

Buchanan and gordon tullock: economic theories

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Buchanan coauthored 'The Calculus of Consent' with Gordon Tullock as one of the products of thinking cultivated by reading a German article by Knut Wicksell, a Swedish economist (DiLorenzo 180). Wicksell was of the idea that the benefits taxpayers received should be directly linked to the taxes they pay. This implied that taxes and government spending would be agreed upon and validated, as opposed to the conventional view of the 1940s and even the current view. The book 'The Calculus of Consent' revised Wicksell's idea, and referred to it as 'workable unanimity', as they thought it impractical. This together with 'The Economics of Democracy', a book by Anthony Downs, gave birth to the field of public choice. Buchanan and Tullock even went on to initiate an academic journal- Public Choice. At this time, he raised dissimilarity between two levels of public choice; the first being during the making of the constitution and the second being after the constitution has been implemented. He has attempted to convert his fellow economists to this line of thinking, where they should focus more on the first level rather than on the second level as mere political players. To push this ideology farther, he published a journal- Constitutional Economics ("James M. Buchanan"). Buchanan also believed that welfare economics is skewed as costs are subjective. He pointed this out in an unusually ardent economics book- Costs and Choice. This was the book that he considered most essential yet to the Nobel Committee it was 'The Calculus of Consent'. In the book, Buchanan's aim is to interpret the most basic economic perception of 'cost' or 'opportunity cost' and clarify the inherent concept linking opportunity cost and the decision-making process. He uses the theory of opportunity cost to elucidate the significant areas of contention in political issues. According

to Buchanan, decision-making in Economics involves selecting among alternatives; and costs can surely be recognized as personal and subjective assessments of the corollary of cost. However, this provocative way of thinking has not been applied to public policy even though economists have acknowledged its sensibility (“James M. Buchanan”).