

In memoriam: Gebhard Kirchgässner

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Public Choice applies the economic model of human behavior to political decision-making. When Jim Buchanan and Gordon Tullock published the *Calculus of Consent* in 1962, they had already written several papers on Public Choice. It took almost another ten years until the idea spilled over to Europe: In 1971, Peter Bernholz, Bruno S. Frey, Elisabeth Liefmann-Keil and Gordon Tullock established the European Public Choice Society (EPCS).¹ The school founded by Bruno Frey has been in the core of the EPCS to date. Early members of the Zurich (Frey) group of Public Choice were Beat Blankart, the late Werner Pommerehne, Friedrich Schneider and Gebhard Kirchgässner, the late Gebhard Kirchgässner as we have to acknowledge.

After studying economics at the University of Konstanz, where he also finished his Ph.D. and his habilitation, and a Post doc phase at the ETH Zurich, Gebhard Kirchgässner was Professor of Economics, in particular Public Economics, at the University of Osnabrück from 1982 to 1994. From 1992 until his retirement in 2013, he was Professor of Economics and Econometrics at the University of St. Gallen and

Director of the Swiss Institute of International Economics and Applied Economic Research.

Gebhard was a very active member of the EPCS, not only as its president from 2003 to 2005 but also according to his research. In the 1970s and 1980s, he worked on political business cycles and popularity functions. His dissertation (Kirchgässner 1976) and habilitation (Kirchgässner 1984a) were on these subjects, but he published extensively on it during his whole academic career (e.g., Kirchgässner 1983a, 1984b, 1985a, 1985b, 1991a). Actually, Gebhard never lost interest in voting and government popularity as central themes to Public Choice (Feld and Kirchgässner 2000a, Kirchgässner 2009). According to his results, unemployment, sometimes even hidden unemployment, sometimes inflation, consistently influenced the popularity of German governments. There is only one exception: For the Schröder government, Gebhard could not establish a robust effect (Kirchgässner 2009). One of the last papers he could finish is a survey on voting and popularity (Kirchgässner 2016a).

His interests in voting and rational choice broadened since the 1980s by studying the paradox of voting. The difference between actual election turnout and the one predicted by rational choice models is still a challenge to Public Choice. Gebhard Kirchgässner contributed to this literature by analyzing to what extent closeness of an election matters for marginal turnout (Kirchgässner and Schimmelpfennig 1992, Kirchgässner and Meyer zu Himmern 1997).

In competition with Brennan and Lomasky's (1993) expressive voting theory, Kirchgässner (1992) developed a theory of low cost decisions. In contrast to instrumental voting, which holds that voters elect parties or candidates in order to obtain political outcomes close to their self-interests, expressive voting theory argues that voters only express their sympathy or discontent, like cheering for a sports team.

Expressive voting behavior appears to be easier to manipulate than instrumental voting and it is morally agnostic. In Kirchgässner's low cost decision theory, moral behavior has a better chance to become dominant. There are two types of low cost decisions: those in which a person makes a decision that has no effect on him-/herself but a large effect on other individuals. Judges usually face this situation. And there are those decisions in which an individual decides without effect on his/her welfare but on the general collective good, like in elections. Kirchgässner argues that in such situations individuals have low costs to behave morally. If individuals adopt moral norms during their socialization process or if peer groups enforce certain moral norms, the low-cost decision is shaped by soft incentives. Kirchgässner (2010) extends this argument to a theory of minimal morals.

When probabilistic voting models became more popular in Public Choice and Political Economics in the 1990s and 2000s, Gebhard appeared to be unconvinced that they really provide a solution for the classical voting cycle problem in social choice. Kirchgässner (2000) proves that similar restrictions to policy space are necessary to avoid cycles and manipulation by agenda setters as in the classical case of the impossibility theorem.

Gebhard Kirchgässner studied differences in policy outcomes induced by different constitutional frameworks in the sense that is popular today as Comparative Political Economics. His works on tax competition, fiscal federalism and decentralization may be located in traditional public economics or Public Choice (Kirchgässner and Pommerehne 1976, Kirchgässner and Pommerehne 1996, Feld and Kirchgässner 2003). Indeed, Brennan and Buchanan's (1980) Leviathan model is at least lurking in the background of these analyses (see Feld, Kirchgässner and Schaltegger 2010). His papers on the effects of direct democracy clearly follow a comparative perspective.

Feld and Kirchgässner (1999, 2001a, 2001b) and Feld, Kirchgässner and Schaltegger (2011) analyze the impact of fiscal referendums on public spending, revenue, deficits or debt. Feld, Fischer and Kirchgässner (2010) have a closer look as to how referendums and popular initiatives affect the welfare state. Dorn et al. (2008) study happiness and direct democracy. In addition, Gebhard followed direct democracy research in several surveys from the Kirchgässner, Feld and Savioz (1999) book and the Feld and Kirchgässner (2000b) survey to one of his most recent papers (Kirchgässner 2016b). This comparative research also aligns with studies on the effect of fiscal institutions on fiscal policy outcomes (Feld and Kirchgässner 2008, Kirchgässner 2013a, 2014a, 2017a).

In recent times, Gebhard Kirchgässner pushed the application of the economic model of human behavior in Public Choice further to the analysis of economic policy advisors. Traditional welfare economics, but also macroeconomics of different creed view economic policy advisors as suggesting the right policies to correct market failures or stabilize economies, implicitly assuming that they are always interested in the truth, almost altruistically following what economic analysis tells them. Although he started working earlier on these questions (Kirchgässner 1996), he only recently developed the notion of the self-interested economic policy advisor further (Kirchgässner 2014b). In good Public Choice tradition, he shows, supported by several pieces of evidence, that economic policy advisors follow their self-interests, mainly restricted by reputational concerns. As Gebhard Kirchgässner was a member of the Swiss Council of Economic Experts (Kommission für Konjunkturfragen) from 1997 to 2007, from 2004 to 2007 as its president, and advised the Swiss government and parliament in tax, fiscal and health policies, he could draw on much own experience. He intended to bind this experience in economic policy advice as well as

the insights from his research together in a book, but was not awarded the time to finish this project. It would have been interesting to see to what extent he would have distinguished the market for policy advice from institutionalized advisory bodies additionally restricted by their mandates and much more public attention.

Acknowledging, Gebhard Kirchgässner's achievements in Public Choice, Political Economics or Constitutional Political Economy would not do justice to his scientific legacy. His interests in methodological questions were enormous. His book on the economic model of human behavior, *Homo oeconomicus* (Kirchgässner 1991b, 2008), is one of his most cited works. He continued to work in this field until recently (Kirchgässner 2013b). In these publications, Gebhard demonstrates the usefulness and boundaries of the economic model of behavior.

Moreover, Gebhard Kirchgässner was an econometrician finishing his other (earlier) habilitation in econometrics (Kirchgässner 1981). Although his research covered the whole range of (applied) econometrics, his main passion was time series econometrics (Kirchgässner and Wolters 1992, Kirchgässner 1993, Kirchgässner and Müller 2006), on which he published a textbook together with Jürgen Wolters (Kirchgässner and Wolters 2007).

Finally, Gebhard Kirchgässner contributed to a large number of topics from economic policy and public economics to which I can only selectively refer. Some of his most successful publications are in monetary economics (Kirchgässner and Wolters 1987, 1995), but he also contributed to fiscal policy topics (Kirchgässner and Pommerehne 1997, Kirchgässner and Prohl 2008), environmental and energy economics (Kirchgässner and Schneider 2003, Kirchgässner and Kübler 1992) and the shadow economy (Kirchgässner 1983b, 2017b).

Gebhard Kirchgässner was very active in the scientific community. Aside his involvement and service for the EPCS, he was President of the Swiss Society of Economics and Statistics from 2008 to 2011 and held various positions in the German Economic Association, finally, after its newly introduced ethical code as ombudsman from 2012 to 2016. He was a member of the German Academy of Natural Scientists Leopoldina (National Academy of Sciences) since 2001, finally as the speaker of the class of Humanities, Social and Behavioral Sciences. He held visiting positions, among others, at George Mason University (1996), Australian National University (2003), Carleton University, Ottawa (2003) and as Fellow at the Institute of Advanced Study in Berlin (2013/14). I remember with gratitude his constructive role in organizing a visit by Jim Buchanan as a Hayek Memorial Visiting Professor at the University of St. Gallen in December 1999 and January 2000.

Gebhard Kirchgässner did not only have broad research interests, he remained devoted to these interests. Above all, however, he was devoted to rigorous scientific standards. He remained incorruptible and principled in scientific analysis throughout his career. He particularly disliked pompous incompetence. His comments were dreaded, in particular when he started saying that the analysis was plain wrong. He was not only dedicated to research, but also a true and reliable friend.

Gebhard Kirchgässner passed on April 1, 2017, just two weeks before his 69th birthday, after a long and severe disease. In great dignity, he accepted his fate of leaving earlier than expected. Economics, in particular Public Choice, lost a towering figure, an influential scholar and a great mind. We miss him already.

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1. See Peter Bernholz, Gordon Tullock, The Flying Ambassador, mimeo, <http://publicchoice.info/TullockTales/Bernholz.pdf> (download at March 30, 2010).