The Economic Analysis of Constitutions – An Introductory Class

Prof. Dr. Stefan Voigt

There are a variety of ways in which constitutions can be analyzed from an economic point of view. In this class, we want to deal with two questions, namely: (1) what are the economic consequences of various constitutional rules and (2) how can we explain the choice of constitutional rules as well as their change over time drawing on the toolkit of the economist?

The overview below contains possibilities of topics that could be discussed during the course. Not all of these can, however, be discussed in this introductory class. Therefore, a choice will be made during the first meeting jointly with the participants.

Contents – Overview:

I Prolegomena
1. Research program
2. Why economic theory of constitutions?
3. Concepts of the constitution
4. Getting Started: The Constitutional Assembly

II The Constitution as Explanans

1. Economic Effects of Human Rights
2. Economic Effects of Form of Government (Presidential vs. Parliamentary Systems)
3. Economic Effects of Electoral Rules
4. Economic Effects of Federalism / Decentralization
5. Economic Effects of Direct Democracy
6. Economic Effects Spending Limits
7. Economic Effects of Supreme Audit Institutions
8. Effects of Constitution on Likelihood of a (military) coup

III The Constitution as Explanandum

Why – and when – do Countries Change their Form of Government?

IV Normative Theories
1. John Rawls
2. James Buchanan
References:
(basic readings in bold letters)
A good overview over the prolegomena is:


And a good overview over the rest is:


One of the foundations of Positive Constitutional Economics is:

The Economic Effects of Human Rights are analyzed in:

An important contribution to Positive Constitutional Economy is:

The following two papers deal with the economic consequences of federalism:


This is the first paper that assesses the economic consequences of direct democracy on a cross-country basis:
Here is a current paper on constitutionally safeguarded spending limits:


And this one is on the effects of supreme audit institutions:


One of the few papers trying to endogenize constitutional rules is this:


Two “classics” from Rawls and Buchanan are:


**Bionote Stefan Voigt**

Stefan Voigt is professor at the University of Hamburg and the director of the Institute of Law & Economics at the University of Hamburg. He is a fellow with CESifo (Munich). Previous positions include chairs at the Universities of Marburg, Kassel and Ruhr-University Bochum. Voigt has been a fellow at the Institutes for Advanced Study in Berlin, in Greifswald and at the University of Notre Dame. His research focuses on the economic effects of constitutions. More specifically, current research focuses on the economic effects of the judiciary. Voigt is one of the editors of *Constitutional Political Economy* and a member of various boards including those of *Public Choice* and the *International Review of Law & Economics*. Voigt has consulting experience with both the public and the private sector. He has worked with the World Bank, the European Commission and the OECD but also with the European Round Table of Industrialists (ERT). The German newspaper *Handelsblatt*
ranks Voigt among the Top-100 German speaking economists according to quality-weighted research output.