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A Guide to Research and Study

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- Does classical liberal thought offer solutions to our environmental problems? Are economics and ecology compatible? Robert Taylor introduces the ideas and literature of "free market environmentalism."
- Who can secede, and when? John Tomasi reviews one of the latest books on a topic of pressing concern.
- ***Crosscurrents*** review some of the latest and best in the literature of classical liberalism.

CURRENT ISSUES IN HISTORY AND POLITICS

Nationalism

by Peter Mentzel

> The theory of [nationalism]...is a retrograde step in history...[it] does not aim either at liberty or prosperity, both of which it sacrifices to the imperative necessity of making the nation the mould and measure of the State. (Lord Acton, "Nationality," *Selected Writings of Lord Acton*, Vol. I [Indianapolis: Liberty Classics, 1985], pp. 432-433)

When Lord Acton wrote these words in 1862 nationalism was well on its way toward becoming one of the most powerful motivating forces in world affairs. Acton, unlike most of his contemporaries, could see that nationalism would bring suffering to millions of people. However, he probably could not have foreseen the extent to which national-

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BIBLIOGRAPHIC ESSAY

Economics, Ecology, and Exchange: Free Market Environmentalism

by Robert Taylor

In recent years, the environment has become one of the most important public policy battlefields. Classical liberalism has a good deal to contribute to the questions regarding how to understand and solve our environmental problems. This has been recognized by the awarding of the 1991 Nobel Prize in Economics to Ronald Coase, a scholar who has done pioneering work demonstrating the importance of property rights to social coordination (see his important essay, "The Problem of Social Cost," in *The Journal of Law and Economics* Vol. 3 [October, 1960], pp. 1-44; reprinted in *The Firm, the Market, and the Law* [Chicago: University of Chicago Press, 1988]). Following the path blazed by Coase, scholars in fields as diverse as political science, forestry, economics, biology, and law have begun to point the way out of our environmental quandary. The vast literature that has emerged provides both theoretical and practical foundations for a free-market environmentalism. While not pretending to have offered all the answers to ecological questions, this market-oriented literature can at the very least serve as a starting point for further research into solving environmental problems.

Theoretical Foundations: Market Failure and the Environment

Systematic analysis of environmental problems must begin with the theory of market failure. Market economies generally do a good job serving the needs of consumers. Why, then, should the market fail to provide environmental amenities—from clean air and water to nature preserves and wildlife conservation—that many consumers clearly desire? This ostensible inability of the market to provide certain goods and services has been labeled by economists "market failure."

What are the fundamental causes of market failure? Two qualities of goods and services have been recognized as contributors to market failure: nonexcludability and nonrivalrous

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consumption. Nonexcludability means that the seller of a good is unable to prevent nonpayers from consuming the good (or that it is inefficient to do so because the marginal cost of exclusion exceeds the marginal benefit). National defense, for instance, is a nonexcludable good: once the good is produced, the seller is unable to exclude those who refuse to contribute to the good's production. Nonrivalrous consumption means that the marginal cost of a seller providing the good to an additional customer is zero; that is, any number of consumers may enjoy a good characterized by nonrivalrous consumption without detracting from the enjoyment of others. One good that has this quality is a movie theater: any number of patrons may enjoy a movie (up to the theater's capacity) without detracting from the enjoyment of other viewers and without imposing any additional costs upon the owner.

A Taxonomy of Market Failure

Nonexcludability	Nonrivalrous Consumption: No	Nonrivalrous Consumption: Yes
No	Private Goods	Public Goods
Yes	Commons	Collective Goods

These two qualities can be used to construct a chart that gives a taxonomy of market failure. (See above figure.) This chart has four components. First, there are goods, called "private goods," that display neither of the two qualities. These goods do not contribute to market failure. Second, there are goods, which we may label "public goods," that are characterized by nonrivalrous consumption alone. A private movie theater would be a useful example of a public good, because the owner can exclude those who refuse to pay, but an additional patron's consumption imposes no costs on others. Third, there are goods, named "commons," that display nonexcludability but whose consumption is rivalrous. The living room of a student apartment is a good example of a commons: no one living in the apartment can be prevented from using it, but its use by one individual does often detract from the enjoyment of other users. Finally, there are those goods, which we may label "collective goods," that have both qualities. Again, national defense is the paradigmatic example: one can't exclude nonpayers from enjoying the benefits of national defense, and one person's consumption doesn't detract from the consumption of others.

Why do collective goods, public goods, and commons pose a problem for the marketplace? Commons and collective goods are both characterized by nonexcludability. Nonexcludability leads to a difficulty known as the "free-rider problem." Certain individuals may benefit from a good without paying to support the good's production; they are called "free-riders." In the commons, such free-riding may lead to an inefficient exploitation of the commons resource; because nobody has the power to exclude, the commons will be used without regard for the costs imposed. This problem is typically referred to as "The Tragedy of the Commons" (see the essay of the same name by Garrett Hardin in *Science*, December 1968, pp. 1243-8). The problem has been known for centuries and was dealt with by great thinkers from Aristotle (see *The Politics*, 2. 3. 1261b33-37) to David Hume (*A Treatise of Human Nature* [Oxford: Oxford University Press, 1888], p. 538). (For more recent scholarship, see Scott Gordon, "The Economic Theory of a Common Property Resource: The Fishery," [*The Journal of Political Economy*, April 1954, pp. 124-42], Bonnie J. McCay and James M. Acheson, eds., *The Question of the Commons* [Tucson: University of Arizona Press, 1987], and Elinor Ostrom's *Governing the Commons* [New York: Cambridge University Press, 1990].)

This problem is especially noteworthy in such commons as the atmosphere. Arthur Pigou used the example of atmospheric pollution to illustrate his well-known distinction between social and private costs (*The Economics of Welfare* [London: Macmillan, 1920]). Pigou argued that because industrial polluters did not take into account the costs their pollution imposed on neighboring landowners, pollution would be produced at an inefficiently high level. By taking the pollution of factories into account through imposition of effluent charges, the private costs of production could be brought in line with the true, social costs of production, and pollution would fall to an efficient level.

Nonexcludability problems with collective goods have long been noted. Adam Smith recognized this problem (*The Wealth of Nations* [Indianapolis: Liberty Classics, 1976], Vol. 2) and felt that government would have to erect and maintain "those public works, which, though they may be in the highest degree advantageous to a great society, are, however, of such a nature, that the profit could never repay the expense to any individual or small number of individuals..." (Smith, p. 723). Why did Smith think that private provision of some goods is out of the question? The nonexcludable quality of collective goods leads consumers to free-ride. Free-riding, of course, may substantially reduce revenues to the good's producer, leading to the good's underproduction—or perhaps making its production impossible.

Public goods and collective goods are both characterized by the second quality, nonrivalrous consumption. Paul Samuelson, in an article dealing with the problem of market failure, defined a public good as a product "which all enjoy in common in the sense that each individual's consumption of that good leads to no subtraction from any other individual's consumption of that good" ("The Pure Theory of Public Expenditure," *Review of Economics and Statistics*, November 1954, pp. 387-9). Why do public goods, so defined, present a problem for the marketplace? Because the cost of providing a public good to one additional customer (the marginal cost of provision) is zero, exclusion of any consumer would be inefficient. The only way to avoid excluding consumers, however, is to provide the good for free—but no private company could afford to do this. Therefore, private companies that provide public goods will do

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BOOK REVIEW

Secession, Group Rights and the Grounds of Political Obligation

by John Tomasi

A review of Allen Buchanan's *Secession: The Morality of Political Divorce from Fort Sumter to Lithuania and Quebec* (Boulder, CO: Westview Press, 1991)

Was Lincoln's decision to wage the American Civil War, a war to save the Union, a horrible moral mistake?[1] If the contemporary generation of Estonians and Latvians had a right to secede from the state in which they found themselves, then do the Ukrainians, Moldovans and Uzbeks? Do Petersburgers and Muscovites? Should there now be *two* sovereign nations on the northern border of the United States, Canada *and Quebec*? Is there any moral reason why Texas must remain part of the United States? Must Hawaii? Must Vermont? If *groups*, such as Quebecois and Estonians, may rightfully secede from the nation states in which they find themselves, then might individuals, people such as you and me, have a right to secede as well? In a stimulating new book called *Secession*, Allen Buchanan provokes thought about many questions like these.[2] By the end of Buchanan's excellent discussion, one finds that these questions—questions that surface in newspapers every day—have led to pressing issues at the very base of political theory. Along the way Buchanan is a very lively, provocative guide. *Secession* is an intellectual journey that I highly recommend you make.

What is secession? Like revolution or emigration, secession is a way of challenging political authority. But, Buchanan says, secession presents that challenge in its own distinctive way. The aim of the political revolutionary is to overthrow the existing government or to force very basic changes in the constitutional, economic, and/or sociopolitical system. By contrast, the secessionist aims not at dissolving (or radically altering) the state's power but at restricting the jurisdiction of the state in question. Unlike the revolutionary, "the secessionist does not deny the state's political authority as such, but only its authority over her and the other members of her group and the territory they occupy" (p. 10). Emigration offers another way a group may challenge or free itself from the authority of a state. As Buchanan says, members of a religious or ethnic group may claim a right to emigrate from a state and thus remove themselves from the state's jurisdiction without thereby challenging the state's claim to authority as such (that is, without challenging the state's authority over citizens who remain behind). Unlike a right of revolution, a right of emigration challenges not the state's authority *per se* but only the state's authority to control exit from the state's territory. Buchanan says, "secession, by contrast, is an effort to remove oneself from the scope of the state's authority, not by moving beyond the existing boundaries of that authority but by redrawing the boundaries so that one is not included within them" (p. 11). The contrast between emigration and secession reveals a crucial point about secession: unlike emigration, secession necessarily involves a claim to territory (p. 11).

Different kinds of secession can be distinguished depending on the geographical situation of the seceding group. There is what Buchanan calls "central" or "hole-of-the-donut" secession where the seceding group claims title to territory completely surrounded by the remainder state; "peripheral" secession is more common, where the area laid claim to is part of but not wholly imbedded in the remainder state (pp. 14-15). Typically, secession is undertaken by minority groups, but Buchanan says this need not be the case: the path of secession can be taken by a majority of people (p. 15). Further, the secessionists may constitute not only the majority of the people of the existing state, they may also lay claim to the larger share of the existing state's territory (p. 16). Secession may be "local" or "national": if a group in some political county secedes to form a new county within the existing political system, this is an example of local secession; national secession, where a group exits from the sphere of the existing state's authority, is more familiar and is the form of secession on which Buchanan focuses (p. 15). Finally, the right to secede is usually claimed to be held by groups rather than by individuals. While Buchanan calls the question of individual secession "intriguing," he adopts the term "individual independents" for individuals who claim a right like a secession right, and reserves the term "secessionists" for groups only (pp. 13-14). These distinctions noted, Buchanan can define the right of secession: "a right to secede is a right, ascribed to a group, to engage in collective action whose purpose is independence from the existing state, where the coming to be independent includes the taking of territory" (p. 75).

Buchanan identifies and evaluates no less than twelve distinct arguments that might be advanced as justification(s) for a right to secede. Let's consider the most important of these.[3]

Perhaps the most important and rhetorically powerful pro-secessionist argument is what Buchanan calls the "Pure Self-Determination" or "Nationalist" argument. This argument for secession is based on the idea that every people is entitled to its own state: thus, as a matter of right, cultural boundaries and political boundaries should coincide. The United Nations General Assembly Resolution 1514 explicitly endorses this nationalist principle of self-determination, declaring that "all peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development" (quoted at p. 48). But Buchanan says that the principle of self-determination is

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so in an inefficient manner; they will end up excluding people who could have enjoyed the good at no cost to the owner or to the other customers. (See also Francis Bator, "The Anatomy of Market Failure," *Quarterly Journal of Economics*, August 1958, pp. 351-79.)

How have classical liberal scholars responded to this criticism of the market economy? The quality of nonexcludability shared by collective goods and commons areas has been extensively analyzed by classical liberal economists, and the theories of orthodox market failure theorists have been scrutinized and criticized in turn. The problem of commons exploitation can in many cases be solved by simply allowing exclusion; that is, privatization is the solution of commons exploitation. Frank Knight made this point in his noteworthy critique of Pigou ("Some Fallacies in the Interpretation of Social Cost," *Quarterly Journal of Economics*, August 1924, pp. 582-606), and this theme has provided a common basis for political economists ever since (see, e.g., John Baden and Richard Stroup, *Bureaucracy vs. Environment: The Environmental Costs of Bureaucratic Governance* [Ann Arbor: The University of Michigan Press, 1981], and "Property Rights and Natural Resource Management," *Literature of Liberty*, October/December 1979, pp. 5-54). If commons such as the continental shelf and inland waterways were private property, then owners would have an incentive to prevent inefficient levels of exploitation through their right of exclusion.

How have classical liberal scholars responded to this criticism of the market economy? The quality of nonexcludability shared by collective goods and commons areas has been extensively analyzed by classical liberal economists, and the theories of orthodox market failure theorists have been scrutinized and criticized.

The quality of nonexcludability in collective goods is somewhat harder to deal with, however. Privatizing a field or a stream may be fairly easy, but privatizing some defense services may be impossible—how could the private operator of a defense service exclude nonpayers? Even this dilemma, however, may be susceptible to a market solution. Earl Brubaker, in a seminal article, examines the nonexcludability problem with collective goods and devises a contractual solution ("Free Ride, Free Revelation, or Golden Rule?" *Journal of Law and Economics*, April 1975, pp. 147-61). Brubaker argues that private providers of collective goods could use *pre-contract exclusion* to induce individuals in a community to contribute to such projects. Providers would simply present the community with an ultimatum: either contribute and/or contractually pledge enough money to fund the good, or it will not be provided at all. Brubaker argues that, faced with this choice situation, individuals would tend to give up their free-riding tendencies and would pledge money in support of collective projects. (Another excellent article dealing with pre-contract exclusion is David Schmidtz, "Contracts and Public Goods," *Harvard Journal of Law and Public Policy*, Spring 1987, pp. 475-503, the argument of which is expanded in Schmidtz's *The Limits of Government* [Boulder, CO: Westview Press, 1991].)

The economist Anthony de Jasay has argued (in his *Social Contract, Free Ride* [New York: Oxford University Press, 1989]) that many—if not most—"market failure" problems are created, not solved, by state action. Political authorities insist that goods be made available on a "free" basis and, "once discriminatory access ceases and the passage from exclusion to inclusion is set free, at least for the particular group of persons defined by the common interest they have in the good, none of that group needs to contribute in order to benefit, and a public goods 'dilemma' emerges" (p. 61). "Many of the most important *de facto* public goods owe their publicness not at all to the 'logistics' of exclusion, but to what we tend glibly to call, for want of a less question-begging word, 'social choice'" (p. 129). The result is that the state does not eliminate free riders; it generates them. "Once, however, contributions cease being voluntary, the whole incentive structure changes. Restraint in consumption is rewarded by a uniformly zero average and marginal payoff, for it does not affect the probability of the good being provided" (p. 221).

As for the quality of nonrivalrous consumption, which is common to public and collective goods, strong criticisms have been made of Samuelson's insistence that nonrivalrous consumption will necessarily lead to market failure. Harold Demsetz noted that as long as the exclusion of nonpayers is possible, public goods can be provided efficiently by the market ("The Private Production of Public Goods," *Journal of Law and Economics*, October 1970, pp. 293-306). In fact, companies already provide public goods, such as airline travel and movie theaters, through the use of price discrimination: consumers are charged different prices for the same good according to their valuations of the good. In this way, the inefficient exclusion of consumers can be prevented. (Actually, companies that provide public goods charge consumers according to the category they are in. For instance, movie theaters charge different prices for children, adults, students, and senior citizens. This process of differentiating the market into groups of consumers by valuation may be quite difficult.)

How does this analysis of commons areas, public goods, and collective goods apply to environmental problems? In fact, all forms of environmental problems can be classified under these three categories of market failure. Air and water pollution are clearly problems of the commons: lakes, streams, the ocean and the atmosphere are all unowned resources that are over-exploited due to their common status. Wildlife conservation is a collective good: exclusion of nonpayers is often a problem, and enjoyment of the animals is nonrivalrous (unless, of course, one happens to be hunting them). Finally, parks and nature preserves tend to be public, and perhaps even collective, goods. Thus, environmental problems, as instances of market failure, are susceptible to the types of solutions described above.

FME: A Classical Liberal Environmentalism

The classical liberal response to orthodox market-failure theories forms the foundation of "free-market environmentalism," or FME. FME provides a set of tools for policy makers that is more cost-effective and market-friendly than the set offered by current "command-and-control" doctrine. As John Baden and Richard Stroup have argued (*Bureaucracy vs. Environment: The Environmental Cost of Bureaucratic Governance* [Ann Arbor: The University of Michigan Press, 1981]), current environmental policy is bankrupt, for it relies heavily upon inefficient, top-down bureaucratic administration. Rather than changing economic incentives to encourage voluntary action and cooperation, government administrators rely primarily upon state ownership and intensive, heavy-handed regulations. As Terry Anderson argued in one of the first articles dealing explicitly with free-market environmentalism ("New Resource Economics: Old Ideas and New Applications," *American Journal of Agricultural Economics*, December 1982, pp. 928-34), FME offers a promising alternative to expensive and moribund "command-and-control" environmental policies. (An excellent recent overview of FME can be found in Terry Anderson and Donald Leal, *Free Market Environmentalism* [San Francisco: Pacific Research Institute for Public Policy, 1991]. See also the Spring 1982 issue of the *Cato Journal*, "A Symposium on Pollution" [Vol. 2, No. 1].)

Privatization would be appropriate for many commons areas, such as streams and the continental shelf.

What policy prescriptions does FME propose? These prescriptions fall into three general categories: privatization, rules-based regulations, and liability. Privatization would be appropriate for many commons areas, such as streams and the continental shelf (on water rights, see Terry Anderson, *Water Crisis: Ending the Policy Drought* [Washington, DC: Cato Institute, 1983], and Rodney T. Smith, *Trading Water: The Legal and Economic Framework for Water Marketing* [Claremont, CA: Claremont McKenna College, Center for Study of Law Structures, 1986]). It would also be a good strategy for improving management in parks and nature preserves (see, for instance, Robert Deacon and M. Bruce Johnson, eds. *Forestlands: Public and Private* [Cambridge: Ballinger Publishing Co., 1985]). Rules-based regulations, which would decrease the discretion of regulators and increase the range of choice for the regulated, would be especially useful for maintaining the quality of commons that cannot be privatized, or as a transition to privatization. These rules-based regulations could take the form of effluent charges (see Wilfred Beckerman, *Pricing for Pollution* [London: The Institute of Economic Affairs, 1975]) or marketable pollution permits (see William Baumol and Wallace Oates, *Economics, Environmental Policy, and the Quality of Life* [Englewood Cliffs, NJ: Prentice-Hall, Inc., 1979]). Finally, strict liability would help prevent accidental oil spills and the unsafe disposal of toxic wastes (see Milton Copulos, "Disposing of Hazardous Wastes: How to Deal with the 'Toxic Terror'," in Doug Bandow, ed., *Protecting the Environment: A Free Market Strategy* [Washington, DC: The Heritage Foundation, 1986], pp. 69-81, and "A Symposium on Pollution," *Cato Journal*, Vol. 2, No. 1, Spring 1982).

FME has a number of advantages over traditional environmental policy. First, by emphasizing rules over commands, it favors the use of dispersed knowledge and spurs innovation. The advantage of rules over commands has been pointed out by many (see, e.g., T. Alexander Smith, *Time and Public Policy* [Knoxville: University of Tennessee Press, 1988], pp. 199-205, and Michael Polanyi, *The Logic of Liberty* [Chicago: University of Chicago Press, 1951]), but its implications for environmental policy are only now being explored fully.

Second, FME is also superior to present policy on the question of intergenerational equity: privatization will favor future generations more than governmental stewardship will. This position has been argued by Richard Stroup and John Baden ("Property Rights and Natural Resource Management," pp. 19-24). The value of resources in the market tends to equal the sum of all future rents discounted by the rate of interest. We can get an intuitive sense of what this means by imagining how a landlord decides whether to buy a rental property: will the price paid for its purchase be less than the present values of all the rents that will be generated by the property? If the answer is yes, then it is worthwhile to buy the property; if no, then it is not. The present value of this property (or piece of capital) is determined by the income stream it will yield over time. Anything that diminishes this *future* income (such as a failure to repair the roof) costs the owner *now* by *decreasing* the capital value of the resource. Anything that increases the *future* income (such as painting or repairing the property) benefits the owner *now* by *increasing* the capital value of the resource. As Harold Demsetz has said, "In effect, an owner of a private right to use land acts as a broker whose wealth depends on how well he takes into account the competing claims of the present and the future." ("Toward a Theory of Property Rights," in Svetozar Pejovich and Eirik Furubotn, eds., *The Economics of Property Rights* [Cambridge, MA: Ballinger Publishing Co., 1974], p. 38) This process only works, however, when there is an owner (or "residual claimant") who suffers the harm or reaps the benefit of this change in the ability of the resource to satisfy future wants. If natural resources are controlled through the political process, then, over-exploitation will occur, because political actors have little incentive to conserve, precisely because they have no transferable ownership rights. (For an excellent discussion of intergenerational equity and the efficacy of market conservationism, see J.W. Milliman, "Can People Be Trusted with Natural Resources?" *Land Economics* Vol. 38 [1962], pp. 199-218. This issue is also directly addressed by David Schmidtz in *The Limits of Government*, with particular application to coral reefs.)

Third, FME will foster market competition and preserve

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governmental neutrality better than the current regime of environmental law. The present structure of environmental regulations, which is command oriented, tends to favor large, established business at the expense of new and smaller enterprises. (See both Lloyd Orr, "Social Costs, Incentive Structures, and Environmental Policies," in Baden and Stroup, eds., *Bureaucracy vs. Environment*, pp. 46-63, and B. Peter Pashigian, "The Effect of Environmental Regulation on Optimal Plant Size and Factor Shares," *The Journal of Law and Economics*, April 1984, pp. 1-28.) Command-based regulations tend to impose fixed costs, which bigger businesses can spread over larger amounts of output. As George Stigler has argued ("The Theory of Economic Regulation," in Stigler, *The Citizen and State* [Chicago: University of Chicago Press, 1975], pp. 114-41), these regulations may be sought after by large enterprises in order "to retard the rate of growth of new firms" (p. 118). This point has been made in reference to environmental regulation by a number of scholars, including B. Peter Pashigian ("Environmental Regulation: Whose Self-Interests Are Being Protected?" in *Economic Inquiry*, October 1985, pp. 551-84), Michael Maloney and Robert McCormick ("A Positive Theory of Environmental Quality Regulation," *The Journal of Law and Economics*, April 1982, pp. 99-123), and James Buchanan and Gordon Tullock ("Polluters' Profits and Political Response: Direct Controls versus Taxes," *The American Economic Review*, March 1975, pp. 139-47). Command and control systems are plagued by other forms of "rent-seeking" (pursuit of profits through the political process), as well. (See, for instance, Robert Crandall, "Ackerman and Hassler's Clean Coal/Dirty Air," *The Bell Journal of Economics*, Vol. 12, Autumn 1981; and Robert Leone and John Jackson, "The Political Economy of Federal Regulatory Activity: The Case of Water Pollution Controls," in Gary Fromm, ed., *Studies in Public Regulation* [Cambridge, MA: The MIT Press, 1981]. Another collection of studies pointing out the problems of command and control is *Environmental Politics: Public Costs, Private Rewards*, Michael S. Greve and Fred L. Smith, eds., [Westport, CT: Praeger Publishers, 1992].)

Finally, FME is more congruent with the guiding principles of a free society than are "command-and-control" systems. By emphasizing the role of private property and consistent rules, free-market environmentalism offers a solution to ecological problems that is consistent with personal liberty, defined as freedom of action under a known and equally applied rule of law. (See F.A. Hayek, *The Constitution of Liberty* [Chicago: The University of Chicago Press, 1960], pp. 11-21.) FME diminishes the discretion of policy makers and guarantees the certainty, equality, generality, and negativity of law—essential prerequisites for a political order founded upon the rule of law.

FME Applications: Present and Potential

Free-market environmentalism provides a superb theoretical foundation for understanding the problems of environmental policy, but can these theories be successfully applied to real-world problems? In fact, free-market principles are already being successfully used to improve environmental quality, and further improvements could be made if FME were applied more broadly.

Wildlife conservation has already been aided through private initiative. This initiative has taken many forms, including fee-hunting. Under this system, which is used widely in the western United States, landowners charge hunters to kill game on their land. This quasi-privatization of wildlife encourages conservation by controlling the level of hunting and by providing landowners with an incentive to improve wildlife habitats. (See Matt Ridley, "Privatizing America's West: Profits From the Wild," *The Economist*, 22 October 1988, pp. 21-22, and Jo Kwong, "Evolving Institutions in Wildlife Management: The Case for Fee Hunting," *Western Wildlands*, Spring 1988, pp. 26-31.) Another form private conservation efforts have taken is the private preserve. Numerous organizations, from the Nature Conservancy to the Audubon Society, have preserved million of acres of wildlife habitat with primarily private money. (See John Baden and Richard Stroup, "Saving the Wilderness," *Reason*, July 1981, pp. 28-36, and Robert J. Smith, "Special Report: The Public Benefits of Private Conservation," in *Environmental Quality: The 15th Annual Report of the Council on Environmental Quality* [Washington, DC: US Government Printing Office, 1986], pp. 363-429.) Finally, straight private ownership of wild animals has been tried successfully (with sea turtles, for instance), but such efforts have been hindered by government interference, or even banned outright (see Robert J. Smith, "Private Solutions to Conservation Problems," in Tyler Cowen, ed., *The Theory of Market Failure: A Critical Examination* [Fairfax: George Mason University Press, 1988], pp. 341-360).

In Britain, the right to fish a particular part of a lake or stream is a private property right that can be bought, sold, and traded. This property-rights structure has not only prevented overfishing but has also kept British streams remarkably clean: owners of fishing rights take polluters who damage their fishing grounds to court—and the owners consistently win.

Another area in which market-oriented solutions to environmental problems have been used is pollution abatement. Privatizing the commons has been tried with excellent results in at least one instance: British streams. In Britain, the right to fish a particular part of a lake or stream is a private property right that can be bought, sold, and traded. This property-rights structure has not only prevented overfishing but has also kept British streams remarkably clean: owners of fishing rights take polluters who damage their fishing grounds to court—and the owners consistently win. (See Jane Shaw and Richard Stroup, "Gone Fishin'," *Reason*, August/September 1988, pp. 34-7.)

Another market-friendly method of pollution control that has been tried successfully is emissions trading in the United States. Under this system, polluters may reduce their air pollution below the level prescribed by law, receive credit for these excess reductions, and sell the credits to other firms. This system is more efficient than uniformly mandated pollution output levels because it allows firms for whom pollution reduction is quite expensive to buy credits rather than invest in antipollution devices. Thus, the same amount of pollution reduction is achieved for a lower price. Although this system has only been used in a limited fashion, Senator Timothy Wirth and the late Senator John Heinz estimated in a recent report (*Project '88, Harnessing Market Forces to Protect Our Environment: Incentives for the New President*, Robert Stavins, ed., [Washington DC: December, 1988], p. 26) that emissions trading has saved US industry over $4 billion. (See also *Project '88, Round II, Incentives for Action: Implementing Market-Based Environmental Policies and Programs* [Washington, DC: 1990].)

Finally, effluent charges—a rules-based system of environmental quality control—have been used to reduce water and air pollution in Europe and Japan, respectively. In West Germany, effluent charges, or per-unit taxes on discharges, have been levied on industries that pollute the Ruhr River; this system has maintained the river's quality despite the high volume of effluent released into it. (See Baumol and Oates, *Economics, Environmental Policy, and the Quality of Life*, pp. 256-8, and Ralph Johnson and Gardner Brown, Jr., *Cleaning Up Europe's Waters: Economics, Management, and Policies* [New York: Praeger Publishers, 1976].) Japan has also used effluent charges successfully in its effort to reduce SO_2 emissions and provide compensation to those injured by the emissions (see "Pollution-Related Health Damage Compensation Law Amended," *Japan Environment Summary*, 10 October 1987, pp. 1-2.)

One final area in which market solutions have been successfully applied is park services. Park services, often considered quintessential public goods, have long been provided by private groups, both charitably and for profit. For instance, the Colorado Trail, a 470-mile hiking trail in Colorado stretching through a variety of scenic areas, was built and funded solely through volunteer efforts. It is now maintained by volunteer crews, who are provisioned through voluntary donations. A more extensive bundle of park services is provided by North Maine Woods, Inc., an association of twenty landowners formed in 1974. North Maine Woods manages recreational activities on 2.8 million acres of mostly private commercial forests (an area almost twice the size of Delaware). It controls access to the park through 17 checkpoints, registers campers, and charges various user-fees to maintain the park, improve campsites, and educate users. (For a detailed description of North Maine Woods, see Robert J. Smith, "Special Report: The Public Benefits of Private Conservation," pp. 381-7.) Ravenna Park in Seattle, Washington, was also run privately from 1887 to 1911. The park was immensely popular: on busy days, it saw between 8,000 and 10,000 visitors. In 1911, however, the city of Seattle seized the park through eminent domain. After government management of the park began, the giant Douglas firs in the park began to disappear; the city managers of the park cut them down and sold them for short-term gain. Despite public protest, all the Douglas firs had disappeared by 1925 (see Terry Anderson and Donald Leal, "Rekindling the Privatization Fires: Political Land Revisited," *Reason Foundation Federal Privatization Project*, Issue Paper 108, p. 11).

After government management of the park began, the giant Douglas firs in the park began to disappear; the city managers of the park cut them down and sold them for short-term gain.

Wildlife conservation would be greatly enhanced through the extension of market principles. Some have suggested that whales could be successfully privatized. Whale "pods" (groups) could be auctioned off to private owners, who could track the pods electronically. Funds raised in this way could be used to provide international enforcement of whale property rights (see John Majewski, "Own Your Own Whale," *Economic Affairs*, October/November 1987, pp. 45-6, and "Trends," *Reason*, November 1986, p. 21). Elephants, which are quasi-private property in some southern African countries, could be privatized on the rest of the continent. Such privatization would encourage owners to increase herd sizes and to invest in stopping poaching. We rarely hear of the poaching of cows, which are usually privately owned, but we hear a great deal about the poaching of elephants, which are typically state property. (See Randy Simmons and Urs P. Kreuter, "Herd Mentality: Banning Ivory Sales Is No Way to Save the Elephant," *Policy Review*, Fall 1989, pp. 46-9.)

Pollution control could be improved as well by the adoption of rules-based environmental quality controls. Prospects for the reform of air pollution laws in the United States look the most promising at this point. The Clean Air Act has been widely criticized for its inefficiency ("Fresh Approaches Needed to Free Air From Pollution and Regional Politics," *FREE Perspectives on Economics and the Environment*, 1 June 1989, pp. 4-5, 10, 12), and a number of reform proposals have recently emerged. *Project '88* suggested the use of marketable pollution permits to solve such perceived problems as the greenhouse effect, ozone depletion, acid rain, and local air pollution (Wirth and Heinz, *Project '88*, pp. 10-34; also see John Hood, "Environmentalism Corners the Market," *Reason*, March 1989, p. 18).

Finally, market principles can be used to aid the conservation of natural resources. The recurrent water shortages facing the western United States are a direct product of ill-defined property rights in water. A clearer definition of these rights, coupled with an open and competitive interstate market in water rights, would lead to a more efficient use of water resources. (See Terry Anderson, ed., *Water Rights: Scarce Resource Allocation, Bureaucracy, and the Environment* [Cambridge: Ballinger

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Environment (Continued from page 7)

Publishing Company, 1983], and Marc Beauchamp, "Whiskey's for Drinking, Water's for Fighting Over," *Forbes*, 24 July 1989, pp. 74-5.) The seabed and the continental shelf could also be sold to private owners. Such an action would free ocean resources from monopolistic control by national governments and would enhance incentives to explore and develop the ocean's bounty (see Kent Jeffries, "Who Should Own the Ocean?" [Washington, DC: Competitive Enterprise Institute, November 1991], and Donald Denman, *Markets Under the Sea?* [London: Institute of Economic Affairs, 1984]). Market solutions could also be used to preserve the rain forests of South America. Present policies of the Brazilian government encourage deforestation. Under a stricter system of private property, one undistorted by extensive subsidies, owners of the rain forests would likely prefer to hold the land speculatively or to sell it to foreign environmental organizations. In fact, the Nature Conservancy has already managed to protect millions of acres of tropical rain forests in precisely this way (see Jane Shaw, "Private Property Rights and the Environment: Two Views," *The Freeman*, January 1989, pp. 39-40, and "The Vanishing Jungle: Ecologists Make Friends with Economists," *The Economist*, 15 October 1988, pp. 25-6).

Conclusion

The theoretical and practical aspects of FME, though substantial, need to be further researched and developed. The theories of market failure, governmental failure, and environmental economics need to be more solidly unified than they are now. Although this effort at unification has to some extent been attempted (see, for instance, William Baumol and Wallace Oates, *The Theory of Environmental Policy* [Cambridge: Cambridge University Press, 1988]), no one has yet unified them in a way that fully takes account of property rights and their use in solving environmental problems. For instance, how can migratory herds be privatized? What contractual methods can be used to provide environmental amenities on a large scale? On a more practical level, further research needs to be done into the implications of FME in the real world. And finally, are there some environmental problems (e.g., nonpoint toxic discharges) that are simply not amenable to a market solution? (Even if this were true, of course, it does not detract from the superiority of private property solutions for other environmental problems.)

As should be obvious by now, free-market environmentalism is a young discipline, with much work remaining to be done. What should also be clear, however, is how well FME fits within the larger framework of classical liberal thought, with its respect for individual rights, social harmony, justly acquired property, and freedom of exchange. Free-market environmentalism will no doubt prove to be a fertile field for future research by classical liberal scholars from a number of disciplines, including economics, law, political science, and even the applied sciences, such as biology and engineering, to the extent that these scholars can devise better methods for voluntary cooperation to implement the ideas which arise from other disciplines.

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Nationalism (Continued from page 1)

ism radically changed the way in which people perceive the world. Even today, over two centuries since nationalism first developed, it remains a potent force in politics.

Yet, despite the importance of nationalism in modern history, there is a startling lack of consensus about what it is and why it has maintained such a firm hold over so much of the world's population. This essay is meant as an introduction to the study of nationalism. As part of this examination, I want first to survey various attempts to define the word "nation." Secondly, I will sketch a brief history of the development of nationalism. Finally, the essay will conclude with some possibilities for further research.

Theories of the Nation

Nationalism is a slippery term. There is a great deal of dispute as to what, exactly, it describes and to which historical periods it can usefully be applied. In fact, any examination of nationalism must be preceded by some kind of definition of what constitutes a nation.

This question, among Americans especially, is complicated by the manner in which people often use the terms "nation," "state," and "country" interchangeably. The last two terms refer to political entities. The first is a term used to describe a group of people who may or may not live in the same state or country. The difference is exactly conveyed in the German by the words *Staatsangehörigheit* (citizenship) and *Nationalität* (nationality). A person can be of German *Nationalität* without being a German citizen.

Definitions of nation or nationality rely either upon objective or subjective criteria, or on some combination of the two. Most objective definitions of nationality rely on the commonality of some particular trait among members of a group. Shared language, religion, ethnicity ("common descent") and culture have all been used as criteria for defining nations. A casual examination of the history of national differentiation indicates that these factors often reinforce each other in the determination of a nationality. Certain nationalities, such as the Croats, are now defined as distinct from Serbs almost exclusively on the basis of religious differences. Likewise, Urdu-speaking Pakistanis are distinguished from Hindi-speaking Indians largely because of religion.

In other cases, however, a shared religion seems a less accurate method for drawing the boundaries of a nationality. The German nation, for example, is divided mainly among Protestants and Catholics. Conversely, the inhabitants of France and Italy, though both overwhelmingly Catholic, belong to two different nationalities.

One of the most often used of all the objective marks of nationality is a common language. Initially, this seems to be a fool-proof mark of a nation. Indeed a shared language has been a very powerful factor in national unification. Ludwig von Mises, among others, presents nationality and language as almost synonymous. As von Mises puts it "...all national struggles are language struggles" (Ludwig von Mises, *Nation, State and Economy* [New York: New York University Press, 1983], p. 12). Yet this definition, too, is fraught with difficulties. For one thing, what we today call "national languages" are, to one degree or another, artificial constructs (E.J. Hobsbawm, *Nations and Nationalism Since 1780: Programme, Myth, Reality* [Cambridge: Cambridge University Press, 1991], p. 54). This is certainly true in the case of many of the languages of east central Europe and of the non-European world. For example, the modern standard Slovak language is largely the work of Jan Kollar. The Serb philologist Vuk Karadzic modeled modern Serbo-Croatian out of the so-called Stokavian dialect in the early nineteenth century; this was part of a self-conscious attempt at uniting the Southern Slavs (i.e."Yugoslavs") into a "Great Serbian" nation.

Nationalism is a state of mind, in which the supreme loyalty of the individual is felt to be due the nation-state.

Other "national" languages have been created for imperialistic purposes. The various languages of central Asia, e.g. Uzbek, Kyrgyz, Khazak, etc. did not exist until they were "discovered" (actually conjured out of local dialects) by Soviet linguists during the 1920s and 30s. The languages were then used as evidence to support the Soviet claims of the existence of several nations in Central Asia, which was then divided into separate Soviet Socialist Republics as part of a divide-and-rule strategy (Georg Brunner, "Die Stellung der Muslime in den föderativen Systemen der Sowjetunion und Jugoslawiens," in Kappeler et al, eds., *Die Muslime in der Sowjetunion und in Jugoslawien* [Cologne: Markus Verlag, 1989], pp. 157-159).

Even in cases where a popular vernacular becomes a "national language" this transformation typically only happens *after* the foundation of a nation state. For example, the language today called French became a "national" language only after the creation of a French nation state. In 1789, only 50% of the population in the Kingdom of France spoke French (Hobsbawm, *Nations and Nationalism*, p. 50). To the nationalist Revolutionaries, making French the common language of the nation was of the utmost importance. The same could be said of German, Italian, Hungarian and other modern European languages.

A common vernacular language of administration, state education, and military command was an important tool in the extension of the modern state's bureaucratic control. Thus, "national" languages are largely the creation of modern nation states, not the other way around.

It was concluded that the sovereign state is the manifestation of the nation.

It seems, therefore, that pre-existing common linguistic or religious attributes may not be absolute indicators of a nation. "Ethnicity" or "common descent" are other possible objective criteria for national boundary drawing. These were especially popular definitions during the late nineteenth and early twentieth centuries and blended with that era's fascination with racial pseudo-science. To the modern student, however, ethnicity seems a much less compelling criterion. The people of the various Mediterranean nations, for example, are plainly the product of centuries of inter-ethnic marriages. Likewise, the American, Mexican or British nations are made up of people of many different ethnic backgrounds.

Hence, while objective traits can be useful as very rough criteria for defining the existence of a nation, it seems that they are not by themselves enough. Indeed, it seems that a nation may be a very subjective entity. Many students of nationalism are eventually led to the (almost tautological) conclusion that people belong to a certain nation if they feel that they belong to it. For example, Hans Kohn writes "...the most essential element [in the formation of a nationality] is a living and active corporate will" (Hans Kohn, *Nationalism* [New York: D. Van Nostrand Co., 1955], p. 10). Likewise, Hugh Seton-Watson remarks: "All that I can find to say is that a nation exists when a significant number of people in a community consider themselves to form a nation, or behave as if they formed one" (Hugh Seton-Watson, *Nations and States* [Boulder, CO: Westview Press, 1977], p. 5). One of the most interesting recent studies along these lines is by Benedict Anderson, who calls nations "imagined communities" (Benedict Anderson, *Imagined Communities* [London and New York: Verso, 1991], pp. 5-7).

The Development of Nationalism

Nationalism is usually considered to be both an ideology, and a phenomenon or "historical process." (Ernest Gellner, *Nations and Nationalism* [Ithaca and London: Cornell University Press, 1983], p. 125. See also Carlton J.H. Hayes, *Essays on Nationalism* [New York: The MacMillan Co., 1926], p. 5) As an ideology, nationalism claims that people belonging to a particular group called a "nation" should inhabit a particular area and control a state "of their own." Such a definition points to nationalism as a method of boundary drawing among people. (See for example, Elie Kedouri, *Nationalism* [London: Hutchison University Library, 1960], p. 9.) Hans Kohn defines nationalism as something between ideology and phenomenon when he states: "Nationalism is a state of mind, in which the supreme loyalty of the individual is felt to be due the nation-state." (Kohn, *Nationalism*, p. 9)

Whether nationalism is viewed as an ideology or a phenomenon (or "state of mind"), one can still ask why so many people abandoned earlier, universalist ideologies (e.g. Christianity) and non-national self-identifications "or states of mind" (for example, by occupation or social status) for "imaginary communities" called nations, and based an exclusivist ideology upon them?

Some trace the roots of nationalism to the Reformation period. The Reformation itself was important in the development of proto-nationalist feeling, especially when considered in light of the contemporaneous revolution in printing and the subsequent surge in publications in various vernaculars (as opposed to the universalist Latin), which both disestablished the church hierarchy as interpreters of the Bible and laid the groundwork for the establishment of "imagined communities" based on

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Crosscurrents

Entrepreneurship and the Market Process

In his latest book, *The Meaning of Market Process: Essays in the Development of Modern Austrian Economics* (New York: Routledge, 1992), Israel M. Kirzner continues to work on a research program that he began in the first seven chapters of his *Market Theory and the Price System* (Princeton, NJ: Van Nostrand, 1963). During the years between these two books, Kirzner published several other works on the same theme of entrepreneurship and the market process. Foremost among them is the pathbreaking *Competition and Entrepreneurship* (Chicago: University of Chicago Press, 1973). Other important works in this research program include *Perception, Opportunity, and Profit* (University of Chicago, 1979), *Discovery and the Capitalist Process* (University of Chicago, 1985), and *Discovery, Capitalism, and Distributive Justice* (Basil Blackwell, 1989).

All but one of the essays constituting this most recent book have been published elsewhere. However, it is a positive assistance to those wishing to do their own research in modern Austrian economics to have these essays gathered together in one handy volume. In his original contribution to the volume Kirzner enters into the perennial Austrian debate over the question of equilibrium: does the market process lead the economy toward equilibrium or is the future so radically uncertain as to make the usefulness of even the concept of equilibrium meaningless? Kirzner, following Roger Garrison's lead, defends a middle ground: uncertainty plus an equilibrating process.

In the remaining sections Kirzner offers the reader his usual subtle and penetrating insights. In section two he devotes several fine history-of-thought pieces to the work of Menger, Mises and Hayek. Section three deals mainly with the problems surrounding knowledge. Finally, in section four, Kirzner tackles some difficult problems of markets and justice. For those who wish to follow up the issues presented by Kirzner, the book also contains an excellent bibliography.

Las Casas Revived

Those who have not read Bartolome de las Casas have a real treat in store for them. Las Casas, a Dominican priest, spent the better part of his adult life defending the Indians of the New World, especially against the ideas of Juan Gines de Sepulveda, a Cordoban theologian. The recent republication of las Casas's *In Defense of the Indians* (Northwest Illinois University Press, 1992) should be welcomed by all who care about the universal rights of people regardless of their cultural heritage.

In 1550 las Casas answered Sepulveda's charges and arguments in his famous response before a group of distinguished theologians at the Council of Valladolid. As Martin E. Marty puts it in his short but valuable Foreword to the *Defense*, to Sepulveda "the Indians were pagan, savage, apelike, worthy of death and hell." Sepulveda therefore defended waging all-out war against the Indians. Martin continues, "Las Casas fairly shrieks: 'The natives are citizens, capable of nobility and never to be killed or enslaved'."

Las Casas's Defense is perhaps the foremost articulation of universal rights theory set forth in the early modern period and one of the most passionate ever penned. His presentation reminds one of the much later writings of Paine, Garrison, and Spooner. To leave las Casas out of the intellectual history of rights theory would be a terrible discredit to an original mind and to the origins of western political theory.

Those interested may wish to read the *Defense* along with several other books by and about las Casas. First is las Casas's own *The Devastation of the Indies: A Brief Account* (Baltimore: Johns Hopkins University Press, 1992), in which he recounts the horrible treatment of the Indians that he witnessed firsthand in the Americas. Second is the mammoth collection edited by Juan Friede and Benjamin Keen, *Bartolome de las Casas in History: Toward an Understanding of the Man and His Work* (Northern Illinois University Press, 1971), in which a dozen las Casas scholars present essays on all aspects of las Casas. Finally, and perhaps most importantly, is Lewis Hanke's brilliant *All Mankind is One: A Study of the Disputation Between Bartolome de las Casas and Juan Gines de Sepulveda on the Religious and Intellectual Capacity of the American Indians* (Northern Illinois University Press, 1974). Hanke offers the reader a superb history of the background of this important dispute.

Algernon Sidney: Republican or Liberal?

On 7 December 1683, Algernon Sidney—having been convicted of treason in an irregular judicial decision—was beheaded on Tower Hill in London. One observer reported that there were many, already looking upon Sidney as a martyr, "who made such haste after his Execution to get Handkerchiefs dip't in his blood." Thus began the historical fame of Sidney, whose name kept company with that of Locke in the pantheon revered by Whig and American Revolutionaries. But where Locke's star never fell, Sidney has been comparatively neglected since the eighteenth century. Until recently, there had been little modern scholarship on Sidney and no modern edition of Sidney's *Discourses Concerning Government*, the work of political thought responsible for his trial and conviction.

This neglect is being remedied by a revival of interest in the man whose writings provided a justification of rebellion against tyranny as well as the motto of the State of Massachusetts. (*Manus haec inimica tyrannis/einse petit placidam cum libertate quietam.* The hand, always an enemy to tyrants, seeks a little peace under liberty.) Thomas G. West has edited a modern edition of the *Discourses Concerning Government* (Indianapolis: Liberty Press, 1990), while Jonathan Scott has authored an impressive two-volume biography of Sidney. In *Algernon Sidney and the English Republic, 1623-1677* (New York: Cambridge University Press, 1991) and *Algernon Sidney and the Restoration Crisis, 1677-1683* (Cambridge University Press, 1991), Scott seeks to resolve the historical Sidney from the overlay of Whig propaganda which created Sidney the Martyr. In addition, Alan Houston has reexamined Sidney's significance for early American political thought in *Algernon Sidney and the Republican Heritage in England and America* (Princeton, NJ: Princeton University Press, 1991).

The revival of interest in Sidney comes as yet a further installment in the debate about republican political thought that has been raging in Anglo-American scholarship since the 1970's when the independent scholarship of Bernard Bailyn, Gordon Wood, and J.G.A. Pocock suggested that there was a republican presence in the presumed-liberal political thought of the American framers. While much effort has gone into refuting the so-called "republican thesis," many of its critics have mistakenly lumped together the works of Bailyn, Wood, and Pocock to create an anti-liberal straw-man. The refreshing thing about the works of both Scott and Houston is that while decidedly revisionist they offer a more sophisticated than usual treatment of the nuances of republicanism, thereby enhancing our understanding of seventeenth- and eighteenth-century political thought.

Scott's biography is thoroughly researched and well written. Scott provides an in-depth account of the facts and events of Sidney's life, including his military, Parliamentary, diplomatic, and revolutionary careers as well as his relationships with various members of both sides of his illustrious family. Scott draws upon Sidney's published and unpublished writings—including the *Court Maxims* (only recently discovered and attributed to Sidney by Blair Worden)—to paint a picture of Sidney's republicanism. Under Scott's brush, Sidney emerges as more of a "Good Ole Cause" republican than as an Exclusionist Whig. Scott suggests that Sidney would have stood closer to the political and intellectual tradition represented in Europe by French monarchomachs such as Philippe du Plessis-Mornay (a family acquaintance) and in England by John Milton and Henry Vane, Jr. Yet Scott emphasizes, too, Sidney's determination to be his own man and to speak his own mind on political and moral issues of the day.

Scott elaborates the nature of Sidney's English republicanism and differentiates it from that drawn by J.G.A. Pocock from his studies of James Harrington. Marchamont Nedham and Sidney drew their Machiavellian principles more from Machiavelli's Livian *Discourses* than from *The Prince*. Furthermore, Scott elucidates the presence of both a Platonic and a skeptical flavor in Sidney's thought. According to Scott, Sidney divided his world into a Platonic realm of permanence and perfection and a skeptical realm of mutability and variety, and held that the gateway between these worlds was unlocked by "the liberty which God created in us." Though it would have been preferable for Scott to discuss Sidney's assertion against Filmer that there was no necessary form of earthly government without the use of the concept of relativism, which runs awkwardly up against the Platonic themes, his work adds another layer to our understanding of the nature of republicanism and its role in seventeenth-century politics.

Houston's book extends this layer into the eighteenth century and across the Atlantic to the American colonies. His book is primarily a study of Sidney's political thought which puts forth as Sidney's major themes liberty and slavery, virtue and corruption, and constitutionalism and revolution. In addition, Houston assesses Sidney's impact during the American Revolution. Like Scott, Houston concludes that Sidney's republicanism is not of a Harrington variety, but Houston goes still further to "cast doubt on the widely held view that there existed a distinct and coherent 'republican' language of politics in revolutionary America that was distinct from and in tension with Lockean liberalism." (pp. 224-5)

This perhaps attributes too much autonomy to the political "languages" described by Pocock. Pocock has asserted that there are constructed over time in a political culture particular, coherent languages in which political discourse is most frequently conducted. This argument does not suggest that one political language will necessarily predominate but rather affirms that an author may incorporate elements of several "languages" as his argument demands. The influences of classical republicanism are undoubtedly present in the writings of the American founders, so scholars would better serve the interests of historical knowledge if they sought not to deny the influence of a republican "language" in American political discourse, but instead tried to understand both the sympathies and tensions between republicanism and liberalism, as well as their distinct features.

Houston's work takes a step in this direction, even if it is guided a little too much by the existing debate. Scott's biography makes a similar step from the deeper past of the seventeenth century when the seeds of a future liberalism were being sown by Whigs. Scott believes that the story of Sidney's life and thought "invites us to think about the relationship between the two [republicanism and whiggism]. Sidney reminds us that there was a relationship—or rather several—but that it was in no way straightforward." (p. 353) Now that Sidney's *Discourses* are again readily available, perhaps we will begin to consider our political heritage with increasing discrimination and care. Sidney, neither liberal nor classical republican in the sense that Pocock has invoked, but certainly republican and an important figure of Whig hagiography, may yet have much to teach us about ourselves.

Collections Newly Available

Thanks to several recent publications, scholars will now find it easier to obtain collections of important works from classic authors in the history of classical liberal thought. In addition to the above-mentioned republication of Algernon Sidney's *Discourses*, Liberty Press has also republished a collection of John Calhoun's essays, under the title *Union and Liberty: The Political Philosophy of John C. Calhoun*, edited by Ross M. Lence, and a collection of William Graham Sumner's works, edited by Robert C. Bannister and entitled *On Liberty, Society, and Politics* (both Indianapolis, 1992). Added to these is an excellent collection of the political writings of Lysander Spooner, entitled *The Lysander Spooner Reader* (San Francisco: Fox & Wilkes, 1992). This collection contains, among others, the classic Spooner essays "Vices Are Not Crimes" and "No Treason."

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Nationalism (Continued from page 9)

the idea of the nation. (Anderson makes this point convincingly, pp. 37-46.) In England the translation of the Bible sponsored by King James served to bind the English closer to the Anglican church, thereby uniting church, language and nation. In contrast, in France, as Elizabeth Eisenstein notes, it was only after the dissolution of the Jesuit Order in the 1760s, "under anti-clerical auspices that French triumphed over regional tongues and the basis for a truly national system of lay education was laid." (Elizabeth L. Eisenstein, *The Printing Press as an Agent of Change* [Cambridge: Cambridge University Press, 1980], pp. 350-351)

While the print revolution may have sown the seeds of national self-consciousness, most people continued to identify themselves by their religious affiliation, rather than their nationality. Such religious identification, of course, often carried with it political loyalty, such as for or against the feudal estates or the Habsburg power. Similarly, the dynastic wars of the seventeenth and eighteenth century had little, if any, connection to national differences.

Most students of nationalism draw a causal link between the changes underway in Europe during the end of the eighteenth century and the development of nationalism during that same period. Ernest Gellner, for example, portrays nationalism as being inextricably bound to the development of the social and economic conditions of the eighteenth century. (Gellner, *Nations and Nationalism*, p. 125. See also Karl Deutsch, *Nationalism and Social Communication* [Cambridge, MA: MIT Press,1966], which links the development of nationalism with "modernization.") As people left their villages and farms for the growing cities, they also left behind many of their previous attachments and were receptive to new ones.

The great social and economic changes underway during the late eighteenth century were accompanied by change in political thought as liberalism began to compete effectively against the ideas of divine right of kings and absolutism. Some forms of "exceptionalism" (a precursor of nationalism, as it were), as they grew in England and British North America, were closely tied to liberalism, particularly those ideas articulated by John Locke and radical Whig thinkers. The American War of Independence, for example, was both a manifestation of the idea of national self determination and an assertion of radical liberal principles. The American nationality was defined by the belief in a set of liberal propositions which, the Americans believed, applied not only to themselves but to all humankind. Similarly, English nationalism as it developed during the eighteenth and nineteenth centuries maintained its roots in the idea of individual liberty.

Locke's philosophy, and especially the American Revolution, made a profound impression on many French intellectuals. To the belief in individual liberty, however, the French philosopher Jean Jacques Rousseau added other ideas which were to lead to a very different kind of nationalism. Unlike Locke, who saw each individual person enjoying self proprietorship, Rousseau developed the idea of the sovereign power of "the people" or of "the nation." As this view developed, it was concluded that the

> sovereign state is the manifestation of the nation. (Kohn, p. 22)

"Public" (i.e. state-run) schools emerged at precisely the time when nationalism was growing. The state used its schools to teach a common "national" (i.e. enforced) language, partly to reinforce a sense of "belonging," or loyalty to the state, but also to facilitate state functions, such as tax collection and military conscription.

Rousseau's shift of emphasis had very far reaching consequences. In the developing American and (to some extent) British nationalism the nation was equal to the sum of its individual members. Furthermore, (in theory at least) the State existed as an autonomous entity that was a servant of the people—circumscribed in power—and not its highest expression. In Rousseau's formulation, the nation was an entity constituted by the general will, transcending the significance of the individual. The nation was, in other words, greater than the sum of its parts. This subtle difference was to become extremely significant since the peoples of central and eastern Europe, and later of the rest of the world, became acquainted with the "Rousseauist" rather than "Whig" version of nationalism, with very serious results.

During the French Revolutionary period, intellectuals elsewhere in Europe became interested in the idea of nationality. Perhaps the most important of these was Johann Gottfried von Herder (1744-1803). Von Herder was intrigued by the idea of nationality. Clearly influenced by Rousseau,

> he developed the idea that nations were "organic" entities that were made up of individual people but that had a transcendent existence, greater than the individuals that comprised them. He argued that the individual could only attain his greatest potential through the medium of his nationality. Herder, however, was not a "nationalist" since he did not seek the establishment of nation-states. To him, nationality was a "spiritual and moral," rather than political, concept. (Kohn, p. 31)

Herder was convinced that the development of nationalism would usher in an era of peace as each nationality strove to develop itself. Although German, he glorified the Slavs as a peaceful and industrious people who had a wonderful future ahead of them as soon as they became nationally self conscious. (Kohn, pp. 106-108)[1]

Herder also formulated the idea that each nation's language is somehow mystically tied up with its "soul" and that a person can only really express himself and develop through the medium of his native language. To this end, Herder was an indefatigable linguist and folklorist. He wrote many volumes on the languages and folktales of the Slavs. Two of his disciples, the Brothers Grimm, are famous for their catalogue of German folktales.

The growth of the centralized state as well as the fascination with vernacular languages both fostered the growth of nationalism. Hobsbawm develops this theme at some length. Concentrating on the importance of a "national" language to the construction of an "imagined community" he presents the growth of nationalism as a direct consequence of the establishment of the modern bureaucratic state. The modern state needs to promote a common language among its subjects. "Public" (i.e. state-run) schools emerged at precisely the time when nationalism was growing. The state used its schools to teach a common "national" (i.e. enforced) language, partly to reinforce a sense of "belonging," or loyalty to the state, but also to facilitate state functions, such as tax collection and military conscription.

As politics became more democratic and monarchs lost the last vestiges of their previous legitimacy, rulers needed something new upon which to base their power.

The extraction of revenues from the population and the formation of vast military organizations for territorial aggrandizement drove the evolution of the modern state system in Europe. The breakdown of "particularism" and the subsequent emergence of nationalist ideology are closely connected to this process. The historian Otto Hintze stressed the role of military organization in the formation of centralized states, pointing out that "In the Continental states the army became the very backbone of the new centralized greater state. In order to enable the French crown to fight Spain and Austria, Richelieu suppressed with force the particularism of the provinces and thus created a unified absolutist state, such as was hitherto unknown." ("Military Organization and State Organization," in Felix Gilbert, ed., *The Historical Essays of Otto Hintze* [New York: Oxford University Press, 1975], p. 199; see also his essay "The State in Historical Perspective," in Reinhard Bendix, ed., *State and Society: A Reader in Comparative Political Sociology* [Berkeley: University of California Press, 1968].)

Charles Tilley has argued that the elimination of particularism and its replacement by direct rule fostered national homogenization and nationalism: "As direct rule expanded throughout Europe, the welfare, culture, and daily routines of ordinary Europeans came to depend as never before on which state they happened to reside in. Internally, states undertook to impose national languages, national educational systems, national military service, and much more. Externally, they began to control movement across frontiers, to use tariffs and customs as instruments of economic policy, and to treat foreigners as distinctive kinds of people deserving limited rights and close surveillance." (*Coercion, Capital, and European States: AD 990-1992* [Cambridge, MA: Blackwell, 1992], pp. 115-116) As a result, argues Tilley, two mutually reinforcing forms of nationalism emerged: one refers to "the mobilization of populations that do not have their own state around a claim to political independence," the other to "the mobilization of the population of an existing state around a strong identification with that state" (op. cit., p. 116). (Tilley builds much of this work on the important insights of the economic historian Frederic Lane about the striking parallels between the growth of states and modern "protection rackets." See Tilley, "War Making and State Making as Organized Crime," in Evans, Roueschemeyer, and Skocpol, eds., *Bringing the State Back In* [New York: Cambridge University Press, 1990] and Frederic C. Lane, "Economic Consequences of Organized Violence," *Journal of Economic History* Vol. 18 (1958) and "The Economic Meaning of War and Protection," in *Venice and History: The Collected Papers of Frederic C. Lane* [Baltimore: The Johns Hopkins Press, 1966].)

The importance of nation building grew at the expense of liberalism throughout eastern Europe.

Besides these aspects of the growth of the modern state it is no accident, according to Hobsbawm, that the participation of the "masses" in politics coincided with the age of nationalism. As politics became more democratic and monarchs lost the last vestiges of their previous legitimacy, rulers needed something new upon which to base their power. (Hobsbawm, p. 84) To summarize this view, Hobsbawm states:

> The very act of democratizing politics, i.e. of turning subjects into citizens, tends to produce a populist consciousness which, seen in some lights, is hard to distinguish from a national, even a chauvinist, patriotism—for if 'the country' is in some way 'mine', then it is more readily seen as preferable to those of foreigners...(Hobsbawm, p. 88)

Both liberalism and nationalism shared a healthy loathing of dynastic absolutism and of the censorship and oppression that it brought, linking their fates closely together through the eighteenth and early nineteenth centuries. The Revolutionary and Napoleonic Wars, however, largely succeeded in destroying whatever aspects of individualism and liberalism had existed in nationalism. Beginning with the middle of the nineteenth century, the history of nationalism on the continent of Europe would be dominated by increasingly anti-liberal, or anti-individualistic, themes. The emerging nations of Europe became acquainted with nationalism "not as a vehicle of individual liberty but as an adoration of collective power." (Kohn, p. 29)

Nation Building

In much of western Europe the geographic boundaries of the nation state had preceded the building of the nation itself. For example, there was a Kingdom of France (a "proto-nation state") before there was a French nation. In central and eastern Europe the situation was completely reversed. In these areas "nations" were born before proto-nation states. Much of east-central Europe was controlled by four great multi-national empires, namely the German, Russian, Habsburg

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and Ottoman. Many of the people who inhabited these empires had no historical state "of their own" with which they might identify. The Slovaks, Slovenes and Ruthenians, for example, had never had even an embryonic state as had the Czechs, Croats, Bulgars, Germans, Lithuanians, Magyars, Poles, Romanians and Serbs. For the peoples living in central and eastern Europe, the liberal aspirations of nationalism were submerged while the goal of building a nation state became paramount.

The best example of this transformation is the development of the German nation that occurred over a long period between approximately 1700 and 1871. During this period there was no such country as "Germany," but a German nation was slowly emerging. The most spectacular evidence of this newborn nation was the Revolution of 1848. As Hans Kohn puts it: "...the new nationalism stressed collective power and unity far above individual liberty: it tended to mean independence from outside rather than freedom within." (Kohn, p. 50) The sad results of this confusion of liberalism and nationalism were to plague the countries of central Europe well into the twentieth century.[2]

The process of "nation building" that began during the late nineteenth century and has continued well into the twentieth century was dominated by an interpretation of nationalism almost completely divorced from its roots as an associate of liberalism.

The importance of nation building grew at the expense of liberalism throughout eastern Europe. As in Germany, nationalism in eastern Europe quickly focused on narrow national issues at the expense of individual liberties. Moreover, nationalists were not at all inclined to grant other nationalities the same rights that they themselves sought. For example, the revolutionary "April Laws" enacted by the Magyar nationalists in 1848 created a virtually independent Hungarian state with many liberal trappings. However, the state was to be a unitary, Magyar nation-state. Other nationalities, such as Croats, Romanians, and Slovaks, although making up half the population of the Kingdom of Hungary, were ignored and even suppressed, as the language of the state school system was decreed to be Hungarian; this provision was to be changed only in 1849, after the Habsburgs had succeeded in mobilizing the non-Magyar population against the revolution. (Robert Kann and Zdenek David, *Peoples of the Eastern Habsburg Lands, 1526-1918* [Seattle: University of Washington Press, 1984], pp. 344-345)

In the Balkans, most of which were divided between the Ottoman and Habsburg Empires during most of the nineteenth century, nationalism emerged as part of the general dissatisfaction with the maladministration of the declining Ottoman Empire, or as a reaction against the changes within Austria-Hungary. In Serbia nationalism developed as a reaction against the outrageous depredations of the Janissaries, the local Ottoman military forces. In the South Slav lands dominated by the Habsburgs two Croat clerics, Bishop Josip Strossmayer and Cannon Franjo Racki, formulated a national idea called Yugoslavism (i.e. "South-Slavism"). These clerics and their followers built on an earlier south Slavic movement called Illyrianism. (Kann and David, pp. 265-266)

The Yugoslavists believed that there was essentially no difference between the various Yugoslav peoples. According to Yugoslavism, the Serbs, Croats, Slovenes, Macedonians, Muslim Slavs, and even Bulgarians formed not distinct nations, but were "tribes" of one great People: the Yugoslavs. The Yugoslavists sought actively to foster the newly discovered nationality. Perhaps most importantly, they continued the Illyrianist movement's encouragement of the use of the "Stokavian" dialect (which approximated dialects spoken by many of the south Slavic peoples) rather than the "Kajkavian" dialect popular in the Zagreb area. An anti-Yugoslav national movement among the Croats was the "Party of Rights" of Ante Starcevic. He, like the Yugoslavists, believed that all South Slavs belonged to one nation. However, according to Starcevic, that nation was Croat, not Yugoslav. Serbs, he believed, were simply orthodox Croats. (Charles and Barbara Jelavich, *The Establishment of the Balkan National States, 1804-1920* [Seattle: University of Washington Press, 1986], p. 252)

The Yugoslav idea was the creation of South Slavs, mostly Croats, who lived in the South Slav lands of the Habsburg Monarchy. South Slavs outside the monarchy, in the Serbian kingdom for example, were considerably less interested in the idea. In fact, most Serb intellectuals and the Royal Serbian government were interested in the Yugoslav idea only insofar as it facilitated their own ambitions for a Greater Serbia. Interestingly, the great Serbian philologist Vuk Karadzic (mentioned earlier), like the Illyrianists and Yugoslavists, selected the Stokavian dialect as the basis for a common literary language. Unlike the Illyrianists and Yugoslavists, however, he firmly believed that anyone who spoke Stokavian was a Serb, not an Illyrian or Yugoslav.

Both the Yugoslavist movement and the Croat nationalism developed by Starcevic and his followers were encouraged (indirectly) by the changes occurring within the Austrian Empire (after 1867 called Austria-Hungary). The growth of nationalism among many of the peoples of the Empire, especially the Magyars, further stimulated the development of nationalism among the Croat, Slovene, and Serb populations in the Empire.

In east and central Europe nation building was complicated by the language problem. The selection of any one vernacular as the standard for a national language immediately gave the speakers of that dialect an advantage over speakers of other dialects. The purpose was not always national chauvinism, however. For example, Emperor Joseph II of Austria's choice of German to replace Latin as the administrative language of the Empire in 1784 was not motivated by any sense of German nationalism. As Oskar Jaszi, in his very rewarding study of the Habsburg nationality problem (*The Dissolution of the Habsburg Monarchy* [Chicago: University of Chicago Press, 1961]) points out, "(T)his Germanization was not directed against the mother-tongue of the people but it aimed rather to establish in the place of the dead Latin language which remained the language of the nobility, particularly in Hungary, a modern language for the use of international communication and the state administration." (pp. 63-64)

Yet, the Emperor's move very quickly created great problems with the other politically active peoples of the Empire, particularly the Magyars and Czechs. As these two nations developed their own "national" languages, other groups within the Empire, such as the Croats and Slovaks, were stimulated to do so. The language issue was important not merely for sentimental reasons, but for practical ones as well. As the Austrian (Austro-Hungarian after 1867) bureaucracy grew during the nineteenth century, the language one spoke became of great importance. Only speakers of "official" languages could obtain high-ranking positions within the government's service.

The development of nationalism in Asia, and later in Africa, was greatly influenced by the growing role of European powers in those areas. It is, in fact, in Asia and Africa where nationalism developed last and where many of its worst manifestations are today in evidence. The study of the experiences of the people of these areas with nationalism over the past century should be extremely interesting and valuable to the student of nationalism. For example, all attempts at forming a single Arab nation state, from the early twentieth century until today, have failed. These failures have been despite assertions, based on common language, that the Arabs do indeed form a nation. Have the political boundaries of the states of the Middle East (drawn only after World War I) created separate Syrian, Jordanian, Iraqi and Egyptian "nations?" Or did these political boundaries only reinforce a sense of regionalism which had been developing for decades, if not centuries? (For an account of the creation of a modern state system in the Arab lands, see David Fromkin's *A Peace to End all Peace: The Fall of the Ottoman Empire and the Creation of the Modern Middle East* [New York: Avon Books, 1989]. See also Rashid Khalidi, ed., *The Origins of Arab Nationalism* [New York: Columbia University Press, 1991].)

With the breakup of the Soviet system, many of the former communist states have been turning to nationalism to provide a new basis for their power and legitimacy.

The process of "nation building" that began during the late nineteenth century and has continued well into the twentieth century was dominated by an interpretation of nationalism almost completely divorced from its roots as an associate of liberalism. As early as 1900, the German-American classical liberal E. L. Godkin was able to foresee the triumph of illiberal nationalism and the horrors that it would bring:

> Nationalism in the sense of national greed has supplanted liberalism. It is an old foe under a new name. By making the aggrandizement of a particular nation a higher end than the welfare of mankind, it has sophisticated the moral sense of Christendom...The old fallacy of divine right has once more asserted its ruinous power, and before it is again repudiated there must be international struggles on a terrific scale. ("The Eclipse of Liberalism," *The Nation*, Aug. 9, 1900)

Suggestions for Further Research

As this essay has shown, despite the great importance of nationalism in modern history, it is still only imperfectly understood. The study of nationalism has been dominated by Marxists (for example, Hobsbawm and Anderson), who bring with them their economic-class based methods of analysis. While much of the work done by these scholars is excellent, they generally portray the development of the national idea and nationalism as the result of the emergence of capitalism and related changes in state structure. Classical liberal scholars have the chance to bring new insights to many of the problems of nationalism.

For example, historians interested in classical liberalism should examine the relationship between the changes in state structure and politics during the late nineteenth and early twentieth centuries and the growth of nationalism. During the early nineteenth century, nationalism and liberalism often went hand in hand in the struggle against the absolutist political regimes of Europe. The process by which nationalism came to dominate liberalism needs to be investigated more fully.

The relationship between nationalism and communism in the former U.S.S.R and its satellites is another interesting and timely topic. Despite the fact that these regimes were ostensibly based upon the supranational ideology of communism, they all had to incorporate nationalism within their official ideologies to a greater or lesser extent. This gave rise to the horrible mutations of "national communism" and "communist nationalism." With the breakup of the Soviet system, many of the former communist states have been turning to nationalism to provide a new basis for their power and legitimacy. Unfortunately, many of these states seem to have reverted to the militaristic nationalism of the late nineteenth and early twentieth centuries. (Juliana Geran Pilon provides an extremely interesting examination of post-communist nationalism, particularly in Romania, in her book *The Bloody Flag* [New Brunswick and London: Transaction Publishers, 1992].)

The problems of national self-consciousness and nationalist struggles should be of interest to students of public choice theory and those studying group conflict. Of particular interest is the question of group rights as opposed to individual rights. (See, for example, the arguments for group rights in Will Kymlicka's *Liberalism, Community, and Culture* [Oxford: Clarendon Press, 1989], and those against group rights in Chandran Kukathas's "Are There any Cultural Rights?" in *Political Theory* Vol. 20 [February 1992].) In place of the idea that nations (supposedly like the economic classes of Marxist analysis) have irreconcilable differences, classical liberal thought offers a philosophy of mutual interests among all "classes" and nations. Ludwig von

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Mises argued in his essay "The Clash of Group Interests" that the operations of the free market tend to draw people together and that government meddling in the market bears much of the responsibility for creating conflict among different groups. (*The Clash of Group Interests and Other Essays* [New York: Center for Libertarian Studies, Occasional Paper Series No.7, 1978])

Scholars interested in classical liberalism are in a position to explore the ways in which an application of classical liberal ideas could help to defuse the conflicts and tensions created by nationalism. Von Mises, for example, pointed out that it is precisely the wide range of activities that are carried out by the modern state that makes the issue of national borders so significant. (Ludwig von Mises, *Liberalism* [New York: Foundation for Economic Education, 1985], pp. 118-121, 144)

Since the modern, central state intrudes so significantly into the life of the individual, people are only acting rationally if they do not wish to live in a state dominated by a nationality other than their own. The majority nationality would necessarily control the state apparatus, including the means of coercion and the redistributive mechanisms common to most modern states. A state based on classical liberal ideas would intrude far less, or not at all, into the lives of its citizens and therefore the issue of which national group controlled the state apparatus would be largely irrelevant. As von Mises wrote:

> Of course, the struggle of nationalities over the state and government cannot disappear completely from polyglot territories. But it will lose sharpness to the extent that the functions of the state are restricted and the freedom of the individual is extended. Whoever wishes peace among people must fight statism. (*Nation, State and Economy*, p. 77)

Notes

1. Such hopes for national realization did not always rest on the idea of founding a nation state. The Russian anarchist Mikhail Bakunin, for example, combined his national appeal to the Slavs with an explicit rejection of the state: "The Germans seek their life and liberty in the state, while to the Slavs the state is a coffin. The Slavs must seek their liberation outside of the state, not just in struggle against the German state but in an uprising of all nations against all states, in a social revolution. The Slavs can liberate themselves, they can destroy the hated German state, not through futile efforts to subject the Germans to their domination and make them slaves of their own Slavic state, but only by summoning them to universal liberty and universal brotherhood on the ruins of all existing states." (Mikhail Bakunin, *Statism and Anarchy* [Cambridge: Cambridge University Press, 1990, p. 45])

2. For the long-term effects of the failure of the liberal revolutions of 1848 on German politics, and especially on the growth of chauvinistic nationalism, see Woodruff D. Smith, *Politics and the Sciences of Culture in Germany, 1840-1920* [New York: Oxford University Press, 1991]: "In general, the effects of the 1848 revolution on German liberalism are well known. The failure of the revolution [that is, the failure of the liberal governments of 1848 to maintain themselves in power and of the National Assembly to unify Germany under a liberal regime] was clearly a setback to the liberal movement." (p. 36)

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either too indeterminate to be of much use (since "people" is so ambiguous) or it is implausible because it leads to so much fragmentation (since pluralism is so much a part of modern nation states) (p. 49). Buchanan suggests that the popular appeal of this principle depends precisely on its vagueness. He says this principle "is a kind of placeholder for a range of possible principles specifying various forms and degrees of independence" (p. 50). It is the power of these more basic principles that explains the attractiveness of the nationalist banner. According to Buchanan, central among the more basic principles for which self-determination serves as a place-holder is the principle that a group may secede to protect its culture from being destroyed (p. 50). We shall consider that principle shortly. But as a self-standing argument for secession, Buchanan concludes that the nationalistic principle of self-determination is "one of the least plausible justifications" for secession (p. 48).

A much better justification for secession, and indeed perhaps the strongest one, comes into play when a group secedes in order to rectify past injustices. As Buchanan says, this argument has application to many actual secession movements in the world, notably those of the Baltic Republics. By this rationale, a region has a right to secede if that region was unjustly incorporated into the existing state (p. 67). Such unjust incorporation could happen in either of two ways: "the seceding area may have been directly annexed by the currently existing state" (as with the Baltic Republics); or "it may have been unjustly acquired by some earlier state that is the ancestor of the currently existing state" (as with Bangladesh's secession from Pakistan, which, along with most of the Indian subcontinent, previously had itself been incorporated into the British Empire by conquest) (p. 67). In either form, the argument for secession as a way to rectify past injustices is powerful because in such cases "secession is simply the reappropriation, by the legitimate owner, of stolen property" (p. 67). The right to secede, in such cases, is an instance of the general right of a person to reclaim what is his own. The argument from rectificatory justice is perhaps the most potent grounding for a right to secede because this sort of justification directly delivers one crucial desideratum of a claim to secede: a valid claim to territory.

Indeed, so important is the territorial claim component to any putative right of secession, and so directly is that component delivered by the argument from rectificatory justice, that one might believe that secession could *only* be justified by a rectificatory claim to territory.[4] However, Buchanan is right to reject this position as being implausibly strong. For, as Buchanan says, there are valid non-rectificatory justifications for secession.

For example, Buchanan says a group may have a right to secede if that group is seeking to secede from a state "in order to protect its members from extermination by that state itself" (p. 65). By elaborating on the historical case of a group of Polish Jews who from 1941 to 1945 battled to establish and maintain a Jewish sanctuary state in a portion of Poland (that was occupied by Germany), Buchanan claims that self-defense can in some cases provide a compelling justification for a group's having a right to secede (p. 66). Note that in self-defense cases, the pro-secession justification does not itself rest on a valid territorial

claim: the concern from which the justification gets its push is not a concern about territory but the concern that the group avoid extermination. Therefore, Buchanan says, there are powerful moral justifications for a right to secede that while not *founded* on a valid territorial claim can nonetheless *generate* one.

One of the most interesting nonrectificatory justifications of secession arises when a group wishes to secede in order to preserve its cultural identity. Buchanan sets out five conditions that must be met for secession to be justified by the preservation-of-culture argument. First, the group's culture genuinely must be in jeopardy (p. 61). Second, less drastic ways of preserving the culture—such as so-called "group rights" (see below)—must be inadequate (pp. 56-9, 61). Third, the culture must not, like a Nazi culture, be itself pernicious and below minimum standards of justice (pp. 56, 61). Fourth, "the group must not be seeking independence in order to establish an illiberal state, that is, one which fails to uphold basic individual civil and political rights, and from which free exit is denied" (p. 61). Finally, "neither the state nor any third party can have a valid claim to the seceding territory" (p. 61).

Of the twelve pro-secession arguments Buchanan discusses, the cultural preservation justification raises the most difficult theoretical questions. First, each of the five conditions required for such a right to obtain raises questions of its own. For example, how do we know when a culture is in "genuine jeopardy" rather than merely undergoing a natural transformation? And when, in a liberal state that recognizes private property, does a *state* ever have a valid claim to property?[5] Second, Buchanan says that the most often heard pro-secession argument—the argument from nationalistic self-determination—is a rhetorical placeholder for the cultural defense argument (p. 50)[6]; yet Buchanan also says of the cultural defense argument that, because of its five conditions, this argument is "of rather limited utility" and will "only rarely" justify secession (p. 64). But does that mean that many of the most familiar and moving secession arguments, the ones so often headlining recent news reports, may be fallacious? A third set of questions raised by the cultural preservation argument is still more theoretical, and goes straight to the heart of one of today's most heated academic disputes: the debate between communitarians and liberals. The debate is between liberal individualists and their communitarian critics, who worry that the liberal emphasis on individual rights tends to corrode the more harmonious forms of interpersonal attachment that make human life worth living at all.[7]

Buchanan says the dispute between communitarians and liberals is arguably "the most vigorous debate of contemporary political philosophy." Interestingly, he suggests in another place that "one reason for the current impasse in this debate may be a failure on both sides to take seriously the possibility of secession as a way of preserving a general commitment to the liberal framework while accommodating the fact that there are some forms of community that may not be able to flourish within it but which it would be wrong to force to conform" ("Toward a Theory of Secession," *Ethics* Vol. 101 [January 1991], p. 324). Because Buchanan views secession as a group right, and because Buchanan offers his argument in favor of secession rights as a solution to the liberal/communitarian debate, we can locate Buchanan as one of those who think liberalism should reply to the communitarian critique by recognizing group rights, instead of only the more traditional individual ones. Buchanan is not alone in adopting this view. In the last several years, several liberals—most notably Will Kymlicka—have argued that a commitment to liberal principles positively *calls for* the recognition of group rights. Kymlicka, whom Buchanan cites approvingly (pp. 38-40, 53-54), argues that the way for liberalism to preserve communities is for it to recognize special group property rights and language rights for cultural minorities, such as Inuit or Quebecois in Canada.[8] Buchanan advocates secession as merely the most extreme of the group rights that liberalism can recognize in order to make room for community (pp. 74-81, 148).

However, it is far from clear that recognizing "group rights," including group secession rights, is the best way for liberals to meet the communitarian challenge. And, to return to a question raised in the beginning of this essay, why should we assume that secession need be supported by a *group* right at all? Can individuals have a right to secede? Buchanan thinks they cannot, since he thinks a group's right to secede cannot without loss be reduced to a collection of individual secession rights. This is because "it is impossible to spell out the content of the decision in which the individual has a right to participate [that is, seceding as part of a group] without referring again to the group" (p. 76). He concludes, "if an individual right is one that...can be exercised independently by an individual, then the right to secede...is not an individual right" (p. 76).

Can individuals have a right to secede?

But note that Buchanan's argument assumes, quite without warrant, that the conceptual possibility of one's having a right to participate in some action depends on the conceptual possibility of the action's being described wholly in terms of rights-talk. Plainly, this needn't be so. People who have individual rights can use those rights to engage in collective actions of all kinds, even when a description of those (complex) actions cannot be reduced without loss into lists of the rights of the participants. A description of the *rights* people have is only one ingredient in the description of many of the things people choose to do—including many of the most interesting and significant things they do.[9] As a conceptual matter, the shift to individual secession rights requires only a shift in the rhetoric of secession: from "As a matter of justice, my group may be allowed to secede" to "As a matter of justice, every person here is free to secede if he wishes and, by the way, we in my group have decided to secede together right now."

I suspect that Buchanan's reluctance to think in terms of individual secession rights is rooted not in a conceptual worry but in a practical one. Recall that one reason Buchanan rejected the Nationalistic Self-determination argument was his worry that, in a world of deeply pluralistic nation states, this grounding for secession might lead to endless fragmentation. In another place, Buchanan describes as a *reductio ad absurdum* the slide from recognizing secession rights first for large groups, then for smaller ones, and finally for individuals. About the ("absurd") end of that slide, Buchanan jokes "not Everyman's home his

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castle; rather, Everyman's yard his country" (p. 102).[10]

But there is no reason to think that if a liberal state recognized individual rights of secession that state would find itself subdivided into a patchwork of quarter-acre countries. High costs of exit, along with other considerations, including perhaps an awareness of the benefits of cooperation, would likely make it fairly unusual that people would take the drastic step of asserting their right to secede and building perimeter fences. Still, it may be important for a state to recognize rights held by individuals even when individuals would not (or even *should* not) exercise those rights by asserting the claims associated with them.[11] If individuals have a right to secede, one way each may exercise his right is by asserting his claim and exiting his political community. But a citizen's recognition of his right to exit politically also empowers him to do something very different: he may withhold his claim and remain, with his land, a part of his political community. When the state recognizes that each citizen may rightfully secede when he chooses, and yet when (many) citizens choose to stay on, an important transformation occurs: citizens become politically empowered by being made responsible for their participation, day by day, in the political project of their state.

Some professed libertarians will no doubt agree with me that liberalism should recognize an individual right of secession, yet they may feel that my argument has taken a seriously wrong turn. They might say, "What's wrong with Everyman's yard his country?!" The point of individuals having rights to secede, they will say, is to enable people to do just that. After all, libertarianism is all about the minimal state: what better way to get there than by breaking up nation states yard by yard?

A view that is anarchistic in that sense does not deserve the title "libertarian." For libertarianism need not involve a commitment to the minimal state.[12] Rather, libertarianism is a commitment to the recognition and protection of a strong set of individual rights, central among them rights to property and to contract. What people, individually or collectively, choose to *do* with their rights, how they use their rights to bind themselves with one another, is something about which "libertarianism" has little to say. This suggests the possibility that libertarianism is not so much a thesis about the *breadth* of legitimate political obligation, but about the *nature* of it: it is the thesis that the state, whatever its form or girth, is legitimate only when it exists by the choice of each of those subject to it.[13]

Reflections on an individual right to secession reveal that there are two different understandings about the goals of one's commitment to libertarianism, about the hopes one has for a society where many other people come to share that commitment. By the first understanding, the goal of libertarianism is to break down modern nation-states so that self-owning individuals will be set free. But a second understanding of libertarianism expresses a different hope: by it, the aim is not so much to take down modern society but to transform it. By the second view, one advocates radical libertarian change not so that people will be "made free" but so that they may come *to be bound* to one another in the appropriate way. The difference is no small one.

Notes

1. For an excellent historical discussion of this question, see Sheldon Richman "The Anti-War Abolitionists: The Peace Movement's Split over the Civil War," *The Journal of Libertarian Studies*, Vol. 4, No. 3 (Summer 1981).

2. At least, Buchanan's arguments help us with all these questions but the last one, the one about *individual* secession. I'll have more to say about that below.

3. Other pro-secessionist arguments Buchanan discusses include the argument from liberty (pp. 29-32), from the good of furthering diversity (pp. 32-3), from satisfaction of the limited goals of political association (pp. 35-6), from making entry easier (pp. 37-8), from escaping discriminatory redistribution (pp. 38-45), from enhancing efficiency (pp. 45-8), and the argument from consent (pp. 71-3).

4. This is the position of Lea Brilmayer, who argues that a group's possessing a valid claim based on rectificatory justice is a necessary condition of that group's possessing a right to secede (see Brilmayer, "Secession and Self-Determination: A Territorialist Reinterpretation," *Yale Journal of International Law*, Vol. 16, No. 1, January 1991, pp. 177-202).

5. For discussion of this question, see Lea Brilmayer's "Consent, Contract, and Territory," *University of Minnesota Law Review* Vol. 74 (1989).

6. Note, though, that Buchanan does not say that the self-determination principle is always or only a placeholder for the preservation of culture argument.

7. Two major communitarian texts are Michael Sandel's *Liberalism and the Limits of Justice* (Cambridge: 1982), and Alasdair MacIntyre's *After Virtue* (Notre Dame: 1984). The classic exposition of the debate is Amy Guttman's "Communitarian Critics of Liberalism," in *Philosophy and Public Affairs* Vol. 14 (1985). I suggest an individualist solution in "Individual Rights and Community Virtues," in *Ethics* Vol. 101 (1991). For a fascinating alternative solution, see Stephen Macedo's *Liberal Virtues* (Oxford: 1990). I review Macedo's solution in *Ethics* Vol. 102 (1992).

8. Kymlicka argues that cultural communities provide individuals with a context for choice, and since liberal justice is based on the importance of choice, liberalism should recognize those group rights required to preserve cultural choice contexts (*Liberalism, Community and Culture* [Oxford: 1989]). For a critique (and a reply by Kymlicka), see Chandran Kukathas, "Are There Any Cultural Rights?" and Kymlicka, "The Rights of Minority Cultures," both in *Political Theory* Vol. 20 (February 1992).

9. For example, people can get themselves married even without there being a group right to marriage. Justice does enough toward getting people "down the aisle" when it sets out individual rights protecting spouse-selection. It simply doesn't matter that it is impossible to spell out the content of the notion "marriage" without referring again to a group (i.e. the couple) rather than just to individuals and their discrete marriage-related rights.

10. Buchanan rejects that *reductio* (which he considers as an objection to secession of any sort) because it assumes, unlike Buchanan, that secession must be an unlimited right (pp. 102-4). Note that in the text I too reject that *reductio*, but for a very different reason (a reason that stands with or without the assumption Buchanan rejects).

11. I examine this idea at length in my Oxford D.Phil. thesis, *Liberalism Beyond Justice: A Conceptual Model for Liberal Community* (1992).

12. This claim, and the argument that flows from it, are controversial. Their controversiality turns mainly on how one understands the term "state." Because I am not prepared to offer an account of the word "state" in this essay, I offer the following argument only as a suggestion. I hope soon to develop these ideas in another essay devoted to these problems.

13. A rich discussion of the role of choice in political obligation is Plato's *Crito*. A good modern treatment is A. John Simmons' *Political Obligation* (Princeton University Press, 1979). Buchanan discusses consent as a justification for secession at pp. 70-3.

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