

# Public Choice: The Economics of Government

by Robert F. Graboyes  
Federal Reserve Bank of Richmond  
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Economics has been called an "imperialistic" science because economists have taken the tools of their trade and applied them to other fields of study--and not always with a welcome invitation. Economists have contradicted historians' traditional views about the American Civil War and certain aspects of slavery. They have challenged psychologists' theories on the fundamentals of human motivation. Economists have offered theories on the origins of crime, marriage, and the family that differ substantially from the theories of sociologists. Even natural scientists are not immune: economists have applied demand and supply analysis to the behavior of birds, mice, and even plants.

Economists have been especially potent in challenging traditional views on why governments exist and why they do what they do. A distinctive school of economic thought called the "public choice" school argues that governments and electorates consist of many individuals, each with his own interests and preferences, and should be analyzed accordingly. These economists argue that political scientists oversimplify government by treating it as if it were a single entity benignly fulfilling "the popular will" or malignly carrying out the ends of some dictator or political party.

This more fragmented view of government and its environment requires more complex analytical tools but, they argue, yields a truer picture of how the world works.

By chance, the Fifth Federal Reserve District has long been a hub of activity for this philosophy. Decades ago, a prominent group of public choice economists coalesced at the University of Virginia, later moved to Virginia Polytechnic Institute and State University, and most recently resettled at George Mason University, also in Virginia. This group's distinctive and influential work has led some to refer to a "Virginia School" of economic philosophy. The most prominent name among the group is that of James Buchanan, whose work won him the 1986 Nobel Memorial Prize in Economic Science.

Public choice economists look at a long list of questions, including the following:

- How and why do political parties form?
- What motivates an individual to go to the polls to vote?
- Why do countries adopt constitutions?
- Why do governments' actions diverge from voters' preferences?
- What method of voting will best enable governments to calculate voters' preferences?
- What exactly do we mean by "voters' preferences?"
- What is the fairest and most efficient means of taxing voters?
- How does mobility (voting-with-the-feet) among citizens affect the behavior of governments?
- What are the dynamics that govern the behavior of competing interest groups?
- Why do revolutions occur?
- What defines economic justice?

Public choice economists do not all think alike, vote alike, or view government alike. As a general rule, though, members of this school tend to be more skeptical than most of the ability or desire of governments to fulfill the popular will (whatever that term might mean). They tend, instead, to place greater trust in markets and in individuals' decisions to bring about the greatest public good.