

AN INTERVIEW WITH ALAIN MARCIANO ON JAMES M. BUCHANAN

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Q. You've written numerous articles about Nobel laureate James M. Buchanan. Could you please briefly explain why you focused so much on him?

Marciano. My very first article was with a French colleague more than thirty years ago, and it bore on the contractarian imperative. One of the claims was that spontaneous rules can emerge—mostly within small groups—but that a social contract is needed to organize social and economic interactions at the broader level. It's the message I like very much in Buchanan—the mix between spontaneous cooperation (in “clubs”) and contractarianism. Because of that, I went on working on his ideas. Then I came across his methodological work—in particular, *What Should Economists Do?*, published in 1964, a fascinating article—about what economics is, why it should be political economy, and why it should focus on exchange and institutions rather than on choice and allocation. This is fundamental and brilliant: economics should not be reduced to a science or logic of choice. He was not the only one to make such a claim (one thinks of Hayek, of course), but he made it in a way that I find clear and compelling. If economists—and those who criticize economics—read more of Buchanan, they might change their minds about this discipline. So, I would say I like Buchanan both for what he wrote on social orders and for what he wrote on economics. What I also find fascinating is that

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Buchanan is one of those economists who helped show that economics is more than economics, that it is not so much a discipline aimed at explaining the functioning of the economy (even if this is important), but that it is a social science. As an economist, as a social scientist, you can be interested in understanding social order, human interactions. His thought gives breadth to the discipline. And I also like very much the humility that characterizes his thought: we should be humble because our understanding of social order, of human interactions, should start from individuals—from the bottom rather than from the top. We should work with the idea that individual preferences, their values is not objective, not accessible from the outside. Therefore, the role of economists should consist in trying to elicit individual preferences, individual values—and certainly not to impose their values or any so-called objective scale of values on the individuals. This constraint should be taken into account when we propose policy recommendations.

Q. In your opinion, what is Buchanan's most significant contribution to the social sciences, including philosophy, history, ethics, law, political science, public economics and public choice etc. Would you please remark on the breadth and the depth of Buchanan's interdisciplinary studies?

Marciano. The breadth of his work is rather impressive, indeed: from the theory of clubs to the analysis of externalities, from justice in taxation to the logic of collective choice, from anarchy to constitutional contract. And the depth comes from his constant effort to anchor economic analysis in moral philosophy—ethics in Buchanan's work is very important. He introduced ethics as an economist, but he did introduce it, and not all economists did or do that. As I already said, to him, economics is a moral and institutional science. But I would not say that his work is interdisciplinary. To a certain extent, it is more than that. He is very much an economist but an economist who believes that being an economist only is not enough.

Q. In one of your paper, you argue that Buchanan systematically tried to show that externalities and some other reasons of market failure should not be viewed as a problem for market inefficiencies. Would you please say something about his “remarkable consistency” that you mentioned in your paper for the solutions of market failures?

Marciano. This is also a very important point Buchanan made: sometimes, markets do fail to allocate resources efficiently; one cannot deny that, one cannot claim that markets are perfect. Buchanan did not deny that. But one must not jump from this

“observation” to the conclusion that the State or the government should step in to correct these failures. This is what most economists believe, the market or the State (which seems very liberal but is not because, most of the time, this belief hides a defense of government intervention). Buchanan, and from this perspective he is close to Ronald Coase or Elinor and Vincent Ostrom, among many others, believed that individuals can organize themselves privately and collectively to deal with the problems they cannot deal with privately. Externalities, therefore, must not necessarily be dealt with by government intervention. This paper explains how Buchanan came to accept the idea that externalities could be a problem but also how he consistently explained how individuals could solve this problem through private collective action. Individuals devise institutions to solve their problems—meaning the problems they want to solve. Elinor and Vincent Ostrom documented these solutions. To a certain extent, one can say that they provided an empirical confirmation of Buchanan’s ideas.

Q. Buchanan and his fellow co-authors and colleagues working in the field of Public Choice have made great contributions on the theory of governmental failure. Do you think economists really understood Buchanan’s theory of governmental failure? If they understand the negative consequences of big government, why are they still so attached to Leviathan?

Marciano. To me, Buchanan did not so much identify “governmental failure” but rather claim that there are no reasons to believe that government officials, or the “State,” are perfect or better than any individual is. What Demsetz called the “nirvana fallacy.” If we abandon this “romantic” assumption about the government, about the State, then we introduce the possibility of failures. We have to accept these failures, as we have to accept the market failures, and compare imperfect institutional forms. This is well known, but it’s not totally accepted. There are still some economists who believe in TRUTH or Truth, who believe in an objective norm that exists, that can be reached. That market fails and that these failures can be cured by governments, forgetting that governments are also fallible, and that the costs of fixing problems can be a problem too. And I would say that the economists who understand government failure, the negative consequences of big government are not those who are attached to Leviathan. Those who insist on relying on government intervention to cure market failures either do not understand government failure or understand it and try to pursue and promote private interests.

Q. Buchanan said: “Socialism Is Dead But Leviathan Lives On.” Do you think Leviathan is still alive? He often noted the maxim of bridling the passions of the sovereign, the Leviathan. Buchanan answer is a call for a “constitutional revolution” which will “chain Leviathan.” Do you really see a constitutional revolution around any place in the universe? If not, it means Buchanan’s ideas are not so strong on the winds of change? What do you think?

Marciano. Yes, the Leviathan is still there and there is no constitutional revolution going on. It might be a bit pessimistic, but I don’t see any change coming. The reason is, fundamentally, that no one—no, it’s an exaggeration, very few people want to change. Change is difficult, risky. The politicians do not want to abandon their privileges. Social scientists, whether honest or not, defend a form of social science that needs them and their intervention. And the people do not want to be burdened with the responsibility of being free—Buchanan at some point explained very clearly why individuals could be “afraid to be free.” One of the problems is also that Buchanan’s ideas are caricatured: a free marketer, against government intervention, almost a libertarian; or a Hobbesian contractarian, defending the Leviathan to control the citizens. He was, I think, a reasonable defender of the market, of decentralized mechanisms to solve social and economic problems. He was not against ethics, he was not against rules. To implement this “constitutional revolution” does not mean to open the doors to a form of totally uncontrolled anarchy. It means that individuals have to assume some responsibility, it can be costly but it can also be beneficial. Yes, obviously. But this can also be gratifying, emancipating. Buchanan wrote a very interesting article comparing the “artificial man” to the “natural man”: the latter is the prey of the natural, biological and cultural constraints; he does not need nor want freedom. The former is the individual who accepts the responsibility to build himself or herself; this individual needs freedom to become the man he or she wants to become. This is what being human means. One could argue that this applies only to the wealthiest, to the individuals who live in wealthy countries but this would ignore the importance of ethics—the rules of the game! Buchanan defended ethical rules, fiscal justice, to level the playing field.

Q. Considering Buchanan’s proposals on constitutional rules such as fiscal constitution and monetary constitution, to what extent do you think these proposals have been accepted worldwide? Can it be said that Buchanan has achieved success in this regard?

Marciano. Considering my answer to the preceding section, I would say that he has not achieved much success. One of Buchanan's main messages is that you need "rules of the game," a constitution and a social contract. But he also believed that, within this framework, you should let people live their lives, organize themselves freely and spontaneously. I don't really see places in which people play a game within the rules that exist. Rather, what seems to be happening is that we change the rules of the game while playing the social and economic game. This is problematic. No one would accept to play a soccer game if the rules are redesigned during the game. And yet, people accept to revise the social and economic game all the time. This is one of the most important messages Buchanan put forward, and it has not been much heard.

Q. I am a lawyer and I have written a dissertation on Law and Economics. Many legal scholars especially criticized the dominant law and economics paradigm. Why do some or most of the constitutional lawyers ignore constitutional economics? Turkey is an example. Many constitutional lawyers ignores, disregards and criticizes the constitutional political economy in my country. Would you like to say something about this, taking into account the situation in the EU, the US and even in your own country, Italy? What are the sources of opposition to constitutional economics?

Marciano. There are several reasons why many constitutional lawyers, both in Turkey and elsewhere, have been skeptical or even dismissive of constitutional economics or constitutional political economy. First, disciplinary boundaries remain strong. Many legal scholars are trained in doctrinal analysis and are more comfortable with interpretive, historical, or normative methods. They often see economic reasoning — especially formal models or utility-maximizing assumptions — as reductive or alien to constitutional reasoning, which deals with rights, values, and political legitimacy. Second, public choice theory and constitutional economics are often associated with critiques of government intervention, majoritarian politics, or redistribution. Constitutional economics is viewed as ideologically biased or hostile to the welfare state, which makes it particularly unattractive in more social-democratic or public-law traditions. And, third, there is a philosophical difference: constitutional lawyers often see the constitution as a higher legal norm, reflecting collective values and historical commitments — not just a contract or a coordination device. Constitutional political economy, especially in its contractarian form, treats constitutions as the result of

hypothetical bargaining among self-interested individuals. This can be difficult to accept.

Q. And coming to your book entitled *James Buchanan and Peaceful Cooperation* published by Cambridge University Press in 2024. What are the main messages of this book?

Marciano. There is a widespread belief about Buchanan, not only among the scholars who criticize him and reject his ideas but also among those who like and defend his work, namely that he was pessimistic, that he was extremely negative about human beings—they are self-interested, they do not cooperate, and they have to be controlled. And, accordingly, Buchanan was a social contract theorist, who did not believe in spontaneous order and spontaneous cooperation, in anarchy, etc. Part of this conviction is based on what he wrote in the 1970s, and more specifically on *The Limits of Liberty* (that was, as is well known, published in 1975). My conviction is totally different; Buchanan was rather optimistic about individuals and spent a large part of his career writing about how individuals could indeed find ways to organize themselves spontaneously, to decide spontaneously how to organize themselves collectively. This is what I wanted to show, that Buchanan was very much convinced that individuals want to cooperate, to pay for the public goods they consume, to pay for the external effects their behaviors generate. This book is about Buchanan's theory of peaceful cooperation. He made the point in "What Should Economists Do?": economics, as political economy, should study cooperation, rather than conflict. This book is part of my biographical project. I studied his theory of collective action, and traced it from the first works in public finance to *The Calculus of Consent*, and his works in the 1960s in public choice or rather constitutional economics.

Q. What about the book, *James Buchanan: The Disillusionment of an Optimistic Economist*, you are writing? Again would you please tell us the importance of this book? What were the disillusionments of Jim Buchanan?

Marciano. This is the longest and more complete version of the preceding one. I am writing an intellectual biography, analyzing the evolution of Buchanan's ideas from the 1940s to the mid- or late-1970s. This period is fascinating because Buchanan, as I already said, was becoming pessimistic about society and its evolution. After having built a theory of spontaneous cooperation, he focused more on the need for a social contract. The way Buchanan used the concept is very interesting: just like Walras used the concept of general equilibrium, Buchanan used

the social contract as a means to understand the functioning of society; not as a normative tool on which society should be built. The message was: once you abandon the desire to bring an inclusive society, a society that includes all the individuals (meaning, all those who want to be included), the society collapses. We end up in a situation of post-contractual anarchy... This is exactly what he was disillusioned with, that the U.S.A. of the early 1970s was a society in which the conditions that should be fulfilled (according to him) to have a spontaneous organization of collective action were not fulfilled anymore. One aspect of the problem was the abuse of power by those in charge. Another was the incapacity of a part of the population to resist the demands of the other part of the population (who had no reason to refrain from asking). This is what Buchanan modeled as the “Samaritan’s Dilemma”—which has not much to do with the Biblical parable but is rather a description of this situation in which those who help cannot resist helping and therefore are trapped by the recipients of this help. He called the latter the “parasites” but, in his view, they were more responsible and rational than the Samaritans; they were just behaving rationally. The Samaritans, in contrast, had become “soft.” This is usually interpreted as cynical, a criticism of the welfare state, and this is a mistake: Buchanan was not against help or giving but was in favor of controlling this help.

Q. And the last question: As who has worked extensively Buchanan’s writings, how has your own thinking been shaped or challenged by Buchanan’s intellectual legacy?

Marciano. I was very much influenced by his views on social order—small groups within which individuals follow a Kantian rule of action and a social contract, based on unanimous consent, to tie all these groups together. To me this also represents the central message of classical political economy, a message one can find in David Hume or Adam Smith. The latter also gave a definition of economics that was lost and that Buchanan contributed to revive: economics should be viewed as a science of exchange, rather than as a science or logic of choice, and that what economists should study is how individuals organize themselves to trade, and transact with one another.