Can We Export Democracy?

The United States has attempted to export liberal democratic institutions through military occupation and reconstruction throughout its history, with mixed results. For every West Germany or Japan, there is a Cuba, Haiti, Somalia, or Vietnam. Why do we observe such different outcomes in military interventions? Do efforts to export democracy help more than they hurt? At a November 26, 2007 Cato Book Forum, Christopher J. Coyne, assistant professor of economics at West Virginia University and author of *After War: The Political Economy of Exporting Democracy,* and Tamara Cofman Wittes, senior fellow at the Brookings Institution, examined the problems with installing democracy.

CHRISTOPHER J. COYNE: Occupiers and policymakers suffer from a fundamental knowledge problem. We know what a liberal democracy looks like. We know the characteristics of a liberal democracy—protection of private property, protection of civil rights, protection of political rights, the rule of law, constraints on political actors, and so forth. But we know much less about how to go about getting those characteristics where the foundations are not already in place. This is the fundamental problem of trying to export democracy, but let me try to break it down further.

In *Democracy in America,* Alexis de Tocqueville emphasized the art of association that underpinned democracy in America. Americans, he maintained, have a habit for self-governance, for forming associations that allow them to solve problems that government can't. To Tocqueville this is a key aspect of why liberal democracy worked in America.

Cooperation and self-governance is a habit. Where citizens voluntarily cooperate around liberal democratic institutions, they will tend to be self-sustaining. But when those values and underlying beliefs are absent, constant coercion and intervention will be needed to sustain formal institutions.

Meanwhile, a host of incentive problems confront the occupier as well as the occupied.

Every public policy is influenced by special interest groups, who attempt to direct benefits to their members, while dispersing costs among the taxpayers. So even if policymakers know the policies that would be beneficial to the reconstruction effort, interest groups will attempt to lobby government to shift policies toward their own ends.

Another perverse incentive created by the political system is the influence of voter opinion. Voters who initially support a reconstruction may ultimately change their minds. For instance, now we see many polls showing U.S. voters are turning against the reconstruction of Iraq. Even if it makes sense to stay the course in Iraq, or with any other reconstruction effort, for an extended period of time, voter opinions and voter demands will influence policy. In other words, elected officials will respond to the demands of voters. And if those voter opinions don't align with the end goals of the reconstruction, it will contribute to its ultimate failure.

A final incentive problem is the temporal disconnect that elected officials face. Elected officials basically attempt to maximize the benefits while they're in office, either before an election or before their term is up, even if the costs associated with those policies will not come to fruition until years down the line.

In 2002, Lawrence Lindsey, President Bush's chief economic adviser, estimated the cost of the Iraq war to be $100 billion to $200 billion. Of course, the Bush administration said this was absurd; he was exaggerating. And not long afterward, he left the administration.

Current estimates place the cost of the war somewhere between $1 trillion and $2 trillion. This is a perfect example of the underlying logic that elected officials tend to downplay long-term costs.

So the main takeaway here is that even if we have good intentions going in, we have little reason to believe that the policies that support this benevolent intervention will actually be implemented. Stated differently, we have good reason to believe that the incentives created by the U.S. domestic political institutions will generate perverse policies.

Notice this says nothing about the malevolence of any U.S. policymaker or bureaucrat. It is simply a statement that they respond to incentives, just like everyone else.

Ultimately, occupiers and policymakers face an array of constraints that make reconstruction efforts more likely to fail than to succeed. Moreover, the magnitude of these constraints is likely to be greatest in those countries that are most in need of the social, political, and economic change which reconstruction efforts attempt to engender.

The failure of reconstruction efforts is not a matter of political ideology. It's not a matter of trying harder. Failure is due to the fundamental inability of the U.S. government, or any other government for that matter, to centrally plan the complex array of social, political, and economic institutions that characterize a liberal democratic society.

So where does that leave us? What should U.S. foreign policy be? What I advocate is a principled position of nonintervention and free trade. I contend the United States, as a default position, should refrain from intervening abroad to export liberal democratic institutions, and it should unilaterally engage in free trade with all countries.

If you go back to the Founding Fathers of America—George Washington, Thomas Jefferson, John Quincy Adams—all of them enunciated a position of economic ties with all and political ties with none. They realized that when you engaged in political alliances, you would get tangled up in international conflicts.

If the United States is sincerely committed to helping the poorest countries in the world, the easiest way to accomplish this is not foreign aid, it's not money, it's not sending humanitarian assistance abroad. It's not sending military troops abroad. It is allowing poor people access to our well-established markets.

Then there are the cultural benefits of free trade. When parties trade, it exposes them to the values, beliefs, and other cultural aspects of their trading partner. If we are really concerned with exporting Western-style institutions values of liberty, what better way than to allow people that don't have them access to our markets so that they can see how a free country actually operates?

Now, an argument against this is that if we give free access to our markets—for instance, to Iran or to North Korea—we are propping up these illiberal regimes and in so doing preventing social change. But it's just the opposite. First, if we allowed these countries access to our markets, it would raise the cost of attacks against America. Trading partners are less likely to engage in war with each other. Second, it would free up resources if we stuck to simply defending our border. Finally, unlike aid, which goes to government, and thus actually does enrich illiberal regimes, the benefits of trade accrue to citizens. These citizens are often poor and sometimes tyrannized, making the case for free trade all the more important.

In sum, the argument is not that free trade is a panacea. Instead, the argument is it is the best of a constrained set of alternatives. And my main contention is that nonintervention and free trade provides the United States with the best chance of establishing the foundations of global peace and global freedom.

Christopher J. Coyne

> "The United States should refrain from intervening abroad to export liberal democratic institutions, and it should unilaterally engage in free trade with all countries."

TAMARA COFMAN WITTES: Dr. Coyne cites a knowledge problem facing occupiers. He argues that we know what we are aiming for in attempting to inculcate democracy, we just don't know how to accomplish it. If it were a question of how only—well, that's a technical question. We can develop analysis, we can develop expertise. We can eventually gain answers on how to inculcate these values and build these institutions.

But what Coyne's analysis really helps us do is save us from going down that path, by pointing out how many of the variables that are relevant to success or failure are actually outside the control of the occupier. And that is not just humbling, it's really an indictment of the whole enterprise.

But that does raise a difficult question for the United States and the international community: If Coyne's analysis informs our future policy, then we should indeed reject military interventions and reconstruction missions abroad as hopelessly complex enterprises in which we don't have the ability to influence the most important factors that determine success or failure, so that success is essentially a matter of picking the right cases and understanding what cases have the capacity for success.

But what of those overseas interventions motivated not mainly by the desire to spread democracy but on behalf of more self-interested objectives? Sometimes the motivating force is national interest, and promoting democracy is how policymakers sell the war—and subsequent occupation—to the American public.

We can expect that even were the U.S. government to forswear democracy promotion at the point of a gun, it would still engage in military interventions in cases where the national interest is at stake. We could rule out interventions that were purely humanitarian in nature. We could probably rule out interventions in states that while brutal internally were stable and functional and could be engaged in other ways. And this would indeed be an improvement over recent years' policy.

But I think the hardest case is that of failing or failed states, ones that impact regional stability or impact U.S. interests more directly. What should we do in cases like Afghanistan? It is not possible to implement the approach of nonintervention and free trade because it is very difficult to trade effectively with a state that

does not have effective governance. Meanwhile, we're already there for reasons of national self-interest.

Which raises another question: If we intervene to protect our own interests, what should we leave behind? Should we intervene and simply attempt to remain neutral between democracy and dictatorship? If the United States or an international coalition chooses to intervene in a state for security reasons, what obligations do we incur regarding the successor government left behind?

It strikes me that there is another alternative to military intervention, either with a light or a heavy footprint, and the policy of nonintervention and free trade. Indeed, there is a menu of tools for American democracy promotion and democracy assistance abroad that is actually quite wide. These tools include advice and training for political activists and political leaders; networking among human rights activists and political entrepreneurs; technical training for governments and government parties; financial and other forms of support for civic groups that are working to inculcate liberal values in their local environment.

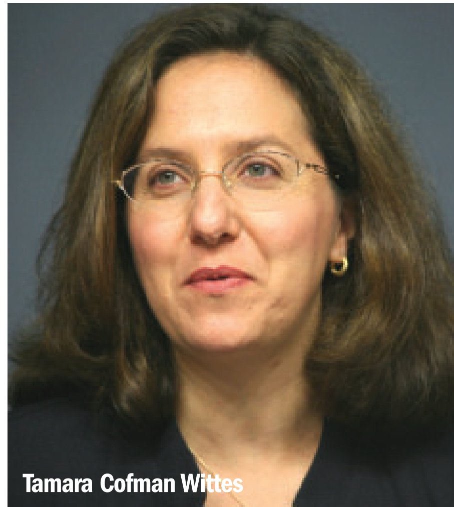
These mechanisms for democracy promotion can work over time to develop the art of association, which Coyne, citing Tocqueville, considers central to the establishment and preservation of democracy.

Most of the societies we are talking about have not had historical experiences of liberal democracy on which to draw, but they are undergoing rapid social change. That is why many of them are unstable and conflict ridden. So this type of assistance can help strengthen trends that already exist within these societies, trends toward liberalism.

There have been many good arguments made over the years to suggest that even when we say we are intervening on the basis of liberal values, we are in fact working to protect our own economic or security interests. But there is absolutely no question that from the very beginning of the 20th century, when America began to emerge as a global power, whenever our government has been on the cusp of major overseas engagements, democracy promotion has been a prominent part of the rationale presented by American politicians and embraced by the American people for the necessity of the overseas commitment.

For better or worse, Americans understand their country's role abroad to be closely linked to the spread of democracy.

So if democracy promotion has been a very consistent part of how American political leaders generate public support for costly and long-term military engagements, if democracy promotion is primarily not about the country being occupied but is rather related to our need to grease our domestic political machinery, then it is very hard to see how we can effectively de-link democracy promotion and military intervention in the way that Coyne would hope to see.


Tamara Cofman Wittes

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COYNE: Dr. Wittes argues that my proposed policy of nonintervention and free trade does not work in the case of failed states. This is incorrect. When we say the United States trades with China, well, no, it really doesn't. An individual in the United States trades with an individual in China, just like I trade with my local grocer. So trading with individuals living in failed states is not a problem.

We don't want to trade with the government of Afghanistan, or lack of government. We want to trade with individuals in Afghanistan. Again, this is not a panacea. It's the best of a constrained set of alternatives.

Dr. Wittes proposes additional training and funding for political leaders to further the cause of liberal democracy abroad. But there is a dark side to such funding. Many of the same associations that we consider beneficial in the United States—churches, schools, political groups—often fund terrorist activity in foreign countries. So many of the associations that we throw money at are not necessarily good in terms of promoting liberal democracy abroad.

Dr. Wittes' final point, about how democracy promotion at home and foreign policy abroad are inextricably linked, is an interesting one. But again, I think the critical point here is pointing out the costs of U.S. interventions abroad. Many people have emphasized that war is the health of the state. One of the significant costs, of course, is that we get bogged down abroad, but also there is massive growth in the size of government at home.

This is what Robert Higgs calls the ratchet effect. When there is a crisis—like a war—the size of the U.S. government is ratcheted up. And after the war, it drops down slightly, but it's still greater in terms of size than prior to the war. So I think it's important to educate Americans and to explore the significant costs associated with military intervention.

Oftentimes in these interventions the worst case scenario policymakers consider is that we will fail and come home. But there are other things that can happen. We might not just fail. We might make things worse. We might impose significant costs on the people abroad and on U.S. citizens at home, with the effects lasting decades into the future.