SUBSCRIBE NOW AND RECEIVE CRISIS AND LEVIATHAN* FREE!

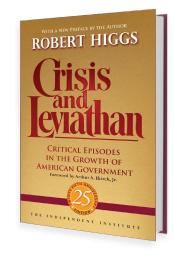


"*The Independent Review* does not accept pronouncements of government officials nor the conventional wisdom at face value." —JOHN R. MACARTHUR, Publisher, *Harper's* "The Independent Review is excellent." —GARY BECKER, Noble Laureate in Economic Sciences

Subscribe to *The Independent Review* and receive a free book of your choice* such as the 25th Anniversary Edition of *Crisis and Leviathan: Critical Episodes in the Growth of American Government*, by Founding Editor Robert Higgs. This quarterly journal, guided by co-editors Christopher J. Coyne, and Michael C. Munger, and Robert M. Whaples offers leading-edge insights on today's most critical issues in economics, healthcare, education, law, history, political science, philosophy, and sociology.

Thought-provoking and educational, <u>*The Independent</u></u> <u><i>Review*</u> is blazing the way toward informed debate!</u>

Student? Educator? Journalist? Business or civic leader? Engaged citizen? This journal is for YOU!



*Order today for more *FREE* book options

SUBSCRIBE

Perfect for students or anyone on the go! *The Independent Review* is available on mobile devices or tablets: iOS devices, Amazon Kindle Fire, or Android through Magzter.





INDEPENDENT INSTITUTE, 100 SWAN WAY, OAKLAND, CA 94621 • 800-927-8733 • REVIEW@INDEPENDENT.ORG PROMO CODE IRA1703

Nineteen Public Bads of Empire, Nation Building, and the Like

CHRISTOPHER J. COYNE AND STEVE DAVIES

A librough some writers have advanced the idea that imperialism can supply a "public good," such as enforcement of a secure property-rights regime, they have scarcely paused to consider the variety of "public bads" that tend to accompany this sort of foreign interventionism. Besides the usual problems of government action, imperialism and hegemonic interventionism have inherent features that tend to produce public bads at both the global and the local levels. Moreover, the capacity of this kind of action and governance to succeed in supplying the public goods that supposedly justify it is doubtful and needs to be measured against actual alternatives, most notably a policy of peace, open trade, and easy immigration. To our knowledge, no one has yet presented a comprehensive list of the potential public bads associated with imperialism and hegemonic interventionism. In this note, we make a preliminary effort to fill this gap.

- 1. Imperialism is clearly connected to and correlates with the growth of active, paternalistic government at home. The paternalistic notion of government used to justify imperial adventures is often carried over to applications at home, giving rise to bad public policy there.
- 2. Imperialism diverts citizens from the basic conflict between government and

Christopher J. Coyne is an assistant professor of economics at Hampden-Sydney College; **Steve Davies** teaches in the Department of History and Economic History at Manchester Metropolitan University.

The Independent Review, v. XII, n. 1, Summer 2007, ISSN 1086-1653, Copyright © 2007, pp. 129-132.

liberty by focusing their attention on foreign activities instead of on the government's menacing actions at home.

- 3. Imperialism and foreign intervention result in high levels of military spending and a long-run tendency for such spending to grow until a fiscal limit is reached. This process reflects the general tendency of any kind of intervention to persist and grow, leading in this case to the well-attested phenomenon of "imperial overreach."
- 4. The need to justify foreign intervention and to sustain support for it fosters protectionism of the classic colonial variety—a system of favors and privileges for domestic interests and collaborators. The favored domestic interests then act as a political coalition pressing for subsequent interventions.
- 5. Imperialism and intervention by a hegemonic power create client ruling elites that are typically both brutal and corrupt because of their position, as well as frequently incompetent to boot. They are not good providers of public goods by most measures. (The Dominican Republic, Haiti, Nicaragua, and El Salvador provide a few of the many possible examples.)
- 6. The benefits that imperialism brings to elites in the form of rents and positions of power help them to consolidate their social and political positions and thereby make social change and economic development more difficult because these entrenched elites obstruct such development in an attempt to preserve their privileges.
- 7. The semblance of short-term stability achieved by the installation of a puppet regime often evolves into long-term instability, creating the need for further intervention, as demonstrated by the repeated U.S. intrusions in several Latin American countries.
- 8. The actions of both subaltern elites and hegemonic elites lead to the emergence of "crony capitalism," in which political power is used to benefit small, specific groups rather than broad categories or classes. The Philippines provides a classic example.
- 9. The opposition that intervention and actual empire provoke consists of either would-be predators who want "a piece of the action" or groups that, in the context of the United States as the hegemon, reject free markets and liberal governance and embrace antiliberal, ultimately destructive ideologies.
- 10. At the international level, foreign intervention creates competition between rival powers or groups of powers and undermines cooperation between ordinary economic actors by producing such phenomena as protectionism, manipulation of the monetary system, military competition, and sometimes war.
- 11. Imperialistic interventions impose costs on ordinary people: both direct costs, such as taxes, and indirect costs by virtue of the protectionism and favoritism generated.
- 12. Foreign interventions promote a way of thinking about the world among the elite in particular, but also among others, that leads them to view the world and

economic actors as engaged not in a cooperative process for mutual benefit, but rather in a competitive zero-sum game. Such a mentality tends to see China's economic success, for example, as a "problem" and a "threat," rather than as an opportunity.

- 13. Foreign interventionism is culturally associated with bellicose masculinity, xenophobia, and racism. Theodore Roosevelt exemplifies these attributes perfectly.
- 14. Foreign interventionism is empirically associated with the growth of organized crime. The imperial power creates opportunities for criminal groups to earn profits, and it is typically driven to work with such groups. Thus, U.S. intervention in the Andean region, Afghanistan, and Pakistan (and earlier Burma) has clearly contributed to the flourishing of organized crime and the illegal drug trade in these areas.
- 15. The disorder of failed states typically arises in large part as a consequence of earlier imperialism, as is clearly the case in Somalia or indeed in all of Africa, as well as in several cases in Latin America.
- 16. More generally, imperialism and interventionism check the emergence of spontaneous order and institutions, and they tend to emphasize force as the focal means of resolving disputes or supplying any kind of order.
- 17. One aspect of imperialistic intervention of particular importance in Latin America and Africa is its tendency to freeze and sustain political structures and arrangements that are dysfunctional, rather than allowing events and competition between elites to take their course. The goal is often to preserve an existing set of boundaries and institutions rather than to let social and political change produce a more effective arrangement.
- 18. Ethnic and religious conflicts are frequently exacerbated owing to the imperial power's adoption of a "divide and rule" strategy. However, this outcome may arise even if the dominating power does not follow such a strategy, simply because of the differential fortunes of different groups, which provoke conflicts, and because the response to outside rule or intervention frequently leads to the articulation of a group identity that excludes some locals as well as the outsiders.
- 19. Although the troubled society needs to set in motion a process of emergent political legitimacy, the imperial power constitutes an additional, awesome, alien force in the internal political romance. The latter might conceivably serve, we admit, as a feared and focal force toward better arrangements—as when a nation-state commits atrocities and is soundly defeated at war, and "the people" feel great shame for what their legitimate government has done. In most cases, however, even if the foreign power represents universal ethical goods—freedom and democracy, some might say—any such ideals remain too abstract to serve as a focal guiding principle within the regional romance. Even if a foreign power is an angel, it remains alien. It confuses the legitimation process, leaving the internal forces uncertain, mistrustful, and without confidence in their own character and identity. "Dependency" goes much beyond supplication, involving

military aid and training, foreign aid, and so forth. The locals depend on the big, awesome power for the very narrative of their political lives and identities, and this existential dependency often elicits resentment and bitter hatred.

Our list is not exhaustive, of course, but it does emphasize some of the significant costs and bads associated with imperialism and hegemonic interventionism. As the list indicates, these public bads diminish the prospects for the flourishing of civil society and bourgeois virtues. In contrast to cooperation, exchange, and cultural contact in the confidence of peaceful sovereignty, the public bads tend to institutionalize force and to provoke counterforces, giving rise to cycles of hostility and aggression. Once great levers of political force are wedged into the social equation, especially alien levers that can act unpredictably and catastrophically for any individual group, every group must become eager to gain favor with the alien power or to control those levers, if only as a matter of self-preservation and protection, but inevitably also as a tool of predation and self-aggrandizement.

Acknowledgment: This article is based on a section of a much longer article "Empire: Public Goods and Bads," *Econ Journal Watch* 4, no. 1 (2007): 3–45. We are grateful to Daniel B. Klein, the editor of *Econ Journal Watch*, for permission to reuse this material here.