This book represents a considerable revision and expansion of Public Choice II (1989). Six new chapters have been added, and several chapters from the previous edition have been extensively revised. The discussion of empirical work in public choice has been greatly expanded. As in the previous editions, all the major topics of public choice are covered. These include why the state exists, voting rules, federalism, the theory of clubs, two-party and multiparty electoral systems, rent seeking, bureaucracy, interest groups, dictatorship, the size of government, voter participation, and political business cycles. Normative issues in public choice are also examined, including a normative analysis of the simple majority rule, Bergson–Samuelson social welfare functions, the Arrow and Sen impossibility theorems, Rawls’s social contract theory, and the constitutional political economy of Buchanan and Tullock.

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Public Choice III

DENNIS C. MUELLER

University of Vienna
To Adrienne, Holly, Jacob, and Laurence
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## References

- Name index: 749
- Subject index: 763
This book is a revision of Public Choice II. In revising the book, I have largely retained the structure of Public Choice II – most of the material contained in that volume reappears in this one. In some cases, this has resulted in very modest changes in a chapter and in quite substantial changes in others. Several new chapters have been written to cover topics that have cropped up or increased in importance since the previous edition was written. I have also attempted to retain the same level of difficulty as the previous version. Because the literature has become continuously more theoretical and mathematical, more mathematics appears in the new material than in the previous text, and the distinction between “easy” and “difficult” sections denoted by a * has become more arbitrary. Some may question my decision not to drop more material from the previous text, where little new work has appeared, to leave more space for new material. I have chosen not to go this route because I still think of the book as a survey of all of the major topics in public choice. That little new has appeared concerning Arrow impossibility theorems in recent years does not imply that the issues raised by this work are any less important, or that they should be omitted in a basic course in public choice – or so I believe.

Public Choice III represents a substantial expansion of its predecessor, just as Public Choice II was a substantial expansion of its forerunner. Nevertheless, the fraction of the literature covered adequately by Public Choice III is far smaller than that of the earlier versions of the text. I fear that many readers will feel that I have done an inadequate job of covering this or that topic, or that I have unfairly neglected some important contributions. I apologize for such omissions. To keep the book within reasonable bounds, I have had to shortchange some questions and authors.

Those familiar with Public Choice II may find the following summary of changes helpful.
Table of Contents

Chapter in PC III  Relationship to PC II

1  Modest revision of Ch. 1
2  Revised version of Ch. 2
3  Substantial revision of Chs. 3 and 23
4  Revised version of Ch. 4
5  Revised version of Ch. 5
6  Modest revision of Ch. 6
7  Modest revision of Ch. 7
8  Modest revision of Ch. 8
9  Modest revision of Ch. 9
10 New chapter
11 Revised version of Ch. 10
12 Revised version of Ch. 11
13 Substantial revision of Ch. 12
14 Revised version of Ch. 18
15 Substantial revision of Ch. 13
16 Revised version of Ch. 14
17 New chapter
18 New chapter
19 Substantial revision of Ch. 15
20 Substantial revision of Ch. 16 with additional material from Ch. 11
21 Revised version of Ch. 17
22 New chapter
23 Modest revision of Ch. 19
24 Modest revision of Ch. 20
25 Revised version of Ch. 21
26 Substantial revision of Ch. 22, almost a new chapter
27 New chapter that expands the material from Sec. C of old Ch. 20
28 New chapter
29 Modest revision of Ch. 24

I would like to thank several authors and publishers who have been kind enough to allow me to reproduce a figure or table from one of their publications.

Preface


Several colleagues were kind enough to read portions of the text and offer comments or point out mistakes in Public Choice II, and I would like to thank them for their kind help: Bernard Grofman, Douglas Hibbs, Arye Hillman, Wolfgang Müller, Shmuel Nitzan, Hans Pitlik, Thomas Stratmann, Rein Taagepera, and Ronald Wintrobe. Special mention must be made of the conscientious efforts of a student at the University of Vienna, Daniel T. Dickler, who scrutinized every line of Public Choice II and made numerous suggestions for improvement.

Putting together a manuscript of this size and scope involves a tremendous amount of effort to keep track of references, draw figures, construct and check tables, and the like. I have been extremely fortunate both at the University of Maryland and now here in Vienna to have been able to work with two excellent secretaries. My heartfelt thanks goes to Heide Wurm for all that she has done to help bring this book to fruition.

Dennis C. Mueller
Vienna, February 2002