

It's us against the dismal scientists
Economists can either make citizens stronger or government stronger. Guess which one most choose?

As those of my readers who wander the World Wide Web would have discovered, I am,

in another life, an economist who does some academic work and some consulting. (I am never paid by third parties to write and sign articles on command, though.)

Or is it another life? True, when I talk about state oppressions of which I am at the receiving end (like gun or ID controls), my columns show

“extremist libertarian content,” as one blogger on the *Western Standard* website recently put it. But aside from the pitfalls of looking at slavery from the point of view of the slave, it remains that economics has much to say about politics. One of the major schools of economic analysis to have marked the last half century, called

“public choice,” has been

concerned with applying

the tools of economic

analysis to politics.

Here is an illustration.

Assume that a steel-

armoured, computer-

controlled, three-storey-

high pit bull has been

built. It is invincible and

will prevail over any enemy, at home or abroad; even

a nuclear bomb will not stop it. It is so powerful that

virtually everybody caves in before its decrees; those

who don't are crushed. Now, the three-storey pit bull

is programmed to issue, every four years, three DVDs,

each one packed with a different set of policies for his

clients' welfare, and to implement the set approved by

a majority of votes in a general election. Would you put

yourself under the three-storey pit bull's protection?

The economist—and especially the public choice

economist—is trained to analyse this sort of question.

Economics deals with individual choices and their

aggregated, social consequences.

Let's give a name to the three-storey pit bull or

similar creatures. Seventeenth-century political

philosopher Thomas Hobbes called it “Leviathan.”

after the biblical all-powerful monster. James Buchanan, the contemporary Nobel economics

prizewinner, made the name popular again, for

example, in his 1975 book *The Limits of Liberty: Between Anarchy and Leviathan*.

The bad news is that Leviathan does exist. It may be

more or less effectively chained, but it lives under the



mantle of the state—the whole apparatus made of the executive, the legislature and the judiciary. Instead of being a single physical machine programmed by some naive geek, Leviathan is a complex assemblage of institutions manned by politicians and bureaucrats. Public choice economics assumes that these politicians and bureaucrats are ordinary individuals who are no less self-interested than people who sell lectures or potato chips. What will Leviathan do, given the incentives of the individuals manning its institutions? Whose interests will it further? What is the logic of the state institutions? These questions are the bread and butter of public choice economics.

The economist can either advise the state or advise the subjects. He can explain to the state what will be the effects of its policies. For example, catering to the “human rights” crowd will deliver the support of quiet, grateful clients, while alienating groups that, probably,

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the state can't rely upon anyway. The state apparatus, contrary to our stylized pit bull, does need the support of a sizable minority of its subjects.

Alternatively, the economist can warn the citizens against the consequences of state actions. At the most general level, he can point out that once Leviathan is let loose, it will likely act in its own interest against the subjects or, at least, against some dirty, “denormalized”

and useless minorities. The basic question of politics was raised by Latin poet Juvenal (in another context) nearly two thousands years ago: *Quis custodiet ipsos custodes?*—Who will protect us against our protectors?

In the real world, most economists advise the state against the citizens, for a simple reason: most economists are employed, or subsidized, by state institutions, bureaucrats and politicians: except for eccentrics, they tend to adjust their ideas to their interests more often

than the other way around.

Now, I must confess a sin to my readers: I have been

providing economic research and advice to a friend in the Conservative government. But I am still trying to be the sort of economist who sides with the citizens.