

# How James Buchanan Came to George Mason University

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## Abstract

In 1983, James Buchanan, director of the Center for Study of Public Choice at Virginia Polytechnic Institute and State University and future Nobel Prize winner in economics, moved the entire Public Choice Center with its seven faculty members to George Mason University. At the time, George Mason was a young and largely unknown state university. Recruiting so many relatively expensive faculty to join one department in a chronically underfunded school represented a significant risk for the university administration. Yet, the rewards consequent to that move turned out to be well worth the risk. The immediate benefit was that both the economics department and the university as a whole gained instant professional recognition, to the benefit of faculty and students alike. In the long run, recruiting the Public Choice Center was the catalyst for the subsequent remarkable growth the university enjoyed both in size and in academic accomplishment.

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## I. Introduction

James Buchanan is well known as a major contributor to the economics profession. As the author of seminal works such as *The Calculus of Consent* (with Gordon Tullock, 1962), *Public Principles of Public Debt* (1958), *The Limits of Liberty* (1975), and *The Reason of Rules* (with Geoffrey Brennan, 1985), he was a cofounder of the field of public choice, and he was the founder of the field of constitutional economics. So important was his work that in 1986, he was awarded the Nobel Prize in economics “for his development of contractual and constitutional bases for the theory of economic decision-making.”

While most professional economists recognize the importance of Buchanan’s place in late twentieth century economics, fewer are aware of another important aspect of his career. In addition to being

a formidable thinker and a prolific writer, he was also an institution builder par excellence. He had a knack for creating spaces where other like-minded scholars would be eager to join him in pursuing their mutual research interests. While at the University of Virginia from 1956 through 1968, he and Warren Nutter founded the Thomas Jefferson Center for Studies in Political Economy and Social Philosophy, a center that hosted some of the brightest lights in the classical liberal tradition. After publication of *The Calculus of Consent*, he cofounded the Public Choice Society to further the research program, serving as its first president in 1964. After a brief stint at UCLA, in 1969 he moved to Virginia Polytechnic Institute and State University. There, he was instrumental in founding the Public Choice Center, which became, for a time, the mecca for all interested in working in that field. Each of these organizations formed a hub of creativity in which their members' work was enriched by their proximity to other like minds. Then, in 1983, he moved the center to George Mason University, where he, perhaps inadvertently, continued institution building. In this case, however, the institution he was instrumental in building was the university itself. How that move came about, and its far-reaching consequences for the economics department and for the university as a whole, is a story worth telling.

This is the story of how a chance remark set off an unlikely chain of events that began the transformation of a poor and unknown university, in fewer than three decades, into a the largest public institution of higher learning in the Commonwealth of Virginia. The story is an example of how luck, entrepreneurial alertness at the departmental level, and vision and determination by the higher administration combined to bring about an academic coup in one discipline that started the school on a growth trajectory that benefited its entire academic program. It is the story of how James Buchanan came to spend the last three decades of his career at George Mason University.

## II. The Move to Fairfax

When I first met Jim Buchanan in the late 1970s, the Center for Study of Public Choice was located at Virginia Polytechnic Institute in Blacksburg, Virginia, housed in a beautiful old mansion in the middle of a bucolic campus. Its physical location seemed ideal in that it provided a pleasant working environment for the public choice faculty apart from the often intrusive hubbub of campus life. It also

enabled the faculty to benefit from all the accoutrements of a well-funded university. To me, at the time, it seemed an ideal environment within which to think great thoughts and write important articles. Hence, in December 1981, when Jim first mentioned to me that he might be interested in moving the Public Choice Center from Virginia Tech to George Mason University, I thought he was joking. Since we were at a cocktail party at a meeting of the American Economic Association, it was not unlikely that we were just engaging in idle chatter. I could not imagine that he could seriously contemplate moving to such an undistinguished university as George Mason was at that time.

To understand my initial reaction, consider the following: George Mason was new, only having achieved university status in 1972. It was poorly funded and so out of favor with the State Council of Higher Education that it was unlikely to get richer from state subsidies. Its faculty, to put it mildly, was not exactly at the forefront of academic research. Teaching loads were four courses per semester, and university service was almost as important a category for faculty evaluation as published research. The economics department, by my estimation, was a notch above the rest of the university, or at least we had aspirations to be. Nevertheless, we were bottom heavy in newly minted PhDs. Only a handful of faculty were actively publishing in academic journals. On the other hand, those of us who did strive to be research economists were all sympathetic to either the public choice agenda or to Jim's subjectivist side. It may have been this obvious sympathy that led him to think George Mason might be a place to relocate the Public Choice Center. Or maybe he really was just chitchatting, as in, things are so bad at Virginia Tech that we might even consider moving to a place like GMU!

Whether Jim had been serious or not, after discussing his comment with a few colleagues, we decided to take him seriously, and I was sent to Blacksburg to sell our school and our program. After what I have said about the university, you might wonder what I had to sell. Apparently, Jim's complaint was that the economics department at Virginia Tech was getting too conventional and hiring too many people trained in mathematics but with little appreciation of economic reasoning. Jim's advice to academics was always "dare to be different," and in his opinion, Virginia Tech was falling woefully short. Worse, its administration backed up the department chairman in his striving to make the economics department more conventional. Jim believed that was a recipe for failure. In his view, it was far better

to be a first-rate public choice center than a third- of fourth-rate Harvard wannabe.

Since I, too, had no desire to work at a Harvard wannabe, It seemed we had some basis for discussion. My pitch to Jim was basically this: GMU is young, the economics department will have a brand new PhD program to structure, and there are no entrenched interest groups to oppose the public choice agenda. Indeed, the department already had faculty mostly eager to embrace it and Jim in particular. In sum, the center would be a very big fish in a very little pond, and its faculty could pretty much tailor the program to suit their interests. Those arguments seemed to resonate with him, because after much negotiation, he and our president, George Johnson, signed a memorandum of understanding in May 1982 stating the terms under which the entire Public Choice Center, comprised of seven faculty members, would relocate from Blacksburg to Fairfax, Virginia.

In looking back at the improbable circumstances of the move to Fairfax, it occurs to me that GMU was not quite as preposterous a choice for Jim as I originally imagined. I think he was genuinely intrigued by the prospect of putting his stamp on a young and growing department. Furthermore, he liked the fact that we already had the Center for the Study of Market Processes, which was interested in pursuing an Austrian research program. Jim liked the Austrians (at least, the relatively nondogmatic ones, as we prided ourselves on being) because they were interested primarily in ideas, in what makes real markets operating in the real world work, rather than in mathematical models divorced from genuine human action. He was, after all, the author of *Cost and Choice* (1969) and “What Should Economists Do?” (1964) So, as young as we may have been, there were existing faculty who valued both aspects of his research agenda. And finally, because we were growing, we were able to create room for seven faculty at once: a 30 percent increase in the size of our department in one fell swoop. The set of schools to which Jim would have been willing to move and which would have taken all seven faculty at once was probably much smaller than I realized.

It is not clear that in August 1983 when the center arrived in force to take up residence in George’s Hall that Jim was altogether pleased with his decision to move. The potential was great, but the actual experience of GMU was a major culture shock to people used to a more established institution. His first shock came when he learned that the library did not own about three-quarters of the books

that he wanted to assign to his first class. We existing faculty were used to dealing with a library with few books, a low budget, and a cumbersome acquisitions process, but Jim, understandably, was outraged. I could feel him wondering what he had gotten himself into. Further, the renovations to George's Hall were not complete by move-in time (again, a circumstance we GMU veterans would have expected but he did not), making settling in difficult, and the renovations themselves were shoddy. I'll never forget the morning shortly after the semester started when I stopped by Jim's office to see how things were going only to find him sitting in the midst of a pile of books strewn all over the floor. The shelves that had recently been bolted to his cinder block wall had collapsed under the weight of his collection, leaving him in the middle of the mess and canceling out most of a day's unpacking. As he sat there with a look of despair on his face, he calmly informed me that had he been a few feet closer to the wall, he would be dead. Welcome to GMU.

### **III. The Aftermath**

Eventually, Jim came to terms with GMU's limitations and settled in to be a vital part of the program. I don't know if he ultimately thought he made a good decision coming to GMU; I certainly hope he did. He definitely got the enthusiastic support of the department and the administration, which had been my main selling point. He also remarked that he found our students, especially our Austrian students, to be particularly interesting. After winning the Nobel Prize, he was treated like resident royalty, which, despite his disclaimers to the contrary, he seemed to relish. However, there is no doubt in my mind that whatever benefits Jim enjoyed at GMU, it was the university that got the better part of the deal. Clearly, the economics department was the big winner. Almost overnight, it was catapulted into the limelight.

Before the coming of the Public Choice Center, people would say to me, "So where are you again, George Washington University?" Too frequently, our mail went there as well. Because of the Public Choice Center, overnight we went from being embarrassingly unknown to being a ranked PhD program which, among other salutary effects, gave our faculty enhanced status and enabled our students to actually get jobs. Our total faculty publication rate zoomed, qualifying us to score respectably in the *Southern Economic Journal's* ranking of academic departments. The administration, for a

time, loved us. But more to the point, our intellectual life zoomed as well.

Jim brought with him not only accomplished faculty, but an environment of intellectual curiosity and excitement. In addition to our existing Market Process Center colloquium, we now had the Public Choice Center's weekly seminar, which engaged us with cutting-edge research that often went beyond public choice. A visitor's program brought scholars from around the world to interact with us. At one point, Jim worried that we weren't working hard enough, so he instituted a weekly, in-house brown-bag lunch seminar to give us the opportunity to present papers-in-progress and to critique each other's work.

The highlight for me was the week-long summer Liberty Fund conferences that lasted for over a decade. They brought academics from different disciplines to discuss in depth new and often provocative ideas—in other words, pretty much whatever Jim found new and interesting. Indeed, we faculty and students were suddenly enjoying more intellectual stimulation than most of us could handle!

The university as a whole obviously gained recognition from the center and, shortly, from Jim's Nobel Prize (perhaps almost as much recognition as having our basketball team make the Final Four!). But I suspect that bringing the center to GMU had an even greater effect than we normally realize. I believe it provided Johnson with a template on how to grow the university. He was a man of vision who had great aspirations for George Mason University and little budget to accomplish his goals. Hiring the Public Choice Center, with its seven high-priced faculty (high priced for GMU; I'm not sure the public choice faculty thought of themselves in that light), represented a huge risk for him. It meant that a big chunk of the university personnel budget would be absorbed by one department at the expense of all other academic departments. This outcome did not endear him to much of the liberal arts faculty. Johnson was gambling that bringing an established group of scholars all at once would provide a core of excellence that would have great spill-over effects on the rest of the university. While in retrospect, he was correct, at the time, there were no guarantees. It was a gamble, but one that paid off handsomely in a very short time. In fact, he was so pleased with the impact of bringing seven established faculty to the economics department that he soon repeated the experiment by bringing a group of faculty from the University of Virginia to form the new School of Information Technology. Further, when the university received its

first major gift from a local family, George strove to create another core group of scholars from different disciplines called “Robinson Professors” whose purpose was to spark interdisciplinary research at the university. (Johnson was a great advocate of “breaking disciplinary boundaries,” as he put it.) Jim’s influence also helped bring Henry Manne to head up the newly acquired law school.

Recognition feeds on itself, and the recognition Jim brought to our unknown institution was the catalyst for much of the subsequent explosion in its size and prestige. George Mason University has come a long way from those humble days of relative obscurity. I have no doubt that in any case it would have flourished, but to have done it so quickly and to such good result must surely be because Jim Buchanan was willing to bet on an obscure but promising university, and the university was wise enough to grasp an opportunity when it presented itself.

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