PROCEEDINGS OF THE FOURTH INTERNATIONAL WORKSHOP IN ISLAMIC ECONOMIC THEORY
(4th IWIET 2020)
ISBN: 978-967-17692-2-5

An Inquiry of Constitutional Economics Theory

Abdul Ghafar Ismail[1]
Universiti Sains Islam Malaysia
Bandar Baru Nilai, 71800, Nilai,
Negeri Sembilan Darul Khusus, Malaysia

ABSTRACT

This study asks three questions. How does the constitutional economics appear as a discipline in economics? What can we learn from the definition of constitutional economics? How do the constitutional economics theories explain the existence of main actors in the definition that suggest the rules in the constitution? In addition to find the answer of these questions. This study will also highlight a suggestion directly toward an 'alternative' theory of constitutional economics. The alternative theory that embed the Islamic religious faith can create a new interpretation on the impact to economy.

Keywords: public choice; constitutional rules; public policy; institutional economics; Islamic religous revenues

1. INTRODUCTION

The constitution determines the extent of a nation's revenue raising authority, what type of revenues and how they are to be collected and distributed. In general, there are three categories of revenues which are tax revenue, non-tax revenue and non-revenue receipts. A scheme for the distribution of revenues between the different layers of government is also laid down in the constitution.

In countries like Malaysia, Brunei and Singapore, as argued in Ismail (2019), they have the choice of alternative sets of legal-institutional-constitutional rules that expand the choices and activities of economic and political agents (government). The constitutional rules lead to the introduction of Islamic religious revenues as the sources of government revenues. It produces another view which treats Islamic religious revenues as the tools for socio-economic development.

It shows that at least in these countries, they deviate from the conventional views that government expenditure can be financed by tax and non-tax. These rules are similar to what has been suggested by many textbooks that follow the Keynesian and Classical views. How do the constitutional economics theory explain the existence of these rules in the constitution?

The demise of the socialist countries also lead to the influence of market capitalism oriented institutions that emerge in many countries. In a similar vein, can Islamic religious faith and/or involvement be expected to affect the behavior of people, with particular reference to financial matter of a country?

In Islam, it is compulsory for those who have a threshold property to pay the zakat and at the same time, they can transfer voluntarily via Islamic religious revenues to other beneficiaries. Furthermore, these revenues are considered as government revenues. In a country, where the constitutional economics also provide another view which treat Islamic religious revenues as the tools for socio-economic development. Therefore, it lead to another critique that the current constitutional economics theory fails to recognize the result of preferences of Islamic religious faith that can be embedded in the constitutional rules.[2] Furthermore, it will lead to another view which treat Islamic religious revenues as the tools for socio-economic development.

---

[1]Professor of Islamic financial economics in Faculty of Economics and Muamalat. He is also Research Fellow in Organization of Islamic Economic Studies and Thoughts, and AmBank Group Resident Fellow for Perdana Leadership Foundation. He can be contacted at: agibab62@gmail.com

[2] Ulamas' (or Islamic scholars) views are taken care of in drafting the constitution, then the role of ulama is appreciated in decision making process

Therefore, in this study, we will try to discuss on three related questions that are linked to constitutional economics theory - How does the constitutional economics appear as a discipline in economics? What can we learn from the definition of constitutional economics? How do the constitutional economics theories explain the existence of main actors in the definition that suggest the rules in the constitution? This study will also highlight a suggestion directly toward an 'alternative' theory of constitutions.

2. AN INSIGHT INTO THE ORIGIN OF CONSTITUTIONAL ECONOMICS

This section will attempt to clarify, more precisely, the original idea of constitutional economics, along a few different lines – term, deviation from regular economics, …

The term itself was first introduced by both Buchanan and Tullock (1962) and McKenzie (1985). The development of constitutional economics as a discipline in economics appeared in 1987. Then, the journal Constitutional Political Economy, which serves as its principal research platform, started published the related articles in 1990. However, the foundation of this discipline was laid down by Buchanan (1949) his paper on “The Pure Theory of Government Finance: A Suggested Approach.” They visualize the constitutional economics as a discipline in economics.

Constitutional economics deviate regular economics. How does constitutional economics differ from regular economics. First, an earlier scholar who did a study on this field such as Adam (1990) argue that under the rational-choice framework, individual faces several constraints and needs to make a choice in arriving to their decision. It can be explained as follows.

First, the standard form of microeconomic theory focuses on the decision making of an individual under a set of constraints. For example, a maximization of utility which is subject to technology and budgets. While, the constitutional economics retains the model of economic agents which is predominant in most of economic theory *homoeconomicus* - along with the related assumption of individualism. Both fields are different in three aspects: (i) the object of analysis is different: instead of viewing all constraints as exogenous, some are considered open to various forms of (ultimately individual) choice - and hence also open to study for the economist *qua* scientist of human behavior. In other words, the analysis is moved up one step, in its focus on the rules or institutions which constitute the framework within which ordinary political, social, and economic choices are made (in a utility maximizing manner). That is, instead of looking at choice *within* rules, the constitutional economist looks at choice *between* rules - and he does so on the premise that man is able to choose rationally, individually and collectively, also in this realm; (ii) as is the case for the rational choice approach to human behavior in general, constitutional economics selects for methodological consistency in extending the just mentioned model of man to all (including non-economic) spheres of life, such as politics, law, and religion; (iii) as for the role of the constitutional economist, following Buchanan (1959), it is somewhat different from that of the neoclassical welfare economist, who acts as a policy advisor to decision makers. Rather, it is that of one who offers guidance to those who participate in the discussion of constitutional change. In other words, constitutional economics, as suggested by Buchanan (1987), offers a potential for normative advice to the member of the continuing constitutional convention, whereas orthodox economics offers a potential for advice to the practicing politician.

Second, constitutional economics differs from public choice in that the latter looks at how agents behave in the political sphere (as politicians, voters, interest-group members, bureaucrats, etc.) under *given* institutional structures. Thus, it is similar to regular economics in looking at choice within rules but has more of its subject matter in common with constitutional economics (although constitutional economics, as will be apparent below, *may* deal with non-political topics as well.

The positive results of public choice research, e.g., the existence of government failures, also provides a rationale for constitutional studies, since if such failures were non-existent, there would be a much less compelling reason for comparing alternative sets of rules: an unconstrained benevolent dictator would then be splendidly able to take care of collective affairs. What is the larger intellectual tradition in which constitutional economics may properly be placed? Historically, as in many other fields of modem economics, Smith (1776) is the main originator of the type of analysis being conducted. Unlike most of modern microeconomics, Smith did not put emphasis on the allocational aspects of economic political organization; instead, he engaged in a form of comparative institutional inquiry in which the working properties of a free market economy were contrasted with those of a mercantilist regime already in place. In this venture, he focused on demonstrating that the market order was more effectual in allocating resources to the satisfying of individual preferences - and not to the achievement, necessarily, of efficiency as interpreted in the two welfare theorem. Hence, his overall approach was about the choosing of rules within which people had to interact.

Finally, the deviation can be examined from philosophical issue: Is constitutional economics at base a positive or normative endeavor? The answer is, "Both, and most often in a rather interrelated fashion." The positive part of the research program is about examining, in various dimensions, the real political and economic effects of alternative constitutional arrangements and, to some extent, about predicting what rules will be chosen in a certain setting. The normative part is about assessing how relatively desirable these alternative constitutional arrangements are, on the basis of some value criterion - which in practice more often than not stems from normative individualism and contractarian political philosophy. Now, in spite of this recurring interrelationship, the positive and normative parts are distinct and separable: one can be a strictly positive or a strictly normative analyst, and if one is a normative constitutionalist, it is possible to be a contractarian or something else, such as an extreme conservative.

3. DEFINITION OF CONSTITUTIONAL ECONOMICS

The first dictionary entry on constitutional economics ((hereafter, CE) appears, as mentioned in Vanberg (2015) in The New Palgrave, A Dictionary of Economics.[3]. In this dictionary, constitutional economics is defined as the application of the methods and analytic techniques of economics to the study of the basic rules under which social orders may operate. What can we learn from this definition. There are at least three main keywords – methods and analytic techniques, rules and social orders that can be recognized from this definition.

The concept of social order refers to the way the various components of society such as social structure and institutions, social relations, social interactions and behavior, and cultural features such beliefs, norms and values work together to maintain the status quo. The social order is present when individuals agree to a shared social contract that states that certain rules and laws must be abided and certain standards, values, and norms maintained.

It shows that in economic fields, any social order involves intersecting circles of activity - markets, institutions, politics(or government), and civil society. The market failures occurs whenever the individuals in a group end up worse off than if they had not acted in perfectly rational self-interest. Such a group either incurs too many costs or receives too few benefits. The economic outcomes under market failure deviate from what economists usually consider optimal and are usually not economically efficient. Therefore, governments can introduce new rules as a response to market failure. For example, if businesses hire too few teenagers or low skilled workers after a minimum wages increase, the government can create exceptions for younger or less-skilled workers.

Government can also impose taxes and subsidies as possible solutions. Subsidies can help encourage behavior that can result in positive externalities. Meanwhile, taxation can help cut down negative behavior. For example, placing a tax on tobacco can increase the cost of consumption, therefore making it more expensive for people to smoke.

A well-designed institutions, as discussed in the new institutional economics theory, can have a positive relationship with economic performance. It is recorded in many studies such as Elster (1995), Person and Tabellini (2004), and Akee, Jorgensen, and Sunde (2012). The relationship can be explained in the context that link government structure and efficiency. Many economists such as Martinez-Vazquez and McNab (2001) and Jin and Zou (2002), and Ismail, Hamzah and Ritonga (2004) have suggested the effectiveness of the government's role in public service provision and created a presumption in favor of reducing the size of the public sector by giving more power to sub-national governments. Hence, fiscal decentralization is seen as a mechanism to control the growth of the public sector. Both also argue that the increased interest on fiscal decentralization appears to be fueled by their belief that fiscal decentralization is an effective tool to produce an efficient governance, macroeconomic stability, and adequate economic growth. In addition, the rush to decentralize can also be seen as a reaction to the failure of many centralized economies in developing and transition countries. Here, decentralization is seen as a way to break the central government's grip on the economy by shifting fiscal authority to sub-national governments.

[3] In The New Palgrave, A Dictionary of Economics, vol. 1, London: Macmillan 1987, 585-88.

A civilized society agrees to empower the government (or interchangeably a leader) to enforce the rule of law, and in exchange, they give up some individual power. Therefore, the purpose of a government is to enforce law and serve the common protection, ensure social justice and fulfill the needs of its people. In Islam, when Allah created Adam as the first man and prophet, He not only established the first in line of prophets and messengers, He also set in signal a long line of leaders (prophets or non-prophets). In Al-Quran, Allah declares that: "*Indeed, I will place upon the earth a khalifa*."(2:30)[4] The word *khalifa* has been translated in many ways, including vicegerent, divine representative and successive authority, but it is a leadership role involving the leading of other people. The importance of servant leadership in Islam is perhaps unsurprising, given that a central part of the Prophet sallā Allāhu ʿalayhi wa-sallam (peace and blessings of Allah be upon him) is that the idea of 'ubudiyyah' (servitude) which is derived from Al-Quran "we have not created jinn or mankind, except to serve (me), (51:56) Hence, the idea of service and servanthood is ingrained. The highest service being for Allah, through faith and worship, and the day to day service of mankind.

Hence, CE involves the study of the rules by which each circle operates, and the rules that influence the domain and relative significance of each circle. As a matter of terminology, the set of basic rules in a society form its constitution (whatever the content of any formal, written Constitution), so that CE is concerned with the analysis of any stable pattern of rules - whether explicitly enacted or implicitly evolved - which structure and influence social interaction.

The analysis is economic in its method and approach - most obviously in its emphasis on individual rationality as the starting point for investigating alternative institutions - but is not limited to the substantively economic circle.

If, as a rough approximation, the social order involves intersecting circles of activity - markets, institution (or politics), civil society and institutions. Therefore, CE covers the study of the rules by which each circle operates, and the rules that influence the domain and relative significance of each circle.

In conclusion, the focus on constitutions interpreted as bodies of rules stems from a view of society as the interaction among rational individuals. This perspective predisposes the analyst to identify two fundamental inputs to the determination of social outcomes - the internal properties of individuals, their motivations, dispositions etc., and the rules which govern their interactions. This viewpoint recognizes that the rules themselves are endogenous - indeed it is this endogeneity (the possibility of constitutional reform) that is often the focus of attention - but nevertheless regards rules as fundamental to society. This point may be illustrated by comparison with an alternative viewpoint.

4. COMPETING DEBATE IN CONSTITUTIONAL ECONOMICS THEORY

The establishment of the theory of constitutional economics, as noted in Buchanan (1990), and subsequently by Voigt (1997, 2017), tries to address the following subject matters: (i) constitutional rules and the procedures that lead to the establishment of constitution; (ii) constitutional rules as the result of preferences and restrictions; (iii) constitutional rules channeling constitutional change (see an example of Bangladesh - Islam, Ebrahim and Yasin (2019)), and (iv) the economic effects of constitutional rules. It shows that there is a demand for constitutional rules by both the individual and the social levels. The demand can be explained by different constitutional economic theories. Each theory will be discussed in this section.

(a) Public Choice Theory

McCormick and Tollison (1981) was among the pioneers in suggesting this theory. He suggested that public choice has an impact on the pattern of real institutional development.[5] The main idea of this theory is how public decisions are made. It involves the interaction of the voting public, the politicians, the bureaucracy and the political action committees. The theory focuses on four areas:

---

[4] In this study, we use the Qur'an translation by Saheeh International. Riyadh: Al-Muntada Al-Islami Trust. ISBN: 978-603-90169-4-6. The name of the chapter is omitted, instead the chapter number and the verse number are given in brackets.

[5] Subsequently, in 1990, the journal Constitutional Political Economy first appeared.

first, the irrationality of voting for the individual – the voters would consider the benefits and costs, because the outcome of an election might produce a significant difference for individual. While the costs may involves the time and trouble of going to the polls. Hence, the rationality dictates the behavior of the voters. However, sometime the voters are also irrational. This happens, if the voter turnout for election is very low.

Alternatively, institutional economics holds that individuals generally do not make benefit cost comparison for their choices. Instead the institutionalist economists such as Adam (1990) hold that individual's choices about what they eat, how they dress and so forth are dictated by their culture. This also applies to their voting behavior. The culture says that it is a good thing to vote and we therefore vote. Probably microeconomics and institutionalist economics are partially right. There is probably a tug-of-war between individual selfishness and culturally prescribed behavior. The voters also process information and various heuristic when making political decisions.

Second, the logic of elections – in an election, the voters: give a say on who represent them; and choose the future officeholders who want to keep (or to improve) their jobs as a motive to be a representative agents.

Third, the existence of social welfare objectives – there should be a method for ascertaining the social preferences of the public in some way and using the results to make decisions about social issues.

Fourth, governments as special stakeholders - politicians and bureaucrats are supposed to be agents of the public and act in its interest. But it is a special case of the so-called the Principal-Agent problem – agents may not act in the interests of their principal. There is abundant evidence that governments throughout history and throughout the world do not do what they are supposed to do. In some cases the government employees do not do anything useful. In others they will not do their job unless they are paid specifically to do a task. Otherwise, the payment is made to get the government employee to do something that is not only legal but is also his or her job.

(b) Political and Market Decisions

Muller (1989) extent further that the process of (political and market) decision (or public choice) may lead to certain constitutional rules. However, Brennan and Buchanan (1980) argue that early public choice-models put too much emphasis on the median-voter determining the actions of politicians. Those models would thus be almost entirely determined by the demand side, leading to a kind neglect of the supply side. They argue that the discretionary powers of politicians would not be adequately restricted by the median voter (i.e., on the process level) but on the level of constitutional rules.

(c) Public Policy Making

As stated in section 4(a), institution predetermine political outcomes, that they fix behavior in advance or they leave political actors with no alternatives. It is simple to say that by studying institutions it is possible to gain insights into the nature of political competition, the distribution of political power and also the patterns of public policy making which occur within individual political system.

It has been highlighted by scholars such as McKenzie (1984) and Aras and Öztürk (2011) that constitutional rules entertains the fiscal, monetary, and regulatory powers of the government. These powers will put the constraints on the government activities. It shows that the Keynesian views are embedded in the constitutional rules. For an economist, it seems obvious to analyze the relationship between the constitutional rule-system and the rate of economic growth. It also shows that the Founding Fathers, as noted in McGuire and Ohsfeldt (1989), were not motivated by some conception of the common good but simply by their own economic interests (i.e., follow a certain school of economic thoughts). In the case of Germany, as reported in Streit (1992), her economic constitution is largely based upon the reflections of the Freiburg School of Law and Economics. Both examples suggest that the classical political economy is used as foundation for the constitutional rule system. It also suggest that constitutional rules have an effect on the economy. It also show the inclination of government of the day in charting the public policy.

(d) Institutional Economic Theory

The institutional logics says that the institutions, as suggested by Berggren (1997), play an important role in determining political outcomes. Because institutions help to define the behavior of political actors. They do so by encouraging people to adopt certain forms of action and by discouraging them from adopting certain others. They provide individuals with resources and constraints. They create incentives and disincentives. They open up certain possibilities and close off others. In short, they establish the rules of the political game. Although, we say that institutions predetermine political outcomes, that is, they fix behavior in advance or that they leave political actors with no alternatives. Therefore, by studying institutions, it is possible to gain insights into the nature of political competition, the distribution of political power and the patterns of public policy-making which occur within individual political systems.

Another view under the institutional economics theory is that institutions introduce a degree of continuity into the political process. By their very nature, institutions are comparatively stable. They consist of a set of formal rules, compliance procedures and standard operating practices, the result of which is that their impact on the political system is at least relatively predictable. In other words, they set in train certain institutional logics which endure over time.

At the same time, a further element of the new institutionalist approach is that institutions are heterogeneous entities. They consist of a sometimes bewildering and contradictory set of formal rules, compliance procedures and standard operating practices which create the conditions for a relatively predictable but what may also be a highly complex political game. In other words, they may set in train certain conflicting institutional logics to which political actors have to respond.

Other scholars such as Buchanan (1987) and Vanberg (2005) explicitly use an institutional analysis, that is, based on the level of government. For example, in United State of America, as reported in Hayek (1960), the whole concept of constitutionalism was developed in the wake of the movement towards an independent nation and the creation of a federal state. It shows that the branches of constitutional economics are not only limited to the subject of public choice, economics of property rights, law and economics, and political economy of regulation, but also cover the new institutional economics, and the new economic history.

5. INTERPRETATION OF CONSTITUTIONAL ECONOMICS THEORY – A LOGICAL CRITIQUE

As discussed in Section 4, it shows that there are two contrasting views in interpreting the provisions in the constitution. The interpretation of constitutional provisions may have an implicit economic logic. One view argues that the public goods and services (hereafter public goods) are provided via government revenues and borrowing. Another view argues that the public goods are provided via Islamic religious revenues. The former and later are related to Keynesian and Abu Ubaid views, respectively. It also shows that the conventional view and Islamic economic view are embedded in the constitution. How Islamic is the constitution? More importantly, it seems to make sense to analyze the choice of rules from an economic perspective. Rules that comes from the economists or ulama.

Keynesian view represents a new way of looking at spending, output, and inflation. In his seminal book, *The General Theory of Employment, Interest, and Money* and other works, he argue that during recessions, structural rigidities and certain characteristics of market economies would exacerbate economic weakness and cause aggregate demand to plunge further. If the government cut welfare spending and raised taxes to balance the national books. Keynes said this would not encourage people to spend their money, thereby leaving the economy unstimulated and unable to recover and return to a successful state. Instead, he proposed that the government spend more money, which would increase consumer demand in the economy. This would, in turn, lead to an increase in overall economic activity, the natural result of which would be recovery and a reduction in unemployment.

The multiplier effect is one of the chief components of Keynesian countercyclical fiscal policy. According to Keynes's theory of fiscal stimulus, an injection of government spending eventually leads to added business activity and even more spending. This theory proposes that spending boosts aggregate output and generates more income. If workers are willing to spend their extra income, the resulting growth in the gross domestic product (GDP) could be even greater than the initial stimulus amount. In this way, one ringgit spent in fiscal stimulus eventually creates more than one ringgit in growth. This appeared to be a coup for government economists, who could provide justification for politically popular spending projects on a national scale.

However, the government spending is also catalyzed by higher borrowing that may lead to higher interest rate. Increasing interest rates, however, does not always lead directly to economic improvement. But, Keynesian economists always believe that a lower interest rates as a solution to economic woes, but they generally try to avoid the zero-bound problem. As interest rates approach zero, stimulating the economy by lowering interest rates becomes less effective because it reduces the incentive to invest rather than simply hold money in cash or close substitutes like short term Treasuries. Interest rate manipulation may no longer be enough to generate new economic activity if it cannot spur investment, and the attempt at generating economic recovery may stall completely. This is known as a liquidity trap.

On the other hand, Abu Ubaid argue that government spending via Islamic religious revenues (without borrowing) may lead to balance and just growth.[6] Therefore, balance and just growth tend to make a simplifying distinction between “distortionary” taxes that impact on investment decisions and Islamic religious revenues that have little impact on investment. While financing expenditure (via borrowing) carries costs to economic growth, some types of government expenditure are beneficial to economic performance. Some government expenditure is a prerequisite for a functioning market economy, such as a legal system to protect private property rights. Beyond this foundational level, expenditure initiatives may lift long-run growth rates by increasing investment in physical capital, knowledge, human capital, research and development or public infrastructure. For example, government investment in human capital (via *fi sabilillah*) could boost long-run economic growth if investment stimulates technological progress or if the productivity of businesses is boosted from others investment or innovation (such as knowledge spillovers). In addition, tax may discourage work and investment in human capital but they appear to have a relatively minor impact on the long-run determinants of growth, such as investment, education or technical progress.

The above view lead us to get the answer on the following issues: (i) which view is more efficient – Keynes or abu Ubaid; (ii) government structure and efficiency – revenues at federal or state levels.

In the context of efficiency, it may lead us to ask, if it is efficient, hence the impact of government revenues would have a positive impact on the socio-economic development. Here, the efficiency is normally referred to the idea that a policy should be allocated to the government that is able to produce the policy at the lowest cost and to encompass all individuals experiencing positive or negative effects of that policy. In the case of zakat, by limiting the cost of allocating the zakat to not more than 12.5% of the total revenues, it may lead to lower cost and hence, technically it is more efficient.

The answer for the second issue - we should make a call on the interjurisdictional efficiency, because the creation of government structure that lead to the power given in collecting different types of revenues. The concern is on the cost of coordinating policy making among governments. These costs can be reduced by limiting the number of government levels, and therefore the number of governments that negotiate with each other, or by limiting the overlap between the functions carried out by individual jurisdictions. A reform that increases interjurisdictional efficiency may decrease technical or allocative efficiency.

From the economic interpretation, it concern about the theory of public goods provisions by different levels of government. The provision shows the preferences of lawmakers in shaping the provision in the constitution i.e a mixed of Keynesian and Abu Ubaid Views.

6. CONCLUSIONS

Constitutional economics is part of a broader set of theoretical approaches in modern economics that includes public choice, the new institutional economics, the economics of property rights, law and economics, and others. They all aim at rectifying the institutional deficit of orthodox neoclassical economics by focusing attention on how socio-economic-political processes are shaped by the rules and institutions within which they unfold. The distinguishing feature in constitutional economics is the particular attention it pays to the choice of rules as a means to make such processes better serve the preferences of the individuals involved. It is because of its emphasis on the choice of rules as a

[6] This term is introduced here, because the Islamic religious revenues do not create a deficit in spending and hence, it will generate a just growth

means for improving the human condition that, so constitutional economics is best interpreted as a re-emphasis, a revival, a re-discovery of classical political economy. However, the rules that are derived from Islamic religious faith create an alternative theory of constitutional economics.

REFERENCES

Adam, J. (1990) Institutional Economics and Social Choice Economics: Commonalities and Conflicts. *Journal of Economic Issues* 24 (no. 3): 845-859

Akee, R., M, Jorgensen, and U. Sunde (2012) Constitutions and Economic Development: Evidence from the American Indian Nations. IZA Discussion Paper No. 6754 July

Berggren, N. (1997) *Essays In Constitutional Economics*. A Dissertation for the Doctor's Degree in Economics, Stockholm School of Economics

Buchanan, J. M. (1949) The Pure Theory of Government Finance: A Suggested Approach. *Journal of Political Economy* 57: 496-505.

Buchanan, J. M. (1959) Positive Economics, Welfare Economics, and Political Economy. *Journal of Law and Economics* 2:124-138.

Buchanan, J. M. (1987) *Economics: Between Predictive Science and Moral Philosophy*. College Station, TX: Texas A&M University Press.

Buchanan, J. (1990). The domain of constitutional economics. *Constitutional Political Economy* 1(1): 1-18

Buchanan, J.M. and G. Tullock (1962) The calculus of consent: Logical foundations of constitutional democracy. Ann Arbor: University of Michigan Press.

Elster, J. (1995) The Impact of Constitutions on Economic Performance. Proceeding of the World Bank Annual Conference on Development Economic. New York: World Bank.

Islam, M.A, M., Ebrahim and Z. Yasin (2019) The Thirteenth Amendment To The Constitution Of Bangladesh (1996): A Critical Assessment. *Asian Journal of Social Sciences and Humanities* 8(2): 45-55

Ismail, A.G. (2019) Islamic Religious Revenues and Constitutional Rules**.** *IESTC Working Paper Series, Working Paper No. 17*. Bandar Baru Bangi: Organization of Islamic Economic Studies and Thoughts

Jin, J. and H.F., Zou (2002) How does fiscal decentralization affect aggregate, national and subnational government size? Journal of Urban Economics 52: 270-293

Keynes, J.M. (1936) The General Theory of Employment, Interest and Money. London: Macmillan (reprinted 2007).

Marc de Wit, Jelmer Hoogzaad, Shyaam Ramkumar, Harald Friedl and Annerieke Douma (2018) Circularity Gap Report. Circle Economy

Martinez-Vazquez, J. and R.M. McNab (2001) Fiscal decentralization and economic growth. Working Paper 01-1, Georgia State University.

McGuire, R. and Ohsfeldt, R. (1989). Self-interest, agency theory, and political voting behavior: The ratification of the United States Constitution. American Economic Review 79(1): 219-234.

Macmillan Publishers Ltd (ed.) (2018) The New Palgrave Dictionary of Economics. London: Palgrave Macmillan

McCormick, R. and R., Tollison, R. (1981) Politicians, legislation, and the economy - an inquiry into the interest- group theory of government. Boston: Nijhoff

McKenzie, R. B. (1985), *Constitutional Economics: Containing the Economic Powers of Government.* Lexington, MA: LexingtonBooks.

Mueller, D. (1989). Public choice II. Cambridge: Cambridge University Press

Person, T. and G., Tabellini (2004) Constitutions and Economic Policy. *Journal of Economic Perspectives*, 18(No. 1): 75-98

Smith, A. 1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Ed. R.H. Campbell and A.S. Skinner, Indianapolis: Liberty Classics, 1981.

Vanberg, V.J. (2005) Market and state: the perspective of constitutional political economy. *Journal of Institutional Economics* 1(Issue 1): 23-49.

Vanberg, V. J. (2015) Constitutional political economy, Freiburger Diskussionspapiere zur Ordnungsökonomik, No. 15/06, Albert-Ludwigs-Universität Freiburg, Institut für

Allgemeine Wirtschaftsforschung, Abteilung für Wirtschaftspolitik und Ordnungsökonomik, Freiburg i. Br

Voigt, S. (1997) Positive Constitutional Economics: A Survey. Public Choice, 90 (March), Constitutional Political Economy: 11-53.

Voigt, S. (2011) Positive constitutional economics II – a survey of recent developments.Public Choice 146: 205-256