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# Overcoming the public choice dilemma [1]

Written by **Whig** [2] | Friday 11 January 2013

With the death of James Buchanan [3], it is interesting to reflect on some implications of public choice theory. Public choice theory presents a powerful explanation of why democracies tend towards government expansions that are difficult to reverse. As Dr Butler succinctly puts it: 'small groups with sharply focused interests have more influence in decision-making than much larger groups with more diffused concerns, such as taxpayers.'

Buchanan and the public choice school stress the importance of constitutional restraints on the size of government. Indeed, many Americans revere their Constitution?s ability to check the growth of government. Some of the Founding Fathers understood the public choice-style implications of large government and the tendency towards it, even if they did not express these fears in the same language.

But American constitutionalism has not been entirely successful in restraining the growth of government. For all its merits in guaranteeing enunciated political liberties, over time the US has seen such significant erosion of many of the economic liberties of the US that in many respects it is not greatly different from European 'social democracies' in terms of government spending [4] or economic regulation.

Fortunately, it is not inevitable that large government will favour special interests. Public choice assumptions account for only part of the rationale for collective action. There are significant variations between and within different polities in relation to particular levels of government activity. There have been points when large group interests have coalesced to prevent further exploitation by special interests. Without siding with critics of Public Choice, it is important to recognise that its explanatory power is not total.

I would argue, following Robert Higgs (his fascinating lecture series is well worth a listen [5]), that ideology also presents a major explanatory factor that runs counter to 'instrumental' interests.  In the US, this would suggest that the growth of government and the 'failure' of the Constitution has been caused as much by the development of new ideologies such as Socialism, Progressivism, Keynesianism and so on as by pure instrumental interests (particularly because the results of such ideologies often run counter to the instrumental interests of many of those who support them). By the same token, the American Revolution itself emanated from a Whiggish culture and ideology which was imbued with a scepticism of powerful government and a desire for liberty. Ideology, as much as interest, also explains say, the abolition of the slave trade or Thatcherism.

Those advocating a smaller state should, therefore, take some heart that public choice theory does not provide a remorseless logic of concentrated special interests overpowering the general interest.

Public choice presents a powerful ideological reason to oppose big government and rent-seeking, and ideas about how to do so. But, alongside public choice critiques of government, we must also promulgate an ideology of a free society and limited government. As Higgs points out, prevailing ideologies can be shifted, sometimes rapidly.

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