

AN INTERVIEW WITH BRUNO FREY ON THE CONTRIBUTIONS OF JAMES M. BUCHANAN ON POLITICAL ECONOMY

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Bruno Frey is Permanent Visiting Professor at the University of Basel. He was Professor of Economics at the University of Konstanz from 1970-1977 and at the University of Zurich from 1977-2012, Distinguished Professor of Behavioural Science at the Warwick Business School at the University of Warwick, from 2010-2013 and Senior Professor of Economics at Zeppelin University Friedrichshafen, from 2013-2015. Bruno Frey is Research Director of CREMA – Center for Research in Economics, Management and the Arts, Switzerland, jointly with Professor Margit Osterloh. He was Managing Editor, from 1969-2015, and is now Honorary Editor of Kyklos.

Q. First of all, where do you place Buchanan in the broader history of economic thought?

Frey. Buchanan occupies a very central place in economics, most importantly by constructing a real Political Economy in which economics influences politics, and politics influences economics. His work was jointly with Gordon Tulloch, but unfortunately Tulloch did not get a Nobel Prize though he certainly also deserved it.

Q. From your own perspective, what are the Buchanan's most important ideas and their relevance to 21st century and real world problems? To put it simply, why is he significant?

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Frey. Buchanan is significant because the interaction between economics and politics is analysed by using the same approach, rational choice. A second reason why Buchanan is so important is that he analysed institutions at the government level, namely the constitution. The constitution is a major determinant of short-run and long-run political decisions.

Q. In one of your paper published recently, you note that two major and paradoxical concerns are happening. The number of democratic states have been in decline over the last years. Similarly, the importance of Public Choice has also decreased. Would you please comment on this paradox?

Frey. There are several possible reasons for the decline of Public Choice, such as a sense of exhaustion with a particular approach or a new zeitgeist. Neglecting the insights of Public Choice can have social costs as the public sector in most countries has greatly expanded and is subject to incentives and constraints. Several possibilities exist to overcome the paradoxical situation of an area in need of analysis and the fall of a respective analytical approach. (see my article on Public Choice in times of declining democracy published in *Economia Politica*, 9 May 2023, <https://doi.org/10.1007/s40888-025-00366-1>)

Q. In an era where electoral processes often reinforce populist and autocratic tendencies, how does Buchanan's critical perspective on voter behaviour and electoral mechanisms help us understand the democratic backsliding we are witnessing?

Frey. Autocratic tendencies are not mainly due to populist influences but are mainly due to governments and public bureaucracies expanding their power. In addition, there are always influences on politics and the economy by the zeitgeist which usually cannot be predicted, but must be analysed when it has arrived.

Q. Could Buchanan's emphasis on constitutional rules and consensual politics be a counterweight or solution to contemporary democratic backsliding?

Frey. Definitely. Consider the US Constitution which obviously grants far too large power to the president as we experience today.

Q. Even if some of the principles of constitutional democracy such as separation of powers, independent judiciary etc. are safeguarded, how can we trust the “general will” and the electoralism? Isn't Trumpism, or rather Trumpmania, a good example of this? Does Buchanan's philosophy of contractarian constitutionalism have any relevance in this context?

Frey. Yes, that constitutional provision supporting discourse and contracts should be analysed more deeply.

Q. Do you think that we must focus on “behavioral public choice” rather than the traditional public choice which gives more emphasis to the supply side of the political process? If the mass is the mess, then what is the meaning of the representative democracy?

Frey. The emphasis on Behavioural Political Economy is already waning. There are certainly biological biases in various parts of political behaviour, but this should not be stressed too much. In most cases a rational choice analysis works well.

Q. Was Rousseau right to say, “*the moment a people allows itself to be represented, it is no longer free: it no longer exists. The day you elect representatives is the day you lose your freedom.*” If so, should we shout and say: “*Down representative democracy, long live Demarchy!*”

Frey. No, demarchy is not the only solution. In particular, institutions of direct democracy (as they exist in Switzerland) allow well to take into account the views and wishes of the citizens. It is not only the result that matters but equally important is the intensive discussion before the vote is taken.

Q. Do you think that demarchy (aleatoric democracy or lottocracy) can be a solution to the legitimacy crises in today's democracies? Could Hayek's and Buchanan's constitutionalism thought be extended in this direction? Could constitutional demarchy be a better alternative to constitutional democracy?

Frey. Demarchy should only be taken as one of several possibilities to raise legitimacy by more strongly taking into account the wishes of the broad population.

Q. And the last question: As who has worked extensively in the field of public choice, how has your own thinking been shaped or challenged by Buchanan's intellectual legacy?

Frey. My thinking has been much influenced by Buchanan's work but certainly also by other authors.