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THE "NEW" FATAL CONCEIT: The Errors of Foreign Intervention

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The “New” Fatal Conceit: The Errors of Foreign Intervention

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Abstract

The fatal conceit is the assumption the world can be shaped according to human desires. F.A. Hayek argued that socialism suffered from a fatal conceit because it presumed that central planners could engage in rational constructivism to design a superior state of affairs. With the collapse of socialism, central planning has been discredited as a viable means of economic organization. However, the fatal conceit of central planning continues through foreign interventions in the form of foreign aid and foreign military interventions. These foreign interventions rely on central planning and suffer from a fatal conceit in assuming that planners can design desirable global outcomes.

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1. Introduction

With the collapse of socialism in the Soviet Union and Eastern Europe, central planning was discredited as a viable means of economic organization. The breakdown of these economies revealed the gross inefficiencies and fundamental flaws of the socialist system. Decades before its demise, Ludwig von Mises (1920, 1936) and F.A. Hayek (1948a,b,c) emphasized the central problems of socialism during the well-known Socialist Calculation debate. At the time of the debate, Mises and Hayek were viewed as being on the losing side, but ultimately their arguments were shown to be correct.

In his last book, Hayek (1988) built on his earlier work on socialism in analyzing the “fatal conceit,” which was the presumption that “man is able to shape the world around him according to his wishes” (27). The fatal conceit assumes that because rules that facilitate coordination emerged through human action, it is also possible for planners to design a set of rules that will generate a preferable outcome. Hayek argued that socialism suffered from a fatal conceit because it assumed knowledge on the part of planners that they could not possibly possess. Further, it overlooked the fact that many of the rules facilitating cooperation were spontaneous orders, which arose through purposeful human action, but not through human design. These emergent rules allowed for the “extended order,” but they were not the result of a grand plan or of human design.

The central argument of this paper is that the fatal conceit of central planning did not end with the collapse of socialism. Instead, the fatal conceit of central planning continues, albeit in a different form from its previous socialist manifestation. While socialism has largely been discarded as a means of economic organization, the ‘new’ fatal conceit is the view that the “development community” (i.e., the IMF, World Bank, United

Nations, regional development banks, etc.) and the governments of developed western countries can intervene abroad to rationally construct global outcomes. These foreign interventions occur in the form of foreign aid and foreign military interventions.

“Foreign intervention” refers to the use of the discretionary power of one government to address perceived problems in foreign societies. In addressing these problems, foreign interventions aim to construct a preferable state of affairs from the standpoint of those intervening. Often those undertaking the intervention believe that it is also in the best interests of those in the foreign society. However, interventions are ultimately undertaken according to the plans of exogenous actors who have limited knowledge of the society in which they are intervening.

The use of “new” to describe the fatal conceit discussed in this paper is somewhat misleading since foreign interventions, and the central planning mentality associated with these interventions, have a long history. The fatal conceit of foreign interventions is new from the standpoint that Hayek originally focused on the fatal conceit of socialism because of the widespread acceptance of the socialist ideology at the time he was writing. It is my contention that with the collapse of socialism, foreign interventions have become the dominant form of central planning. While socialism utilized central planning to allocate scarce resources, foreign interventions take the logic of central planning a step further. In addition to reliance on central planning for the allocation of scarce resources, foreign interventions also rely on central planning to shape the complex array of informal and formal institutions (economic, legal, political and social) in foreign societies. Like socialism, foreign interventions suffer from a fatal conceit. To date, the parallels between

the fatal conceit of socialism and the fatal conceit of foreign interventions have not been explored. The purpose of this paper is to fill this gap.

The parallels between the fatal conceit of socialism and the fatal conceit of foreign intervention can be summarized as follows:

1. Good intentions do not necessarily lead to good results: Hayek noted that socialism was “inspired by good intentions” (1998: 9). Likewise foreign interventions are often driven by benevolent intentions as well. For example, foreign interventions often aim to help the poorest societies in the world. Despite these benevolent intentions, Hayek noted that socialism “endangers the standard of living and the life itself of a large proportion of our existing population” (9). Foreign interventions, like socialism, have largely failed to generate the desired results and in many cases have caused more harm than good in the form of negative unintended consequences.
2. Reliance on top-down planning: Like socialism, foreign interventions are grounded in central plans designed by the intelligentsia. In the context of foreign interventions, the intelligentsia consists of “experts” in the development community and developed countries. Under both forms of planning, emergent institutions are neglected or viewed as secondary to the grand plan developed by experts.
3. The view of development as a technological issue: Both socialism and foreign interventions are grounded in the view that development is a “problem,” which can be solved through central planning. From this standpoint, success is mainly a technological matter, directly dependent on the amount of effort and resources invested in planning as well as on the execution of the plan. In both cases, the underlying assumption is that intelligent and benevolent planners can design a plan that, if implemented properly, will yield an outcome preferable to the status quo.
4. Reliance on bureaucracy over markets: Socialism was reliant on a massive bureaucratic apparatus to implement the dictates of central planners. Similarly, foreign interventions take place through a large bureaucratic system which attempts to implement the central plan of the development community and the governments of developed countries.
5. The primacy of collectivism over individualism: Foreign interventions, like socialism, place collective goals over individual goals. Under socialism, individual freedoms and initiative were sacrificed for the good of the collective. Foreign interventions, although often couched in

the rhetoric of freedom and liberation, sacrifice individual autonomy for the achievement of global goals. Instead of allowing individuals to engage in self-determination and the process of individual experimentation and learning, outside experts design plans which aim to maximize the global good.

This paper explores the fatal conceit of foreign interventions and develops the parallels with the fatal conceit of socialism. Particular focus is placed on understanding the constraints facing those designing and implementing foreign interventions.

The paper proceeds as follows. The next section provides a taxonomy of foreign interventions with the aim of clarifying the various types and forms of interventions. Section 3 offers a history of development economics. Modern development economics has provided a firm intellectual foundation for a wide array of foreign interventions and the central planning mentality underpinning those interventions. Section 4 discusses the use of military interventions to shape outcomes in foreign societies. Section 5 considers the errors of foreign intervention. Section 6 concludes with the implications of the analysis and a discussion of the uniqueness and relevance of the Austrian school in the area of economic development.

2. A Taxonomy of Foreign Intervention

An existing literature explores the notion of “interventionism” and broadly defines it as the use of government power to address failures associated with the private ownership of the means of production (see Mises 1929, 1949: 716-736; Ikeda 1997, 2005). Ikeda (2005) defines an intervention as “the use of, or the threat of using, political means to influence non-violent actions and exchange” (21). In this context, interventions take

place within an existing institutional structure and seek to correct failures generated by the capitalist system.

In intervening in the capitalist system to manipulate outcomes, the government goes beyond its role of protecting private property rights. However, to the extent there are constraints on discretionary government power, interventionism is also distinct from pure socialism which requires state ownership of the means of production. The end result of interventionism is a “mixed” economy which stands between pure laissez-faire capitalism, where the government’s role is to protect property rights, and pure socialism (Ikeda 1997).

The focus of this paper is on foreign interventions. Foreign intervention entails the use of political coercion by one government to influence the actions of other foreign governments and individuals. Foreign interventions go beyond purely domestic interventions which attempt to correct for failures in the domestic economic system. Instead, foreign interventions seek to achieve specific outcomes in foreign societies through intervention. Foreign interventions take on two main forms—foreign aid and foreign military interventions. However, within each of these two general categories there are numerous subcategories as follows:

1. **Foreign Aid** – Includes the assistance provided by the development community and governments to foreign governments and individuals.

A. Sources and Administration of Foreign Aid

1. **Bilateral Aid** – Aid given directly from one government to another foreign government. In the United States, bilateral aid is administered by the United States Agency for International Development (USAID). Other countries have similar government agencies to administer bilateral aid.

The provision of bilateral aid varies from loans to direct grants, which do not require repayment.

2. **Multilateral Aid** – Aid given from a government to an international organization (e.g., World Bank, IMF, UNICEF, or regional banks such as the African Development Bank, Asian Development Bank, and Inter-American Bank), which administers the distribution and oversight of aid. Most multilateral aid is provided in the form of loans.

B. Types of Foreign Aid

1. **Humanitarian Aid** – Monetary, food, or medical aid allocated to the alleviation of humanitarian suffering. Examples include foreign disaster relief, food assistance, and refugee programs. This category of aid is utilized for ongoing humanitarian concerns (e.g., AIDS, malaria, etc.) as well as immediate emergencies (e.g., natural disasters, civil wars, etc.).

2. **Project and Program Specific Aid** – Aid provided for use in a specific project (e.g., infrastructure, etc.) or program (e.g., primary education, AIDS awareness and education, etc.). In some cases, this type of aid is utilized by the donor country to achieve specific political and security goals. For example, the United States provides program aid to governments around the world to combat narcotics as part of the larger “war on drugs.”

3. **Technical Aid** – Expertise, advice and “know how” provided to foreign governments and citizens. This type of aid may include medical doctors, humanitarian crises experts and a wide array of specialists to assist foreign governments in certain programs and projects.

4. **Budgetary Aid** – Monetary aid provided to foreign governments to assist with budgetary shortfalls.

5. **Military Aid** – Military assistance provided to governments for use in the acquisition of military equipment and training.

2. **Military Interventions** – Includes the use of military force, or the threat thereof, to shape economic, legal, political, or social outcomes in foreign countries. Military interventions fall into two general categories.

A. **Indirect Foreign Interventions** – Interventions where foreign governments do not directly send their military personnel abroad. Instead, foreign governments indirectly intervene through monetary aid (see #5 under foreign aid above) or through the provision of military equipment or intelligence. This support may be provided to the government-operated military in foreign countries or to other

foreign military groups (i.e., guerrilla or opposition groups). Indirect military interventions are often part of a broader strategy of the intervening country to achieve specific outcomes abroad.

B. Direct Foreign Interventions – Interventions where governments send military personnel abroad to directly address and influence economic, legal, political, and social outcomes. The motivations behind direct foreign interventions can take several forms.

1. **International Wars** – Involves declared wars between nation states. In some cases, the end of military conflicts of this nature results in further interventions in the form of military occupation and reconstruction. The U.S. occupations of West Germany and Japan following World War II are two examples.

2. **Liberation** – Military interventions aimed at liberating some group of individuals from what is determined to be an oppressive situation. In many cases the initial military effort to overthrow the existing regime is followed by an occupation and reconstruction effort seeking to establish a preferable government.

3. **Security Threats** – The use of military intervention to address an existing or potential threat to the security of the country sponsoring the intervention.

4. **Humanitarian Missions** – The use of the military to address humanitarian crises and to engage in peacekeeping, e.g. the use of the military to address foreign civil wars.

5. **Peacekeeping and Training** – The use of military personnel to maintain peace while institutions and physical infrastructure are constructed or reconstructed, as well as the training of foreign military and police forces.

This taxonomy is meant to clarify the various types of foreign interventions and is not necessarily exhaustive. It is important to note that there are numerous motivations and goals driving foreign interventions. Further, in many cases foreign interventions do not fit neatly into one of categories listed above. For example, the provision of humanitarian aid

may be coupled with military interventions aimed at political change, as was the case in the U.S. intervention in Somalia in 1993.

Every foreign intervention is based, to some degree, on the plans of foreign actors. The scope of some interventions are limited in nature (e.g., the delivery of humanitarian aid to societies following natural disasters) as compared to other, more complex, interventions (e.g., regime change and wholesale reconstruction). Foreign interventions often include the involvement of indigenous actors so that these interventions are not always a case of foreign interventions being imposed on societies.¹ For example, domestic governments in developing countries are often the recipients of foreign aid and play a key role in the allocation of that aid.

While the specifics of each plan and the array of individuals involved vary, foreign interventions require plans and actions by exogenous actors. It must be recognized that these actors have their own goals and also face certain constraints which limit what they can effectively accomplish. Further, all interventions have real effects on the societies in which they take place. Even the most basic interventions, such as the provision of humanitarian aid, shift the incentives facing individuals and therefore impact behavior. The aim of this paper is to contribute to our understanding of foreign interventions by focusing on the constraints facing those designing interventions as well as the impact of those interventions.

3. Development Economics and Foreign Aid

¹ For a discussion of the role of indigenous actors in relation to the “stickiness” of institutions, see Coyne 2007 and Boettke, Coyne and Leeson 2008.

In order to understand the origins of the fatal conceit of foreign intervention through foreign aid, it is important to understand the evolution of development economics. In the broadest sense, development economics focuses on understanding the causes for the economic progress or stagnation of societies.² Issues of economic development can be traced back to the earliest writings in economics as indicated by the title of Adam Smith's (1776) classic, *An Inquiry into the Nature and Causes of the Wealth of Nations*. However, the "modern" development economics subfield that exists today did not emerge until the 1930s (see Arndt 1981 and Bell 1987).³ The rise of modern development economics was due to several factors and events.⁴

The increased availability of statistics and data, which allowed for cross-country comparisons of standards of living, was a major factor in the rise of modern development economics. For example, Clark (1939) collected detailed data on the income accounts for the United Kingdom and is widely known for his contributions for his work on national income estimation.⁵ The use of this aggregate data, which was part of the broader Keynesian revolution, provided a means of comparing the wealth of nations and economic development. Comparisons of income and other measures of progress made differences in development clear and highlighted the failure of certain societies to develop and progress. As such, these data were used to identify the counties in need of assistance and aid.

² This includes economic growth in terms of per capita income, the evolution of the structure (i.e., industrial composition, etc.) of an economy and the factors influencing the sustainability of economic growth (e.g., human capital, human capabilities, infrastructure, etc.). For a detailed survey of the field see Stern (1989).

³ Within the broader subfield of "development economics" there are numerous specializations including: agricultural economics, environmental economics, institutional economics, international trade, labor economics, international macroeconomics and international monetary economics.

⁴ For a discussion of some of the important early literature in development economics, see Bardhan 1993.

⁵ For a history of national income accounting, as well as problems with the method, see Holcombe 2004: 390-394.

Global economic events starting in the late 1920s were yet another influence on the rise of modern development economics. The Great Depression in the United States led to questions regarding the stability of capitalism. These questions were further fueled by the industrialization of the Soviet Union through forced investment and saving. This supported the belief at the time that state planning was a critical element of the development process (see, for instance, Myrdal 1956). In reviewing the early writing in development economics, Bell emphasizes that “if they shared anything in common, it is a distrust of the proposition that matters [of development] can be left to the market” (825).

At the same time, the independence of former colonies led to numerous countries and societies with varying levels of development and institutional quality. These events led economists to focus on issues surrounding comparative economic systems and to further understand the factors contributing to development across societies.

A final influence was the rise of what today is known as the international “development community” in the 1940s. This community includes international organizations which attempt to facilitate economic, legal, political, and social stability and development around the world. The United Nations (UN) was founded in 1945 to uphold international law, to facilitate international peace and security, and to promote economic and social development. The World Bank and the International Monetary Fund (IMF) also emerged from the Bretton Woods Agreement in 1944 as agencies of the UN.

Several organizations within the World Bank are focused on economic development issues while the IMF is closely involved in the global financial system and the global macro economy.⁶ The creation of these organizations provided a centralized

⁶ The World Bank Group consists of five international organizations: International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance

apparatus to carry out research regarding economic development across countries and to implement global programs and projects aimed at fostering economic development. Since the creation of its various elements in the 1940s, the development community has been a driving force behind global foreign interventions.

Development economics has always had an interesting relationship with the mainstream of the economics profession. The field has historically drawn on concepts and techniques from both micro and macroeconomics. While development economists have embraced many aspects of the mainstream, they have been critical of others. Along these lines, much of the early development literature took issue with the orthodox reliance on perfect information and competition, constant returns to scale, the absence of transaction costs and the assumption of market clearing (see Bardhan 1993: 130). At the same time, the evolution of development economics was been closely connected to work in mainstream macroeconomics.

As an example of this latter point, consider that in the 1930s and 1940s, Harrod (1939) and Domar (1946) would independently develop what would become known as the Harrod-Domar model. While the model was originally developed to analyze business cycles, it was extended to analyze economic growth.⁷ At the core of the model is the assumption that growth in output is driven by investment in capital which is a function of savings. Given this, the model explains growth through levels of saving and the productivity of capital:

Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), International Centre for Settlement of Investment Disputes (ICSID). Although the World Bank Group was created as part of the United Nations system, each of the above agencies is governed by its member countries. Discussion of the World Bank and economic development typically focus on the IBRD and the IDA, since those agencies focus on issues of economic development.

⁷ Domar would later say that his model was meant to contribute to an ongoing debate about business cycles, not to generate “an empirically meaningful growth rate” (quoted in Easterly 1997).

$$g = \left(\frac{s}{v} \right) - d \quad (1)$$

where g is the growth rate, s is savings, v is the productivity of capital, d is the depreciation rate of capital.

The prediction of the Harrod-Domar model is that growth is the result of increased savings and productive investments. The model was, and still is, attractive to many involved in economic development because it allows for either predictions of growth or for the calculation of the savings needed to yield a certain level of growth.

The Harrod-Domar model was the impetus for two interrelated policies toward economic growth which became dominant in the development community. The first was the “investment gap theory” of development. As per the Harrod-Domar model, the lack of growth in underdeveloped countries was due to a lack of saving and a lack of productive capital investments. Governments and the international development community were seen as the remedy to both of these problems.⁸

Analysts used the Harrod-Domar model to calculate the level of savings needed to achieve certain rates of growth in underdeveloped countries. This investment gap could then be filled by wealthy countries and the development community who would provide aid to the governments of underdeveloped countries. At the same time, the problem of making productive capital investments could be solved by a “big push” through government-coordinated investments of foreign aid in a number of sectors and

⁸ Also influential at this time was Rostow’s (1960) book which argued that all countries passed through certain stages of development. Given this framework, it was thought that the development community could push underdeveloped countries to a later stage of development through intervention.

industries.⁹ This central planning through big push style industrialization was often combined with mercantilist policies such as “import-substitution” whereby underdeveloped countries would rely on domestic substitutes for goods they would usually import.¹⁰ The idea was that developing countries should promote the development of domestic industries which are typically underdeveloped or in their infancy.

The use of the Harrod-Domar model, and the associated investment gap and big push policies, continue to be mainstays in the development community (see Easterly 1997, 2001: 35–37).¹¹ Advocates of increased aid rely on the investment gap logic as evidenced by Sachs (2005) who attributes ongoing underdevelopment in the poorest countries in the world to the poverty trap (56-7). The central idea is that the income of citizens in these countries is so low that it barely covers the basic necessities required for survival. As such, they are unable to save for investment. The overall impact is that these societies are unable to accumulate the savings necessary to make capital investments to break out of the poverty trap. As a result, Sachs, and others who rely on the poverty trap logic, has called for increased foreign aid from developed countries to fill the investment gap and assist poor countries in breaking out of the poverty trap.¹²

⁹ The idea “big push” theory of development was put forth by Rosenstein Rodan (1943) in one of the most influential papers in development economics.

¹⁰ Note that the growth rate predicted by the Harrod-Domar model for a given level of savings assumes productive investments in a one sector economy. Assumed away is the decision process through which such investment decisions are made as well as the allocation of investments across sectors.

¹¹ Other classic theories of economic development include structural change models, international dependence models, and the Solow model. This was followed by the emergence of “the new growth theory” in the 1980s which focused on theories of endogenous growth. In these models, focus is place on the returns to scale and spillovers associated with technology and human capital. For an overview of these various models, see Todaro and Smith 2006: 102-173.

¹² For critiques of the poverty trap argument, see Bauer 2000 and Easterly 2006.

Starting in the 1980s, the development community began to expand its focus regarding the investment gap in developing countries. Prior to this broadening, the focus was on the lack of investment in physical capital. However, with the limited success of such investments, the development community began initiatives for increased investment in human capital as well. The underlying idea was that an educated populace was required to increase productivity and hence growth. As a report from the UNESCO Commission on Education for the Twenty-first Century (Delors et al. 1996) noted, education is “one of the principal means available to foster a deeper and more harmonious form of human development and thereby to reduce poverty, exclusion, ignorance, oppression, and war” (13).

However, as Easterly (2001: 71-84) has documented, the massive investments in education over the past several decades have largely failed to achieve the desired outcomes. The reason is that dysfunctional institutions in many of the world’s poorest countries fail to generate an environment where citizens can utilize their education in a productive manner. With a low return on human capital investment, citizens responded by either not taking full advantage of educational opportunities or by leaving their home country after obtaining an education. In short, human capital matters, but only when there is a relatively high return on the initial investment.

At the same time the emphasis on education was increasing among the development community, a consensus around development policies, which became known as the “Washington Consensus,” emerged. The Washington Consensus is a list of ten policies first presented by John Williamson (1990) which were meant to represent the consensus among the development community regarding reform in developing countries.

Williamson’s original list was expanded over the course of the 1990s to address issues associated with governance and institutional reform. The original and augmented Washington Consensus is summarized in table 1:

Original Washington Consensus	Augmented Washington Consensus
1. Fiscal discipline	11. Corporate governance
2. Reorientation of public expenditures	12. Anticorruption
3. Tax reform	13. Flexible labor markets
4. Interest rate liberalization	14. Adherence to WTO disciplines
5. Unified and competitive exchange rates	15. Adherence to international financial codes and standards
6. Trade liberalization	16. “Prudent” capital-account opening
7. Openness to foreign direct investment	17. Non-intermediate exchange rate regimes
8. Privatization	18. Independent central banks/inflation targeting
9. Deregulation	19. Social safety nets
10. Secure property rights	20. Target poverty reduction

Table 1: The Original and Augmented Washington Consensus¹³

The augmentation of the Washington Consensus reflected a broader trend in development economics, the emphasis on the importance of institutions. On the academic front, the renewed focus on institutions was driven by the work of Douglas North (1990, 1991, 2005) who reminded the economics profession that “institutions matter” for economic outcome.¹⁴ Within the development community, the focus on institutions emerged from

¹³ Source: Rodrik 2007: 17.

¹⁴ It is important to note that those writing in the Austrian tradition have been emphasizing the importance of institutions for economic outcomes for over a century. Menger (1883) indicated that a central question in the social sciences is: “How can it be that institutions that serve the common welfare and are extremely significant for its development come into being without a common will directed toward establishing them” (146)? See also Garrouste 2008.

the realization that in many cases the implementation of the policies associated with the original Washington consensus required fundamental institutional changes. The new Washington Consensus aims to prescribe best practice guidelines for institutional changes required for the effective functioning of the policies listed under the original Washington Consensus.

Recently, a new debate emerged in the development literature over the main cause of economic development or stagnation. On the one side of the debate are those that emphasize the importance of geography as the main determinant of economic stagnation (see Sachs 2001, 2003). The main argument of this literature is that geographic location is the main driver of prosperity or poverty. Geography influences the disease environment as well as transportation costs, and these factors have real effects on economic outcomes and development. The main implication of this research is that foreign interventions are necessary to overcome the barriers to development in certain countries resulting from their geography (see Sachs 2005).

On the other side of the debate are those emphasizing the “primacy of institutions” for economic development (see Acemoglu, Johnson, and Robinson 2001, 2002; Rodrik, Subramanian, and Trebbi 2004; Acemoglu and Johnson 2005). These studies find that private property institutions are the main driver of development, even when controlling for geography and a number of other potential factors influencing development.¹⁵ Given the importance of institutions, the central issue is understanding

¹⁵ For a review of the main literature in this debate, see Leeson (2008). Interestingly, the roles of geography and institutions in development were raised by Adam Smith (1776) several centuries before. From this standpoint, development economics has come full circle in reconsidering the fundamental questions first considered by Smith (see Boettke, Leeson, and Smith 2008).

the process of institutional change so that “good” institutions can be obtained where they do not already exist.

The development community continues to engage in foreign interventions in the form of investments in physical and human capital, as well as in institutional reform, as dictated by the augmented Washington Consensus, in the hopes of assisting developing countries. The most recent global effort at overcoming the issues that plague poor societies around the world is the Millennium Development Goals (MDGs). The MDGs emerged from the Millennium Declaration of 2000 and consist of eight goals agreed to by the member states of the United Nations. The members have committed to achieving the goals by 2015. The eight goals and associated targets for each goal are listed in table 2.

Goal 1: Eradicate extreme poverty and hunger.

Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Goal 2: Achieve universal primary education.

Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Goal 3: Promote gender equality and empower woman.

Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

Goal 4: Reduce child mortality.

Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

Goal 5: Improve maternal health.

Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

Goal 6: Combat HIV/AIDS, malaria, and other diseases.

Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.

Goal 7: Ensure environmental sustainability.

Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.

Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.

Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

Goal 8: Develop a global partnership for development.

Target 12: Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system.

Includes a commitment to good governance, development and poverty reduction—both nationally and internationally.

Target 13: Address the special needs of the least developed countries. Includes: tariff and quota free access for the least developed countries' exports; enhanced program of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction.

Target 14: Address the special needs of landlocked developing countries and small island developing States (through the Program of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly).

Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.

Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.

Target 17: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.

Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

Table 2: The Millennium Development Goals¹⁶

In theory, the MDGs serve as a global blueprint for the allocation of foreign aid by recognizing the numerous dimensions of poverty. However, based on past failures in meeting similar goals, there is reason for skepticism regarding the viability to achieving

¹⁶ Source: <http://unstats.un.org/unsd/mi/pdf/mdglist.pdf>

the targets outlined in the MDGs. Specifically, it is unclear whether the errors which plagued previous interventions of a similar nature have been effectively resolved.

4. Foreign Military Intervention

Both the development community and the governments of developed countries have used foreign military to shape global outcomes. The motivations behind these interventions have varied greatly and include peacekeeping, liberation, and reconstruction. Despite the varying motivations, the purpose of these military interventions has been to influence and shape the state of affairs in foreign societies according to the plans of the development community and the governments of developed countries.

With the creation of the United Nations in 1945, the use of military intervention by the development community became a viable alternative. The UN's charter (Chapters VI and VII) provides the UN Security Council with the ability to take action to establish or maintain international peace.¹⁷ The UN does not maintain a standing army, so member countries voluntarily allocate military resources to UN efforts. Military efforts are carried out under UN direction, but the members of the military intervention still remain part of their home armed forces. Costs of UN missions are spread among member nations according to a predetermined formula.

Ghani and Lockhart (2008: 106) divide the process of conflict resolution into three parts—humanitarianism, reconstruction, and developmental. The UN has historically been involved in each of these aspects. The humanitarian aspect deals with

¹⁷ Peacekeeping is not explicitly stated in the UN charter. According to the UN website, “Dag Hammarskjöld, the second UN Secretary-General, referred to it [peacekeeping] as belonging to ‘Chapter Six and a Half’ of the Charter, placing it between traditional methods of resolving disputes peacefully, such as negotiation and mediation under Chapter VI, and more forceful action as authorized under Chapter VII” (<http://www.un.org/Depts/dpko/dpko/index.asp>).

the delivery of food and health supplies to conflict-torn areas. Reconstruction involves rebuilding and constructing physical infrastructure as well as building economic, legal, political, and social institutions. The developmental part of the UN's mission reinforces reconstruction efforts and involves the continued delivery of aid and assistance in the various forms outlined in section 2. From this standpoint, the UN utilizes both forms of foreign intervention—foreign aid and foreign military intervention—as complements in achieving the desired state of affairs.

The UN has intervened dozens of times throughout the world since its creation in the 1940s. Appendix I documents the location and timing of these interventions and provides a brief description of the various UN missions. The specifics of these missions have varied although they fall under the UN's mission to establish and secure international peace. For the purpose of this analysis, the key point is that foreign military interventions have been a central part of the UN's strategy for intervening abroad to attempt to shape global outcomes.

The governments of western countries have also been heavily involved in foreign military interventions to influence global outcomes. Some of these interventions have been joint efforts with the UN and others have been undertaken independent of UN involvement. Among developed countries relying on military interventions to shape geopolitical outcomes, the United States has been especially active since the late 19th century.¹⁸ The U.S.'s involvement internationally increased as it solidified itself as a global military superpower. Starting in Hawaii in 1893, Kinzer (2006) documents the history of U.S.-led regime changes which have been both direct—involving U.S. military

¹⁸ For a complete history of U.S. foreign policy, see LaFeber 1994.

troops—and indirect—relying on U.S. intelligence, advice, and funding. The use of both direct and indirect foreign military intervention has continued to the present day.

Historically, the motivations behind U.S. foreign interventions vary more than those undertaken by the UN. This makes sense, given that the UN is constrained by its charter. Many pre-World War II U.S. interventions were initially motivated by the desire to protect American political and business interests, although the goals of many of these occupations transformed into spreading American ideals abroad. The most well-known U.S. interventions—those in post-World War II Japan and West Germany—were undertaken following an international war. The success of these efforts, combined with the power of the U.S. military relative to other nations, made U.S. foreign interventions an active part of the country’s foreign policy. Indeed, the reconstructions of Japan and West Germany continue to be cited today by U.S. political leaders as support the ability of the U.S. to successfully intervene in foreign countries to bring about desired change.¹⁹

During the Cold War, the U.S. relied on foreign interventions for containment and the promotion of democratic and capitalistic values. With the end of the Cold War, the U.S. shifted its foreign focus to humanitarian concerns as evidenced by the interventions in Bosnia, Haiti, and Somalia in the 1990s. The post-9/11 interventions in Afghanistan and Iraq were initially motivated by security concerns as part of the greater “war on terror.” However, following regime change military occupiers are engaged in an ongoing effort to establish liberal economic, legal, political, and social institutions.²⁰

¹⁹ Coyne (2007: 118-136) provides an analysis of the U.S. occupations and reconstructions of West Germany and Japan and discusses why they were successful.

²⁰ The motivation behind foreign interventions is not always evident. Peceny (1999) documents U.S. foreign interventions and shows that often they take on several simultaneous goals. For example, interventions initially motivated by domestic security purposes may evolve into missions of democratization.

Despite the different motivations, in each case of foreign intervention the U.S. has attempted to influence and design international outcomes according to its desires. Appendix II provides a list of U.S. interventions in the post-World War II period including the location of the intervention, the time period, and a brief description.

There is good reason to believe that the foreign military interventions will continue in the future. Precedent for the use of the military by the UN is well established and, as appendix I indicates, the UN is engaged in several ongoing missions. Further, there are no indications that these will be the last military interventions. In the case of the United States, the Office of the Coordinator for Reconstruction and Stabilization was created to in 2004 “lead, coordinate, and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife, so they can reach a sustainable path toward peace, democracy, and a market economy.”²¹ The establishment of this office, as well as the U.S.’s commitment to the war on terror, indicates that foreign military interventions will remain an important part of U.S. foreign policy. These indications of future UN and U.S. involvement are complemented by an academic literature calling for continued foreign military intervention.

For example, Ferguson (2004) argues that the U.S. should embrace its role as an empire, using its military might abroad to shape global outcomes. In some extreme cases, Ferguson contends, this entails colonizing countries (198). Collier (2007) argues that well-timed and well-executed military interventions can prevent military coups in foreign countries allowing them to escape the “conflict trap.”

²¹ Source: Office of the Coordinator for Reconstruction and Stabilization website <http://www.state.gov/s/crs/c12936.htm>

Foreign military interventions rely on central planning to achieve the desired ends of the development community and policymakers in developed countries. The military is the means used to implement these plans. Of course, there is a difference between the central planning under socialism and that utilized in foreign military interventions. Central planning under socialism allocated scarce resources within an existing institutional structure. Many foreign interventions, in contrast, rely on central planning to shape and influence the complex array of institutions (economic, legal, political, and social) which facilitate subsequent interaction and decision making.

5. The Errors of Foreign Intervention

Like socialism, foreign interventions suffer from erroneous assumptions regarding the ability of central planners to design and implement a state of affairs which is preferable to the status quo. Given that foreign interventions rely on the same means as socialism—central planning and implementation via bureaucracy—it makes sense that the errors of foreign intervention overlap with those of socialism. This section details some of the parallels between the fatal conceit of socialism and the fatal conceit of foreign interventions.

Hayek (1988: 9) noted that despite the fact that socialism was inspired by the best of intentions, it “endangered the standard of living and the life itself of a large proportion of our existing population” (9). Like socialism, the efforts of those in the development community are typically driven by the best of intentions. For example, the goal of the provision of much foreign aid is to address the pressing issues of extreme poverty and reform in political and legal institutions. Likewise, the goal of many foreign military

interventions is to prevent conflict, liberate the oppressed, and rebuild free societies. Despite these good intentions, foreign interventions have failed to have the desired impact in most cases (see Easterly 2001, 2006; Payne 2006; and Coyne 2007). Further, in many cases, intentions to do good have caused harm and exasperated already bad situations. The failures of foreign interventions, despite the best of intentions, are due to a lack of appreciation of the dual issues of incentives and information.

No matter what the type of foreign intervention (foreign aid or foreign military interventions), those involved must have the incentive to undertake actions conducive to achieving the desired end goal. However, the incentives created by political institutions often create perverse outcomes which run counter to the desired end.

In the context of foreign aid, Easterly (2001, 2006) and Easterly and Pfutze (2008) highlight how the incentives facing donors and aid recipients often run counter to the end goals of aid provision. For example, donors are often influenced by special interests and have the incentive to continue to provide aid to corrupt or ineffective governments in order to exhaust their aid budgets. Recipients often have an incentive to allocate aid to close friends and cronies to maintain or strengthen domestic political support. Many recipient governments also seek to limit the beneficial effects of aid in order to remain a recipient in subsequent periods. The main point is that foreign aid changes endowments, but it also changes incentives. In order to understand the full impact of foreign aid, it is critical to consider the impact of that aid on incentives of all involved.

Likewise, Coyne (2007) explores the array of incentives facing policymakers, occupiers and citizens in the occupied county and concludes that this is a key reason why

foreign military interventions fail. Factors associated with special interests, bureaucracy and the time horizons of elected officials all influence policies associated with these interventions.

In addition to the issue of incentives, there is a fundamental knowledge problem associated with foreign interventions. In the context of foreign aid, a central issue is the allocation of aid resources. Decisions must be made regarding the allocation of aid, but absent mechanisms of profit and loss there is no effective means for engaging in rational economic calculation. In the absence of such feedback mechanisms, allocation decisions must be based on other factors such as political influence and social connections.

Similarly, where foreign military interventions attempt to reconstruct countries, policymakers face a knowledge problem regarding the complex array of informal institutions—belief systems, norms, values, etc.—that underpin formal institutions (Coyne 2007). To illuminate this point, consider efforts at democracy promotion. The promotion of democracy has been a significant motivation behind numerous interventions on the part of the development community and developed western countries (see, for example, Meernik 1996). These efforts assume that experts can comprehend the factors underpinning sustainable democratic institutions. However, there is ongoing debate regarding the factors necessary for democracy. To understand this, consider the following list of propositions put forth by Shin regarding the “third wave” of democracy (1994: 151):

- (1) There are few preconditions for the emergence of democracy.
- (2) No single factor is sufficient or necessary to the emergence of democracy.
- (3) The emergence of democracy in a country is the result of a combination of causes.

- (4) The causes responsible for the emergence of democracy are not the same as those promoting its consolidation.
- (5) The combination of causes promoting democratic transition and consolidation varies from country to country.
- (6) The combination of causes generally responsible for one wave of democratization differs from those responsible for other waves.

As this list indicates, our understanding of the conditions conducive to sustainable democracy is severely limited. What is known is that success in foreign interventions is not simply a matter of taking the rules that work in one society and implementing or imposing them in another society. The ability to transport rules between societies is constrained by the fact that belief systems differ across societies (North 2005). Ultimately, formal institutions are effective to the extent that they reflect the underlying belief systems of the societies in which they exist. Along these lines, Hayek highlighted the importance of traditions, including beliefs, “which in more fortunate countries have made constitutions work which did not explicitly state all that they presupposed, or which did not even exist in written form (1973: 107-8). In short, effective formal institutions, such as constitutions, are codifications of the underlying informal belief systems.

The complex array of informal institutions that underpin effective formal institutions are beyond the knowledge of any single mind, or group of minds. As Hayek indicates, “our values and institutions are determined not simply by preceding causes but as part of a process of unconscious self-organisation of a structure or pattern” (1988: 9). Foreign interventions rely on centralized plans, and because of the limited knowledge of experts, that plan must abstract from the reality of context-specific knowledge. The end result is one-size-fits-all plans that tend to be general and nonspecific. The Washington Consensus, discussed in section 3, is one example of this logic. It provides a

comprehensive plan for reform, based on general principles which abstract from the local context where reforms will actually take place.

Yet another shared characteristic of socialism and foreign interventions is that both are grounded in the view of institutional design and the allocation of resources as a purely technological problem. Socialism viewed the economic allocation of resources as a problem that could be solved through a central planning board. Foreign interventions take this logic a step further by assuming that the numerous (e.g., economic, legal, political, and social) problems of foreign societies can be solved through central planning. Given the assumption that the development intelligentsia can design a preferable state of affairs, the main issue becomes one of determining the right plan and calculating the required resources to achieve that plan. In this context, success is purely a matter of effort and not an issue of constrained or limited knowledge of how to go about achieving the desired ends.

To illuminate this point, consider the work of Jeffrey Sachs (2005), a leading development economist and the former director of the UN Millennium Project, which focuses on designing and implementing the organizational priorities and financing necessary to achieve the Millennium Development Goals. Sachs recognizes the numerous failures of previous foreign interventions and is cognizant of the fact that the MDGs include “long-held commitments of the international community that had not been fulfilled in the past” (213). However, Sachs attributes this failure to a lack of will, effort, and resources instead of to the constraints on the knowledge of the development intelligentsia. From Sach’s standpoint, development is a purely technical problem that can be solved with an engineering mentality and appropriate effort.

The dual issues of incentives and knowledge are magnified in the context of foreign intervention because they rely on large-scale bureaucracy for implementation. Plans are designed by the development intelligentsia and then implemented through a vast network of bureaucracies. There is a large literature exploring the political economy of bureaucracies. For example, Tullock (1965) and Niskanen (1971) emphasize the incentive and information issues facing bureaucrats, while Mises (1944) highlights the issues of economic calculation in bureaucracies. Simply put, bureaucracies have no means of engaging in rational economic calculation and hence no means of efficiently allocating resources. The result is a misallocation of resources that fails to achieve the desired end from the standpoint of those undertaking the action. These issues of bureaucracy have been documented as perversely impacting the delivery of foreign aid (Easterly 2003) and in carrying out foreign military interventions (Coyne 2008).

The misallocation of resources due to the inability of bureaucracies to engage in economic calculation is not simply a matter of waste, although this is an important issue. Also important is that interventions have real and often unintended consequences (see Mises 1929, Rothbard 1977, Ikeda 1997, 2005). Unintended consequences occur when a simple plan is imposed upon a complex system. Given limited knowledge on the part of planners and bureaucrats, this is precisely what occurs in the case of foreign interventions. Because of limited knowledge the unintended consequences of interventions are unforeseen during the process of planning and at the time of the intervention.

To provide examples of this logic, consider that interventions by the development community in Nicaragua, Argentina, Bolivia, and Zimbabwe have led to a backlash by

the indigenous populace against the very reforms that were being undertaken (Easterly 2007). In these cases this backlash led to the embrace of illiberal leaders by the populace who rallied against capitalism and democracy. The impact of unintended consequences can also be seen in the case of foreign military interventions (see Easterly 2005: 314-323, Coyne 2007 and Coyne and Davies 2007).

For example, the U.S. armed and financed the mujahideen in Afghanistan in the war against the Soviets in the late 1970s. While the war was ultimately successful in forcing a Soviet withdrawal, the result was a civil war between factions in Afghanistan and the eventual rise of the Taliban. In 1953 the CIA backed the coup against the democratically elected government of Iranian Prime Minister Mohammed Mosaddeq to install the pro-Western dictator Shah Mohammad Reza Pahlavi. Originally viewed as a success for American foreign policy, the 1953 coup is now credited with creating the instability that led to the Iranian Revolution in 1979, which led to the overthrow of the Shah and the establishment of an anti-Western government that still exists to this day (see Kinzer 2003). These are but two of many examples of the negative unintended consequences of U.S. foreign policy.

A final parallel between socialism and foreign interventions is the emphasis on collective goals over individual goals. Under socialism, the goals of the collective were given priority over the goals of the individual. A similar logic is at play in the context of foreign interventions. The development intelligentsia provide “collective goals such as national poverty reduction, national economic growth, and the global Millennium Development Goals, over the aspirations of the individual” (Easterly 2007: 32). These collective goals are given priority over the freedom and autonomy of the individual. As

noted, the means to achieve these goals are top-down interventions through various bureaucracies. As such, emphasis on individual ambition, entrepreneurship, and the process of individual learning are pushed aside in the name of accomplishing collective ends through top-down means.

To be clear, the constraints discussed here do not mean that interventions can never accomplish their stated goal. However, it does mean that the role of incentives, as well as constraints on knowledge, must be recognized and appreciated. As a general rule, the more complex the plan and associated intervention, the greater the knowledge problem facing planners and the more likely the intervention is to fail and have undesirable consequences. As noted in section 2, the delivery of basic humanitarian aid differs from interventions designed to reconstruct all aspects of a society through aid and military intervention. While incentive and knowledge problems exist in both instances, they are likely to be greater in the latter case.

6. Conclusion

Among the unique aspects of the Austrian school of economics are its focus on the conditions necessary for economic calculation, its critique of central planning, its focus on dispersed and context specific knowledge, and the importance of institutions and spontaneous orders for coordinating individual interaction and exchange. These aspects remain relevant today, especially in understanding the viability of foreign interventions. The central argument of this paper is that with the collapse of socialism, the fatal conceit of central planning continues through the process of foreign interventions. Given the limits of foreign interventions, where does this leave us in terms of understanding the

process of economic development and economic, social and political change? Fortunately, Austrian economics offers several important insights regarding the process of development.

Perhaps the most important insight is that the process of development is emergent in nature. As emphasized throughout this paper, spontaneous orders are the result of purposeful human action, but not human design.²² Emergent orders allow for individuals to deal with uncertainty and in doing so facilitate coordination and cooperation. Spontaneous orders emerge from, and allow individuals to deal with, uncertainty and unpredictability. As Hayek notes:

To understand our civilization, one must appreciate that the extended order resulted not from human design or intention but spontaneously: it arose from unintentionally conforming to certain traditional and largely moral practices, many of which men tend to dislike, whose significance they usually fail to understand, whose validity they cannot prove, and which have nonetheless fairly rapidly spread by means of an evolutionary selection (Hayek 1998: 6).

This is not to indicate that created organizations and orders are not important. Hayek makes clear that designed orders play a critical role in society, but they do so within a broader spontaneous order (1998: 37).

The recognition of the importance of spontaneous order leads one to also appreciate the importance of informal institutions for economic, legal, political, and social change. As noted, formal institutions are effective only to the extent that they are grounded in the informal institutions of the society in which they exist. Unfortunately, many foreign interventions aim to change formal institutions while neglecting the critical role of informal institutions. One reason for the neglect of informal institutions is that

²² Spontaneous orders are not necessarily “good” in that they can hamper progress and development. For a discussion of perverse emergent orders see Martin and Storr 2007.

foreign interventions rely on central planning and those plans must abstract from the specific context of the society being reformed because of knowledge constraints facing planners.

The foregoing insights lead to the main conclusion that the extended order cannot be centrally planned. In other words, there is no global solution that can be centrally implemented by the development community or the governments of developed countries. Instead, focus must shift from top-down planning to the bottom-up emergence of belief systems and spontaneous orders that facilitate cooperation and exchange (see Easterly 2008). P.T. Bauer (2000) emphasized that economic development involved the movement from “subsistence to exchange.” Specifically, the process of development involves the shift from subsistence living to small-scale exchange and, eventually, to large-scale exchange. As Bauer notes, “the activities of traders promote not only the more efficient deployment of available resources, but also the growth of resources” (4).²³ From this standpoint, the best strategy is one that focusing on removing barriers to interaction and exchange between individuals. In other words, this strategy calls for a shift to the primacy of individual autonomy and discovery over the primacy of collective global goals.

²³ For more on the issue of how entrepreneurial activity begets subsequent entrepreneurial opportunities, see Holcombe 1998.

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Appendix 1: UN Foreign Interventions: 1948 - present²⁴

Operation	Country	Time Period	Description
UNTSO	Middle East (various countries)	1948-present	United Nations Truce Supervision Organization— Monitors the various ceasefires and assists UNDOF and UNIFIL.
UNMOGIP	India/Pakistan	1949-present	Indo-Pakistani Wars.
UNEF I	Egypt/Israel	1956-1967	Suez Crisis, Six-Day War. Mission established to secure and supervise the cessation of hostilities, including the withdrawal of the armed forces of France, Israel, and the United Kingdom from Egyptian territory.
UNOGIL	Lebanon	1958	Established to ensure that there was no illegal infiltration of personnel or supply of arms or other materiel across the Lebanese borders.
ONUC	Congo	1960-1964	Oversee withdrawal of Belgian forces.
UNSF	West New Guinea	1962-1963	Established to maintain peace and security in the territory under the United Nations Temporary Executive Authority established by agreement between Indonesia and the Netherlands.
UNYOM	Yemen	1962-1964	Established to observe and certify the implementation of the disengagement agreement between Saudi Arabia and the United Arab Republic.
UNFICYP	Cyprus	1964-present	Established to supervise ceasefire lines, maintain a buffer zone and undertake humanitarian activities.
DOMREP	Dominican Republic	1965-1966	Established to observe the situation and to report on breaches of the ceasefire between the two de facto authorities in the Dominican Republic.
UNIPOM	India/ Pakistan	1965-1966	Indo-Pakistani War of 1965. Mission established to supervise the ceasefire along the India-Pakistan border.
UNEF II	Egypt/ Israel	1973-1979	Yom Kippur War. Established to supervise the ceasefire between Egyptian and Israeli forces.
UNDOF	Golan Heights	1974-present	Established to supervise the implementation of the agreement and maintain ceasefire.
UNIFIL	Lebanon	1978-present	Established due to the Israeli invasion of Lebanon and 2006 Israel-Lebanon conflict.
UNGOMAP	Afghanistan/ Pakistan	1988-1990	Soviet invasion of Afghanistan. Mission established to assist in ensuring the implementation of the Agreements on the Settlement of the Situation Relating to Afghanistan.
UNAVEM I	Angola	1988-1991	Established to verify the phased and total withdrawal of Cuban troops from the territory of Angola.
UNIIMOG	Iran/ Iraq	1988-1991	Iran/Iraq War. Established to verify, confirm and supervise the ceasefire and the withdrawal of all forces to the internationally recognized boundaries, pending a comprehensive settlement.
UNTAG	Namibia	1989-1990	Established to assist the Special Representative of the Secretary-General to ensure the early independence of

²⁴ Source: United Nations Website - <http://www.un.org/Depts/dpko/list/list.pdf> and <http://www.un.org/Depts/dpko/dpko/index.asp>

ONUCA	Central America	1989-1992	Namibia through free and fair elections under the supervision and control of the United Nations.
UNAVEM II	Angola	1991-1995	Nicaraguan Civil War. Established to verify compliance by the Central American Governments with their undertakings to cease aid to irregular forces and insurrectionist movements in the region and not to allow their territory to be used for attacks on other states.
UNAMIC	Cambodia	1991-1992	Established to assist the Cambodian parties to maintain their ceasefire during the period prior to the establishment of the United Nations Transitional Authority in Cambodia(UNTAC).
ONUSAL	El Salvador	1991-1995	Established to verify implementation of all agreements between the Government of El Salvador and the Frente Farabundo Marti para la Liberacion Nacional, including a ceasefire and related measures, reform and reduction of the armed forces, creation of a new police force, reform of the judicial and electoral systems, human rights, land tenure, and other economic and social issues.
UNIKOM	Iraq/ Kuwait	1991-2003	Gulf War. Established to monitor the demilitarized zone along the Iraq-Kuwait border.
MINURSO	Western Sahara	1991-present	Established to monitor the ceasefire and to organize and conduct a referendum which would allow the people of Western Sahara to decide the territory's future status.
ONUMOZ	Mozambique	1992-1994	Established to help implement the General Peace Agreement, signed by the President of the Republic of Mozambique and the President of the Resistência Nacional Moçambicana.
UNTAC	Cambodia	1992-1993	Established to ensure implementation of the Agreements on the Comprehensive Political Settlement of the Cambodia Conflict.
UNOSOM I	Somalia	1992-1993	Established to monitor the ceasefire in Mogadishu and escort deliveries of humanitarian supplies to distribution centers in the city.
UNPROFOR	Former Yugoslavia	1992-1995	Established in Croatia to ensure demilitarization of designated areas. Later extended to Bosnia and Herzegovina to support the delivery of humanitarian relief, monitor "no fly zones" and "safe areas." Later extended to the former Yugoslav Republic of Macedonia for preventive monitoring in border areas.
UNOMIL	Liberia	1993-1997	Established to exercise good offices in support of the efforts of the Economic Community of West African States and the Liberian National Transitional Government to implement peace agreements.
UNOMIG	Georgia	1993-present	Established to verify compliance with the ceasefire agreement between the Government of Georgia and the Abkhaz authorities in Georgia.
UNMIH	Haiti	1993-1996	Established to help implement provisions of the Governors Island Agreement.
UNOMUR	Rwanda/ Uganda	1993-1994	Established to monitor the border between Uganda and Rwanda and verify that no military assistance was being

UNAMIR	Rwanda	1993-1996	provided across it. Established to help implement the Arusha Peace Agreement signed by the Rwandese parties.
UNOSOM II	Somalia	1993-1995	Established to take appropriate action, including enforcement measures, to establish throughout Somalia a secure environment for humanitarian assistance.
UNASOG	Chad/ Libya	1994	Established to verify the withdrawal of the Libyan administration and forces from the Aouzou Strip in accordance with the decision of the International Court of Justice.
UNCRO	Croatia	1994-1996	Established to perform the functions envisaged in the ceasefire agreement of March 1994.
UNMOT	Tajikistan	1994-2000	Established to monitor the ceasefire agreement between the Government of Tajikistan and the United Tajik Opposition.
UNAVEM III	Angola	1995-1997	Established to assist the Government of Angola and the União Nacional para a Independência Total de Angola (UNITA) in restoring peace and achieving national reconciliation on the basis of the Peace Accords.
UNMIBH	Bosnia and Herzegovina	1995-2002	Established to carry out a wide range of functions related to the law enforcement activities and police reform in Bosnia and Herzegovina.
UNPREDEP	Former Yugoslav Republic of Macedonia	1995-1999	Established to replace UNPROFOR in the former Yugoslav Republic of Macedonia.
UNTAES	Croatia	1996-1998	Established to supervise and facilitate demilitarization; monitor return of refugees; contribute to the maintenance of peace and security; establish a temporary police force; undertake tasks relating to civil administration and public services; organize elections; and undertake other activities relevant to the Basic Agreement.
UNSMIH	Haiti	1996-1997	Established to assist the Government in the training of the police and maintenance of a secure and stable environment and to coordinate activities of the United Nations system in promoting institution-building, national reconciliation, and economic rehabilitation.
UNMOP	Prevlaka Peninsula	1996-2002	Established to take over from UNCRO the task of monitoring the demilitarization of the Prevlaka peninsula.
MONUA	Angola	1997-1999	Established to assist the Angolan parties in consolidating peace and national reconciliation and creating an environment conducive to long-term stability, democratic development, and rehabilitation of the country.
MINUGUA	Guatemala	1997	Established the peacekeeping mission within the larger civilian and humanitarian MINUGUA mission.
UNTMIH	Haiti	1997	Established to train the Haitian National Police.
MIPONUH	Haiti	1997-2000	Established to train the Haitian National Police.
UNPSG	Croatia	1998	Established to continue monitoring the performance of the Croatian police in the Danube region.
UNOMSIL	Sierra Leone	1998-1999	Established in July 1998 to monitor the military and security situation.
MINURCA	Central African	1998-2000	Established to assist in maintaining and enhancing

MONUC	Republic Democratic Republic of Congo	1999-present	security and stability in Bangui and vicinity. Established to maintain liaison with the parties to ceasefire agreement and carry out other tasks.
UNAMET	East Timor	1999	Established to oversee elections regarding changes to constitutional framework.
UNTAET	East Timor	1999-2002	Established to administer the Territory, exercise legislative and executive authority during the transition period and support capacity-building for self-government.
UNMIK	Kosovo	1999-present	Establish to oversee creation of an interim civilian administration led by the UN in addition to other functions.
UNAMSIL	Sierra Leone	1999-2005	Established to cooperate with the Government and the other parties in implementing the Lome Peace Agreement.
UNMEE	Eritrea/ Ethiopia	2000-present	Eritrean-Ethiopian War. Established to maintain liaison with the parties to ceasefire and establish a mechanism for verifying the ceasefire.
MICAH	Haiti	2000-2001	Training of the Haitian National Police.
UNMISSET	East Timor	2002-2005	Established to provide assistance over a period of two years until all operational responsibilities were fully devolved to the East Timor authorities.
UNMIL	Liberia	2003-present	Established to support the implementation of the ceasefire agreement and the peace process and to provide security.
ONUB	Burundi	2004-2006	Established to support and help to implement the efforts undertaken by Burundians to restore lasting peace and bring about national reconciliation, as provided under the Arusha Agreement.
UNOCI	Côte d'Ivoire	2004-present	Established to replace MINUCI. Mandate of UNOCI is to facilitate the implementation by the Ivorian parties to the peace agreement.
MINUSTAH	Haiti	2004-present	Established to achieve stability and peace among warring parties.
UNMIS	Sudan	2005-present	Established to support implementation of the Comprehensive Peace Agreement signed by the Government of Sudan and the Sudan People's Liberation Movement/Army.
UNMIT	East Timor	2006-present	Established to support the Government in consolidating stability.
UNAMID	Sudan	2007-present	Established to support the implementation of the Darfur Peace Agreement.
MINURCAT	Chad/ Central African Republic	2007-present	Established to create the security conditions conducive to a voluntary, secure and sustainable return of refugees and displaced persons.

Appendix 2: U.S. Foreign Interventions: 1946 - present²⁵

Country	Time Period	Description
China	1946-1949	Major US army presence of about 100,000 troops, fighting, training, and advising local combatants.
Greece	1947-1949	US forces wage a three-year counterinsurgency campaign.
Italy	1948	Heavy CIA involvement in national elections.
Philippines	1948-1954	Commando operations, "secret" CIA war.
Korea	1950-1953	Major forces engaged in war in Korean peninsula.
Iran	1953	CIA overthrows government of Prime Minister Mohammed Mossadegh.
Vietnam	1954	Financial and materiel support for colonial French military operations, leads eventually to direct US military involvement.
Guatemala	1954	CIA overthrows the government of President Jacobo Arbenz Guzman.
Lebanon	1958	US marines and army units totaling 14,000 land.
Panama	1958	Clashes between US forces in Canal Zone and local citizens.
Haiti	1959	Marines land.
Congo	1960	CIA-backed overthrow and assassination of Prime Minister Patrice Lumumba.
Vietnam	1960-1964	Gradual introduction of military advisors and special forces.
Cuba	1960	CIA-backed Bay of Pigs invasion.
Cuba	1962	Nuclear threat and naval blockade.
Laos	1962	CIA-backed military coup.
Ecuador	1963	CIA backs military overthrow of President Jose Maria Valesco Ibarra.
Panama	1964	Clashes between US forces in Canal Zone and local citizens.
Brazil	1964	CIA-backed military coup overthrows the government of Joao Goulart and Gen. Castello Branco takes power.
Vietnam	1965-1975	Large commitment of military forces, including air, naval and ground units numbering up to 500,000+ troops. Full-scale war, lasting for ten years.
Indonesia	1965	CIA-backed army coup overthrows President Sukarno and brings Gen. Suharto to power.
Congo	1965	CIA backed military coup overthrows President Joseph Kasavubu and brings Joseph Mobutu to power.
Dominican Republic	1965	23,000 troops land.
Laos	1965-1973	Bombing campaign begin, lasting eight years.
Ghana	1966	CIA-backed military coup ousts President Kwame Nkrumah.
Guatemala	1966-1967	Extensive counter-insurgency operation.
Cambodia	1969-1975	CIA supports military coup against Prince Sihanouk, bringing Lon Nol to power. Intensive bombing for seven years along border with Vietnam.
Oman	1970	Counter-insurgency operation, including coordination with Iranian marine invasion.
Laos	1971-1973	Invasion by US and South Vietnamese forces.
Chile	1973	CIA-backed military coup ousts government of President Salvador Allende. Gen. Augusto Pinochet comes to power.
Cambodia	1975	Marines land, engage in combat with government forces.
Angola	1976-1992	Military and CIA operations.
Iran	1980	Special operations units land in Iranian desert. Helicopter malfunction

²⁵ Source: Global Policy Forum - <http://www.globalpolicy.org/empire/history/interventions.htm>

		leads to aborting of planned raid.
Libya	1981	Naval jets shoot down two Libyan jets in maneuvers over the Mediterranean.
El Salvador	1981-1992	CIA and special forces begin a long counterinsurgency campaign.
Nicaragua	1981-1990	CIA directs exile "Contra" operations. US air units drop sea mines in harbors.
Lebanon	1982-1984	Marines land and naval forces fire on local combatants.
Grenada	1983	Military forces invade Grenada.
Honduras	1983-1989	Large program of military assistance aimed at conflict in Nicaragua.
Iran	1984	Two Iranian jets shot down over the Persian Gulf.
Libya	1986	US aircraft bomb the cities of Tripoli and Benghazi, including direct strikes at the official residence of President Muammar al Qadaffi.
Bolivia	1986	Special Forces units engage in counter-insurgency.
Iran	1987-1988	Naval forces block Iranian shipping. Civilian airliner shot down by missile cruiser.
Libya	1989	Naval aircraft shoot down two Libyan jets over Gulf of Sidra.
Philippines	1989	CIA and Special Forces involved in counterinsurgency.
Panama	1989-1990	27,000 troops as well as naval and air power used to overthrow government of President Noriega.
Liberia	1990	Troops deployed.
Iraq	1990-1991	Major military operation, including naval blockade, air strikes; large number of troops attack Iraqi forces in occupied Kuwait.
Iraq	1991-2003	Control of Iraqi airspace in north and south of the country with periodic attacks on air and ground targets.
Haiti	1991	CIA-backed military coup ousts President Jean-Bertrand Aristide.
Somalia	1992-1994	Special operations forces intervene.
Yugoslavia	1992-1994	Major role in NATO blockade of Serbia and Montenegro.
Bosnia	1993-1995	Active military involvement with air and ground forces.
Haiti	1994-1996	Troops depose military rulers and restore President Jean-Bertrand Aristide to office.
Croatia	1995	Krajina Serb airfields attacked.
Zaire (Congo)	1996-1997	Marines involved in operations in eastern region of the country.
Liberia	1997	Troops deployed.
Sudan	1998	Air strikes destroy country's major pharmaceutical plant.
Afghanistan	1998	Attack on targets in the country.
Iraq	1998	Four days of intensive air and missile strikes.
Yugoslavia	1999	Major involvement in NATO air strikes.
Macedonia	2001	NATO troops shift and partially disarm Albanian rebels.
Afghanistan	2001	Air attacks and ground operations oust Taliban government and install a new regime.
Iraq	2003	Invasion with large ground, air, and naval forces ousts government of Saddam Hussein and establishes new government.
Iraq	2003-present	Occupation force of 150,000 troops in protracted counter-insurgency war.
Haiti	2004	Marines land. CIA-backed forces overthrow President Jean-Bertrand Aristide.