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### SELF-INTEREST AND PUBLIC INTEREST: THE MOTIVATIONS OF POLITICAL ACTORS

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SELF-INTEREST AND PUBLIC INTEREST:  
THE MOTIVATIONS OF POLITICAL ACTORS

ABSTRACT: Self-Interest and Public Interest in Western Politics *showed that the public, politicians, and bureaucrats are often public spirited. But this does not invalidate public-choice theory. Public-choice theory is an ideal type, not a claim that self-interest explains all political behavior. Instead, public-choice theory is useful in creating rules and institutions that guard against the worst case, which would be universal self-interestedness in politics. In contrast, the public-interest hypothesis is neither a comprehensive explanation of political behavior nor a sound basis for institutional design.*

Two decades ago, Leif Lewin published *Self-Interest and Public Interest in Western Politics* (1991). The central question he raised was whether the assumption that people are motivated exclusively, or even mostly, by egoistic self-interest is plausible. His goal was not really to substitute some other simplistic explanation of political action, but rather to provoke the “rationalists” (as he calls them) to “set themselves to the immensely more difficult task of finding out what causes the actual behavior of a whole nation of people” (Lewin 1991, 17). The book investigates whether it is plausible even to proceed “as if” voters, politicians, and bureaucrats act primarily in their own self-interest.

Lewin’s book is surprisingly obscure, given its subject and ambition. It has a cumulative total citation count<sup>1</sup> of just over 100, fewer than six per year since its publication. For my own part, I had never heard of Lewin or

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seen it referenced. By comparison, a book with similar ambitions and some of the same message, *Pathologies of Rational Choice Theory* (Green and Shapiro 1994),<sup>2</sup> has over 1,600 citations in a shorter period.

Having now read *Self-Interest and Public Interest in Western Politics*, and having come to appreciate its contribution, I have a theory about why it is relatively obscure. Green and Shapiro take a rather strange scattershot approach to criticizing rational-choice theory. Their main argument is that empirical testing has rarely been done, and the tests that have been published tend not to support key claims of rational-choice theorists.

This is a strange approach because Green and Shapiro repeatedly get caught up hacking at trees, and ignore the forest. For example, they point out a lack of empirical testing of the relation between turnout and closeness of elections. If it had been tested, they note, those feckless “choicers would have discovered that elites appear to target resources on close races, increasing turnout for strategic reasons rather than self-interest reasons” (Green and Shapiro 1994, 63). In support of this claim they cite an empirical paper: Cox and Munger 1989. Now, if Gary Cox and I aren’t rational-choice theorists, then there aren’t any rational-choice theorists. The point is that Green and Shapiro come quite close to proving that rational-choice theorists do no empirical work by *defining* rational-choice work as purely theoretical. Empirical tests, almost by definition, are something else.

Thus Green and Shapiro spurred a furious and largely pointless kerfuffle about what counted, or didn’t, as rational choice, and what counted as an empirical test. Still, there were important questions posed in the book, and the result was a considerable clarification of quite a few issues. One important example was *The Rational Choice Controversy: Economic Models of Politics Reconsidered* (Friedman 1996), an edited volume that asked both sides to take the problems raised in Green and Shapiro more seriously, rather than being distracted by smaller issues. Friedman (1996) cites Lewin (1991) at three points in his editor’s introduction, “Economic Approaches to Politics,” in the process chiding a reviewer (Cain 1993) of the Lewin book for ducking the real question.

Michael Cain points out that Lewin ignores evidence from experiments and published work in public choice clearly showing that people are (at least sometimes) self-interested. Friedman points out, with considerable justification, that Cain makes at least as big an error in dismissing without consideration the evidence Lewin marshals, spanning

a broad swath of time, national political culture, and behavioral settings, which shows that people are (at least sometimes) public spirited.

That, it seems, is where we should start.

### *Self-Interest in Public-Choice Theory*

The school of social science called “public choice” is identified by a (loosely) shared approach to analyzing political or collective-choice phenomena. The precepts of this approach include methodological individualism, the attribution of self-interest as a motivation, and close attention to the impact of institutions that aggregate and give expression to individual actions as collective consequences.

Public-choice theory (hereafter, PCT) has focused on five key problems:

1. Information: What incentives are provided for citizens in public-choice processes to search out and acquire accurate information about the policies, and the consequences of those policies?
2. Democratic coherence: How can collective-choice institutions be designed to limit the possibility that voting outcomes will be perceived as either arbitrary or imposed? Given the Condorcet–Arrow problem, this problem bears on both the moral legitimacy of democratic choices and the practical stability of democratic governments.
3. Constitutional scope: How can the power of majorities be limited to the domain of choice selected by the constituting documents or norms of the society? If majorities can decide speed limits, how can majorities be prevented from choosing a state religion or making decisions regarding the reproductive rights of women?
4. Collective action: How can institutions and societal norms be designed, or preserved, in such a way as to encourage voluntary contributions to the collective good? Free riding is a pathology of anomic societies, but the tendencies for large democracies to become anomic seems irresistible.
5. Rent seeking: How can destructive competitions for artificial prizes such as tariff barriers or farm subsidies be limited or eliminated?

The answer that PCT offers to these questions takes the following, conjectural form: What would happen *if* people were self-interested?

This is quite different from saying that we will derive certain conclusions that would follow only if people were self-interested—conclusions that are invalid if people are not self-interested.

A famous example of this approach is that of David Mayhew (1974) in *Congress: The Electoral Connection*. First, Mayhew gives a theoretical answer to a relatively simple question: What would the institutions of the U.S. Congress look like if members of Congress were single-minded seekers of re-election? Second, Mayhew compares the answer to that question with real world Congressional institutions.

What did he find? There are no important differences. The institutions of Congress are indistinguishable from those implied by an intentionally oversimplified behavioral assumption of narrow self-interest.

The organization of Congress meets remarkably well the electoral needs of its members. To put it another way, if a group of planners sat down and tried to design a pair of American national assemblies with the goal of serving members' electoral needs year in and year out, they would be hard pressed to improve on what exists. (Mayhew 1974, 81–82)

Does this mean that members of Congress are exclusively or even primarily self-interested? Of course not. In fact, Mayhew is careful to list a wide variety of goals and motivations that may be, and likely are, at work. The point is that the simplifying assumption of self-interest provides a counterfactual basis for making predictions about institutions.

This is precisely the kind of institutional analysis provided by James Madison in *Federalist* 51, and for the same reasons:

Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions.

There it is again, then. We all know that people are not self-interested, and in fact that they are capable of acts of courageous sacrifice and nobility.

Imagine, then, that we could take the evidence offered by Lewin 1991 and travel back in time to talk to Madison about the design of the Constitution.

“Mr. Madison! We have evidence here that citizens, politicians, and bureaucrats often act in the public interest. Don’t you think it would be better to throw this whole ‘separation of powers’ nonsense out the window?”

He would stare at us with incredulity. “Did you not even read my essay? The problem is not how people *often* act. The design of institutions has to proceed on the *assumption*, which we all know is false, that people sometimes act on their ambition, or what you guys in the future insist on calling ‘self-interest.’ Only angels always act in the public interest, and men are not angels. Now leave me alone; you are clearly not a serious thinker.”

It is quite common, even within the PCT pantheon, to admit that the assumption of self-interest is at most one view among many. In fact PCT is not that insistent that people are “self-interested,” since “goal-oriented” or “purposive” would often be all that is meant. But for some reason, critics insist on having an argument about a straw man.

The first point to be noted is that economic theory does not depend for its validity or its applicability on the presence of the purely economic man. *This man of fiction, who is motivated solely by individual self-interest in all aspects of his behavior, has always represented a caricature designed by those who have sought to criticize rather than to appreciate the genuine contribution that economic analysis can make, and has made, toward a better understanding of organized human activity.* (Buchanan and Tullock 1965, 16, *emph. added*)

The reason that PCT scholars make this concession so easily is that the exercise is “as if,” in just the way that Mayhew and Madison used the self-interest assumption. Since no one believes it to be true, showing that it is untrue seems like a fool’s errand. More importantly, even within the “as-if” exercise itself, the domain of explained behavior, and the predictions about behavior, are limited rather than universal.

It is also necessary to emphasize that [PCT] *does not try to explain all human behavior, even all of that which might be called “economic” in some normally accepted sense of this term. At best, the theory explains only one important part of human activity in this sphere. It examines one relationship among individuals in isolation.* . . . (Buchanan and Tullock 1965, 17, *emph. added*)

*It Takes Something to Beat Something*

The sketch of PCT that I have given suggests that it is one basis for theorizing, and that there are others. But that's not really true. PCT is quite single-minded in its insistence on narrow egoism. The empirical "tests" of the model often contrast this assumption against a straw man of pure non-association or random behavior. But rather than testing theoretical claims against a naïve null hypothesis, why not test them against a fully fleshed out alternative theory? In particular, why not assume that people are public spirited?

There are two parts to the answer, it seems. First, PCT scholars have devoted thousands of pages to the problems of morality and moral motivations. In his 1975 book, *Limits of Liberty*, James Buchanan notes that morals have two very different functions: They are where preferences for future policies come from, but they are also the means by which enforcement of past agreements is made possible. That is, moral obligations help people keep their promises. But moral intuitions shape the sorts of agreements people will try to make in the first place. Thus, morals tell me what to want, and morals make me feel bad if I violate agreements, even if in some sense my moral sense contradicts my narrow self-interest.

Contractual obligation, expressed by the willingness of individuals to behave in accordance with specified terms, depends critically on explicit or imagined participation. *Individuals, having "given their word," are "honor bound" to live up to the terms. This remains true even if, subsequent to agreement, these terms come to be viewed as "unfair" or "unjust." Defection or violation runs counter to widely accepted moral codes for personal behavior.* (Buchanan 1975, 96, *emph. added*)

This view was further elaborated by Geoffrey Brennan and James Buchanan in 1985, in a book called *The Reason of Rules*. This book tries to settle the question of whether morals cause rules, or rules cause morals. The answer is "yes."

The notion that rules may substitute for morals has been familiar to economists and philosophers since at least Adam Smith. The great intellectual discovery of the eighteenth century was that within an appropriate structure of rules ("laws and institutions," in Smith's<sup>3</sup> phraseology), individuals can further the interests of others by following their own interests. The result is the great network of social coordination—refined



and extended to the boundaries of the division of labor—that even after centuries defies the imagination when evaluated as a cooperative enterprise. The cooperation of agents in a market, however, requires neither that such agents understand the structure nor that they transcend ordinary precepts of morality in their behavior. What it does require is an appropriate “constitutional context”—a proper structure of rules, along with some arrangements for their enforcement.

It is easy to dismiss this insight as obvious, and it is perfectly true that some PCT scholars have done just that. The problem is that *Homo economicus* is a sociopath. No society, market or otherwise, could possibly survive if every agreement were strategically evaluated at every moment. Can I cheat? Will I get away with it? What about now? What about *now*? We can't seriously think that people are narrowly and permanently self-interested, because the costs of enforcing agreements and constantly guarding against fraud or theft would be overwhelming.

Some agreements are formally enforced, to be sure. But the structure of agreements, buttressed in part by the threat of formal sanctions, supported everywhere by a moral intuition that one should keep one's promises and obey the rules, is the foundation of capitalism. What Brennan and Buchanan call “normal morality” is absent from the formulation of the pure PCT model, but PCT cannot possibly operate without it. It seems to me that this is point where Lewin's argument is strongest, because PCT itself assumes that people act in some kind of public interest, if only in the Kantian sense of considering the harms that would accrue to gains from selfishness.

Moral intuitions grow up around the rules and conventions of society simply because those are the rules. Violating rules of behavior in an exchange-and-production economy imposes very large costs on other market participants. It might, in some sense, be “rational” for each individual to break or stretch the rules at every opportunity. But rules make this more costly through the threat of sanction, and make violations more embarrassing because the citizen is breaking a promise that was made, perhaps implicitly, to every other citizen. This “reason of rules” equilibrium can break down, of course, and it often does. But most people, most of the time, accept the conditions and rules that shape and direct their economic and political interactions. As Brennan and Buchanan (1985, 101) point out, it is important for civil society that “we start from here,’ and not from someplace else.”

Suppose one were to take this criticism seriously, and wanted to try to specify an alternative model that would then be tested directly against the PCT self-interest model. There are two problems with such an attempt. The first, honestly noted by Lewin (1991, 21–22) himself, is that all too often electoral researchers explain how people vote simply by asking them who they like. In other words, it is not an explanation to run a regression with “who did you vote for?” on the left hand side and “which candidate do you prefer?” on the right. The regressions come out pretty well, of course, but it is hard to imagine a theory that claims voters choose candidates they hate.

The second problem is that there are no other aggregation theories for PCT to compete with. PCT is not trying to explain behavior; it is trying to explain the observed form and function of institutions that aggregate behaviors. Criticizing PCT for failing to explain behavior is a non sequitur, unless the critic can show how an alternative model of aggregation would perform better.

In this light, Dennis Chong (1996) mentions the “mysterious rivals” of PCT, arguing that one can’t criticize the assumptions unless one can propose a different model. By the same token, Kenneth Shepsle (1995, 217) famously invoked the “first rule of wing-walking”: “Don’t let go of something until you have something else to hold on to.” Green and Shapiro (1995, 256) responded that this would be more persuasive if “one could develop a degree of confidence that the aircraft in question were indeed airborne.” The retort would only work if Green and Shapiro, or for that matter Lewin, were themselves proposing some kind of blueprint for a different way to fly. For PCT, at least there is an airplane.

### *Rehabilitating Public Interestedness*

In 1984 Gordon Tullock published a paper entitled “A (Partial) Rehabilitation of the Public Interest Theory,”<sup>4</sup> in which he argues that a very clear-cut (and traditional) reason why voters might be motivated to put the public interest into their decision process is simply that most people are, to some extent, charitable and interested in helping others. This affects their voting behavior as well as their private behavior. An individual who is trying to help others may do so, in part, by voting

for some public good, even if he doesn't expect to benefit from it himself. He may also choose to make charitable gifts through the government.

Tullock went on to argue that, although public interest might not motivate all individual action, it probably should be seen as motivating a lot of political action because a decision to vote for increased spending on public goods, or aid to the poor, is virtually costless. Nonetheless, it does cost something, and no explanation of voting behavior could possibly be complete without accounting for this aspect of citizens' motivations.

There are two problems, as Tullock sees it, with concluding that public interest is the *main* goal of the typical citizen. The first is that the desire to spend on private charity is limited. People give to charities, but they don't give everything to charities. In fact, it is rare that people give more than five percent of their income in any given year.<sup>5</sup>

Second, even when people are motivated by the public interest, they may lack the necessary information. So when they are presented with a clear choice, as in the case of public goods (such as defense or education spending), they may be able to vote in a way that advances their sociotropic goals. But, as I will argue below, the information problem in politics is different from the information problem in economics.

Still, surely Tullock's article, in an obscure journal called *Public Choice*, is some evidence that PCT scholars have long recognized the value of the public interest in explaining public behavior. And I do mean that they have "long" recognized it.

The first, and in some ways the most important, public-choice theorist was Karl Marx. Marx had all of the key elements of public-choice theory in his work: self-interested politicians and owners of capital, corrupt institutions, and voters who would rather spend time on private activities than think very much about what was happening to them politically.

The public-choice aspect of Marx is often glossed over, but it is striking. As Marx and Engels ([1848] 1969) put it in the *Manifesto*: "The executive of the modern state is but a committee for managing the affairs of the whole bourgeoisie. . . . The ruling ideas of each age have never been the ideas of its [government]." George Stigler (1988, xv) built on this claim:

[Public Choice] students of regulation have usually assumed, explicitly as often as tacitly, that the players who count in regulation are the producers and consumers. Political intermediaries—parties, legislators,

administrators—are not believed to be devoid of influence, but in the main they act as agents for the primary players in the construction and administration of public policy.

Marx also believed that citizens are too distracted and mentally lazy to have much control over government. Engels ([1893] 1975, 433) later summarized this view succinctly:

Ideology is a process which is indeed accomplished consciously by the so-called thinker, but it is the wrong kind of consciousness. The real motives impelling him remain unknown to him; otherwise it simply would not be an ideological process. Hence he imagines false or apparent motives.

Similarly, in his Public Choice landmark, *An Economic Theory of Democracy* (1957, 83), Anthony Downs argues that

As soon as uncertainty appears, the clear path from taste structure to voting decision becomes obscured by lack of knowledge. . . . [Some voters] are highly uncertain about which party they prefer. They are not sure what is happening to them, or what would happen to them if another party were in power. They need more facts to establish a clear preference. By providing these facts, [politicians] find an opportunity to become effective.

[But political elites] are not interested *per se* in helping people who are uncertain become less so; they want certainty to produce a decision which aids their cause. Therefore they provide only those facts that are favorable to whatever group they are supporting.

In short, PCT scholars not only admit, but openly assert that citizens vote and act in the public interest, at least part of the time. The problems, from Marx through Stigler to Downs, Tullock, and Buchanan, are that it is hard for the individual citizen to overcome the power of organized interest groups, and that it is difficult for the individual citizen to acquire the information required to begin to do so.

Lewin (1991, 42) puts the point plainly: “In most [voter behavior] studies a picture thus emerges of the voter as someone primarily guided by a concern for the economy of the country as a whole.” The public-choice theorist would respond, “Fair enough. But why would the average citizen have any idea (a) of what is good for the economy as a whole, or (b) whether any given politician who makes promises will actually do

those things?” For the “public interest” to matter for citizens, the unformed impulse to do good is of little consequence unless the citizen also has both advanced training in economics and some credible threat of punishing politicians who act badly.

Thus, there are three parts to the PCT “citizen as private actor” story. First, the citizen is motivated to seek his own self-interest. Second, the citizen has limited information. Third, political elites know this, and use advertising and simple slogans to attract votes.

The evidence that Lewin offers bears only on the first step. But if we change the motivational assumption to its most extreme form—“citizens only want to act in the public interest”—the cost of information, and the value of simple political messages as persuasion, are unchanged. From Marx to Downs to Buchanan and Tullock, the costliness of information and of collective action has been a constant theme. Motivational assumptions are nearly inconsequential for the public-choice theorist. What matters are the aggregate consequences of individual action.

Do voters have the information they need to make accurate decisions? The very political-psychology literature to which Lewin refers provides a resounding “no” answer. Very few citizens are aware of even the most basic political facts, and they have only cursory knowledge of how government works (Page and Shapiro 1992, Table 1.2; Somin 1998). Less than half can name their congressional representative, much less identify her voting record or issue positions. Even fewer can give a coherent attribution of their own political ideology in terms of its specific policy implications (Converse [1964] 2006; Feldman and Conover 1982, 1983, 1984, and 1986). The rationally ignorant public-interest voter is essentially indistinguishable from the rationally ignorant self-interest voter.<sup>6</sup> Rationality need not imply self-interest, but it clearly does, as an empirical matter, imply that voters have very little idea of how policy works and what candidates will do once they are in office.

For reasons I cannot understand, Lewin (1991, 107) denies this in terms that can only be called naïve:

While the proponents of the self-interest hypothesis centre their hopes on setting satisfactory prices through market mechanisms, the representatives of the public-interest hypothesis believe in cooperation as a method to escape the “prisoner’s dilemma.” Both camps maintain that their particular world—the market and politics, respectively—is the more transparent, i.e. the one characterized by a minimum of unintended consequences. Although this may be true of the way the market functions

ideally as a model, however, faulty information, limits on competition, and other imperfections are quite evident in real-life economies. Politics, by contrast, because of its combination of collective organizations and public debate, is probably easier to predict even in reality.

Yet public-choice scholars have never claimed that politics is unpredictable. In fact, it is all too predictable, precisely because people can be counted upon to act in their self-interest. A legislative séance of the sort Lewin envisions for the public sector, groping toward some seraphic group wisdom, would indeed be unpredictable, and (by his lights) not transparent. But the public-choice argument is that one can project the decisions of a group with high precision if one knows the goals of each individual and the decision rule that will be used by the group.

Lewin argues for the superior competitiveness and informational abundance of the public sector. I have already discussed the information problem: Buying a car is a private good, and one has solid reasons to learn about cars. Voting for a candidate is a public good, and information about it will be underprovided by private action. The fact that voters have public-interest intentions at the *first stage*, the motivation stage, is essentially irrelevant, since they have private-interest reasons to free ride and can thus be influenced by operatives whom Downs called “persuaders,” who have their own reasons to distort information. This means, as Bryan Caplan (2007) has concluded, that the only hope for sound public policy is through the intervention of credentialed experts in bureaucratic agencies. What, though, about competition?

### *Political and Market Competition*

Public-choice theorists have long claimed that the level of competition in elections is far less than in the private sector. After all, Coke and Pepsi might prefer that only two soft drinks are allowed, but they don’t get to write their own antitrust laws. In the public sector, in the U.S. at any rate, the Democrats and Republicans have engaged in extensive legal machinations, particularly at the state level (Munger 2010), to save themselves from having to deal with the inconvenience of new competition.

A large PCT literature about the problem of “slack,” or “shirking,” strongly supports Lewin’s argument, although he does not cite it. A small sample of this enormous literature published before 1990 includes Kau

and Rubin 1979, Kalt and Zupan 1984, Peltzman 1985, Lott 1987, Nelson and Silberberg 1987, and Dougan and Munger 1989. This body of work argues that elected officials, instead of doing what voters want, do what they themselves, the elected officials, want. It could be that the official is acting according to his conscience, as Burke (1774) suggested one ought to act. Or the official could be acting to benefit friends, contributors, or ideological soul mates. In either case, politicians rarely try to maximize votes. Instead, they maximize their own utility, including their personal ideological view about the kind of society that should be imposed by law.

For some reason, Lewin does not consider maximizing utility to be in the “self-interest” of the legislator. Voting the way I want to vote, instead of the way voters want me to vote, hardly seems public spirited, unless of course one believes that legislators know truths voters cannot possibly understand. And in some ways that was the conclusion of the previous section: Voters lack the information they need to make even basic political choices, because voters are self-interested. As a result, legislators are freed, and perhaps even obliged, to pursue their ideological *Weltanschauungen* at voters’ expense. Because of the institutional arrangements described by Mayhew (1974), elected officials in the United States have no need to maximize their votes, and are free to vote as they wish in many cases. Thus, Hibbs 1987 showed that the economic policy pursued by Republicans and Democrats is very different. Even representatives elected at different times from the same district or senators from the same state act very differently, but consistently with their ideological views (Dong and Munger 1989). That is self-interest exercising power over the desires of citizens, even though the content of the impulse has to do with “public” decisions like attacking Iraq or restricting reproductive rights for women.

### *Bureaucrats*

“The government” employs, in most societies, a very large and diverse cross-section of the population. Each of these individuals would probably answer “yes” to the following two questions: (a) Would you like a higher salary? (b) Could you do a better job delivering needed services if the particular office or branch that you work in had a larger budget? If we were to administer this short questionnaire to 10,000 randomly selected bureaucrats in the capital of any democratic nation, I can’t imagine that

more than 500, and maybe not that many, would answer “no” to even one of the two questions.<sup>7</sup> Since each of the two actions would require a larger budget, surely we can agree that individual bureaucrats would by and large prefer larger budgets. I’m not sure what “maximizing” means in an atmosphere of profound uncertainty about political actions, but each of these employee wants more, not less.

Whether this desire for “more” is self-interested is a complicated question, of course. As William A. Niskanen (1971, 39) points out:

The budget maximization assumption is not necessarily based on a cynical interpretation of the personal motivations of bureaucrats. Some bureaucrats, by either predisposition or indoctrination, undoubtedly try to serve (their perception of) the public interest. A bureaucrat, however, is neither omniscient nor sovereign. He cannot acquire all of the information on individual preference and production opportunities that would be necessary to divine the public interest, and he does not have the authority to order an action that is contrary to either the personal interests or the different perceptions of the public interest by some other bureaucrats or officers of the collective organization. . . . This leads even the most selfless bureaucrats to choose some feasible, lower-level goal, and this usually leads to developing expertise in some narrow field. The development of expertise usually generates a sense of dedication, and it is understandable that many bureaucrats identify this dedication with the public interest. . . . One should not be too surprised . . . to hear that the most dedicated bureaucrats describe their objective as maximizing the budget for the particular service(s) for which they are responsible.

Lewin (1991, 97) claims that “the budget-maximization hypothesis is not sustained by empirical research.” But he misunderstands, in a way so willful that it could almost be said he misrepresents, the argument that Niskanen is making. In particular, Lewin (*ibid.*, 92–96) cites evidence that bureaucrats are constrained by what politicians tell them to do, and infers from this that bureaucrats are not “maximizing.” But Niskanen, and the public-choice theorists who follow him, are quite clear that the process is one of constrained maximization. The steps in the PCT version of bureaucratic budget maximization go as follows:

1. For reasons of personal benefit and honest perceptions of public benefit, bureaucrats seek to increase the level of services they provide the public. If I can get more budget, my pay goes up, I get a nicer office, and I can provide better schools/more help to farmers/more help to the homeless/etc.



2. The system of oversight is based on a stylized farce. The politicians charged with oversight are those who care most about the service being provided. Thus, agriculture bureaucracies are overseen by legislators from farm districts; public-housing bureaucracies are overseen by legislators from urban districts, and so on. The legislators and bureaucrats both want larger budgets and more services for the bureaucracy. So it is not necessary for the bureaucrat to hoodwink the oversight authority in any way: The oversight authority and the agency both want to increase the agency's budget. The only constraint is the maximum agency budget that will be acceptable to the legislature as a whole and to the executive.
3. Legislators who are not high demanders of the service might object to the increased budget, but they have little accurate information either about service provision or how budgets are actually used. This information is controlled by the "iron triangle" of the government agency, its beneficiaries, and its legislative supporters.
4. Since it is so difficult for outsiders to influence this cozy relationship, a universalistic log roll is constructed whereby each legislator is able to obtain for his constituents those services they most value. If I don't object to your budget increase, you won't object to mine, and both agencies can grow. I might prefer that my agency grow and yours shrink, since I don't value your agency's services. But I need to construct a coalition that guarantees that my agency gets the budget it needs to serve my constituents.

Nothing here requires that either the bureaucrat or the legislator is being cynical. Both may genuinely believe that an increased budget in the narrow area they care about really does serve the public interest. The point is that budget maximization is the result, even if it is not necessarily a selfish motivation, of the actions of everyone in the process.

As regards both voters and politicians, the evidence Lewin cites is relevant, although I have argued that his interpretation of PCT should be updated. But in the case of bureaucracy, Lewin fundamentally misrepresents the essentials of the argument. He "disproves" the claim that bureaucrats control the budget process and the legislature is powerless to stop them—a claim that no one has ever made. Moreover, there is a substantial literature (McCubbins and Schwartz 1984; Weingast 1983 and 1984; McCubbins, Noll, and Weingast 1987) arguing that oversight authorities are, if anything, even more powerful than Niskanen thought

in being able to increase agency budgets yet retain control over agency actions.

Has government spending increased over time? In particular, has there been an increase in spending after controlling for inflation and population growth? Table 1 gives the answer for the United States, the country Niskanen (1971) was primarily considering.

As the table shows, there has been a 224 percent increase in U.S. federal spending per person, controlling for inflation, since 1970. It is perfectly possible that this is what voters wanted, of course. But it is also true that there has been a doubling, or more, of the budgets of the federal agencies that administer and supervise these programs. The evidence, far from contradicting the budget-increase hypothesis, seems quite consistent with it.

Table 1. U.S. Nominal and Real Federal Spending Per Capita

Year	1970	1980	1990	2000	2010
Nominal dollars	1,000	2,600	5,100	6,500	12,300
Inflation-adjusted (2010) dollars	5,500	6,800	8,300	8,300	12,300

Sources: Budget of the U.S. Government: Historical Tables 3.2 and 7.1; Statistical Abstract of the United States.

\*                      \*                      \*

It is unfortunate that *Self-Interest and Public Interest in Western Democracies* got so little attention. Lewin's empirical evidence regarding the motivations of voters and politicians is perfectly valid and important, even if it would have been more effective if he had connected it to the PCT scholarship, cited above, that supported his claims.

The problem was, and remains, that it takes a model to beat a model. PCT has set out an agenda and an approach to understanding politics. The predictions of parts of that model have been proven false. But to date no alternative model, based on more verisimilar assumptions about the motivations of the mass electorate or political elites, has been proposed. Instead, electoral survey researchers have been satisfied to critique the assumptions of PCT, and have been satisfied to show that these assumptions are, at best, not a complete account of political action

and culture. And PCT scholars have been able to dismiss the objections without really engaging with the issues raised by Lewin's critique. His book is still worth reading, and still worth taking seriously.

#### NOTES

1. And this count of 117 is using the relatively generous measure of Google Scholar, which counts syllabi and web references. Using the more accurate measure of Web of Science/SSCI—which counts only published references in professional journals—the total is an anemic 55 citations.
2. For what it is worth, Green and Shapiro (1994) do not even reference Lewin (1991) anywhere in their book. The journal *Public Choice* at least had the good sense to review the book (Cain 1993), though perhaps predictably the review was not very positive.
3. Smith ([1776] 1994, 82): “That full complement of riches, which the nature of its laws and institutions permits it to acquire.”
4. I have noted that it seems unfair that Green and Shapiro (1994) did not cite Lewin (1991). But then Lewin did not cite Tullock (1984), so there may be karmic justice at work.
5. See, for example, Brooks (2006, ch. 3 and 4), which notes that an extremely important determinant of whether, and how much, is donated is the answer to the question “caring for the poor is primarily the job of the government.” People who answer “yes” are much less likely to make charitable donations, and if they do give, they give smaller amounts.
6. This literature is huge, and I will not pretend to review it here. Three issues of *Critical Review* (vol. 12, no. 4; vol. 18, nos. 1–3, and vol. 20, no. 4) were devoted entirely to this topic.
7. I have some qualifications to make this judgment, having myself worked in bureaucracies ranging from the U.S. Federal Trade Commission to administrative jobs in both state and private universities. No one thinks they make too much money, no one.

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