



After War:

The Political Economy of Exporting Democracy

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U.S. Foreign Policy: Illiberal means to liberal ends

“Woodrow Wilson was the embodiment of the tradition of American exceptionalism, and originated what would become the dominant intellectual school of American foreign policy.... The idea that peace depends above all on promoting democratic institutions has remained a staple of American thought to the present day.”

- Henry Kissinger, *Diplomacy*, 1994



“...It is the policy of the United States to seek and support the growth of democratic movements and institutions in every nation and culture, with the ultimate goal of ending tyranny in our world.”

- George W. Bush, Inauguration Address, January 20, 2005



Some fundamental questions

- What mechanisms facilitate, or impede, the transformation from conflict to cooperation around liberal ends?
- What constraints do occupiers face in the reconstruction process?
- Can occupiers cause more harm than good?
- Are there alternatives to reconstruction that can generate sustainable social change toward liberal institutions?

Why can't they all get along?



- The art of association
- Nested games and the meta-game of liberal democracy
- The problem of credible commitment
- Over-confidence and self-deception

Exporting conflict

- Public choice issues
- The dynamics of intervention
 - Unintended consequences
- Credible commitment and over-confidence





Alternatives

- Colonization and brute force
- Security keeping and humanitarian
- Free trade and non-intervention

Super-size the tolerance

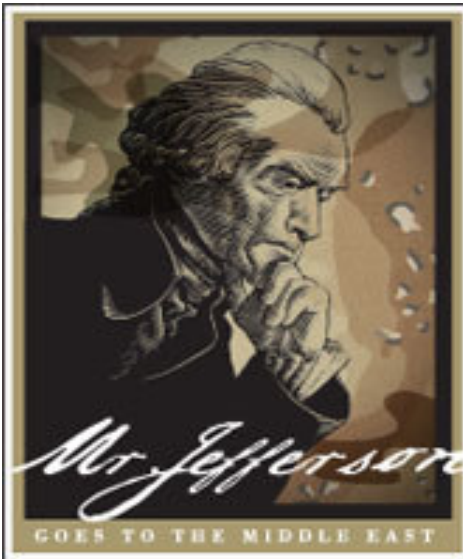


- A commitment to non-intervention and free trade,
 - ...as a way to explore peaceful interaction
 - ...as a way to bring an enemy into friendship
 - Cultural gains from exchange
 - Exchange as a conversation with neighbor *and* strangers



A long tradition of liberal values

“The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop. It is our true policy to steer clear of permanent alliances with any portion of the foreign world.” - George Washington, farewell address, Sept. 19, 1796



“... peace, commerce, and honest friendship with all nations, entangling alliances with none.”

- Thomas Jefferson, inaugural address, March 4, 1801

“America does not go abroad in search of monsters to destroy.”

- John Quincy Adams, July 4, 1821



Status of U.S.-Middle East Free Trade Agreements

U.S. Free trade agreement with...	Status	Full implementation by...
Israel	In force as of September 1985	Fully implemented as of January 1995
Jordan	In force as of October 2000	To be phased in over 10 years
Bahrain	In force as of January 2006	To be phased in over 10 years
Morocco	In force as of March 2006	To be phased in over 18 years
Oman	Negotiations concluded September 2005	TBD
United Arab Emirates	Launched negotiations March 2005; postponed as of March 2006	TBD



Primary themes and lessons

- The gap between the *know what* and the *know how*.
- Uncontrollable variables serve as a constraint on controllable variables.
- Reconstruction efforts suffer from a nirvana fallacy.
- Sustainable social change requires a shift in underlying preferences and opportunities.