Public Choice and Good Governance

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Abstract: Public choice research has implications that are relevant for most normative theories of good governance. Its positive results provide ways to understand present and past outcomes and predict the future. These results are thus relevant for all consequentialist theories of good governance. Public choice research also includes normative analyses that directly assess the quality of governance as with its many applications of contemporary contractarianism and utilitarian principles. Both the positive and normative results have direct implications about the nature of governing institutions that are most likely to advance the interests of the persons living in any territory governed. These are the main focus of this entry.

Key Words: good and better governance, shared practical interests, shared normative interests, constitutional governance, avoiding unproductive conflict

I. Introduction: Public Choice Research and Theories of Good Governance

Good governance means different things to different people because practical and normative interests vary, and the effects of governance on those interests also tend to vary. Most pragmatists simply attempt to determine whether a particular form of government is likely to advance their own narrow interests. Other persons have internalized normative theories of good governance that affect their assessments. Some of these theories conclude that a particular form of government or particular vector of public policies is inherently good. Others normative theories—perhaps most—assess methods of governance by considering both the practical and normative consequences of the policies associated with particular instances of governance.

For consequentialists, there is not necessarily a unique ideal form of government, because the best form of government is likely to vary with the interests and circumstances of the people residing in a community. These may change through time and thus conclusions about good governance may also vary through time. However, even in such cases, it may still be the case that "good" governments have a number of properties in common. For example, normative

consequentialists would all conclude that good governments have good consequences—by definition. Good consequences, in turn, would be generated by policy choices and the manner in which they are implemented.

The positive strands of public choice research are relevant for such theories because they provide analytical and empirical evidence that political institutions create dispositions or increase the likelihood that particular types of policies are adopted. They also demonstrate that changes in circumstances and political institutions systematically affect policy choices. Together with consequentialist notions of "the good" or "the better" these results allow particular instances and types of governments to be judged better or worse than others.[1]

Normative public choice theory is largely consequentialist and demonstrates how types of governments might be ranked. For example, James Buchanan (along with various coauthors) has argued that good governments tend to advance the shared interests of their citizens (Buchanan and Tullock, 1962; Buchanan and Congleton, 1998). Thus, political institutions that make such policies more likely are better than those that do not. Steven Brams has refined ideas about fairness (Brams and Taylor,1996) and demonstrated how particular "dividing the pie" rules increase the likelihood that fair results are selected. Dennis Mueller (1996) has shown how utilitarian analysis can be used to select among possible constitutional designs. All three of these approaches are consequentialist in that particular normative ideas (consensus, fairness, aggregate utility) are used to assess the relative merits of alternative standing procedures for choosing policies by considering their likely consequences.

This chapter's overview of the implications of public choice analysis for good governance takes somewhat different route through issues involved than those undertaken by the scholars just mentioned. Rather than beginning with a particular normative theory, it uses the two main origin theories of the state developed by public choice scholars to indicate differences in the propensities of different types of governments to adopt particular types of policies. These provide useful

[1] By political institutions, I mean the standing procedures and constraints through which public policies are routinely chosen. Many of these are described by constitutional documents, but others were adopted by ordinary policy making procedures (such as most election laws) or are matters of long-held customs. Because most voters recognize these procedures as "customary" or "legitimate," and "important," they tend to be hesitant to change them—both because the consequences of such changes are often difficult to predict and because the existing procedures and constraints are regarded to be "good" or at least tolerably so by most voters and government officials.

indications of how the policies of different types of government vary, and, given the normative ideas likely to be in the minds of most readers, they also indicate which types of government tend to be better than others. Most Westerners and other liberals will conclude that public choice analysis generally supports the template for governance referred to as liberal or constitutional democracy.

It is not the only form of government that is consistent with public choice analysis, but it is the template for governance that is most broadly supported by its research—albeit with many caveats and ideas for improving the existing procedures of such governments.

II. Public Choice Theories of the Origin of Government

In order to systematically assess the relative merits of alternative types of government, it is necessary to engage in a good deal of abstraction. Abstraction is an obvious property of analytical models, but it is also a property of both historical and statistical research in that both focus on various relatively small subsets of the infinity of factors that might determine the outcomes of interest. When well done, abstraction allows the general tendencies of particular standing procedures of governance to be distinguished from other more idiosyncratic cultural factors and historical accidents. These propensities in turn can be used to assess the relative merits of alternative standing procedures and constraints of governance.[2]

The original purposes of governments often have clear implications about both their initial policy making procedures and constraints and, thus, their policy dispositions. Insofar as the initial political institution are reasonably stable, these initial purposes also tend to affect the trajectory of policies adopted.

There are two main public choice theories of the origins of governments. According to these theories, governments arise because they can advance two quite different purposes:

(1) Governments may emerge when a relatively small number of individuals or a single dominant figure creates an organization that is able to impose rules on a community using coercion and/or threats of coercion. Such organizations normally attempt to advance the

[2] It should be acknowledged that such governmental dispositions are not equally important in all possible choice settings. Just as gravity has effects that are fundamentally similar everywhere but is more determinative on the Earth than on a small asteroid, particular types of governments may have tendencies to adopt particular types of policies with certain types of consequences in normal circumstances, but these tendencies may be less determinative in exceptional circumstances.

aims of their founders. In many cases, this induces policies that extract wealth and other services from the residents of the territory ruled and transfer it to the rulers.

(2) Governments may also emerge when the entire membership of a community believes that organizations with some coercive power can advance their interests. Given that belief, the residents of a territory may (voluntarily) agree to create an organization that enforces rules and provides services that are valued but which otherwise would be inadequately provided. Such governments are also formed to benefit the founders, but in this case its aim is to increase the welfare of all those governed.

These differences in the initial purposes of government produce quite different dispositions to adopt public policies both in the short run and in the long run.

Other mixed possibilities and transitions from one type of government to another have also been explored by public choice scholars, as in Congleton (2011), but these less prominent theories are neglected, in order to illustrate how a positive analysis of the original aims of governance can indirectly provide insights that are relevant for assessing the relative merits of different types of governing organizations.

Extractive Governance

The best known of the public choice conquest theories of governance is Mancur Olson's (1993, 2000) model of the incentives of stationary versus roving bandits. Both types of bandits use coercion and threats of coercion to extract as much as possible from the residents of the territory governed. Coercive activities include direct takings (theft), and threats to destroy things of value unless "sufficient" tribute is paid to the ruling organization (extortion). However, Olson points out that once in control of a territory, stationary bandits differ from roving bandits in that they have practical economic reasons to provide services that increase their future "harvest" from the residents of the territories ruled. They do so for much the same reason that gardeners fence out pests and use fertilizer in their gardens. Such policies increase the yield from their garden. Thus, every stable authoritarian regime provides a variety of useful services to their residents—even when the rulers are entirely disinterested in the welfare of the persons governed.

Olson's analysis implies that whether a durable extractive government improves the circumstances of the typical person in the territory governed varies with at least three factors: the time horizon of the rulers, the extent to which the rulers are able to extract social surplus from the

persons ruled, and the circumstances of the persons governed before the stationary bandits take up residence. Economic theory implies that the longer the time horizon and greater the governing person's or group's ability to extract social surplus, the more tax base–enhancing services an extractive regime will provide. For example, steps may be taken to reduce violence and fraud in order to increase the productivity of individuals and markets. In addition, highways, canals, and other infrastructure may be constructed. Such steps tend to increase the tax base and thereby the long-term tax revenues realized by the rulers.

Olson argues that stable extractive regimes with a long time horizon and nearly perfect ability to extract social surplus will approximately maximize their territory's long-run gross domestic product, because this maximize long-term extractions and thereby the benefits of holding onto power.[3] However, in such cases, the residents of the territory ruled gain no net benefits from the various services provided by the government, because all the potential consumer surplus and profits associated with those services are extracted by the rulers or ruling class. However, if extraction is less than perfect, as posited by Olson, somewhat fewer services will be provided and GNP is not maximized, but some of the social surplus created (consumer surplus and profits) are realized by those engaging in economic activities in the territory governed.

Whether this improves the welfare of those governed or not depends on the circumstances prior to conquest. If, on the one hand, the residents lived at the edge of survival in the preconquest circumstances —either because of Hobbesian conflict or endless raids by what Olson termed roving bandits—rule by a stationary bandit that extracts less than 100 percent of the surplus generated would improve the circumstances of most persons in the territory governed. On the other hand, if the preconquest setting was one in which the typical member of the community lived well beyond the edge of survival because of well-functioning customary laws or contract-based governance, conquest by an extractive regime with relatively high rates of extraction might increase gross domestic product but nonetheless make essentially everyone in the territory governed worse off than

[3] Some readers misunderstand Olson's conclusion about the revenue-maximizing tendencies of most authoritarian regimes, because they fail to recognize the difference between short term extraction and long-term extraction. Fukuyama (2011), for example, makes this mistake in several places in his grand analysis of the origins of political order. Maximizing long term extraction usually implies lower tax rates and other forms of extraction than are possible at a given instant. Taking more in the short run would undermine incentives for the residents to produce the wealth that rulers will eventually be able to take. The effects of higher rates of extraction on coups and revolutionary threats also have to be taken into account.

they were before the conquest. In such cases, residents would be reduced from more or less free men and women who realized net benefits from their own production and trade to that of slaves or serfs living in constant fear at lower levels of income and dignity than they had before.

In other words, in societies in which the typical resident lives on the edge of subsistence, rule by an extractive regime tends to increase the average welfare of those ruled, as argued by Hobbes in 1651. Their lives become somewhat less uncomfortable, somewhat safer, and somewhat longer. However, in societies that previously had lived well away from the edge of subsistence (and thus were initially good prospects for extraction), an extractive regime is less likely to make the typical person better off—even if the territory's gross output increases. The extractive losses associated with coercive threats, paying tribute and taxes, and providing other services to their new rulers would typically exceed the gains from the new services that their rulers organize and finance from their tax receipts. Otherwise, coercive threats would be unnecessary.

The Olsonian analysis implies that the longer the planning horizon of an extractive regime and the lower its efficiency (or efforts) at extraction, the better such governments tend to be from the perspective of those governed whenever governance is entirely motivated by extractive interests.[4]

Social Contracts and Productive Governance

The alternative contractarian explanation for the origin of governing organizations is that such organizations can also emerge as more or less voluntary solutions to various conflict, public goods, and externality problems within the community governed. Such governments are products of consensus, and, insofar as the persons designing the standing procedures of their governments are forward looking, the standing policy-making procedures, constraints on policy, and the selection of government officials will be undertaken in a manner that reduces the extent to which the governing organization tends to engage in extractive rather than their productive activities.

In contrast with the conquest explanation for government, the contractarian explanation implies that having a government is normally better than not having one—otherwise there would not be a consensus to create one or continue supporting the government created. And, moreover, it

[4] Such differences are evident in many relatively stable dictatorships; for example, the period of rule of China by Mao Zedong (1954–1976) and Deng Xiaoping (1977–1989) were associated with quite different policies, with the latter's policies producing much higher economic growth rates than the former's. Both shared interests in preserving and extending their party's political and economic power.

implies that reforms subsequently adopted with super majority support are (usually) improvements. As products of consensus and foresight, essentially all persons expect to be better off under the governments created and by subsequent reforms of those governments. (This does not imply that mistakes are never made, but as long as expectations are reasonable, on average the results will be improvements.)

Again, preexisting conditions and the productivity of the governments created ultimately determine whether a government is advantageous or not. At the lower bound of the range of initial settings imagined by contractarians is that imagined by Hobbes (1651) in which the natural state involves a "war of every man against every other" and the lives of everyone concerned are "poor, nasty, brutish, and short."

Similar circumstances of intense unproductive conflict among persons and groups of persons with narrow material interests have been studied by public choice scholars such s Bush and Mayer (1974), Buchanan (1975), and Konrad and Skaperdas (2012) among many others. Note that in the Hobbesian setting, it is relatively easy to design a government that advances the interests of the persons governed. Any less than perfectly extractive regime is likely to make the lives of those governed somewhat less fearful, more comfortable, and longer than they would otherwise have been. Even handing over authority to an Olsonian stationary bandit with a reasonably long time horizon and less than perfect ability to extract social surplus would tend to improve the welfare of the typical person governed.

A smaller range of governing institutions would be acceptable if the original conditions were more prosperous and peaceful, as in the natural state characterized by Locke (1690/2008) where individuals have all internalized norms (rules of conduct or natural laws) to some degree and thus are less inclined to violence and theft. The residents of communities in which norms and customary laws exist tend to live much better lives than the ones imagined by Hobbes—although unproductive conflict and other problems would remain. Farming, trade, and specialization may take place, but there would be more theft, more violence, and less trade than might exist if community norms were more strongly internalized or informal enforcement were better calibrated to discourage violations of those norms. A rule-enforcing organization can improve life in such a community by topping up internal and informal enforcement of customary law. It may, for example, impose additional penalties on those who violate the community's norms and customary laws or provide subsidies to encourage better informal enforcement.

In settings where customary laws work tolerably well and fears of governmental extraction are commonplace (and realistic), governing decisions are initially likely to be based on consensus. And the domain of such decisions might initially be limited to areas in which the potential advantages seem very large.[5] For example, a consensus to create a governing organization might initially be induced by a crisis of some kind. Young (2015, 2021), for example, notes that during times of crisis, the Germanic tribes north of the Roman Empire would extend temporary emergency powers to a military leader who was tasked with repelling an invader (such as the Roman army) and whose authority would terminate with the end of the military emergency. The more frequent such threats were, the more frequently such extraordinary authority was granted. As crises become more commonplace, permanent governing institutions might emerge through this process—although such transitions are not necessarily grounded in consensus.

Temporary grants of authority may succeed or fail in their aims. An invader might be successfully repelled, or it might not to be sufficient to win important battles, or it might be used by those delegated extraordinary authority to engage in extractive activities. Bjørnskov and Voigt (2018) note that both the latter problems are also associated with contemporary extensions of emergency powers. However, with respect to external risks of conquest, the residents might well prefer a local ruler who is bound to some degree by local customs and norms to rule by a foreigner that is not so constrained. Consequently, the risk that one's own leaders might abuse their emergency authority might be deemed the lesser of two evils during many periods of crisis.

That contract- or consensus-based governments may emerge in response to conquest threats by neighboring extractive regimes implies that the two public choice theories of the origin of the state may simultaneously be true or approximately true. Both approaches can partly account for the other. And, both approaches also imply that governments can, at least in principle, advance the broadly shared interests of those subject to any government created, although that is not true in every choice setting, nor of every government. Even a very extractive regime can improve on the

[5] Among the least extractive of contemporary organizations created to make public policy are those created through international treaties. Most treaties delegate relatively little rulemaking and enforcement authority to the governing organizations created and require high levels of agreement for new rules to be adopted and enforced. Both the limited authority granted to such international organizations and their decision rules suggest that assuring that governing organizations are productive rather than extractive is not an easy matter (Congleton, 2020a).

Hobbesian equilibrium, but it takes a much more productive state to do so in Lockean circumstances.

The better are the circumstances that exist without a government, the more difficult it is to create a governing organization that is likely to advance shared interests. Moreover, there are cases in which a governing organization that initially advances shared interests does not do so in the long run because it gradually becomes more extractive through time. To create a stable, durable, productive government requires quite sophisticated constitutional designs and normative support—subjects taken up in the next sections.

Origin Theories and Normative Assessments of Governance

For normative purposes, the origin models are useful because they help to identify properties of governments that most persons would agree make some governments better or worse than others. Some governments are more likely to benefit their residents than others because they are created with different purposes in mind. Moreover, for normative purposes, it is relatively unimportant whether the two origin theories fully account for the character of all governments or not. In either case, they highlight features and dispositions of governments that tend to make some consequences more likely than others, and therefore makes some types of government better than others from the perspective of those governed.

The more productive and less extractive a government is, the better it is for the persons ruled, other things being equal. Moreover, every change in standing procedures and constraints for making and implementing public policies (political institutions) that tends to increase productivity without increasing extraction is an improvement, and every change that tends to increase the likelihood of extraction without increasing productivity worsens governance from the perspective of typical members of the community governed.

III. Generally Useful Constitutional Designs

Insofar as the practical and normative interests of persons living in different communities are often quite different from one another, one might conclude that the best institutions for governance vary quite a bit. That the constitutions of relatively good governments have features that are largely—although not entirely—independent of the interests of the persons living in the territories governed is counter intuitive. However, if the aim of good governance is to advance the shared interests of those governed, it turns out that some procedures for making decisions tend to

better align the interests of government officials with those governed than others. And it turns out that there are some procedures and constraints generally reduce extractive temptations better than others.

Public choice analysis and history provide a good deal of guidance about the subset of standing procedures and constraints that do so. For example, in relatively small polities, such as a village, extractive temptations can be minimized by the use of unanimity at community meetings of residents. If voters are all well informed, vote non-strategically (truthfully), and voting is costless, unanimity assures that proposals that worsened any villager's condition would be vetoed by the person(s) harmed. Under such a decision rule, only policies that truly advanced everyone in the community's interests would be adopted and expropriations would be impossible. It is for such reasons that unanimity rules are, for example, still widely used by treaty organizations (Congleton, 2020b).

However, voters are not all well informed, nor do they always vote sincerely, nor is voting a costless activity. Thus, policies that advance the interests of all voters may be mistakenly blocked by errors in assessments of net benefits or vetoed by strategic voters who actually benefit from the proposal but hope to obtain a policy that is even more beneficial than the one under consideration. Moreover, extractive policies might be adopted because some voters leave the village meeting early (or fail to attend), because the cost of attending is too high (they have better things to do with their time) or because they have not taken the time to understand fully the policies proposed.[6] Strategic voting and the time-consuming nature of town meetings imply that the bargaining costs for unanimity tend to be very high for all but emergency decisions. Indeed, strategic voting may make unanimous decisionmaking almost impossible for day-to-day policy making.

One solution to the bargaining problems was proposed by Wicksell (1958). He suggests using qualified unanimity (say 95% approval) rather than unanimity for adopting and revising policies. A lower threshold for passage tends to reduce strategic holdout problems and thereby reduces bargaining costs. Qualified unanimity implies that outlier estimates of net benefits (mistakes) are no longer decisive, and it also implies that small groups of strategic voters can no longer veto

[6] Congleton (2007) shows that large errors may occur even if all voters use unbiased estimation methods and have access to representative samples, because of the effects of small samples. Additional errors are induced if biased estimators are used, or unrepresentative samples of data are used.

beneficial policies in the hope that they will gain an even more beneficial distribution of the costs and benefits from revised proposals.

In order to further reduce bargaining costs, voters might agree to use less demanding voting and quorum rules in policy areas in which each voter expects to be more often among the winners (those receiving positive net benefits) than among the losers (those receiving negative net benefits). By reducing the time spent in deliberation, the costs of participation fall, and the number of policies considered may be increased. All these effects tend to increase a typical voter's net benefits from governance, even if they occasionally are subject to policies that make them worse off (Buchanan and Tullock,1962). In such cases, Wicksellian qualified unanimity or supermajority rules may be reserved for especially important rules and policies, such as declarations of war or constitutional amendments.

As the scope of governance increases, decision costs can be further reduced by delegating policymaking authority to elected representatives who attend all policy-relevant meetings, evaluate policies, and cast votes. Selecting such representatives through various forms of majority rule tends to align the interests of representatives with those of moderate, center-of-the road members of the community (Black, 1948, Downs, 1957).

The extractive temptations of representative governments can be reduced through constraints on the domains in which governments can make policy and by requiring that particular types of policies be adopted. For example, a "takings" rule can limit the government's ability to simply take resources from residents without compensation (Epstein, 1985). Generality or antidiscrimination rules that constrain a government's authority to discriminate among residents tends to reduce conflict and increase the fairness and stability of public policies (Congleton 1997; Buchanan and Congleton, 1998). Both types of rules reduce the risks associated with delegating policy making authority to a representative assembly.[7]

As more policy authority is delegated to elected officials and senior bureaucrats, specialized methods of constitutional review become more important, because temptations to violate constitutional procedures and constraints tend to increase, and the larger is the scope of governance,

[7] These constraints are sometimes referred to as "rule of law" provisions, although they are better considered equal-protection laws. Discriminatory laws may also be fully binding on the persons subject to them and the governments that implement them.

the more difficult it is for individual voters to determine whether constitutional procedures are being followed or not and to punish particular officials for violating constitutional rules. Assigning review responsibilities to a group of constitutional experts can solve this problem, as with an independent constitutional court, special constitutional committee, and various internal review processes. Voters benefit from such procedures, as long as the constitutional experts can be trusted to undertake an honest and diligent review of legislative processes, legislation, and implementation.

Both history and public choice research implies that reviews are more likely to be unbiased (e.g., based on constitutional documents, precedents, and law) if they are somewhat insulated from politics, and judges are chosen for their predispositions to abide by the constitution and other procedures in place.[8]

Other aspects of constitutional design such as divided government (Congleton 2011), and decentralization (Oates 1972, Buchanan and Congleton 1998) allow different regional interests to be advanced without empowering the national government to discriminate among regions. Such systems also allow policy experiments to be conducted that can provide new information about how local policies can best be implemented. Modest competition for residents and yardstick competition tend to encourage both innovation and the use of best practices (Salmon, 2019).

Thus, a broad and deep body of theoretical and empirical support for the institutions associated with liberal democracy has emerged from public choice research--although that broad

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[8] More or less independent (depoliticized) court systems are commonplace in the West and emerged well before democratic forms of government emerged. The logic behind judicial independence is similar to that developed by Berger et al. (2001) and DeHaan and Eijffinger (2018) with respect to independent central banks. Independent and largely depoliticized agencies work best when those selected to policy-making positions are predisposed to implement the kinds of policies necessary to achieve the main mission delegated to the agency of interest. In the case of monetary policy, persons who aspire to keep inflation to tolerable levels may be recruited (inflation hawks). In the case of constitutional courts, recruiting proponents of rule of law and constitutional governance helps assure that government policies are adopted through constitutionally proscribed methods and do not exceed constitutionally delegated authority.

Voigt, Gutmann, and Feld's (2015) research on the effects of independent high courts on economic development suggests that independent high courts tend to accelerate economic development (and thereby further increase the practical interests of voters) at the same time that they increase political stability. The former is most likely generated by making what Buchanan (1987) refers to as the economic constitution of a territory more general and durable, which tends to limit opportunities for expropriation.

literature cannot be fully surveyed in a short piece. The shared practical interests of those ruled tend to favor such institutions.

IV. Normative Dispositions and Good Governance

The above suggests that residents of the territories governed share a variety of practical interests that can be advanced through productive, non-extractive governance and that those interests are likely to be advanced by particular combinations of governmental procedures and constraints. The policy dispositions created by those constitutional designs produce policies that generally advance the broadly shared interests of the persons residing in the territories governed. Their laws and enforcement strategies reduce violence, theft, fraud, and various waste disposal externalities. Their policies and services include the provision of or subsidies for services such infrastructure, education, social insurance, and efforts to ameliorate crises and emergencies of various sorts. The latter include defense against conquest by extractive regimes, mitigating losses from adverse weather events (flood and major storms), and policies that reduce the adverse effects of pandemics and business cycles. And, of course, productive governments attempt to avoid policies that tend to make such crises more likely.

In addition to practical interests, voters often share normative interests that can be advanced through public policies and thus well-functioning democracies also tend to produce services that advance normative aims as well as practical ones. Examples include religious and civil holidays, some forms of redistribution (as opposed to social insurance) and a subset of what Musgrave termed merit goods—e.g. goods that "ought" to be provided by the state because they improve the citizenry (Kirchgässner, 2017).

The first public choice books and papers that took consideration of the internalized norms of voters focused on "ideology." Every ideology includes norms about the kinds of policies that ought to be adopted and how governance ought to be undertaken. Rational choice–based analysis of the political consequences of ideology began with Downs (1957), was reenergized with Kau and Rubin (1982), and Hinich and Munger (1996). Theoretical and empirical research on the effects of ideology on public policy have continued to the present. See Petrafke (2018) for a recent survey of empirical evidence that ideology systematically affects voting and public policies.

A separate but complementary line of research has explored the extent to which social capital and trust (e. g. trustworthiness) affect governmental effectiveness, economic development,

and the nature of governing institutions, as with Buchanan (1975), Knack and Keefer (1997), Feld and Frey (2002), Knack and Zak (2003), Torgler (2003), and Bjørnskov and Méon (2013). See Bjørnskov (2019) for an overview of empirical research on the effects of trustworthiness on government policies and associated outcomes.

Both these literatures imply that internalized norms influence voter demands for government services and the manner in which a government delivers those services. They do so for the most part through effects on how government officials behave, given the constitutional procedures and constraints they operate within.

Unfortunately, good constitutions alone are not sufficient to assure productive governments. They require several types of normative support to do so.

Agency Problems and the Demand for Virtuous Agents

Public choice suggests that a variety of dilemmas have to be overcome for governments to be productive and self-sustaining. For example, voters must prefer competent representatives with internalized norms that predispose them to be trustworthy over otherwise similar representatives who are not trustworthy. That not all government agents are trustworthy was indicated by Niskanen (1968) and Breton and Wintrobe (1975), among many others, who note that government officials often take advantage of informational asymmetries to increase their budgets and authorities.

A pragmatic candidate will promise whatever his or her listeners want to hear and exaggerate his or her ability to deliver on the promise or intent to deliver on it. He or she will behave quite differently behind closed doors than when in front of an audience. As a consequence, many extractive policies might be adopted—either because they directly benefit incumbent politicians or because politicians indirectly benefit from various forms of "kickbacks" associated with extractive policies that are not likely to become known to the average voter. The practical interest that all candidates have in reelection would induce honest behavior only in areas of policy in which voters are likely to be well informed and care deeply about. Unfortunately, surveys suggest that such policies are few and far between.

Determining the suitability of a candidate (or slate of candidates) for high office(s) thus requires assessing their character: the extent of their normative dispositions to be truthful, to keep promises, to investigate issues diligently, and to diligently work to advance the interests of their voters.

Because judging the trustworthiness of others is necessary in one's private life, voters tend to be better at judging a candidate's character than their competence at policymaking. They will have learned how to assess another person's honesty (albeit imperfectly), but few will have participated in or observed others making major public policy decisions. Elections can only align the interests of candidates with those of their voters if voters are generally able to distinguish more and less truthful candidates from pragmatists.

If voters manage to identify trustworthy competent candidates, they will get policies that generally advance their interests. If not, they will not.

Trust in governing institutions and officials, in turn, affects voter demands for public policies. The less trustworthy a government is deemed to be, the fewer services will be demanded, other things being equal. Just as consumers avoid purchasing goods and services from vendors that they distrust and favor those that are trusted, voters would demand fewer services from distrusted governments than trusted or incompetent ones (Bergh and Bjørnskov, 2011).

Moral Voting, Constitutional Norms, and Democratic Governance

The effects of internalized norms on voter choices and subsequent governance are reinforced by one form of strategic voting. The expressive theory of voting argues that voters tend to ignore the policy consequences of their voting and instead vote in a manner that supports ideas that they would like to be associated with. Many of these ideas are normative in nature. Expressive voters thus tend to vote more morally than they behave in their private life. They can feel good about themselves by voting morally whether their side wins or not, whereas they obtain practical benefits only if their side wins. Insofar as the former is a sure thing and the latter is uncertain, the former will have a relatively larger effect on voting decisions.

Normative ideas have a number of effects on behavior, and the theory of expressive voting suggests that they are likely to be more important in politics than in private life. As a consequence, policies tend to be more morally grounded than pragmatic models of voters imply, and in this sense, they will be "better" or more likely to be "good" according to the internalized norms of pivotal voters. (Indeed, from a utilitarian perspective, they may be excessively so.)[9]

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[9] The expressive voting literature argues that voters tend to give greater weight to definite subjective benefits than uncertain ones associated with voting over outcomes, among which the self-esteem associated with voting morally is likely to be very important (Brennan and Hamlin, 2000).

Normative disposition not only affect day-to-day policies but may also affect the institutions of governance. The terms "good" and "better" are inherently normative. When a consensus exists among about the nature of a good government or how a government can be improved, such ideas are likely to have effects the architecture of governance. For example, ideas about the proper form of government in Northern Europe shifted from ones based on birth and history to ones based on elections and equal protection of the law during the eighteenth and nineteenth centuries. As a consequence, reforms of governance were gradually adopted in the nineteenth and twentieth centuries that transformed the governments of England, the Netherlands, Sweden, Denmark, and Norway from politics based on royal and noble authority to ones grounded in elections and the authority of broadly elected parliaments.[10]

Similar moral sentiments help to stabilize democratic institutions after they emerge. When it is widely believed that democratic institutions are inherently "good," voters tend to elect candidates who favor democratic institutions, and as reasonably honest men and women, those elected will deliver on their promises. As a consequence, elections continues even when the practical interests of incumbents (and their voters) would tend to favor discontinuing elections. Pragmatic supporters of the current government might, for example, favor election reforms that favor incumbents over challengers or favor endlessly postponing the next election. Such practices would not necessarily end democracy but would bias elections in favor of a particular party or coalition of parties in government.

Such electoral reforms would be opposed only if a sufficient number of voters favors honest and open elections. This would be the case, for example, if five or ten percent of voters in all parties

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This implies that voters are more "moral" or "ideological" in the voting booth than they are in their day-to-day lives.

[10] See Congleton (2011). This incremental bargaining approach to reorganizing governance is not always successful, because rulers will block reforms that are likely to end their authority. Incrementalism failed, for example, in France in the late eighteenth century and in Germany in the early 20th century. However, it had many successes. The lobbying campaigns that gradually democratized many governments in the 19th and early 20th centuries were generally motivated by normative theories, often termed liberalism in the 19th century (Congleton 2011). Such incremental reforms, however, are not always liberal in direction. For example, the overall course of reform in Iran during the 20th century arguably reflected popular sentiments favoring reforms of governance rooted in religion, which lead to more conservative, rather than more liberal forms of governance (Barkhordari 2021).

have strongly internalized norms that favor honest and open elections and so regard their long term constitutional interests to be more important than their immediate policy interests.

Any proposals to undermine elections would be opposed by all such voters in the incumbent party (and the representatives elected by them) and also by most members of the parties and voters who are out of government. The latter share a practical interest in holding the next election. The result can be continued majority support for honest and open elections, even if only a minority of voters in each party truly favor such elections.

Conflict Among Internalized Norms and Constraints on Public Policy

If there were just two types of voters: those who are influenced by a particular normative system and those who are not, the balance of normative and practical interests would largely determine public policy. However, in many cases, different normative theories (and their associated ideologies) lead to quite different conclusions about "good" policies and no single policy will please everyone. Such disagreements over policy can become intense. This is especially true in areas of public policy where only one normative principle or maxim can be fully implemented and, therefore, other norms are necessarily ignored or violated. Particular policies or governing institutions may be regarded by one group as inherently bad or evil, while another regards them as inherently good or even having divine origin.

In these areas the usual tools used by public choice scholars and economists to evaluate the merits of public policies and institutions cannot be reliably used.[11] In such cases, consensus is impossible—and utilitarian calculations equally so, as one cannot reliably add or subtract infinities. In some of those cases, conflict may resemble Hobbes' war of every many against every other over control of private goods. In the case of the English civil war that raging while Hobbes wrote his famous book, one group believed in parliamentary supremacy and the other in royal supremacy—ideas that at the time were partly grounded in differences in religious beliefs.

Fortunately, it is possible to devise institutions that tend to moderate conflict and avoid the losses associated with civil war. Moreover, it is possible all sides may agree that such institutions are

[11] In such cases, the usual Pareto criteria imply that every outcome in such cases tend to be Pareto optimal (Congleton 1991b). Escalation among morally or ideologically motivated persuasive campaigns also tends to be greater than in campaigns motivated by economic as demonstrated in Congleton (1991a).

improvements over the status quo. For example, constitutional provisions that guarantee freedom of religious beliefs may be accepted as a proper constraint on governance because it reduces or eliminates the risk that followers of one religious doctrine will be able to impose their views on all others. Such rules ban certain kinds of laws from being adopted by government in order to reduce intense unproductive political conflict. Although all sides might prefer to be able impose their views on others, they recognize that large losses can be reduced by rules that limit governmental authority in such policy areas.

As in the Hobbesian setting, persons share an interest in peace and prosperity, both of which tend to be undermined by unending and unbounded battles for political authority.

V. Conclusions

That a "good" government advances the shared interests of the persons who reside in the territory governed is an old idea that dates back at least as far as Aristotle's discussion of ideal forms of governance in his book, *the Politics*. Its contemporary counterparts are refinements of Enlightenment theories of legitimate governance grounded in social compacts and popular sovereignty. From this perspective legitimate government occurs when a region's residents delegate to or broadly accept the authority of a community, regional, or national rule making and enforcing organization. This characterization of good governance is consistent with contemporary contractarianism, several strands of utilitarianism (but not all), and several strands of natural rights philosophy (but not all). All three of these families of norms have been applied in public choice research, and in most cases, fairly similar conclusions about good policies and institutions have been reached.

However, the relevance of public choice for theories of good governance extends well beyond its normative analyses. The main research program of public choice is positive, and that research is relevant for all consequentialist theories of a good society. According to such theories, governments are means rather than ultimate ends. Thus, the better the consequences are likely to be, the better a particular government's institutions and policies are judged to be. Whenever public policies and governing institution are assessed by their consequences, theories that can predict the consequences of particular institutional arrangements are both relevant and necessary.

In general, both positive and normative public choice research tends to support various forms of liberal democracy, with their open and fair elections, and limited domain of policy making.

Constitutional constraints can reduce extractive temptations and avoid policy decisions where conflict would otherwise be intense. Constitutional constraints that facilitate the dissemination of information, such as those that constrain censorship, and public services that help assure that electorates are reasonably well informed, such as support for education, tend to improve the results of elections and policy making, Procedures for independent constitutional review also tend to be supported in order to strongly encourage constitutional procedures to be followed.

Such governments are "better" than others because they generate propensities for governments to adopt policies that tend to advance shared interests, including ones that tend to increase average and median income. The results are so much better than those associated with extractive or corrupt governance that millions of migrants willingly accept many hardships and risk death in order to move to places with such governments and their associated social and economic systems.[12]

Providing support for "good" systems of governance is rarely the main point of public choice papers or books. Its characterization of such governments is obvious only when the overall body of public choice research and scholarship is taken into account. That indirectness should make public choice support for liberal democracies more convincing, because most of the individual pieces of research that provide that support are not themselves efforts to validate a particular normative theory of good governance. Rather, the research attempts to develop and test hypotheses about the many interdependencies of economic and political systems, and it turns out that the systems of governance that are most likely to advance widely shared interests resemble those of liberal democracies.

In doing so, public choice research incidentally provides new stronger analytical and empirical foundations for older theories of good governance, albeit not without many reservations and suggestions for further improvement.

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