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literature who had worked on voting problems with Condorcet before the Revolution. The IOF adopted a Borda method. Daunou wrote a scathing critique of IOF problems created by strategic manipulation of Borda voting. But when Napoleon, as political leader, unilaterally changed the method back to plurality voting, there is no evidence that he was influenced by Daunou's analysis. It seems that Napoleon, like Condorcet, appreciated the ease of manipulating collective outcomes under plurality voting.

None of these pre- or post-Revolutionary French works on social choice were studied at all in France for approximately 65 years, when a French economist rediscovered, but did not revive, the classical tradition. Duncan Black's (1958) path-breaking FAS archival work and economic analysis resuscitated awareness of the classical tradition in the middle of the 20th century. However his interpretation of the dualism in social choice theory was to relegate Condorcet's analysis of the probability of making a correct choice in voting processes to jury decision making. And the name that Black coined, the "jury theorem," has become a conventional reference for Condorcet's 1785 Essai even though Condorcet's primary objective was to design social choice procedures to maximize the group probability of making a correct choice in all collective choices, which in his view, did not theoretically or practically differentiate between legislative, electoral, or jury environments.

Condorcet viewed his 1785 Essai as a starting point for developing experimental knowledge about voting processes. But preference aggregation is still the dominant framework in social choice theory following Arrow's "impossibility" results and "paradox of voting." In some respects, we have not advanced much in balancing the analyses of preferences aggregation and making the right choice. For example, the current—sometimes metaphysical—debate between advocates of Borda and Approval voting about the "best" voting method are reminiscent of the adversarial debates that occurred in the 18th century FAS (Mackenzie, 2000). However contemporary appreciation of the "jury theorem" has extended Condorcet's analysis of competence in social choice and begun a tradition of rigorous experimental analysis of social choice problems in juries (Guarnaschelli et al., 2000) that takes account of aggregating preferences and making a correct choice.

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P

THE PARADOX OF REBELLION

> In the mythology of revolution, the people rising to throw off a tyrannical ruler is the dominant theme… Most of the mythology concerns a people driven beyond endurance by the vicious oppression of their masters rising up and establishing a noble and just republic. I regret to say that this myth is mainly myth. Gordon Tullock, *Autocracy* (Tullock, 1987: 53)

Rebellious activities are illegal activities directed at a change in the policies or leadership of a political regime or in the nature of the regime itself. They are usually, but not always, instances of collective action, i.e. they require the participation of two or more individuals and — if successful — produce an outcome that may be enjoyed by everyone sympathizing with the rebellion, irrespective of participation. But in that respect rebellion is, even when bad, a collective good and hence open to the problems of free-riding so familiar to economists. The problem has perhaps been most eloquently summarized by the late philosopher, Gregory Kavka:

> Imagine a country in which a small elite rules over and exploits the vast majority of the citizens. All the members of the exploited group know that if they acted together, they could easily overthrow the present regime and set up a new and just government that would better serve their interests. Furthermore, the elite regime has not rendered the exploited so fearful that they fail to communicate their dissatisfaction to one another. Initially, it seems obvious that, if the members of the exploited group are rational, they will pursue their common interests by revolting against the regime, toppling it, and establishing a new government in its place. But now consider the question of participation in the revolution from the point of view of an individual member of the exploited group. It would appear that, for him, the substantial costs of participation — the risk of being punished by the regime for participating or of dying in the fighting — will greatly exceed the expected benefits. For, in the first place, it is highly unlikely that his participation would significantly increase the chances of the revolution succeeding. And, in the second place, the benefits of better government that would follow a revolution are essentially public goods, i.e. the average individual would receive them even without being an active participant in the revolution. Hence, if he maximizes expected utility, our potential revolutionary will not join in the revolt. Nor, for like reasons, will his fellows; and as a result, there would not be a revolution. (Kavka, 1982: 455)

The basic reasoning has been known at least since the writings of the English 17th century 'Leveller' political activist John Lilburne, and Vladimir I. Lenin may be seen to have drawn attention to the neglect of the problem in the thought of Karl Marx. However, the first to explicitly identify the collective good nature of rebellious activities and submit it to public choice analysis were Mancur Olson (Olson [1965] 1971: 105–109, 161–162) and Thomas Ireland (Ireland, 1967), and it was Gordon Tullock who first devoted considerable attention to the problem and who coined the phrase 'the paradox of revolution' (Tullock, 1971, 1974, 1987). The problem identified is, however, much more general than revolution alone and may logically be extended to rebellion in general, so it is no doubt more fitting to speak of a 'paradox of rebellion' (Kurrild-Klitgaard 1997) and a resulting 'rebel's dilemma' (Lichbach, 1995), and this line of analysis has influenced the treatment of rebellious activities in a long list of publications (e.g., Silver, 1974; Salert, 1976; Buchanan, 1979; Kirk, 1983; Finney, 1987; Taylor, 1988; Coleman, 1990; Sandler, 1992).

The basic logic of the paradox may be expressed by a modified version of Olson's logic of collective action, i.e. by an inequality which must be satisfied if it is to be rational for a potential rebel to contribute to collective rebellious action:

$$V_i \Delta R_i + B - C > 0,$$

where V_i is the potential rebel's 'share' of the collective good produced by a successful rebellious act, ΔR_i is the change in the probability of success of the rebellious act given the individual's contribution, B are the benefits he may derive from the process itself, while C represents all the costs he may incur from participating. Tullock's point is that rebellious activities usually are large-scale phenomena where the typical individual's contribution is insignificant, and where the expected value of the collective good accordingly goes to zero. The individual's problem then is that if we for the moment disregard the private benefits, then all that is left are the costs. In other words, in the absence of private, participation-related benefits, it will never be rational for an individual to participate; he will rather choose to free-ride on the risks taken by his fellow comrades. But if they all are similarly rational, the potential rebels will find themselves in a situation resembling a n-person Prisoners' Dilemma, and there will never be any collective rebellious action at all.

To many such conclusions seems completely at odds with a reality, where after all there are many examples of revolutions, rebellions, riots, not to mention coups and instances of terrorism. On the other hand, the analysis highlights an important, but neglected fact, namely that the occurrence of

large-scale collective rebellious action may be a highly overestimated phenomenon: While some rebellious activities, e.g., coups, occur frequently in some societies, empirical examples of large-scale collective activities is in fact quite rare, and when they do occur, it is rare to find more than five percent of the relevant sympathizers participating (Lichbach, 1995: 11f, 17f; Kurrild-Klitgaard, 1997: 124ff).

Unless one adopts the view that real-world rebels are irrational or completely rejects public choice analysis as such, the reasoning indirectly gives rise to two central and related questions: (1) Given the public goods problem, why do some collective rebellious action occur at all? (2) Why do some rebellious activities end up as large-scale revolutions, while others become rebellions, riots, or simply just coups or terrorism?

The answer given by Tullock to the question of why rebellious activities occur at all is basically a by-product explanation that may be called the Tullock Model: Events such as a revolutions do not occur because of the collective good that is officially sought or that is sometimes produced, but rather, first and foremost, because of the private benefits to be reaped by the participants, or they may occur in those rare situations, where there are no costs associated with the rebellious actions. As such Tullock himself has found the model useful for explaining the student rebellions of the late 1960s and the frequently occurring coups in societies with large rents to be reaped by a political class as well as the general absence of large-scale rebellions (Tullock, 1971, 1974, 1987).

Tullock's analysis has been submitted to fierce criticism from a number of sides. Observers have often felt that it was simply absurd to think that, e.g., ideology and the policies of a regime should be unimportant for the level of rebellious activities. Even among rational choice theorists the view has often been that the analysis is too simplistic (DeNardo, 1985), less than fruitful (Buchanan, 1987: 14; Mueller, 1989: 175), or partly misapplied (Kurrild-Klitgaard, 1997). Against this it must, however, be kept in mind that Tullock's claim is not that no individuals ever act altruistically; it is only the more modest (if only slightly less cynical) that most of the time people do not act predominantly altruistically, and that when personal costs are high and the expected utility of contributing to the collective good is small, large-scale collective action is unlikely. And whereas the critics usually point out that some forms of rebellious action, obviously do occur, the Tullockian answer would probably be: Yes, but very rarely, and usually only when some Olsonian selective benefits are applied.

Other analysts working within the rational choice paradigm have put the emphasis elsewhere, and there is by now a very wide range of types of 'solutions' that have been proposed to the paradox of rebellion (cf. Lichbach, 1994; Lichbach, 1995; Kurrild-Klitgaard, 1997). In particular, many studies have focused on the possibility of including some 'softer' values in the calculations of individual rebels, thereby changing the payoff so as to be positive. Many such suggestions have focused on, e.g., Kantian moral reasoning, notions of group solidarity, class consciousness, etc. (Muller and Opp, 1986, 1987; Elster, 1988; Finkel et al., 1989; Opp, 1989; Motyl, 1990; Opp, 1994). But what is less obvious is how that alone necessarily will do the trick; it seems that either such a type of reasoning simply represents an increase in the collective good value, or it is a question of acting in the interest of the group, but where the individual action still remains insignificant for the outcome. Either way this alone seems logically insufficient to solve the collective action problem (Buchanan, 1979; Kurrild-Klitgaard, 1998). If anything, it must be the case that the values included in the calculus refer to benefits connected directly with the process itself, e.g., a sense of doing one's duty, a 'moral satisfaction', etc.

A different line of research has been to focus on the importance of the size of the relevant group of rebels. If relatively few individuals are required in order to achieve the desired outcome, the efficacy of the typical individual rebel may be much bigger than in settings requiring thousands of participants, just as the transaction costs associated with coordinating plans and utilizing common resources effectively are smaller for small groups. Together these aspects are seen as playing a part in the explanation of the frequency of coups relative to grand revolutions (e.g., Kurrild-Klitgaard, 2000). They also suggest an explanation of the relative success of terrorist acts and guerilla warfare (cf. Tullock, 1975; Sandler and Scott, 1987; Popkin, 1988; Tong, 1988). On the other hand, there is a certain safety in numbers, i.e. the risks of being caught or injured are often relatively smaller in the case of thousands of rioters than in the case of small groups of conspirators or individual demonstrations of civil disobedience (DeNardo, 1985).

Yet another line of research has focused on the dynamics of rebellious action and the role of expectations (Gunning, 1972; Chalmers and Shelton, 1975; Roeder, 1982; Mason, 1984; DeNardo, 1985; Oberschall, 1993, 1994; Kuran, 1989, 1991, 1995; Kurrild-Klitgaard, 1997, 1998). The point of such studies have often been that it may be misleading to portray the decision of a potential rebel as either joining or not joining an already ongoing collective act; the decision will rather be influenced by certain expectations as to how many others will be participating, how many will be needed, how much the individual can contribute, etc. Incorporating such elements into the calculus of the potential rebel makes it much more likely that the situation will resemble a coordination game than a Prisoners' Dilemma.

Finally, the analysis of the Tullock Model may be too stylized to be descriptive of real world situations, where there may often be considerable differences in the talents and the intensity of the preferences of the potential rebels, and where organizations exist. What rebellious movements need in order to be successful at overthrowing a regime is, first and foremost, political entrepreneurship (cf. Wagner, 1966; Frohlich et al., 1971; Frohlich and Oppenheimer, 1974). This has been argued both theoretically and in connection with a number of case studies, where it has been shown how the presence of radicals acting as political entrepreneurs may help rebels overcome the initial collective action problems and thereby change the dynamics of the situation (Popkin, 1979; Popkin, 1988; Taylor, 1988; Kurrild-Klitgaard, 1997; Parikh and Cameron, 2000).

What seems to be lacking in the public choice analysis of rebellious activities are two things. First, at the theoretical level there is a lack of explanations for why collective rebellious action sometimes become 'big' (revolutions and rebellions), other times 'small' (riots), and sometimes do not get off the ground at all. Second, there is a lack of detailed public choice based analyses of specific events, e.g., in the form of analytical narratives. What could seem to be a fruitful line of research would be studies trying to incorporate public choice analysis into grander historical case studies (cf. Goldstone, 1994).

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PARCHMENT VERSUS GUNS

It is widely thought that just as a market economy is an expression of economic freedom, so is a democratic polity an expression of political freedom. A market economy and a political democracy would thus seem to combine to form a constitution of liberty for a free society. In this respect, the renowned constitutional scholar Charles McIlwain once noted that "constitutional government is by definition limited government" (McIlwain, 1947, p. 21). Without some explanation as to how it is possible truly to limit government, however, this common formulation is perhaps more sentimental than realistic. The task of giving that sentiment some grounding in reality is a difficult one that raises some knotty issues regarding the institutional framework of a free society.

The very idea of limited government implies that government is not the source of personal rights, for government itself is limited by the prior and superior rights of the people who form it. People form government, government doesn't form people, a theme that is developed crisply in an economic context in James Buchanan and Gordon Tullock (1962). One use that people make of their rights is to create governments to preserve and protect those rights. Without government, people would be subject to predatory attack, both from each other and from outsiders. Rights are of little value if they cannot be preserved and protected. For government to pursue this protective task, it must be sufficiently powerful to subdue potential predators, both domestic and foreign. Government thus must be the locus of predominant force within a society, for otherwise it could not fulfill its protective role.

The eternal question that won't go away is how, or whether, it is possible to design a government that will use its power to preserve and protect without using that same power as an instrument of predation (Scott Gordon (1999) presents several historical episodes where different societies have taken different approaches to limiting government). It is easy to illustrate the problem of limiting government. If two people acting privately cannot rightfully take the property of a third person, neither should they be able to do so simply because they comprise a political majority. Suppose Primo, Secundo, and Terzo comprise a town. Primo's property contains some marshland which he plans to drain and fill to create a shopping center. Secundo and Terzo each prefer to see the land remain as marshland, even if it means they must go elsewhere to do their shopping.

The institutional framework of the market economy provides an easy way for Secundo and Terzo to secure their desired marshland. All they have to do is to get Primo's permission to keep the land as a marshland rather than turn it into a shopping center. There are many particular ways they could accomplish this. A simple way would be for them to buy the relevant portion of Primo's land. Alternatively, Secundo and Terzo could lease the land from Primo, say for 99 years. They could act on their own behalf in doing this, or they could act in the name of a conservation trust which they established. In any case, the basic principles of property and contract that provide the legal framework for a market economy provide a set of simple rules within which market participants can create quite complex patterns of governance to carry out their desired transactions (Epstein, 1995). Regardless of the particular form that a transaction might take, the market framework provides a consensual method for resolving this divergence of opinion among Primo, Secundo, and Terzo. If Secundo and Terzo place a higher value on using the land as a bird sanctuary than Primo places on building a shopping center, Secundo and Terzo will be able to convince Primo to give up on the shopping center and let the marshland serve as a bird sanctuary instead.

For Secundo and Terzo, the problem with this method of resolving this difference of opinion is that they have to pay full price to get their way. Yet they comprise a majority in the town. So long as political decisions can be made by majority vote and do not require unanimity, Secundo and Terzo can do better for themselves by adopting a motion to treat the construction of a bird sanctuary on Primo's land as a town project. The cost of securing the land would now come from town funds. Public financing of the bird sanctuary thus allows the winning majority to transfer some of the cost onto the losing minority. The extent to which such a transfer occurs depends on the type of tax system the town uses. A very simple tax system would be one that imposes equal cost sharing across residents. In this case, Secundo and Terzo would each pay but one-third of the cost, whereas under the market-based method of creating the bird sanctuary they would each pay one-half the cost.

To be sure, Primo would not voluntarily sell the land to the town under these circumstances because refusing to sell the land would prevent the tax from being imposed. Secundo and Terzo would have to use the name of the town to invoke eminent domain to get the land. Doing this allows the majority to take Primo's land against his will, and to force him to accept only two-thirds of the compensation the town offers, because his taxes also cover one-third of that compensation.

The Fifth Amendment to the American constitution allows governments to take private property through eminent domain, but also places tight restrictions on the use of this power. One such restriction is that any such taking must be to advance some legitimate public (as distinct from private) purpose. Another restriction is that the owners of property be justly compensated for any such taking. As Richard Epstein (1985) explains, the history of eminent domain over the past century or so has increasingly run in the direction of governments taking property for what are private uses and paying only partial or token compensation in the process.

Despite its clear wording about public use and just compensation, the Fifth Amendment does not seem to be a strong bar against governments taking private property for private use while failing to pay just compensation. The Fifth Amendment, along with any constitutional document, is just a piece of parchment. While parchment paper is stronger than ordinary writing paper, apparently it is not sufficiently strong to deter rapacious governments and interest groups from using government as an instrument of predation.

In Federalist No. 48, James Madison noted that legislatures in Virginia and Pennsylvania had repeatedly violated their state constitutions, acting thereby as an instrument of predation on behalf of some people at the expense of others, in sharp contrast to acting as an instrument of protection and preservation. Madison concluded his examination by noting "that a mere demarcation on parchment is not a sufficient guard against those encroachments which lead to a tyrannical concentration of all the powers of government in the same hands." The articulation on parchment of a declaration of limited government to protect and preserve is not by itself sufficient to generate protection and preservation as the core activity of government.

There is a tenuous balance between liberalism or capitalism on the one hand and democracy on the other, as the American Founders recognized. A system of economic organization based on private property will require some measure of government activity, if to do nothing else than protect people's rights of person and property. Liberalism is grounded in individual freedom and private property. In this scheme, government itself is simply a reflection of people's use of their rights of person and property, and is not a source of those rights. Governmental authority is limited to securing individual rights.

Even though there may be general agreement about the proper principles of governmental activity, that agreement often dissolves in the specifics of particular practice. Primo, Secundo, and Terzo might all affirm the principle of limited government, and yet Secundo and Terzo will participate willingly and even eagerly in taking Primo's property when doing so allows them to promote a favored project at lower cost to themselves. To be sure, Secundo and Terzo may have some moral qualms about their use of politics to circumvent the market in building their bird sanctuary. To subdue such qualms, they might invoke such doctrines as strategic holdouts and free riders as a kind of therapy to ease their minds. This would allow Secundo and Terzo to deceive themselves into believing that Primo really valued the bird sanctuary, only refused to say so because he was holding out to get a higher price.

As Vincent Ostrom (1984) explains with particular cogency, government involves a Faustian bargain: instruments