthermore, recalling Simons (1951, p. 20) once again, such commitments increase the restraint imposed by our existing constitution by strengthening the consensus that its provisions articulate.

In addition, the impact created by the intellectual respectability of *The Calculus of Consent* and subsequent contributions to public choice, though being narrowly confined initially, can gradually grow over time to exert a powerful, but largely unnoticed, influence on the prevailing political ideology. Like many social phenomena, political ideology is subject to a network effect—meaning that as the number of people who have a particular political ideology increases, the more value others receive from having the same or similar ideology. The result is that a critical number of adherents of an ideology can reach a point, often referred to as a tipping point, which motivates a bandwagon effect in favor of that ideology. This obviously does not mean that everyone in the country, or even a small community, will end up with the same political ideology, but it is common for a particular ideology to dominate within groups made up of people who identify with each other for any number of reasons, such as being members of the same academic discipline. And even in groups as large as nations, it is possible to identify differences in the prevailing political ideology between nations and across time. As discussed earlier, it is obvious that the prevailing political ideology in America is currently more hospitable to a larger and more active government than it was during the nineteenth and into the twentieth century. So it is possible that work by Buchanan and Tullock published 50 years ago as *The Calculus of Consent*, and the intellectual movement that it initiated, is now nurturing a broader ideological movement that will eventually shift the prevailing political ideology back toward that which prevailed in the United States for well over half of its history. And the power of political ideology, as magnified by expressive voting, suggests that a small shift in that ideology, leading to a small increase in the value voters place on expressing themselves in favor of smaller government, can have a large impact on political decisions.

We recognize that our arguments do not assure a more restrained and disciplined political process that is more responsive to the general welfare than our current political arrangements. Indeed, when making our arguments, we often thought of Samuel Johnson's characterization of second marriages as the triumph of hope over experience. But in the end, we are more inclined to agree with Alfred Marshall's (2009 [1924], 164n) observation that "without hope there is no enterprise." We like to think Buchanan and Tullock join us in favoring Marshall's view as well.

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