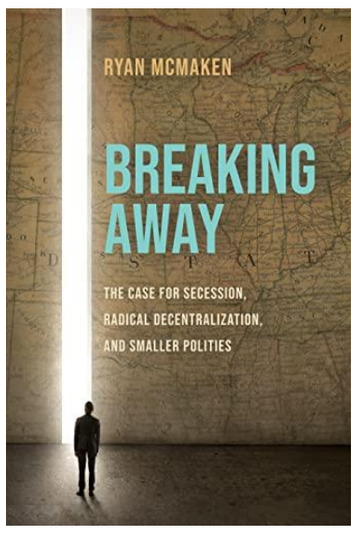

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Breaking Away: The Case for Secession, Radical Decentralization, and Smaller Polities

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> The first benefit of decentralization is that smaller states and decentralized states allow residents to make more choices as to what sort of regime they wish to live under in order to better meet their needs and protect their rights. Within the United States, for example, businesses and private citizens move from state to state in order to avoid taxes, regulations, or to otherwise change the nature of the government under which they live. This occurs at the international level as well, as can be seen in the phenomenon of migrant workers, refugees, asylum-seekers, and businesses all seeking to improve their situations. Polities that are physically smaller allow for easier relocation and more choice. For example, were the United States composed of just two or three member states, residents would have far fewer choices of governments under which to live. As it is, residents have dozens of choices, at least in terms of policy areas that are not dominated by the federal government.

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> We can put this another way: In the private sector, an industry with a large number of firms offers more choices, and the individual firms themselves possess less monopoly power. The same is true in the “marketplace” of states. More states mean more variety, more choice, and less monopoly power enjoyed by any single state.

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> For centuries, political reformers have sought ways to shape political institutions in ways designed to protect minority groups from being overwhelmed by the majority. Even in non-democratic political institutions, majority groups tend to exercise far more power than minority groups. This can be magnified in democratic regimes where elections often only serve to solidify policies favored by the majority. Many strategies have been employed to address this problem. Examples include an independent judiciary, and a variety of “checks and balances” designed to allow minority groups a chance to shape policy. These efforts can often fail if a minority group is unable to win influence in at least some key political institutions. When this happens, minority groups may find themselves as a part of a permanent minority and that means the minority group is locked out of power indefinitely. When that happens, the only solutions that can be found are in acts outside the realm of institutional political activism. Such acts include boycotts, passive resistance, and armed rebellion. This, of course, can lead to civil war, and it’s why secession and decentralization must be on the table as a means of providing minority groups with a chance at self-determination and self-government.

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> A third benefit of decentralization and secession is that they tend to limit the power of regimes and states overall. When regimes seek to increase their own power through conquest, confiscation of property, or other outrages, their potential for damage is limited by the size and scope of the state itself. According to Rockwell, “tyranny

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> Small and decentralized states, however, face more limitations when it comes to expanding power and limiting the freedoms of taxpayers and residents. It is these de facto limitations on political power that lead to the benefits of decentralization that I will discuss throughout the book.

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> Large states can therefore better avoid one of the most significant barriers to expanding state power: the ability of residents to move away.

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> The significance of this in practice becomes more clear if we consider the extreme and hypothetical case of a world with a single state. In this case, a person has no other choices at all. The number of actual choices equals zero, since our hypothetical megastate has a monopoly over the entire world. That is, a single global state is the most powerful state possible and a fully-formed state in the strictest sense. It has a complete and total monopoly of force over its population since its citizens cannot escape the state even if they emigrate. There is nowhere that they can emigrate to. On the other hand, a world composed of hundreds, thousands, or even tens of thousands of states (or regimes of varying types) would offer many choices to residents who might wish to change their living situation. The smaller states become, the more practical relocation options become for residents. This is due to the fact that proximity to the resources and people one desires to be near does matter as a real physical constraint. If one can escape a large state's jurisdiction only by emigrating one thousand miles, this is a considerably different situation than in the case of a small state from which exit requires only emigrating fifty miles. In the words of Kirkpatrick Sale, these smaller states are closer to "human scale."

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> In fact, we often see this at work even in partially decentralized political jurisdictions. In the US, for example, Americans and businesses often move across city and county lines to avoid certain regulations, to lower their taxes, or to take advantage of better amenities. When the city of Chicago in 2006 imposed a number of high regulatory hurdles against Wal-Mart, the retail giant elected to simply move one block away from the Chicago city limit, thus depriving the city of tax revenues, but allowing Wal-Mart access to Chicago's consumer population.3 If subunits in a confederation are appropriately small, "emigration" might be a matter of moving a few miles down the road, making the practical cost of emigration very low indeed.

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> But a multitude of borders brings with it an often-ignored advantage in terms of protecting human rights and basic freedoms: borders also act as a limit on a state's powers. Put another way, just as borders impose transaction costs on the general population, they also tend to impose transaction costs on states themselves, limiting the abilities of states to exercise their own powers outside their own borders.

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> Another advantage of borders—and the distinct territorial zones they create—is that they impose additional costs on supranational statelike organizations seeking to consolidate power and transform smaller states into mere components of large centralized states.

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> Although modern EU centralizers are attempting it, at no point has European civilization ever fallen under the dominion of a single state as has been the case in China. Even during the early modern period, as some polities managed to form absolutist states, much of Europe—such as the highly dynamic areas in the Low Countries, Northern Italy, and the German cities—remained in flux and highly decentralized. The rise of the merchant classes, banking, and an urban middle class—which began as early as the Middle Ages and were so essential in building industrial Europe—thrived without large states. After all, while a large polity with few internal borders can indeed lead to large markets with fewer transaction costs, concentrating power in one place brings big risks; a state that can facilitate trade across a large empire is also a state that can stifle trade through regulation, taxation, and even expropriation. The former vast kingdoms and empires of Asia may have once been well positioned to foster the creation of a wealthy merchant class and middle class. But the fact is this didn't happen. Those states instead focused on stifling threats to state power, centralizing political control of markets, and extorting the public through the imposition of fines and penalties on those who were disfavored by the ruling classes.

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> But why exactly does this sort of radical decentralization "limit the options" for ruling princes and kings? Freedom increases because under a decentralized system there are more "alternatives"—to use North's term—available to those seeking to avoid what E.L. Jones calls "predatory government tax behavior." Thus, historian David Landes emphasized the importance of "multiple, competing polities" in Europe in setting the stage for: private

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> More competent princes and kings adopted policies that led to economic prosperity in neighboring polities, and thus "freedom of movement among the nation-states offered opportunities for 'best practices' to diffuse in many spheres, not least the economic." Since European states were relatively small and weak— yet culturally similar to many neighboring jurisdictions—abuses of power by the ruling classes led to declines in both revenue and in the most valuable residents. Rulers sought to counter this by guaranteeing protections for private property. This

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> Nor was decentralization limited to the international system of separate sovereign states. Thanks to the longtime tug-of-war between the state and the church, and between kings and nobles, decentralization was common even within polities. Raico continues:

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> Over the long term, however, it was the system of international anarchy that appears to have ensured that states were constrained in their ability to tax and extort the merchant classes and middle classes, who were such a key component of Europe's rising economic fortunes.10

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> It is true that one of the most economically successful polities in the world today is a large one: the United States. The US's success, however, can be attributed to the enduring presence of political decentralization internally—especially during the nineteenth century—and to the latent, albeit receding, economic liberalism esteemed by much of its population. Europe, of course, was already rich—and relatively politically free compared to the despotic regimes of the East—long before it began to centralize political power under the banner of the European Union. Today,

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> Historically, the cost to the state of maintaining unity is raised through military means. Once a region in rebellion becomes sufficiently costly, it is abandoned by the outgoing central government.8 Examples of this tactic being successfully employed include the cases of the United States, the Republic of Ireland, and some of the successor states of Yugoslavia.9 But secession and decentralization have also often been achieved through bloodless or near bloodless means. This was the case in Iceland in 1944 and throughout most of the post-Iron Curtain states.

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> Bloodless secession movements, however, tend to enjoy the most success when the parent state is weakened by larger events beyond the secession movement itself. Iceland, for example, seceded in 1944 when World War II ensured that Denmark was in no position to object.10 The post-Soviet states seceded when the Soviet state had been rendered impotent by decades of economic decline and (in 1991) a failed coup.11 Nor is it a coincidence that India gained independence from the United Kingdom in the years immediately following World War II. It is likely the UK could have held on to India through military means indefinitely, but this would have come at a very high cost to the British economy and standard of living. It is possible to envision largely "amicable" separations. The model for this is the separation of Canada, Australia, and New Zealand from the United Kingdom. But even in these cases, British control over these Commonwealth states' foreign policy was not totally abandoned until after World War II, when the British state had been weakened by depression and war. Moreover, the British state assumed that these newly independent states would remain highly reliable geopolitical and economic allies indefinitely. Thus, the geopolitical cost of separation was perceived to be low.

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> Arendt was not an economist, but had she been one, she might have noted that the necessity of size is so central to totalitarian regimes because they are so economically inefficient. Contrary to promises of machine-like efficiency made by advocates of ever more powerful states, totalitarian states are absurdly wasteful both in terms of capital and human life. The same is true—to varying extents—for all regimes. But as the most centrally-planned ones— whether totalitarian or not—quickly become economic basket cases, large size is necessary.13 A smaller state would quickly exhaust its capital and its population, and the regime would collapse. Size can provide the appearance of sustainability for longer. Cultural factors cannot be ignored, however. Arendt concedes this process of collapse can be drawn out longer in societies that are more ideologically tolerant of it:

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> Naturally, powerful states are not enthusiastic about having to work through intermediaries when the central state could instead exercise direct power through its bureaucracy and by employing a centrally controlled machinery of coercion. Thus, if states can dispense with the inconveniences of “local sovereignty” this enables the sovereign power to exercise its own power all the more completely.

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> When states are dominated by any single political center, other centers of social and economic life often arise in opposition. This is because human society is by nature quite diverse in itself, and especially so across different regions and cities. Different economic realities, different religions, and different demographics (among other factors) tend to produce a wide range of diverse views and interests. Over time, these habits and interests supported in a particular time and place begin to form into local “traditions” of various sorts.

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> In his book Principles of Politics Applicable to All Governments., Constant complains that many liberals of his time, having been influenced by Montesquieu, embraced the ideal of uniformity in laws and political institutions. This, Constant warns, is a mistake and tends to create more powerful centralized states, which then proceed to violate the very rights that Montesquieu thought could be preserved through uniformity. But political uniformity can lead down very dangerous paths, Constant insists, concluding, “It is by sacrificing everything to exaggerated ideas of uniformity that large States have become a scourge for humanity.”8 This is because large politically uniform states can only reach this level of uniformity by employing the state’s coercive power to force uniformity on the people.

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> But there’s a problem with this claim, and with connecting protectionist nationalism to decentralization and secession: the act of breaking up political bodies into smaller pieces works contrary to the supposed goals of nationalism. That is, when a political jurisdiction is broken up into smaller independent units, those new units are likely to become more reliant on economic integration and trade, not less. This dependency increases as the country size becomes smaller. If the goals of the nationalists include economic autarky and isolation, nationalists will quickly find these goals very hard to achieve indeed.1 This is true for at least three reasons.

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> Over time, however, protectionist states begin to fall behind the rest of the world, which is presumably still engaging in international trade. It will become increasingly clear that the protectionist states are not keeping up in terms of their standards of living. This will have geopolitical implications as well, since protectionist countries will become relatively impoverished and relatively less innovative compared to other states. Protectionist states thus lose relative power both economically and militarily. We

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> The process is the same with small countries, but the effects of protectionism become more apparent more quickly. After all, an autarkic small country that lacks a diverse economy or a large agricultural sector will quickly find itself running out of food, skilled labor, and raw materials. Moreover, a small country without close economic ties to other nations will also soon find itself in a very dangerous geopolitical position.

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> Small countries can’t offer the world a wide variety of goods and services, but they can specialize and offer at least some goods or services for which there is global demand. Without doing this, small states have little hope of raising their standards of living. This is why economists Enrico Spolaore and Alberto Alesina concluded in 1995 that “smaller countries will need more economic integration” in order to benefit from independence.6

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> Smaller states also have a habit of competing with larger states by lowering tax rates. As recounted by Gideon Rachman in the Financial Times, numerous small states were integrating into the European economy in the late 1990s and early 2000s.

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> Did this mean that smaller states in general—at least those with easy access to Europe—tended to embrace lower tax rates? The answer appears to be yes. In a 2012 study, author Franto Ricka concludes "capital tax rates in the EU countries are positively related to their size partly because small countries choose a lower tax on capital than larger countries, with which they compete."10 While large states can rely on economies of scale to keep capital from defecting in response to tax increases, small states have no such advantage. Thus, small states must be, as Ricka puts it "tougher competitors for scarce capital." 11 Moreover, Ricka found that the presence of small countries—and the tax competition they created—drove down tax rates in the larger countries. Not surprisingly, large states have attempted to pressure small states into raising tax rates and embracing so-called tax harmonization. In early 2019, for example, European Commission president Jean-Claude Juncker pushed the idea of ending the ability of EU members to veto changes in tax policy so as to make tax rates across EU countries more equal.12 The relatively small states of Ireland and Hungary have long opposed such efforts.13 Malta has vehemently objected as well.14 Europe isn't the only place with small states looking to attract capital with low tax rates. Small island nations in the Caribbean also function as tax havens and have earned the ire of the European Union's leadership.15

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> Finally, as an added motivation to small states to lower trade barriers and tax rates, there is the empirical evidence showing that small states can achieve higher growth rates and higher standards of living through more liberal economic policy.

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> But even in Africa, small states outperformed large states in economic growth. According to a 2007 report from the World Bank, the resilience of small states was likely due to the greater economic flexibility observed in them, and thanks to political stability. This stability, it is believed, stemmed in part from the fact that smaller African countries are less "ethnically fractionalized."24

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> “But what about national defense!” some may argue. “Wouldn’t Texas be constantly at war with the United States?” Experience suggests that Texas would be at war with the United States about as frequently as Canada has been at war with the United States: zero times since 1815. International wars rarely erupt between countries with common languages, common histories, and common economic interests. Should Scotland secede, the UK won’t be sending in the tanks, and Scotland could easily join the realm of independent nation states, just as many American states could do the same.

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> Unlike liberal democratic notions of a decentralized, varied, and largely autonomous group of independent populations, the French revolutionary ideal of mass democracy required a version of democracy that was centralized, authoritarian, and heedless of the needs of various minorities. This became feasible in France thanks to centuries of political centralization imposed by French monarchs in the decades and centuries before the Revolution.2 Due to the fact that France already had a strong and centralized state, French democracy was national in nature, and was based on the ideal of a single, democratic mass. Few constitutional provisions survived to check the power of the central state. Elections thus became a high-stakes matter of seizing control of a state apparatus over a single vast territory. The sixteenth century French

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> It is a great irony that much of the inspiration for France’s national democracy came from Switzerland itself. Jean-Jacques Rousseau, who exerted great influence on French ideas of democracy and the “general will,” formed many of his ideas about democracy from his experiences in the relatively democratic Republic of Geneva. Born in Geneva to a family with voting rights, Rousseau appears to have internalized a somewhat idealized view of how Genevan democracy worked. Genevan democracy, of course, functioned on a very small scale, and it worked fairly well.

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> Acton understood that protection of freedom lies in division, decentralization, and the liberation of minorities. For Rousseau, however, his ostensible federalism was no match for the idea of a national will of the people. Any idea of Swiss-style federalism collapsed under the fervor for a single national legislature that could impose the wishes of all the “French nation” to every corner of the Republic’s jurisdiction. After all, why divide up the democratic mass if “the people” as a whole are never wrong? “Rousseau’s most advanced point was the doctrine that the people are infallible,” Acton wrote. “[French churchman Pierre] Jurieu had taught that they can do no wrong: Rousseau added that they are positively in the right.” Unfortunately, this ideal has never lost its appeal to many, and it continues to plague American politics with the idea that a “will of the people” can be realized in large scale elections across populations of tens of millions. After all, the abandonment of locally-based democracy is not just a problem at the federal level. The state of California today has more people than all of France during the revolution. New York, Texas, and Florida are not far behind. All of these states are controlled by unitary governments lacking provisions that temper democracy and protect minorities. Such a state of affairs would be unrecognizable to the Americans of the nineteenth century. By their standards, the US has become a country of mega-states, mass democracy, and enormous republics that Rousseau might have looked on with approval.

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> Predictably, Lincoln himself—who had concluded he must avoid military intervention to force Kentucky’s compliance—took a dim view of Kentucky’s neutrality, declaring the doctrine of “armed neutrality” to be “disunion completed,” while neutrality “recognizes no fidelity to the Constitution, no obligation to maintain the Union” and as “treason in effect.”23 Lincoln would eventually obtain political support from Kentucky, but not because he won the constitutional or legal argument. Eventually, Unionists took control of the state government and sided with the Union over the confederacy. This ended the debate. Nevertheless, the Kentucky case merely continued the established practice of state governments vetoing federal use of state militias and military resources. In the case of Kentucky, the assertion that state governments could prevent federalization of local troops had worked as intended: Unionists—both in Washington and locally— were forced to win political support for the Northern side among Kentuckians before state resources could be used to prosecute the war.
>
> Technically, Lincoln faced this problem in every northern state, although most state governments willingly sent state-organized troops to the war effort because they were ideologically aligned with the anti-secession movement. Had Lincoln failed to win political support from the individual states, however, he would have lacked the resources necessary to prosecute the war. At the time, the federal government simply lacked the resources necessary to carry on a large military operation of the type needed to invade the Southern states.

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> way. The final nail in the coffin of local control came in 1987 courtesy of Mississippi Congressman Gillespie Montgomery. Montgomery introduced a provision in the 1987 National Defense Authorization Act which specifically states that “The consent of a Governor… may not be withheld (in whole or in part) with regard to active duty outside the United States, its territories, and its possessions, because of any objection to the location, purpose, type, or schedule of such active duty.” In the nineteenth century, of course, when liberal factions like the Jacksonians were in power, this measure would have been considered to be blatantly unconstitutional, unwise, and immoral. But in 1990, the US Supreme Court, reflecting dominant opinion among American politicians, sided with the Congress and ruled against attempts by governors in California and Minnesota to stop deployments of state troops overseas.25 Thus, the Montgomery Amendment ended any remaining ability of states to veto federal use of member-state “militias.” By the mid-twentieth century, though, state militias had already been dwarfed by the national army and air force that could function totally independently of the American member states.

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> Just how widespread was abortion? Not surprisingly, nineteenth-century statistics on the matter are sparse. But, as James Mohr writes in Abortion in America: the Origins and Evolution of National Policy, 1800-1900 a number of contemporary researchers concluded that numbers were quite high by historical standards:

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> Some of these figures are comparable to modern-day abortion ratios reported by the Guttmacher Institute. During the 1990s—a high-abortion period—ratios reached 25 abortions per 100 pregnancies.5 In 2014, after several years of decline, the ratio fell to 18.8 per 100 pregnancies.

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> Faced with what was apparently a period of considerable growth in abortion, many social reformers attempted to implement legislative restrictions. These legislative changes, however, were done at the state level, and were often accompanied by efforts to regulate medical procedures and facilities overall. It was the newly organized American Medical Association that led the charge in 1857. In When Abortion Was a Crime, Leslie Reagan notes that “Through the 1870s, regular physicians across the country worked for the passage of new criminal abortion laws. In securing criminal abortion laws, the Regulars won recognition of their particular views as well as some state control over the practice of medicine.”7

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> By the mid-twentieth century, the cultural and professional factors that had driven the anti-abortion movement in the nineteenth century began to disappear. The AMA and its physicians no longer pushed for continued restrictions on abortion as they once had. Pro-abortion activists began to successfully push for the repeal of state-level restrictions. Anti-abortion activists experienced a loss of influence with both cultural and political institutions that had driven the anti-abortion movement two generations earlier.

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> Even into the early 1970s, abortion continued to be a state-level issue. Roe v. Wade changed all that. When the Supreme Court handed down the Roe decision in 1973, it took abortion matters out of the states and placed them into the hands of federal law-enforcement agencies, federal courts, and Congress in a way that had never been done before. As is the usual modern practice in American politics, this revolutionary rewriting of the Constitution was done without a Constitutional amendment, and thus cut short any national debate that was taking place in state legislatures and local institutions.