(usually finance) that would either doom or significantly delay that individual’s rise to power.

The authors have achieved a brilliant juxtaposition of theoretical rigor with practical application. Theorists, as well as commentators on political elections, can profitably use this book. It is well worth an analyst’s time and effort to learn this model for applications to their respective parliaments. The combination of the theory with an in-depth knowledge of a specific country would make this model extremely powerful – particularly in by-election analysis as mentioned above.

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Dennis C. Mueller (Ed.), Perspectives on public choice: A handbook. New York: Cambridge University Press, 1997. xiii + 672 pages. $79.95 (cloth); $29.95 (paper).

Public choice has now been a cumulative intellectual discipline for only about 25 years. For the most part, the modern founders of public choice made their original contributions without knowledge of their scattered intellectual predecessors. Kenneth Arrow, Duncan Black, James Buchanan, Anthony Downs, Mancur Olson, and Gordon Tullock created the foundation of public choice almost by themselves, even though Buchanan was strongly influenced by a chance exposure to the 1896 treatise by Knut Wicksell and Downs built on the spatial economics developed by Harold Hotelling in 1929.

Dennis Mueller’s new Handbook is a collection of 25 new articles by and about those who have built on this foundation. As with any book with many authors, the style is somewhat uneven, but this Handbook is likely to be the standard reference on public choice for some years. Any review of this Handbook, thus, is inherently a review of the current state of public choice. Following a valuable introductory perspective by Mueller, the Handbook surveys the state of public choice in five major sections:

Part I addresses the structure of several types of collective institutions. Russell Hardin first summarizes the economic theories of the state, a literature this reviewer regards as a romantic mishmash. A state exists because some group has an effective monopoly of the instruments of force, not because of the demands for order and other public goods; how state powers are used depends on the incentives of the controlling group and the options available to its subjects. (Presumably by editorial oversight, Hardin’s name and brief
bio are not included in the list of contributors.) Elinor Ostrom and James Walker contribute a valuable summary of the conditions that lead people to organize institutions between the market and the state plus a summary of the experimental evidence that bears on these issues. The article by Robert Inman and Daniel Rubinfeld is a conventional summary of the political economy of federalism with no discussion, unfortunately, of the “flypaper effect” or the problems that arise when there is not a clear division of roles between the national and regional governments. The article by Bruno Frey summarizes the studies of international organizations, many of which are by his Swiss and other European colleagues; American scholars would benefit by more attention to this literature before endorsing an international resolution of the issues of the day. The article by Dennis Mueller summarizes the developing field of constitutional public choice but without an adequate discussion of the conditions that maintain a constitution.

Part II addresses the formal analysis of voting and preference aggregation. The article by James Enelow focuses on the conditions for which majority rule leads to cycling without providing any insight why cycling, in fact, is quite rare. Douglas Rae and Eric Schickler summarize the more general effects of majority rule, concluding with a somewhat casual dismissal of the case for protecting some rights by a supermajority rule. The article by H. Peyton Young summarizes the recent analysis of the relation of group choice and individual judgements, based on the original contributions by Borda and Condorcet; Young concludes by making the case for a maximum likelihood ranking voting rule. Prasanta Pattanaik summarizes the “very large and diverse class of negative results” from the formal analysis of preference aggregation. And Nicolaus Tideman summarizes the modern development of “demand revealing” rules for voting on public activities. A reader of this review may correctly surmise that I do not understand this literature very well and may thus underestimate its value.

Part III addresses the broader set of public choice studies of elections. Peter Ordeshook provides a valuable summary of the four decades of spatial analysis building on the major original contribution by Downs with special attention to both the strengths and limits of this type of analysis. The article by Norman Schofield is a fine analysis of proportional representation and multiparty politics with interesting examples from Europe and Israel. David Austen-Smith summarizes the too-formal literature on the role of interest groups, concluding that “we cannot say much . . . about the extent to which interest groups influence policy, and we can say even less about the normative properties of any such influence”. The article by Thomas Stratman is a good summary of the literature on logrolling, concluding correctly that we still lack a good understanding of the institutional conditions that contribute