Toward a Theory
OF THE
Rent-Seeking Society

Edited by
JAMES M. BUCHANAN, ROBERT D. TOLLISON,
and GORDON TULLOCK

Texas A&M University Press
COLLEGE STATION
Contents

Preface ix
List of Contributors xiii

I. Introduction

CHAPTER

1. Rent Seeking and Profit Seeking 3
JAMES M. BUCHANAN

2. Rent Seeking as a Negative-Sum Game 16
GORDON TULLOCK

II. Three Basic Papers on the Theory and Measurement of Rent Seeking

3. The Welfare Costs of Tariffs, Monopolies, and Theft 39
GORDON TULLOCK

4. The Political Economy of the Rent-Seeking Society 51
ANNE O. KRUEGER

5. The Social Costs of Monopoly and Regulation 71
RICHARD A. POSNER

III. Some Subsequent Contributions to Theory and Measurement

6. Efficient Rent Seeking 97
GORDON TULLOCK

7. Two Laws of Survival for Ascriptive Government Policies 113
Dwight R. Lee and DANIEL ORR

8. The Social Costs of Monopoly Power 125
KEITH COWLING and DENNIS C. MUELLER

ROGER CONGLETON

IV. Applications of Rent-Seeking Theory

10. Rent Seeking under External Diseconomies 183
JAMES M. BUCHANAN

11. Economics as a Guide to Antitrust Regulation 195
HAROLD DEMSETZ

12. The Transitional Gains Trap 211
GORDON TULLOCK

13. Rent Seeking in an Aging Population 222
DANIEL ORR
Contents

14. Mercantilism as a Rent-Seeking Society
   BARRY BAYSINGER, ROBERT B. EKELUND, JR., and
   ROBERT D. TOLLISON
   235

15. The Cost of Transfers
   GORDON TULLOCK
   269

16. On the Welfare Cost of Transfers
   EDGAR K. BROWNING
   283

17. More on the Welfare Cost of Transfers
   GORDON TULLOCK
   288

18. Wealth Transfers in a Representative Democracy
   ROBERT E. MCCORMICK and ROBERT D. TOLLISON
   293

19. Tax Avoidance, Horizontal Equity, and Tax Reform:
    A Proposed Synthesis
   MICHAEL L. GOETZ
   314

20. Rent-Seeking Aspects of Bureaucratic Competition
    ROGER L. FAITH
    332

21. Rent Seeking in Academia
    H. GEOFFREY BRENNAN and ROBERT D. TOLLISON
    344

V. Conclusion: The Rent-Seeking Society in a Constitutional Perspective

22. Reform in the Rent-Seeking Society
    JAMES M. BUCHANAN
    359