
Subject index

- α -property, 577, 587–8
- acyclicity, 585, 644
- agenda setters
 - and budget referenda, 371–3, 668–9
 - in bureau-sponsor situations, 363–8
 - in logrolling situations, 118–20
 - with majority rule cycles, 112–4, 360–1
- alienation, 232–3
- allocative efficiency
 - with bureaucracies, 363–8
 - with clubs, 183–6, 194–9, 677
 - and collective choice, 179–81, 675–9
 - with demand-revealing process, 162–6
 - with externalities, 25–7
 - under majority rule, 140–3
 - with point voting, 172–3
 - and prisoners' dilemma, 9–14
 - and public goods, 10–1, 18–25
 - versus redistribution, 138–46, 675–7
 - and social welfare function, 564, 578
 - under voting-with-the-feet, 186–94, 202–4
 - see also* Pareto postulate
- anarchy
 - cooperation within, 12–4
 - distribution out of, 9–10, 577
- anonymity axiom, 134, 152, 569
- approval voting, 148–52, 156–7
- Arrowian SWF, *see* social welfare function (Arrow)
- auction voting process, 168–9, 179–81, 678
- autocratic government, *see* dictatorship

- β -property, 587–8
- Banks set, 125
- bargaining problem (Nash), 576–7
- bargaining set, 118, 125
- Baumol effect, 510–1, 531
- Benthamite SWF
 - normative properties of, 569–71, 578–81
 - and probabilistic voting, 254, 256–7
 - see also* social welfare function
- Bergson–Samuelson SWF, *see* social welfare function (Bergson–Samuelson)
- black markets, 539–44
- Borda count, 149–57, 590–1

- bureaucracies
 - efficiency of, 373–80
 - and government size, 222, 523–7
 - incentives in, 362–3
 - monitoring of, 367
 - objectives of, 362–3, 368–71
 - output of, 362–3
 - power within, 360–2, 371–3
 - size of, 362–8, 371–3
- cabinet stability, 290–5
- campaign expenditures
 - determinants of, 486–8
 - empirical evidence, 481–96
 - informative, 476–7
 - models of, 476–81
 - persuasive, 477–81
 - and votes for candidates, 481
 - and voting by representatives, 489–96
 - welfare effects of, 497–500
- cancellation axiom, 152
- candidates
 - entry and exit of, 242–3
 - objectives of, 230, 241–3, 278–80, 442–3, 489–96
 - provision of information, 476–7
- cardinal utility
 - and Arrow's SWF, 591, 596
 - and Bergson–Samuelson SWF, 565–8
 - and demand-revealing procedure, 174
 - and Harsanyi's SWF, 569–71
 - and point voting, 174
- central bank independence, 465–6
- central party, 284
- centralization of government, 227–9
- chicken, game of, 16–8
- choice function, 586
- choice set, 152
- closed-minimal-range hypothesis, 282–4
- clubs
 - and Arrow theorem, 590
 - and core, 186, 194–7
 - optimality properties, 183–6, 194–7, 677
 - for redistribution, 48

764 Subject index

- coalition theories, multidimensional issue space, 285–9, 666
- coalition theories, one-dimensional issue space, 280–4, 665
- Coase theorem,
 - and core, 30–32
 - experimental results, 29–30, 73
 - generalization of, 32–4
 - with more than two players, 30–32, 35–40
 - and property rights, 30–2, 34–5
 - statement of, 27–30
- competitive solution to a game, 118, 124–5
- Condorcet criterion, 124, 147–52
- Condorcet jury theorem, 128–33
- conflict issues, 627, 631
- congressional dominance
 - through administrative procedure, 388
 - through administrative structure, 386–8
 - with judiciary, 399–401
 - president dominates, 393–5
 - over president, 391–2
- consistency axiom, 152–3
- constitutions
 - and Arrow axioms, 583, 595
 - constraints on bureaucracy and government, 380–2
 - as contracts, 615–6, 634–6, 637–9
 - as conventions, 636–9
 - emergence from anarchy, 9–10, 577
 - fairness of, 615
 - obligations under, 631–4
 - and Paretian liberal rights, 652–4
 - within Rawls's theory, 602
 - rights under, 631–4, 652–4
 - as SWFs, 580–1, 620–1, 639
 - symmetry constraint under, 624–5, 627
 - uncertainty and, 615–7, 619–24
 - and voting rule choices, 622–3, 625–7, 629–31
 - see also* social contract
- contractarian theory, 6, 141, 144, 598–9, 676
- Coombs system, 147–52, 157
- coordination games, 14–6
- core
 - and Coase theorem, 30–2
 - with clubs, 186, 194–7
 - definition of, 30–1
 - and difference principle, 604–5
 - and heart, 286
 - in majority rule experiments, 123–6
- corruption, 544–5
- cycling
 - under logrolling, 107–9
 - under majority rule, 84–5, 98–9
 - and Paretian liberal theorem, 644
 - under a qualified majority rule, 99–103
 - tests for, 120–6, 658, 662–3
 - under two-party competition, 232, 249–52
 - and transitivity axiom, 586–8
- deadlocks between president and Congress, 395–9
- decisionmaking costs, *see* transactions costs
- decisive set, 584
- decisiveness axiom, 134
- deficits, 466–9
- degree of publicness, 246–7
- demand-revealing process, 162–8, 179–81, 594, 678
- democracy, economic performance of, 420–5, 553
- dimension-by-dimension median, 286–9
- deviation from proportionality, 277–8
- deterministic voting, 249–52
- d'Hondt formula, 267, 269, 278
- dictatorship
 - definition of, 406–7
 - dilemma of, 416–7
 - economic performance of, 420–4
 - goals of, 409–12
 - origins of, 407–9, 417–20
 - survival of, 414–6, 417–20
- difference principle, 599–602, 604–7, 609, 612
- direct democracy, 531–3
- dominant strategy
 - under approval voting, 156
 - definition of, 10, 12
 - under demand-revealing process, 160–3
 - of minimax-regret voter, 307–8
 - in prisoners' dilemma, 12
 - and uncovered set, 237–40
- Droop quota, 267, 269, 278
- Duverger's law, 271–6, 296, 299
- economic freedom and growth, 553–4, 560
- economic man assumption, 1–2, 230, 476, 479–80
- effective number of parties, 273–6, 292–4
- electoral competition and macroeconomic policies, 437–46, 456–9
 - see also* two-party and multiparty systems
- electoral rules
 - defined, 265–71
 - and degree of proportionality, 276–8
 - and number of parties, 271–6
- elimination of indifferent individuals axiom, 568–9
- entitlement principle, 607–8, 609
- ethical voter hypothesis, 322–5, 329–32
- envy, and difference principle, 606
- evolutionary game theory, 15–6
- experimental economics,
 - and Coase theorem, 29–30, 73
 - and cycling, 123–6
 - and public goods provision, 40–42
- expressive voter hypothesis, 320–22, 329–32
- externalities
 - and Coase theorem, 27–34
 - definition of, 25
 - and Pareto optimality, 25–7
- extremal restriction, 94–7
- European Union
 - budget, 226–7

- decision making in, 401–5
 redistribution in, 59–63, 226–7
 taxation in, 533
- fairness, *see* justice
 faithfulness axiom, 152–3
 federalism
 assignment problem, 209–13
 centralization under, 227–9
 grants under, 215–27
 logrolling under, 213–5
 and government size, 213–5, 223–7, 533
 finite sensibility units, 575–6
 fiscal illusion, 221–3, 527–30
 flypaper effect, 221–3
 free-rider principle, 13, 35–40, 473–5, 658, 666–8
- government
 autocratic, *see* dictatorship
 constitutional constraints on, 380–2
 efficiency of, 371–80
 reasons for, *see* externalities, public goods,
 redistribution, transaction costs
 see also government size
 government size
 and Baumol effect, 510–1, 531
 and black markets, 539–44
 bureaucracy and, 222, 523–7, 531–2
 and corruption, 544–5
 demand for public goods and, 506–11, 530
 and direct democracy, 531–3
 and economic growth, 548–60
 federalism and, 213–5, 223–7, 533–4
 fiscal illusion and, 527–530
 interest groups and, 354–5, 519–23, 532, 545–60
 as monopolist, 380–2
 and productivity, 545–8
 redistribution and, 511–9
 statistics on, 501–6, 511–2, 520
 and tax elasticity, 528–9
 and transaction costs, 521–2
 grants, intergovernmental, 215–27
 growth of nations, 548–59
- Hare formula, 267, 269, 278
 Hare system, 147–52, 157
 Harsanyi SWF, *see* social welfare function
 (Harsanyi)
 heart, political, 285–7
- ideology
 and party policies, 440–46, 447–59, 470–1, 665
 and representative voting, 489–96
 Imperiali formula, 267, 269, 278
 independence of infeasible alternatives, 590
 independence of irrelevant alternatives, 583, 590–6
 indifference of voters, 232–3
 individualism, 676
- inflation, 461–6
 interest groups
 and campaign expenditures, empirical evidence,
 481–9
 and campaign expenditures, theory, 475–81
 effect on growth of nations, 555–60
 and electoral equilibria, 255–7
 formation of, 473–5
 and government size, 519–23, 532
 and lobbying, 496–7
 and rent seeking, 347–53, 554
 welfare effects of, 497–500, 680
- judiciary
 goals of, 399–401
 interaction with other branches, 399
- justice
 as fairness, 598–9
 general conception of, 599, 608–9
 institutions favoring, 599–600
 and SWF, 570–5
 special conception of, 599–602, 606
 two principles of, 599–602, 604–9
- Leviathan model of government
 empirical evidence of, 382–3
 theory of, 380
- lexicographic orderings
 within Bergson-Samuelson SWF, 565–6
 within difference principle, 600–2, 604–6
 of two principles of justice, 600, 604
- liberal rights
 over actions, 646–8, 650–1
 versus constitutional rights, 652–4
 definition of, 643–4
 Paretian paradox, 643–4
 Rawlsian, 599–600, 604, 607–8
 resolutions of paradox, 644–50
 over states of the world, 643–4, 650–1
- limited voting, 270–71
- Lindahl tax price
 and demand-revealing process, 168–9
 and public good provision, 71–2, 197–8
 and public provision of private good, 81–2
- lobbying, 496–7
 logrolling, 104–12, 118–20, 213–5, 234, 670
- majority rule
 and agenda manipulation, 112–4
 allocative efficiency under, 140–3, 519–20
 axiomatic equivalence, 133–6
 and Condorcet jury theorem, 128–33
 cycling under, 84–5, 107–9
 definition of, 133
 equilibrium under, with homogeneous preferences,
 97–101
 equilibrium under, with nonspatially defined
 preferences, 94–7

- majority rule (*cont.*)
 - equilibrium under, with spatially defined preferences, 85–93
 - May's theorem, 133–6
 - and minimum-winning-coalitions, 281–4, 290–1
 - normative case for, 76–8
 - Rae-Taylor theorem on, 136–7
 - redistribution under, 53–6, 79–84, 138–43, 145–6, 511–9
 - tyranny under, 106–7, 122
 - unanimity rule, comparison with, 138–46
- May's theorem, 133–6, 145, 670
- maximin strategy, 601–2, 609–11
- median voter theorem
 - and candidate positions, 231–2
 - empirical testing of, 243–6
 - with multidimensional issues, 87–93
 - and redistribution, 511–9
 - with single-dimensional issues, 85–6
- midterm cycle, 445–6, 455–7
- minimal-connected-winning coalition, 282–4, 290–1
- minimal-winning-coalition, 281–4, 290–1
- minimax-regret strategy for voting, 307–9
- minimum-winning-coalition, 281–4, 290–1, 669
- multiparty systems
 - coalitions within, multidimensional issue space, 285–9
 - coalitions within, one-dimensional issue space, 280–4
 - electoral rules to create, 265–71
 - number of parties under, 271–6
 - proportionality under, 276–8
 - reasons for, 264–5, 298–301, 678
 - and social stability, 295–6
 - stability of, 290–5
 - strategic voting in, 297–8
- Nash SWF
 - normative properties of, 578–81
 - and probabilistic voting, 254
- von Neumann-Morgenstern utilities, 570
- von Neumann-Morgenstern solution, 84, 118
- neutrality axiom, 134
- nondictatorship axiom, 583, 585–6, 592–4
- openness of economy, 507–8
- optimal majorities, 74–8, 99–104
- obligations, constitutional, 631–4
- ordinal utility
 - and Arrow's SWF, 591
 - and Bergson-Samuelson SWF, 565–8
 - and May's theorem, 133
 - and voting by veto, 174
- original position, 598–603
- Paretian liberal theorem, *see* liberal rights
- Pareto postulate, 583, 585, 644–6
 - see also* allocative efficiency
- parties, *see* candidates, multiparty systems, two-party systems
- partisan business cycle, 440–46, 447–59, 470–1, 665
- path independence, 587–8
- Pigouvian tax, 27
- plurality rule, 147–52, 157
- point voting, 169–74, 179–81, 594, 678
- political business cycle
 - evidence of, 446–59
 - opportunistic, 437–40, 451–9, 469–71
 - partisan, 440–46, 447–59, 470–1, 665
- political man hypothesis, 476, 479–80
- Popitz's law, 227–8
- popularity functions, 429–36
- positive association axiom, 592
- positive responsiveness axiom, 134
- power, 360–2, 371–3, 411
- president and Congress
 - Congress controls president, 391–2
 - deadlocks, 395–9
 - president controls Congress, 393–5
- primary goods, 600–1
- prisoners' dilemma
 - and campaign spending, 498–500
 - and government intervention, 9–14
 - under logrolling situations, 118–9
 - and number of players, 12–4, 35–9, 473–5
 - and Paretian liberalism, 646–8
 - and public goods, 10–11, 35–42, 473–5
 - supergames, 12
- probabilistic voting models
 - critique of, 261–2
 - equilibria under, 252–3
 - evidence for, 259–60
 - and interest groups, 255–7
 - normative characteristics, 253–7, 260–1, 679–80
 - taxation with, 257–9
- property rights
 - and Coase theorem, 34–5
 - and majority rule, 134–5, 138–40, 143
 - and multiplicative SWF, 577
 - origin of, 10–11
- proportional representation, *see* multiparty systems
- public choice
 - definition of, 1
 - critique of, 657–9, 662–68
 - development as field, 2–6
 - methodology of, 2, 3, 659–62, 671–4
 - and normative political theory, 670–1
 - testing models of, 668–70
- public goods
 - and allocative efficiency, 19–24, 68–71
 - characteristics of, 10–1
 - and chicken game, 16–8
 - clubs and provision of, 183–6, 194–9
 - and collective choice, 9–18, 39–40, 63–72
 - demand for, 243–6, 506–11
 - and prisoners' dilemma, 10–1

- theory and development of public choice, 3
 voluntary provision of, 18–25, 40–2
 and voting-with-the-feet, 186–94
 and weakest-link-technology, 22–5
- quasi-transitivity, 586
- Rae-Taylor theorem, 136–7, 145
- range axiom, *see* unrestricted domain
- rational ignorance, 303–4, 380–2, 680
- rational voter hypothesis
 evidence, 308–20
 logic, 304–8, 329–32
- redistribution
 and allocative efficiency, 51–3, 138–46, 675–7
 within constitution, 679
 difference principle, 599–602, 604–7, 609, 612
 and distribution of income, 58–60
 entitlement principle, 607–8, 609
 evidence of, 56–8, 61–3
 and fairness norms, 49–51
 and government intervention, 45–53
 and government size, 511–9
 under Harsanyi SWF, 571–5
 as insurance, 45–7, 50–1, 679
 and interest groups, 61–3, 343–53, 519–23,
 554–6
 under majority rule, 53–6, 679
 Pareto optimal, 47–51
 with unanimity rule, 45–53, 143–4
 under voting-with-the-feet, 192–4, 200–1, 202–4
- referenda, outcomes under, 245, 371–3, 531–2
- regulation, 343–7
- rent seeking
 dissipation of rents and entry, 337–40
 dissipation of rents and returns to scale, 335–7
 dissipation of rents and risk preferences, 340–1
 and government expenditures, 354–5
 and interest groups, 347–53
 reasons for, 333–5
 regulation and, 343–7
 significance of, 345–7, 352–3, 355–7
 and trade policy, 348–53
- rent seeking contests, design of, 342–3
- representative democracy, need for, 230
see also candidates, government as monopolist,
 multiparty systems, two-party systems
- representatives voting, 489–96
- revolution, 204–6
- rights, constitutional, 631–4, 652–4
- risk preferences, effects
 on bureaucrat's behavior, 370–1
 on distributional preferences, social contract,
 601–2, 604–5
 on redistribution, observed, 56–8
 on rent dissipation, 340–2
 on SWF choice, 571–5, 578–80
 on voting, 307–8
- Sainte-Lagué formula, 267, 269, 278
- Samuelsonian condition, 19, 24, 70
- Schelling point, 15
- selfish voter hypothesis, 325–32
- sincere voting, 119n, 131–3
- single-nontransferable vote, 271
- single-peakedness, 85–6, 589–90, 595
- single-transferable vote, 269–70
- sixty-four percent majority rule, 99–103
- social contract
 compliance problem, 603–7, 609–11
 and positive public choice, 612–3
 process vs. end state rules, 607–9
 theory of, 597–9, 603–7
- social welfare function (Arrow)
 axioms underlying, 583, 585–9, 595–6
see also individual axioms
 definition of, 582
 proof of impossibility, 584–5
 and public choice's development, 2–5, 677
 and real valued SWFs, 582
 and strategy proofness, 592–5
- social welfare function (Bergson–Samuelson)
 additive (Benthamite), 565–6
 and axiomatic SWF, 582
 definition of, 563–5
 impossibility of, 565–8, 670, 677–8
 multiplicative (Nash), 565–6
 and Pareto optimality, 564–5
 and public choice's development, 2–5
- social welfare function (Fleming), 568–9
- social welfare function (Harsanyi)
 axioms underlying, 568
 and constitution, 580–1, 620–1, 639
 defined, 570
 realism of, 575
 and risk, 571–4
 unanimous agreement to, 572–5
- social welfare function (Nash), 576–81
- social welfare function (Ng), 575–6, 678
- sociotropic voting, 460–1
- sophisticated voting, 119n, 131–3, 155–6
- spatial voting models
 of candidate competition, 231–41, 658, 663–5
 of committee voting, 85–93, 97–102, 112–3,
 115–7
 in multiparty systems, 280–9, 665–6
- split-ticket voting, 445–6, 455–6
- status quo
 and multiplicative SWF, 576–7
 and unanimity rule, 138–9, 143–4
- strategic voting, 296–8
see also sophisticated voting
- strategy-proofness, 592–5
- structure-induced equilibria, 115, 116–20
- symmetry axiom, 577
- symmetry as a constitutional constraint, 624–5,
 627

768 **Subject index**

- taxation
 - elasticity, 528–9
 - harmonization, 533
 - model of, 257–9
 - welfare loss from, 536–9
- totalitarianism, *see* dictatorship
- trade policy, 348–53
- transaction costs
 - and choice of voting rule, 74–8, 627–31
 - and congressional dominance, 389–91
 - and constitutional rights, 631–4
 - and government intervention, 39–40, 521–2
 - and unanimity rule, 72–3
- transitivity axiom, 94, 583, 586–8, 595
- two-party systems
 - outcomes with deterministic voting, 231–41, 249–52, 658, 663–5
 - outcomes with probabilistic voting, 252–63, 658, 663–5, 679–80
 - and SWFs, 680
- unanimity axiom, *see* Pareto postulate
- unanimity rule
 - and allocative efficiency, 67–72
 - assumptions favoring, 137–46
 - and contractarian theory, 137–46, 597–9, 603, 615, 680
 - and decisionmaking costs, 72, 143–4
 - and majority rule, 138–46
 - and property rights, 137–8, 680
 - and public good provision, 67–72
 - and redistribution, 143–4
 - and social welfare function, 572–5
- uncertainty
 - and congressional dominance, 389–91
 - and constitutions, 602, 615–7, 619–24, 639–40
 - and power, 360–2
 - and redistribution rules, 609
 - and social contract, 598–9
- uncovered set, 125, 236–41
- universalism, 122, 215
- underground economy, 539–44
- unrestricted domain, 583, 589–90, 595, 644
- utilitarianism, 597, 605, 608–9
- valence of issues and equilibria, 240–1
- veil of ignorance, 598–607, 610–1
- voluntary exchange approach, 5–6, 179–81
- vote functions, 429–33
- vote trading, *see* logrolling
- voter attitudes
 - toward government size, 516
 - toward macroeconomic conditions, 440–3
 - as selfishly motivated, 323–5
- voter behavior
 - and alienation, 232–3
 - empirical studies of, 308–20, 459–61
 - as ethical act, 322–5, 329–32
 - as expressive act, 320–2, 329–32
 - and indifference, 232–3
 - information gathering, 303–4, 380–2, 680
 - myopia, 438–9, 459–60
 - as rational act, 304–8, 329–32, 439–40, 444–6, 459–60, 658, 666–8, 689
 - as retrospective act, 443–4, 459–60
 - as selfish act, 325–32, 460–1
 - sociotropic, 460–1
 - split-ticket voting, 445–6, 455–6
- voting by veto, 174–81, 594, 678
- voting-with-the-feet
 - and Arrow theorem, 590, 595
 - distributional consequences, 192–4, 200–1, 202–4
 - empirical testing, 199–202
 - optimality properties, 186–94, 677
- Wagner's law, 531
- weak-majority preference criterion, 576
- weakest-link technology of public good provision, 22–5