

# PUBLIC CHOICE AND THE NOTION OF CREATIVE COMMUNITIES

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## Introduction

The history of economic analysis is replete with examples of new and influential ideas emerging from the interaction of groups of thinkers, whether from the salons of Mirabeau and Marcet, the Cambridge community that gathered around Keynes, the minds thrown together at places such as RAND and Cowles, or the departmental structures that came with the professionalization of economics. The last is perhaps the least influential of these. Indeed, economics in the post-World-War II period has in many ways worked against the establishment of creative communities. The evolution of economics into a subject made up of a host of applied fields has been accompanied by a push to create departments whose research and teaching programs span this increasingly vast range of economic analysis, and departments tend to consist of a small number of scholars working in each of these many areas. But the drive to cover the wide range of applied fields that now characterizes the discipline works against the establishment of the critical mass of scholars that can generate a creative community.

The history of public choice analysis is an exception to this tendency. The thesis here is that public choice is one of the few examples of a “creative community” emerging from within the professional academic structures of economics in the post-war period. But in what sense was there a creative community? It was creative in the sense that public choice theory revolutionized the study of public finance and the policymaking process by using economic analysis to examine

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the political process itself. This analysis subsequently became part of the fabric of economics. It was a “community” in both the broad and narrow senses: at the broader level, it led to the development of a field of analysis with its own specialized meetings and publication outlets, while in the narrower sense it was driven by the efforts of a small circle of scholars who worked together to launch this new field of inquiry. The broad and the narrow proceeded side-by-side, with each playing a role in the success of the other. Eventually, though, the success of the broader public choice movement spelled the end of the smaller creative community that helped to get it going in the first place.

The creative community within public choice arose out of the establishment of what has become known as the “Virginia School of Political Economy” in the 1960s and 1970s. These efforts were reinforced through the move by Virginia Polytechnic Institute (VPI)<sup>1</sup> to build a department around a single sub-specialty, public choice, in the 1970s—to, in effect, apply the division of labor in a profession whose departments were attempting to be all things to all people. This effort provided the context in which a creative community could be established and, potentially, flourish. That public choice did flourish as a creative community can be accounted for by a variety of factors and forces. In the analysis that follows, we will see how these conditions were manifested at VPI. What is interesting about the case of VPI and public choice is that certain of these elements were also present at the University of Virginia a decade earlier. Yet, a creative community did not develop there. In the pages that follow we will examine the evolution of public choice as a creative community, looking both at the reasons for the failure to establish this community at the University of Virginia and how the subsequent move to VPI allowed such a community to develop and flourish.

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<sup>1</sup> VPI is now more commonly known as “Virginia Tech.”

## **On the Notion of Creative Community**

The notion of a “creative community” remains ill-defined, but any definition would seem to include the emergence of something new, different, and influential (the “creative” aspect) and the association of a group of individuals who made that creativity possible. At the most broad level, a creative community could encompass the development of a new field of inquiry, driven by a group of people—perhaps increasingly large in number—working in concert to bring this about. At a more narrow level, it could refer to a small group of individuals who develop ideas out of living and working together on an ongoing basis.

The former notion is captured by Nicholas C. Mullins's work on “theory groups” in his *Theories and Theory Groups in Contemporary American Sociology* (1973).<sup>2</sup> Mullins suggests that these theory groups emerge in four stages. The first of these, which Mullins calls the “normal” stage, is characterized by informal organization and little coordinated effort among a field of scholars doing routine science. At some point, though, a “discovery” leads an individual or small group of individuals to pursue a new path. In the “network” stage, this discovery attracts attention, and those interested in pursuing this line of inquiry begin to associate with each other and recruit like-minded scholars to the project. Publication or other success reinforces this. Interaction within the group becomes thicker and direct ties with the larger professional community are diminished. Teacher-student links are developed. Program statements set out the boundaries of the research project. A research or training center is developed, usually at a university.

The third stage, which Mullins calls the “cluster” stage, sees graduate students grouped around three or more scholars at one or more locations. The group becomes institutionalized and

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<sup>2</sup> This summary draws on Mullins 1973, chapter 2.

contacts outside the group are largely with those of similar interests. The group's research is focused narrowly along the path laid out in the program statement, and even graduate students are focused on the narrow area of research rather than having multiple interests. The divergence of the group's work from that of the larger profession is more clearly revealed at this stage. The approach may take on the nature of a dogma and work may be seen as revolutionary and either die or begin to give rise to a new professional speciality. Organization involves meetings and publication outlets. A secondary literature in the area begins to emerge, as does scholarship critical of the group's work. Finally, there is the "speciality" stage. Successful students and professors are lured away from the group's center and the project thus becomes more diffused through the profession. The original tight bonds are loosed, contact among group members becomes more infrequent, and departments across the discipline establish positions for this new speciality. The work becomes routine professional practice and no longer attracts special attention for its unique nature. Textbooks are written, and secondary literature emphasizes the links of this work to larger (normal) professional practice. At this point, the cluster may cease to exist.

A more narrow notion of creative community is suggested by Michael Farrell in his analysis of *Collaborative Circles* (2001).<sup>3</sup> His discussion captures aspects of Mullins's schema, but differs in important ways. Farrell offers a seven-stages theory of how these small circles develop. First, "formation" occurs when a small group of individuals comes together in a particular place, usually under the influence of a leader, or gatekeeper. Second, there is "rebellion" against some established authority or orthodoxy. The circle may include a charismatic internal leader, an external villain representing that against which rebellion takes

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3 For a summary of the theory, see Farrell 2001, chapter 7.

place, and an internal lightning rod who vociferously takes on the villain. The group establishes ritualized meetings and members begin to cohere. Third, there is a “quest” stage, which evolves out of the group's meetings and during which the boundaries of the field are defined and the group establishes its identity.

The fourth stage is that in which “creative work” is done, often in pairs, in accordance with the groups program. Internal critiques help to solidify the research, and the group's vision becomes more defined and solidified. The “collective action” stage sees the group working together to get its message out: attracting resources and establishing larger group meetings and publication outlets. An executive leader often plays a key role in this process of going public. The sixth stage is the “separation” stage, which sees members establish their own identities, reputations, and recognition outside of the circle. This can lead to within-circle quarrels over status and rewards, and causes some members to separate from the group intellectually (new projects) and/or geographically. Eventually, the group to begin to disintegrate. Finally, the group may come together in later years for a “reunion,” perhaps to reminisce or to begin the process of constructing its own history.

How, if at all, do these two theories of creative communities fit the evolution of public choice?

#### **Charlottesville and Blacksburg: A Tale of Two Cities<sup>4</sup>**

The seeds of public choice analysis were planted at the University of Virginia, in Charlottesville, with the establishment of the Thomas Jefferson Center for Studies in Political Economy in the late 1950s. The Center was the brainchild of James Buchanan and Warren Nutter, who saw themselves bringing economic analysis back to the political economy of the classical economists,

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<sup>4</sup> This section draws heavily on Medema 2000 and Medema 2009, chapter 6.

embedding the analysis of the market process within the institutional structure of society, and doing so with the goal of showing how the price system was a key underpinning of a free society (Buchanan 1983, pp. 6-7). Their goal was to create a community of scholars who would change the focus of economic analysis and the attitudes of the scholarly community regarding the efficacy of the market system.

The faculty affiliated with the Thomas Jefferson Center included Buchanan, Nutter, Rutledge Vining, Ronald Coase, Andrew Whinston, and Gordon Tullock—with Tullock having come to the Center as a post-doctoral fellow at the Center's inception and returning on a permanent basis in 1962. The research focus of the Center's faculty was not public choice or any other specific area of economics. In fact, the faculty engaged in a very wide-ranging program of research: Coase was looking at issues in the broadcasting industry, including the mechanisms by which broadcast frequencies were allocated; Nutter was writing on eastern Europe; Buchanan and Tullock were analyzing constitutional issues and the political process; Whinston was focused on externalities, public goods, and welfare theory.

The Center received significant financial support from a variety of external sources, and these funds supported research, graduate students, and a visiting scholars program. The University of Virginia turned out numerous successful graduates during the Center's heyday, including a number of individuals who went on to become significant figures in the development of public choice analysis: Otto Davis, Charles Goetz, Mark Pauly, Charles Plott, William Craig Stubblebine, Robert Tollison, Richard Wagner, and Thomas Willett (Tollison, 1991).

The move toward a program of research in the analysis of political institutions arose out of a belief that the Center's research program examining the role of the market process in a free

society required an understanding of the political process that was on a par with that of the economic system. This led, in 1963, to the formation of the Committee for the Analysis of Non-Market Decision-Making. The Committee's original membership consisted of Buchanan, Tullock, and Paul David, and its charge was to coordinate the Thomas Jefferson Center's activities in the analysis of political institutions.

One means for doing this was to begin to create a larger community of scholars interested in analyzing the political process from an economic perspective. Toward this end, the Center organized a series of conferences that brought together economists, political scientists and philosophers who were interested in examining the political process using methods different from those found in traditional political theory. A series of four conferences—some of them sponsored by the Social Science Research Council—was held between 1963 and 1967, and they attracted scholars of various backgrounds and interests. These meetings laid the foundation for what became the Public Choice Society, which, by 1971, had more than 500 members and hosted an annual conference that attracted more than 80 scholars.<sup>5</sup>

These efforts at building a creative community analyzing political institutions led to the growth of scholarship in the area, but its creative element presented something of a problem for dissemination. Tullock recognized that getting ideas out there was important for the continued development of the community: “In a new and developing field, rapid interchange of ideas is extremely important. The existing journals are not organized to provide this exchange in an area which lies between (and overlaps) the traditional disciplines of economics and political

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<sup>5</sup> Sessions were also arranged at the ASSA meetings in 1963, 1964, 1967, and 1968. The details of these various conferencing efforts can be found in Medema 2000 and the references cited therein.

science.”<sup>6</sup> He believed that public choice had “suffered” from the lack of a “specialized journal”<sup>7</sup> devoted to disseminating this research, and this for two reasons. First, most existing journals considered this research “outside their scope” and were thus reticent to publish it. Second, having an emerging literature dispersed across a range of journals made such articles as *were* published in these journals hard to find. A new, specialized journal would thus both bring more of the best of this new research together in one place and serve as an important stimulus to quality research in the field, owing to the greater publication potential offered by a specialized journal.<sup>8</sup>

Because of this perceived difficulty, the Committee for the Analysis of Nonmarket Decision-Making, in the person of Tullock, decided to take matters into its own hands. The first thrust at this was *Papers in Nonmarket Decision Making*, the initial volume of which was published under the auspices of the Thomas Jefferson Center in the summer of 1966. Within a year, it had sold 265 copies with almost no formal advertising. The second issue, published in 1967, contained an expanded number of articles, a new book reviews section, and, perhaps as important as any of this, the publication of a bibliography of books and articles in the field (compiled by Mark Pauly)—something that was to be repeated in latter issues of the journal and served the very useful function of keeping scholars abreast of the far-flung publications in this newly-emerging area of inquiry. The first two issues of *Papers* reflected the differing emphases within the public choice community: the articles in the first issue focused more heavily on the analysis of political institutions (Tullock's emphasis), while those in the second issue had more of

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6 Tullock, National Science Foundation proposal for *Papers in Nonmarket Decision Making*, 1967, p. 1. Buchanan House Archives (hereafter BHA).

7 Tullock, National Science Foundation proposal for *Papers*, 1967, p. 1. BHA. These sentiments were echoed from the political science side by Vincent Ostrom, Chairman, in a memo to Public Choice Society members in 1969. Ostrom, Memorandum to Members and Prospective Members of the Public Choice Society, September 10, 1969. BHA.

8 Tullock, National Science Foundation proposal for *Papers*, 1967, p. 11.

a “new public finance” flavor (Buchanan's emphasis). This led Tullock, who favored the former type of work, to remark that he hoped “that this will not continue to be the case, and that we will have even more direct analysis of political phenomena in later issues” (Tullock, “Foreword,” *Papers II*, 1967).

By the time that the third volume of *Papers* appeared in the fall of 1967, the operation had evolved to the point that an editorial board had been put into place.<sup>9</sup> In 1968, *Papers* was formally converted to a journal and given the new name, *Public Choice*. The journal was sponsored by the newly-founded Public Choice Society<sup>10</sup> and funded from a three-year grant provided by the National Science Foundation, after which time it was expected that the journal would become self-supporting. In an “Editor’s Note” to the maiden issue of *Public Choice*, Tullock opined that, in light of all of this, “We are still a struggling journal, but our struggle will be a bit less desperate in the future.”<sup>11</sup>

While the rise of specialized journals in a field is certainly one mark of its maturity as a scholarly endeavor, another is the publication of scholarship in the field across a broad spectrum of journals and, in particular, in the best general journals. The extensive bibliographical work done by Charles Plott and Mark Pauly in the early years of the public choice movement is instructive as to the range of literature and the broad spectrum of journals in which it was published—from elite journals such as the *American Economic Review*, *Journal of Political Economy*, *Economic Journal*, *Econometrica*, and the *American Political Science Review* to second and third-tier journals—as well as numerous books and a research annual entitled

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9 Tullock served as editor and Mark Pauly as book reviews editor; William Riker, Mancur Olson, Anthony Downs, John Harsanyi, Duncan Black, James Coleman, and Buchanan served on the editorial board.

10 Tullock 1997, p. 125 reports that the name of the journal was changed upon a vote by the members of the Society at the 1967 Chicago meeting. The journal’s operations were moved to VPI and the newly-established Center for Study of Public Choice in 1968.

11 See Medema 2000 for an expanded treatment of the growth of the journal literature in public choice.

*Mathematical Applications in Political Science*. Well over four hundred books and articles were published in the 1960s alone. In the *American Political Science Review*, for example, roughly five percent of the articles published in the mid-1960s embodied a rational choice perspective. By the early 1970s, this had increased to twenty percent, and by the early 1990s to around thirty-five percent (Green and Shapiro, 1994, pp. 2-3). All of this seems to call into question the assertions of Tullock and others regarding the lack of receptivity to this work within traditional professional outlets.

In spite of the success in creating a larger professional community of scholars interested in the economic analysis of the political process, the attempt to establish a flourishing community at Virginia ran into obstacles early on. The ideology associated with department and the Center seems to have been at the center of this emerging storm. Already in 1962, the University administration began to investigate “ways of changing or offsetting the ‘political orientation’ of the Department of Economics.”<sup>12</sup> In 1963, a faculty committee with no representative from the Economics Department wrote a secret self-study report on the Department for an external accreditation committee.<sup>13</sup> This report contended that while the Department enjoyed substantial repute within the profession, “the repute enjoyed is regarded by the vast majority of economists as of a distinctly unfavorable character.”<sup>14</sup>

The root of the problem, according to the report, was the wholesale commitment to a single point of view which “make[s] it difficult or impossible for other views to find expression, whether in instruction or research.”<sup>15</sup> The result, it was maintained, was that hiring decisions, field offerings, fellowship awards, and dissertation topics were all pervaded by the Department’s

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12 Buchanan, “Chronology of Significant Events,” April 1976, p. 1; BHA.

13 Buchanan notes that this report was not seen by members of the Department until 1974. *Ibid.*, p. 5.

14 Self-Study, 1963, p. 1, BHA.

15 *Ibid.*

ideological stance.<sup>16</sup> Regarding field offerings, for example, the report stated that “it appears that one of the major consequences of this ideological commitment has been to handicap students on both undergraduate and graduate levels by leaving them without access to those fields of economics which remain unrepresented in the Department because rejected [sic] by the prevailing doctrinairism.”<sup>17</sup>

Based upon these factors, the report concluded that the University “would seem to be failing in its responsibility to give its students in Economics the best possible comprehensive training, without seeking to commit them to any particular position.”<sup>18</sup> The study recommended “additions to the staff of full professorial members of [a] different, ‘modern,’ outlook ... in order to inject pluralism into an otherwise closed society.” In doing so, the report specifically stated that “Care should be taken in making or renewing non-tenure appointments, as well as those of higher rank, to avoid further recruitment from the Chicago School ...,” and the attempt should be made “to insure that a more mixed body of graduate students is created by discriminating assignment of fellowship grants.”<sup>19</sup> While the report focused on the economics department, the Thomas Jefferson Center did not escape criticism. The report charged that “the degree to which the Thomas Jefferson Center through its funds for research and study exercises undue influence upon what should be an independent University Department constitutes still another obvious center of needed administrative inquiry.”<sup>20</sup>

Things moved steadily downhill following the completion of this report. In 1964, Ronald Coase received an offer from the University of Chicago, and the University made no attempt to

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16 Ibid., pp. 2-3.

17 Ibid., p. 3.

18 Ibid., p. 3.

19 Ibid., pp. 3-4.

20 Ibid., p. 4.

retain him. In 1966, the administration refused to match an offer that Andrew Whinston received from Purdue.<sup>21</sup> The Department's recommendation that Tullock be promoted to full Professor was denied in 1965, 1966, and 1967, after which he resigned to take up a Professor position at Rice University. The treatment of Whinston and Tullock led Buchanan to threaten resignation unless the University made a serious attempt to rehire these two individuals. This controversy spilled over into the local and campus newspapers when certain current and former graduate students charged that the University was "systematically destroying the Department because of its alleged conservatism."<sup>22</sup> This controversy continued for nearly three months, with attacks and defenses coming from all sides. When no effort to re-hire Tullock and Whinston was forthcoming, Buchanan resigned and moved to UCLA.<sup>23</sup> While the larger public choice movement was very much alive, the fledgling creative community was not. As Wagner (2004, p. 62) has put it, "What had been a robust program in 1963 was gone by 1968."

Gone, but not finished. Shortly after the meltdown at Virginia, public choice was reestablished—indeed more defined and solidified—at Virginia Polytechnic Institute through the founding of the Center for Studies of Public Choice.<sup>24</sup> Charles Goetz, a former student of Buchanan at Virginia, was on the faculty at VPI and spearheaded the push to bring in Buchanan and Tullock to establish a program in public choice at VPI.<sup>25</sup> In fact, VPI made "strengthening the program in Public Choice" the centerpiece of its plan to develop a strong emphasis in the

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21 Coase was offered \$6000 more than he was making at Virginia; the University countered with an offer of a \$500 raise. Whinston was offered a \$4000 raise by Purdue, as well as a Professor position.

22 Buchanan, "Chronology," p. 3. Much of the information reported in this paragraph is drawn from this source.

23 In a letter to Leland Yeager informing him of his decision to resign from Virginia, Buchanan said that the decision was a difficult one given his strong loyalty to the department and the graduate program there. "By any reasonably fair evaluation," he said, "our whole efforts here must, I think, be judged a success, and I am personally very proud of the work we have accomplished as a team." Letter from James M. Buchanan to Leland Yeager, 16 January 1968.

24 The name was later changed to "Center for Study of Public Choice."

25 Interview with James Buchanan, November 5, 1998.

social sciences.<sup>26</sup> Tullock was appointed to the VPI economics faculty in 1968, and the Center was established at that time with Tullock as interim Director. Buchanan came over from UCLA in 1969, assuming the position of General Director of the Center, while Tullock moved over to the position of Editorial Director. Others affiliated with the Center from its inception were Goetz, and Joseph Bernd and James Herndon, both of the VPI political science department. The decision to establish a “public choice” center rather than a “political economy” center, as at Virginia, was a logical consequence of the focus of the work being done by those affiliated with the Center at VPI.<sup>27</sup>

The plans for the development of the Center were substantial and included several new faculty lines, bringing in prominent visiting scholars for substantial periods, six postdoctoral fellowships annually, summer research fellowships, graduate student fellowships, the development of an experimental laboratory, efforts at instructional innovation—such as the use of experimental activities in the classroom—that would introduce the students to fundamental issues in public choice analysis, as well as the regular sponsorship of general and small thematic conferences. VPI committed to over a half-million dollars in funding for the Center, and additional funds were secured from other sources.

An economics Ph.D. program was established at VPI in 1968 and, from the outset, it emphasized public choice analysis, including allowing students to take a double field in the area, the effect of which was that virtually all of a student’s education beyond the core would be in the field of public choice. This course of study involved a year-long sequence in public finance with a substantial public choice flavor and a year-long sequence in “Collective Decisions” that

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<sup>26</sup> Center for Study of Public Choice National Science Foundation proposal, 1970, p. ii.

<sup>27</sup> Ibid.

examined the economic theory of democracy, the theory of constitutions, voting models, and so on, as well as incorporating heavy doses of game theory and model building and an original research project. A similar course of study was offered at the undergraduate level. Plans were also developed for a Ph.D. program in political science that would allow a concentration in public choice, and students in both the economics and political science Ph.D. programs were encouraged to take courses across the two departments.<sup>28</sup>

The Center grew quickly, with a dozen permanent research associates on board by the mid-1970s and an active and wide-ranging program of research. Even with its overtly public choice emphasis, the Center, like the Thomas Jefferson Center, carried out a broad-based program in political economy—including the study of subjects such as crime, charity and income redistribution, fiscal federalism, and education. It also carried on an active program of publication, including book and monograph series and the housing of the editorial office of *Public Choice*. In 1976, the Center inaugurated a new annual entitled *Frontiers of Economics* the mission of which was to publish “applications of economics too far out even for *Public Choice*” (Center for Study of Public Choice Annual Report, 1976, p. 16).

The training of graduate students in public choice continued to play a central role at VPI, where the graduate students included Richard McKenzie, James Marchand, Marilyn Flowers, Gordon Brady, Randall Holcombe, Eugenia Toma, and Mark Toma (Tollison, 1991) These students, like those who came through the program at Virginia, diffused themselves across the nation’s colleges and universities, and, significantly, a number of them came to occupy professorships at leading universities. In doing so, they contributed to the creation of a larger community of public choice analysis within the economics profession.

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<sup>28</sup> Ibid., pp. 11-12 and Attachment 4.

The active visitors program, too, was carried over from Virginia, and significant funds were dedicated to this. Beyond the traditional program of long- and short-term visitors, Liberty Fund colloquiums brought a number of visiting scholars to the campus each summer, and these colloquia offered the opportunity for extensive interaction with scholars beyond the Center's faculty.<sup>29</sup> Programs featured seniors scholars from economics, political science, sociology, and philosophy, including Robert Nozick, Thomas Schelling, Richard Epstein, and Douglass North, as well as younger scholars. Though sponsored by Liberty Fund, these colloquia were Center events, held in Blacksburg, and this helped to broaden the exposure, reach, and impact of the Center (Brennan 2004, pp. 87, 91-92).

By the early 1970s, a flourishing creative community in public choice analysis had emerged at VPI.

### **Success Out of Failure: Explaining the Creation of a Creative Community**

Why did public choice flourish at a nondescript, modestly funded university like VPI when it had failed at a prestigious and resource-rich school like Virginia? A simplistic answer is that the ideological animus present at Virginia did not exist at VPI. But this is too simplistic, even if partially accurate. Richard McKenzie (2004, p. 23), for one, has argued that there are substantive differences between the two institutions help to explain *why* a creative community in public choice could flourish at VPI but not at Virginia. He contends that it is unlikely that the public choice revolution could have occurred at *any* leading research university (with the possible exception of Chicago), and that it did not take hold at Virginia because of its stature: “the controlling power of what economics is expected to be, and must remain, in the established

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<sup>29</sup> The speakers were afforded 75 minutes for presentation, with an equivalent amount of time to follow for discussion.

centers of scholarship” is simply too powerful to allow a deviant movement like public choice to take hold. At VPI, Buchanan and Tullock were not trying to establish a creative community within a well-defined professional culture with specific norms for scholarship. As Pitt, Salehi-Isfahani, and Eckel (2004, p. 2) have put it in a recent retrospective, “In Blacksburg, ... , where the program started from scratch, public choice had the opportunity to define itself free from any restriction imposed by the discipline from which it sprang.” This, they argued, was particularly important for the public choice center because its research program involved “forays into other disciplines.”

The opening for the public choice group to come together at VPI came about because VPI's President, Marshall Hahn, was attempting to build the academic reputation of the university by hiring elite scholars in a small number of areas. In adopting public choice as such an area, he took the risk that this fledgling field could and would become prominent. As Geoffrey Brennan (2004, p. 85) has noted, it would have been difficult to bring in a core of top-flight macroeconomic theorists or international trade scholars to a university which at that time had such middle-of-the-road academic standing. The sort of creativity and risk-taking demonstrated by Hahn does not happen today, when university officials conference and try to replicate what everyone else is doing. There is less room for creativity on the administrative front with the pressures to conform.

Internal university politics also played a role here. At Virginia, the public choice group was competing with other strong research programs within economics and across the university as a whole. At VPI, however, public choice was a big fish in a small pond, and this gave the public choice group a great deal of freedom. They were not contending for resources or prestige

with numerous other such groups led by scholars of substantial renown intent on building their own empires (Brennan 2004, p. 85).

Given Hahn's strong support for building public choice, it is obvious that the administration's stance at VPI was very different from that at Virginia. Whereas the latter's administration had been an obstacle, VPI's facilitated the development of the community by providing strong institutional support, including on the financial side. Salaries were competitive, research and other funds were provided, and faculty were not lured away by higher salary offers from other universities. Graduate student support was significant, and though, owing to its ranking, VPI was not able to attract students as uniformly good as had come to UVA, the development of the VPI program's reputation did bring good students into the program (Wagner 2004, pp. 67-68).

But there is more to establishing a creative community than just having a university environment that is receptive to and supportive of such a community. As both Farrell and Mullins point out, the construction of a creative community relies heavily on the presence of a personality or set of personalities to drive the revolution. Blacksburg had this in the personalities of Buchanan and Tullock. Brennan, McKenzie, and Wagner all have spoken of the crucial role played by Buchanan and Tullock in fostering the creative community at VPI. From a scholarly standpoint, Wagner has noted that “Both men are imaginative, creative, and energetic, but in differing and yet complementary ways.” Buchanan, he says, “is more interested in abstract reasoning and seeks always to provide models to carry his points.” Tullock, in contrast, “starts more from sensory and empirical observations and, while a user of models, shows a relatively lesser interest in the models *per se* than does Buchanan” (2004, p. 64).

Though Buchanan and Tullock were both prolific scholars, scholarly output alone is not a sufficient condition for spearheading the construction of a creative community. The force of their personalities and their drive to make public choice succeed, first at Virginia and then at VPI, is what set them apart from other teams of scholars around whom creative communities did not emerge. Buchanan and Tullock succeeded by being different rather than identical. Tullock was a maverick. He has been described as the ultimate deviant, always in search of new venues in which to apply the *homo economicus* assumption. Buchanan has been described as the more cool and logical of the two, setting the boundaries for the project and attempting to ensure that the group remained targeted on the mission (McKenzie 2004, p. 46-47). Buchanan was also a workaholic and Brennan (2004, p. 88) notes that this spilled over to the others, to the point where the environment was noticeably more relaxed—people arriving later and going home sooner—when Buchanan was away from the Center.<sup>30</sup> The Center's annual report contributed to this ethic, listing publications by each member, which meant that relative productivity was very public.

These differences also emerged on the “teaching” side. Buchanan was a role model who provided much direction to students and whom students could emulate and did attempt to emulate; Tullock did none of this, and students did not attempt to emulate him. (Wagner 2004, p. 64). One result, according to Wagner, was that “Most of the people who harbored professional ambitions wanted to work with” Buchanan, even in the Virginia days. Indeed, Tullock supervised very few of the dissertations over the years at UVA and VPI. Most of the UVA dissertations were in public finance, not public choice, but it was public finance in the Buchanan way (Wagner 2004, pp. 61-62).

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<sup>30</sup> Brennan 2004, p. 88 and Wagner 2004, p. 64.

If Blacksburg required Buchanan and Tullock, Buchanan and Tullock also required Blacksburg. Wagner has argued that Buchanan and Tullock needed to be together to be a truly influential professional force: “There is no doubt in my mind that the conjunction of the two produced results that would not have emerged had they operated separately after leaving Charlottesville” (2004, p. 64). He went on to say that,

If one were to ask me whether the Blacksburg experience could be replicated, I would answer, “Yes, but only if you had a Buchanan and a Tullock to start with.” You must have people with ideas of sufficient interest and breadth to initiate the cascades that will subsequently be called traditions or schools. Without that there is only puffery and waste. Given the presence of a Buchanan and a Tullock, the task is one of developing an organizational and institutional environment that is capable of converting an already swift current into a raging cascade (Wagner 2004, p. 68).

And develop it they did.

The concentration in public choice that existed at VPI via the public choice center facilitated the development of creativity in several ways. Having a substantial cadre of faculty working in the same small set of closely aligned areas of research generated a synergy conducive to creative work in an emerging field. Conversations tended to cluster around a basic set of ideas and took place between scholars working on the same types of problems rather than between people tilling very different soils. Weekly seminars were in a particular area, rather than diffused across the vast range of economics. Not all seminars were in public choice analysis, but they tended to involve the application of economic analysis to interesting areas (Brennan 2004, pp. 83-84).

The establishment of a creative community often owes a great deal to situations of “place” or “academic geography,”<sup>31</sup> and VPI offered this in two senses. First, Blacksburg was geographically isolated, and this isolation helped to create academic community. There were not many social options in the town, so people passed their time working and meeting together. Brennan (2004, p. 87) has referred to it as a “cloistered” life. This applied at once to faculty, graduate students, and external visitors, all of whom tended to hang around the department because there was no larger cultural life to explore. Eugenia Toma remarked that the isolation meant that the students worked harder because there was nothing else to do and so had more opportunities for regular interaction with faculty than they might have had otherwise. “We knew,” she said, that “we were in the midst of something intellectually important” (2004, p. 75).

This geographic isolation was not without its downsides. It was difficult to recruit the best faculty unless they had some previous affiliation with the public choice movement, and it was also difficult to recruit graduate students. Indeed, the cast of graduates from UVA was much stronger than that from VPI (Brennan 2004, p. 86).<sup>32</sup> Nevertheless, Blacksburg's isolation was an important ingredient in the success of this community.

But the geographical import did not end there; it also extended to the public choice center itself. The center at VPI was located not in the department, but in the old President's House at the University. One obvious advantage was that the house provided a measure of isolation from the bustle of an academic department. The architecture of the Center was also particularly well-suited to the development of a creative community. The house had two floors, each of which had a large central space surrounded by offices. The central space housed the support staff, but it also

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31 See, for example, Livingstone 2003 and, in the context of economics, Johnson 1978.

32 Two Virginia students, Robert Tollison and Richard Wagner, were part of the core group of faculty at VPI.

facilitated regular interaction. The surrounding offices meant “dropping in to chat” was a regular occurrence. Open office doors signaled a willingness to interact; closed doors allowed private time for work.<sup>33</sup> Brennan (2004, pp. 90, 91) has referred to this as “absolutely ideal,” being “the ideal combination of collegiality with private working space.” Wagner has said that “Blacksburg was the only time in my academic career that I encountered an office arrangement that was itself an interesting and enjoyable place to be” (2004, p. 68). Most places, he said, offer a tradeoff between amenable surroundings (home office) and being with colleagues (university office). Blacksburg was unique in combining the two, and Wagner suggests that “this lack of a tradeoff was an important source of the particular academic intensity that existed at the public choice center at VPI” (2004, p. 69). The architecture also supported the work ethic in that it was easy to tell who was and was not in the office, which exerted a sort of pressure to be around.

The role of these other factors comes out in McKenzie's (2004, p. 21) retrospective description of his VPI experience:

Ironically, the bane of my career has emerge from the same source, my having grown accustomed to academic life as it was practiced here in those early years. I came to take for granted that life elsewhere in research universities would be energized by aggressive daily interactions with colleagues who were driven by an unacknowledged arrogance—that with enough stamina, persistence, and ink, they could and would change the way the world thinks. I grew to believe that professors would be in their offices and at their typewriters (or computers) or, if not there, would be in other people's offices or meeting more spontaneously in hallways, constantly jousting over some new idea. I came to expect that if a colleague left a paper on someone else's desk at 8:00 in the morning, the

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<sup>33</sup> Students were housed in the basement.

paper would be returned by late afternoon—with two pages of typed comments ... I grew to see economics as a mission to come up not only with *good* ideas that were publishable but with *interesting* ideas that were worthy of discussion and that would push the revolution forward. I came to understand that the goal of an economist should be to search for the counterintuitive, to think outside the box, and to establish an intellectual beachhead in some discipline heretofore untouched by the economist's mindset.

Here at Virginia Tech, I was sheltered. I didn't understand the constricting power of academic elitism evident elsewhere in the profession. I grew to assume that journal standing was important in evaluating publications, but that the quality of the underlying ideas was far more important. I naturally presumed that the power of ideas would always trump academic politics. I grew accustomed to believing that publishing 15 articles and a couple of books a year was nothing unusual, just good, honest labor for a year's pay. I didn't understand for years what Robert Staaf really meant when he described the Public Choice Center as “a wagon train feeding off the rest of the profession.”

Boy, was I ever naïve.

Based on his experience at VPI and afterward, McKenzie's (2004, pp. 24-27) points to several factors that can facilitate the development of a deviant movement that seeks to challenge orthodoxy: (i) strong personalities; (ii) physical remoteness; (iii) intellectual distance from orthodoxy; (iv) autocracy around the revolutionary vision to preclude opposition; (v) establishment in a weak place where one can be deviant without professional penalty; (vi) separate physical location on campus to facilitate interaction of the like-minded and exclusion of others; (vii) adopt a “bunker mentality” to ward off outsiders and facilitate group action and

cohesiveness; (viii) cultivate programs of graduate education and visiting scholars; (ix) establish professional organizations and publication outlets that can facilitate the challenge to orthodoxy; (x) “pray a lot.” VPI clearly exemplified these traits.

At this point, it makes sense to return to the theories of creative communities sketched by Mullins and Farrell. Farrell's theory of collaborative circles seems an apt description of the creative community out of which public choice emerged, unsuccessfully at Virginia but with great success in Blacksburg. Indeed, judging by McKenzie's description of what it takes to launch a deviant professional movement, it would be difficult to come up with a more accurate schema to overlay on this community, even if the public choice group's timing does not always correspond directly with Farrell's stage progression. Public choice was born out of the Thomas Jefferson Center at Virginia and the organizational efforts of Buchanan (the leader) and Tullock (the lightning rod). It was a rebellion against a profession that they believed was overemphasizing the limits of markets and the prospects for welfare-enhancing government intervention. Regular interaction among the group members at Virginia and with prospective external allies through small annual conferences helped to give this group a measure of coherence around the public choice aspect. The identity of the community was solidified with the move to VPI and the establishment of the public choice center. Regular scholarly collaboration occurred among community members (Tullock was the exception here), and Blacksburg's geography facilitated an ongoing set of conversations about and critiques of the members' research. The establishment of publications, the visiting scholars program, the training of graduate students, and the expansion of the types of meetings held over time, beginning and Virginia and carried through to VPI, helped to get the message out. However, this creative

community at VPI eventually broke apart. Several of the most esteemed members left for other universities, and the public choice center was no longer the focal point for research in the field.<sup>34</sup>

Mullins's approach, in contrast, seems to describe well the process by which a new field of inquiry can develop, and, though the details of this aspect of public choice have not been dealt with at any length in this paper,<sup>35</sup> his theory seems to fit rather well as a depiction of the evolution of public choice analysis. The group that emerged around Buchanan and Tullock evolved into a larger community of economists and political scientists analyzing political institutions with rational choice theory, with centers at locations including Blacksburg, Rochester (William Riker), and Indiana (Vincent and Eleanor Ostrom). A large professional society with members at leading universities, a well-attended annual conference, publication diffused across prominent general and specialized journals, and graduate education that at least dealt with the subject (perhaps in public finance courses) at departments across the United States were all in place by the 1980s. Public choice had become normal science.

## **Conclusion**

This paper has attempted to argue that public choice analysis developed out of two attempts to establish a creative community, one unsuccessful and one successful, and that it flourished because of the successful establishment of a creative community at Virginia Tech in the 1970s. In 1983, the Center for Study of Public Choice moved on to George Mason University, and since that time the public choice community has become much more broad and diffused—to the point where one could legitimately argue that it has evolved beyond the creative community stage.

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34 Public choice even has Farrell's "reunion" aspect. The articles cited here by McKenzie, Brennan, Toma, and Wagner came from a reunion, attended by this author, held at Blacksburg in May 2000 (see Pitt, Salehi-Isfahani, and Eckel 2004), and the Virginia/Blacksburg/George Mason group holds annual reunions at the meetings of the Southern Economic Association.

35 But see Medema 2000.

Public choice is now mainstream. There is a fairly well-developed paradigm for analysis, and most of the scholarship in the field is unconnected with the Center for Study of Public Choice and its graduates.

The conditions for a creative community as reflected in the “collaborative circles” identified by Farrell are no longer present, but those ascribed to “theory groups” by Mullins persist. The Center for Study of Public Choice is no longer the axis around which public choice analysis revolves, but the field it helped to generate in the 1960s and 1970s is thriving. The mainstreaming of public choice made the community a victim of its own success. VPI took the risk, and it paid off for a time, but it was not long before the top departments established their own programs in the area and picked off many of the best scholars in the field. This suggests that the success of a creative community may portend its own demise. The ghosts of Cambridge would likely second this statement.

It could be argued that economics imperialism gained a foothold and eventually began to flourish because of the establishment of creative communities in law and economics at the University of Chicago—around the personalities of Aaron Director, Ronald Coase, Gary Becker, George Stigler, and Richard Posner—and at Virginia Tech around public choice and the personalities of Buchanan and Tullock. Each of these communities and their respective bodies of analysis evolved over time, moving in different directions, with one of these directions dominating. At Chicago, the law and economics of Director and Coase eventually took second place to the economic analysis of law of Becker, Posner, and Landes. At Virginia Tech, “public choice” evolved into the economics of politics and constitutional economics, with the former being dominant. In each case, the branch of analysis that came to dominate was the one more in

tune with larger methodological currents in the profession. This suggests that the success of a creative community and the form that it eventually takes is driven not just by internal forces, but by larger professional practice.

Creative communities tend to have a level of deviance in them, as McKenzie, Mullins, and Farrell point out. Yet, the story here suggests that deviance has its limits. Attempts to establish, say, a Post Keynesian creative community on the order of public choice or Chicago have so far proved unsuccessful. Putting a group of like-minded people together in one place—as has happened at the New School or University of Missouri-Kansas City—does not guarantee community, creativity, or influence. Such communities may lack certain of the features pointed to by Farrell as important ingredients in the establishment of a collaborative circle, but it may also be that they are simply too deviant. In a well-developed professional community, creativity has its limits.<sup>36</sup>

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<sup>36</sup> Colander (2006) has suggested that textbooks whose content deviates more than 15 percent from the norm will not get published.

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