

## An Economic Theory Of Democracy

The Calculus of Consent, the second volume of Liberty Fund's The Selected Works of Gordon Tullock, is a reprint edition of the ground-breaking economic classic written by two of the world's preeminent economists--Gordon Tullock and Nobel Laureate James M. Buchanan. This book is a unique blend of economics and political science that helped create significant new subfields in each discipline respectively, namely, the public choice school and constitutional political economy. Charles K. Rowley, Duncan Black Professor of Economics at George Mason University, points out in his introduction, "The Calculus of Consent is, by a wide margin, the most widely cited publication of each coauthor and, by general agreement, their most important scientific contribution." The Calculus of Consent is divided into four parts, each consisting of several chapters. The introduction by Professor Rowley provides a short overview of the book and identifies key insights that permeated the bounds of economics and political science and created an enduring nexus between the two sciences. Part I of The Calculus of Consent establishes the conceptual framework of the book's subject; part II defines the realm of social choice; part III applies the logic developed in part II to describe a range of decision-making rules, most notably, the rule of simple majority; and part IV explores the economics and ethics of democracy. Gordon Tullock is Professor Emeritus of Law at George Mason University, where he was Distinguished Research Fellow in the Center for Study of Public Choice and University Professor of Law and Economics. He also taught at the University of South Carolina, the University of Virginia, Rice University, Virginia Polytechnic Institute and State University, and the University of Arizona. In 1966 he founded the journal that became Public Choice and remained its editor until 1990. James M. Buchanan is an eminent economist who won the Alfred Nobel Memorial Prize in Economic Sciences in 1986 and is considered one of the greatest scholars of liberty of the twentieth century. He is also Professor Emeritus at George Mason and Virginia Tech Universities. Charles K. Rowley was Duncan Black Professor of Economics at George Mason University and a Senior Fellow of the James M. Buchanan Center for Political Economy at George Mason University. He was also General Director of the Locke Institute.

"Rationalist theories of political behavior have recently risen in status to that of a new—or, more accurately, rediscovered—paradigm in the systematic study of politics. Brian Barry's short, provocative book played no small part in the debate that precipitated this shift. . . . Without reservation, Barry's treatise is the most lucid and most influential critique of two important, competing perspectives in political analysis: the 'sociological' school of Talcott Parsons, Gabriel Almond, and other so-called functionalists; and the 'economic' school of Anthony Downs and Mancur Olson, among others."—Dennis J. Encarnation, American Journal of Sociology

Post-conflict reconstruction is one of the most pressing political issues today. This book uses economics to analyze critically the incentives and constraints faced by various actors involved in reconstruction efforts. Through this analysis, the book will aid in understanding why some reconstructions are more successful than others.

Robert Dahl's Preface helped launch democratic theory fifty years ago as a new area of study in political science, and it remains the standard introduction to the field. Exploring problems that had been left unsolved by traditional thought on democracy, Dahl here examines two influential models--the Madisonian, which represents prevailing American doctrine, and its recurring challenger, populist theory--arguing that they do not accurately portray how modern democracies operate. He then constructs a model more consistent with how contemporary democracies actually function, and, in doing so, develops some original views of popular sovereignty and the American constitutional system.

How the creation of the Nobel Prize in Economics changed the economics profession, Sweden, and the world Our confidence in markets comes from economics, and our confidence in economics is underpinned by the Nobel Prize in Economics, which was first awarded in 1969. Was it a coincidence that the prize and the rise of free-market liberalism began at the same time? The Nobel Factor is the first book to describe the origins and power of the most important prize in economics. It tells how the prize, created by the Swedish central bank, emerged from a conflict between central bank orthodoxy and Sweden's social democracy. The aim was to use the halo of the Nobel brand to influence the future of Sweden and the rest of the developed world by enhancing the bank's authority and the prestige of market-friendly economics. And the strategy has worked spectacularly—with sometimes disastrous results for societies striving to cope with the requirements of economic theory and deregulated markets. Drawing on previously untapped archives and providing a unique analysis of the sway of prizewinners, The Nobel Factor offers an unprecedented account of the real-world consequences of economics and its greatest prize.

The quest for freedom has triggered a worldwide movement toward political democracy and economic rationality. This major study analyzes recent events in Eastern Europe and Latin America, focusing on transitions to democracy and market-oriented economic reform.

Deliberation and Decision explores ways of bridging the gap between two rival approaches to theorizing about democratic institutions: constitutional economics on the one hand and deliberative democracy on the other. The two approaches offer very different accounts of the functioning and legitimacy of democratic institutions. Although both highlight the importance of democratic consent, their accounts of such consent could hardly be more different. Constitutional economics models individuals as self-interested rational utility maximizers and uses economic efficiency criteria such as incentive compatibility for evaluating institutions. Deliberative democracy models individuals as communicating subjects capable of engaging in democratic discourse. The two approaches are disjointed not only in terms of their assumptions and methodology but also in terms of the communication - or lack thereof - between their respective communities of researchers. This book provides a comprehensive overview of the recent debate between the two approaches and makes new and original contributions to that debate.

Capitalism is hegemonic today not because it is the best we fallible humans can do but because it supports, and is supported by, special interests of immense power. This book argues that Economic Democracy, a competitive economy of democratically run enterprises that replaces capitalist financial markets with more suitable institutions, will be more efficient than capitalism, more rational in its growth, more democratic, more egalitarian, and less alienating. Against Capitalism is an ambitious book, drawing on philosophical analysis, economic theory, and considerable empirical evidence to advance its controversial thesis. It examines both conservative and liberal forms of capitalism; it compares Economic Democracy to other models of socialism; and it considers the transition to Economic Democracy from advanced capitalist societies, from economies built on the Soviet model, and from conditions of underdevelopment. The book concludes with some unconventional reflections on historical materialism, ideal communism, and the future of Marxism.

Not to repeat past mistakes: the sudden resurgence of a sympathetic interest in social democracy is a response to the urgent need to draw lessons from the history of the socialist movement. After several decades of analyses worthy of an ostrich, some rudimentary facts are being finally admitted. Social democracy has been the prevalent manner of organization of workers under democratic capitalism.

Reformist parties have enjoyed the support of workers.

Challenging common interpretations of the political thought of John Adams and Adam Smith, Democracy, Equality and Justice offers an engaging and novel portrait of the political economy in America at its founding. The founders believed that liberty should not trump community, but should exist within the context of community. Drawing on extensive written records of the thought of John Adams and Adam

Smith, the father of modern capitalism, Dr. John E. Hill argues that these two great men advocated a balanced, values-based, and just political economy. Adams, historically misperceived as a rugged individualist who favored aristocracy over democracy, actually emphasized political balance with no one socio-economic class dominating any other. Smith, incorrectly portrayed as a supporter of laissez-faire government, advocated economic balance with no class or individual receiving special treatment from the government. Applying their values of universalism and moderation today would significantly broaden the definition of morality in contemporary politics. Democracy, Equality and Justice is a stimulating and sophisticated text that will encourage debate over the relationship between historical ideas and contemporary economic problems.

Investigative journalism holds democracies and individuals accountable to the public. But important stories are going untold as news outlets shy away from the expense of watchdog reporting. Computational journalism, using digital records and data-mining algorithms, promises to lower the cost and increase demand among readers, James Hamilton shows.

Positive Political Theory I is concerned with the formal theory of preference aggregation for collective choice. The theory is developed as generally as possible, covering classes of aggregation methods that include such well-known examples as majority and unanimity rule and focusing in particular on the extent to which any aggregation method is assured to yield a set of "best" alternatives. The book is intended both as a contribution to the theory of collective choice and a pedagogic tool. Austen-Smith and Banks have made the exposition both rigorous and accessible to people with some technical background (e.g., a course in multivariate calculus). The intended readership ranges from more technically-oriented graduate students and specialists to those students in economics and political science interested less in the technical aspects of the results than in the depth, scope, and importance of the theoretical advances in positive political theory. "This is a stunning book. Austen-Smith and Banks have a deep understanding of the material, and their text gives a powerfully unified and coherent perspective on a vast literature. The exposition is clear-eyed and efficient but never humdrum. Even those familiar with the subject will find trenchant remarks and fresh insights every few pages. Anyone with an interest in contemporary liberal democratic theory will want this book on the shelf." --Christopher Achen, University of Michigan David Austen-Smith is Professor of Political Science, Professor of Economics, and Professor of Management and Strategy, Northwestern University. Jeffrey S. Banks is Professor of Political Science, California Institute of Technology.

Discusses Pluralist, New Right, Elitist, Marxist and Neo-pluralist theories. Provides summary of intellectual origins, methodology and key strengths and weaknesses with examples from United States, Western Europe, etc.

"The significance of this account should be clear. If, as economists frequently assert, proper diagnosis of the disease is a crucial prerequisite to treatment, then the design of appropriate democratic institutions depends critically on a coherent analysis of the way the electoral process works and the perversities to which it is prone. The claim is that the interest-based account incorrectly diagnoses the disease. Accordingly, this book ends with an account of the institutional protections that go with expressive voting."--BOOK JACKET.

Why and how systems of political financing and representation in Europe and North America give outsized influence to the wealthy and undermine democracy, and what we can do about it. One person, one vote. In theory, everyone in a democracy has equal power to decide elections. But it's hardly news that, in reality, political outcomes are heavily determined by the logic of one dollar, one vote. We take the political power of money for granted. But does it have to be this way? In *The Price of Democracy*, Julia Cagé combines economic and historical analysis with political theory to show how profoundly our systems in North America and Europe, from think tanks and the media to election campaigns, are shaped by money. She proposes fundamental reforms to bring democracy back into line with its egalitarian promise. Cagé shows how different countries have tried to develop legislation to curb the power of private money and to develop public systems to fund campaigns and parties. But these attempts have been incoherent and unsystematic. She demonstrates that it is possible to learn from these experiments in the United States, Europe, and elsewhere to design a better system that would increase political participation and trust. This would involve setting a strict cap on private donations and creating a public voucher system to give each voter an equal amount to spend in support of political parties. More radically, Cagé argues that a significant fraction of seats in parliamentary assemblies should be set aside for representatives from disadvantaged socioeconomic groups. At a time of widespread political disenchantment, *The Price of Democracy* is a bracing reminder of the problems we face and an inspirational guide to the potential for reform.

A review of the consequences for political science of Anthony Downs's seminal work.

This work, originally published in 1989, examines a highly important phenomenon: the growth of profit-sharing and share-ownership schemes for employees within the company. *The Origins of Economic Democracy* traces the origins and developments of such schemes internationally, and presents an explanatory framework for understanding their emergence. Both legislation and economic conditions play key roles in determining the popularity of such schemes for companies and their employees. The subject of profit-sharing is of vital importance to companies endeavouring to improve their financial performance while increasing the degree of job satisfaction and organizational loyalty of staff members.

The social sciences underwent rapid development in postwar America. Problems once framed in social terms gradually became redefined as individual with regards to scope and remedy, with economics and psychology winning influence over the other social sciences. By the 1970s, both economics and psychology had spread their intellectual remit wide: psychology's concepts suffused everyday language, while economists entered a myriad of policy debates. Psychology and economics contributed to, and benefited from, a conception of society that was increasingly skeptical of social explanations and interventions. Sociology, in particular, lost intellectual and policy ground to its peers, even regarding 'social problems' that the discipline long considered its settled domain. The book's ten chapters explore this shift, each refracted through a single 'problem': the family, crime, urban concerns, education, discrimination, poverty, addiction, war, and mental health, examining the effects an increasingly individualized lens has had on the way we see these problems.

These days, it is easy to be cynical about democracy. Even though there are more democratic societies now (119 and counting) than ever before, skeptics can point to low turnouts in national elections, the degree to which money corrupts the process, and the difficulties of mass participation in complex systems as just a few reasons the system is flawed. The Occupy movement in 2011 proved that there is an emphatic dissatisfaction with the current state of affairs, particularly with the economy, but, ultimately, it failed to produce any coherent vision for social change. So what should progressives be working toward? What should the economic vision be for the 21st century? *After Occupy* boldly argues that democracy should not just be a feature of political institutions, but of economic institutions as well. In fact, despite the importance of the economy in democratic societies, there is very little about it that is democratic. Questioning whether the lack of democracy in the economy might be unjust, Tom Malleson scrutinizes workplaces, the market, and financial and investment institutions to consider the pros and cons of democratizing each. He considers examples of successful efforts toward economic democracy enacted across the globe, from worker cooperatives in Spain to credit unions and participatory budgeting measures in Brazil and questions the feasibility of expanding each. The book offers the first comprehensive and radical vision for democracy in the economy, but it is far from utopian. Ultimately, *After Occupy* offers possibility, demonstrating in a remarkably tangible way that when political democracy evolves to include economic democracy, our societies will have a chance of meaningful equality for all.

The book concludes with a hopeful view of the prospects for a fourth wave of global democratization.

One theme that has emerged from the recent literature on political economy concerns the transition to democracy: why would dominant elites give up oligarchic power? This book addresses the fundamental question of democratic stability and the collapse of tyranny by considering a formal model of democracy and tyranny. The formal model is used to study elections in developed polities such as the United States, the United Kingdom, the Netherlands, Canada, and Israel, as well as complex developing polities such as Turkey. The key idea is that activist groups may offer resources to political candidates if they in turn adjust their polities in favor of the interest group. In polities that use a "first past the post" electoral system, such as the US, the bargaining between interest groups and candidates creates a tendency for activist groups to coalesce; in polities such as Israel and the Netherlands, where the electoral system is very proportional, there may be little tendency for activist coalescence. A further feature of the model is that candidates, or political leaders, like Barack Obama, with high intrinsic charisma, or valence, will be attracted to the electoral center, while less charismatic leaders will move to the electoral periphery. This aspect of the model is used to compare the position taking and exercise of power of authoritarian leaders in Portugal, Argentina and the Soviet Union. The final chapter of the book suggests that the chaos that may be induced by climate change and rapid population growth can only be addressed by concerted action directed by a charismatic leader of the Atlantic democracies.

A theoretical and empirical examination of why political institutions and organizations matter in economic growth.

This book systematically explains why some countries are democracies while others are not.

Smith asserts that proper banking structure can stop an economic collapse in its tracks. It can also rapidly industrialize undeveloped regions of the world, reduce the workweek, and eliminate world poverty in 10 years.

Economics and ethics are both valuable tools for analyzing the behavior and actions of human beings and institutions. Adam Smith, the father of modern economics, considered them two sides of the same coin, but since economics was formalized and mathematicised in the late 1800s and early 1900s, the fields have largely followed separate paths. The Oxford Handbook of Ethics and Economics provides a timely and thorough survey of the various ways ethics can, does, and should inform economic theory and practice. The first part of the book, Foundations, explores how the most prominent schools of moral philosophy relate to economics; asks how morals relevant to economic behavior may have evolved; and explains how various approaches to economics incorporate ethics into their work. The second part, Applications, looks at the ethics of commerce, finance, and markets; uncovers the moral dilemmas involved with making decisions regarding social welfare, risk, and harm to others; and explores how ethics is relevant to major topics within economics, such as health care and the environment. With esteemed contributors from economics and philosophy, The Oxford Handbook of Ethics and Economics is a resource for scholars in both disciplines and those in related fields. It highlights the close relationship between ethics and economics in the past while and lays a foundation for further integration going forward.

This book argues that neoliberalism is not simply an economic theory but also a set of values, ideologies, and practices that works more like a cultural field that is not only refiguring political and economic power, but eliminating the very categories of the social and political as essential elements of democratic life. Neoliberalism has become the most dangerous ideology of our time. Collapsing the link between corporate power and the state, neoliberalism is putting into place the conditions for a new kind of authoritarianism in which large sections of the population are increasingly denied the symbolic and economic capital necessary for engaged citizenship. Moreover, as corporate power gains a stranglehold on the media, the educational conditions necessary for a democracy are undermined as politics is reduced to a spectacle, essentially both depoliticizing politics and privatizing culture. This series addresses the relationship among culture, power, politics, and democratic struggles. Focusing on how culture offers opportunities that may expand and deepen the prospects for an inclusive democracy, it draws from struggles over the media, youth, political economy, workers, race, feminism, and more, highlighting how each offers a site of both resistance and transformation.

This book seeks to elucidate its subject—the governing of democratic state—by making intelligible the party politics of democracies. Downs treats this differently than do other students of politics. His explanations are systematically related to, and deducible from, precisely stated assumptions about the motivations that attend the decisions of voters and parties and the environment in which they act. He is consciously concerned with the economy in explanation, that is, with attempting to account for phenomena in terms of a very limited number of facts and postulates. He is concerned also with the central features of party politics in any democratic state, not with that in the United States or any other single country.

This title was first published in 1999: The author contends that economic democracy is the economic system the U.S. purports to have, but has thus far failed to achieve because it, like all the economic powers that have gone before, seeks to control the economies of weaker nations. It is the shocking lack of economic democracy, and the efforts of so many to achieve it, that fuels today's conflicts and will fuel those of the 21st century. To show how and why, this comprehensive work provides a detailed analysis of the history of numerous aspects of the development of the Neo-Mercantilist world economy; the geopolitical systems put in place by the developed world to manage and perpetuate that economy; and the numerous proposals and modeling plans that have been offered over the years for the achievement of economic democracy.

Why are collective choices so stable and easy to make in practice, when in theory it should be totally otherwise? This question has puzzled social scientists since Condorcet in the eighteenth century. A striking illustration of this puzzle is the almost unanimous support of shareholders in publicly traded companies to the motions tabled by directors. Democracy, the Market, and the Firm investigates the behavioural assumptions leading to an alignment of shareholders, even in a context of severe market failures, and provides an analysis of the philosophical and axiomatic underpinnings of these assumptions. In sum, and figuratively, Crès and Tvede argue that the invisible hand of the market and the active hand of democracy can work hand in hand to give rise to a better world. The first part of the book explores the interplay between the voting and trading mechanisms. Two main arguments are proposed: on the one hand, the better the market works, the easier it is for majority voting to achieve political stability; on

the other hand, among all market equilibria, those that are politically stable are more likely to be economically efficient. The second part of the book explores the feedback from collective choices to individual preferences.

For a very large part of the world's population, poverty and war are still part of everyday life. Drawing on insights from several disciplines, this book attempts to find scientific answers to explain the relationship between conflict and poverty. This interdisciplinary volume brings together a range of arguments that synthesize both democratic and capitalist peace theory. Supported by a large body of research, contributors contend that nations with institutions that maximize individual political and civil rights minimize the probability of fighting each other. The volume includes: contributors from leading and award winning scholars in the field, including Bruce Russett and Erik Gartzke topics such as democratization and economic development, situated within the broader contexts of globalization and modernization contributions supported by empirical analyses, systematizing democratic and capitalist peace theories This book will be vital reading for students and scholars of International Relations and globalization, and also for a broader range of subjects including sociology, political science and economics.

The authors of this book argue that post-war fiscal and monetary policies in the U.S. are prone to more frequent and more destabilizing domestic and international financial crises. So, in the aftermath of the one that erupted in 2008, they propose that now we are sleepwalking into another, which under the prevailing institutional circumstances could develop into a worldwide financial Armageddon. Thinking ahead of such a calamity, this book presents for the first time a model of democratic governance with privately produced money based on the case of Athens in Classical times, and explains why, if it is conceived as a benchmark for reference and adaptation, it may provide an effective way out from the dreadful predicament that state managed fiat money holds for the stability of Western-type democracies and the international financial system. As the U.S. today, Athens at that time reached the apex of its military, economic, political, cultural, and scientific influence in the world. But Athens triumphed through different approaches to democracy and fundamentally different fiscal and monetary policies than the U.S. Thus the readers will have the opportunity to learn about these differences and appreciate the potential they offer for confronting the challenges contemporary democracies face under the leadership of the U.S. The book will find audiences among academics, university students, and researchers across a wide range of fields and subfields, as well as legislators, fiscal and monetary policy makers, and economic and financial consultants.

2017 marked the seventy-fifth anniversary of Schumpeter's *Capitalism, Socialism and Democracy*, a work acknowledged as one of the most insightful books written in the twentieth century. It retains a contemporary quality, and still invites criticisms, new interpretations, and extensions and across disciplines. This book, in addition to re-examining Schumpeter's seminal work and undertaking a twenty-first-century update of its main themes, brings together leading social scientists to provide contemporary amendments, extensions – or eventually refutations – of key elements of Schumpeter's vision and thesis. Issues covered include a new take on creative destruction, the contours of a theory of innovative enterprise, finance and financialisation, a critique of the secular stagnation thesis, Schumpeter's contributions to a theory of the entrepreneurial state, his conception of socialism and its current relevance for understanding the 'China model' as well as a rekindling of his democracy thesis for our times. Bringing together leading international contributors, this book provides fresh perspectives on ideas that continue to be hugely relevant to contemporary social sciences and a guide for understanding the current tensions among capitalism, the state and democracy. These chapters will be of interest to economists, social scientists and anyone with an interest in modern capitalism.

This volume contains a selection of Anthony Downs' essays, written since the 1950s, on politics and political theory. The articles address such issues as democracy, public choice theory, rational political decision-making and political policy.

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