

Anthony Comegna ([00:20](#)):

Welcome back, everyone, for another week here of Ideas in Progress. I'm your host, Anthony Comegna, and joining me today is another one of our outstanding graduate students with a no doubt excellent career ahead of him. It's George Mason University's Nathan Goodman. Nathan has been a research fellow at the Center for a Stateless Society. That's [c4ss.org](#) with the number four, if you've never checked out what they have to offer. He interned at the Law & Economics Center at George Mason, where he's completing his PhD in economics, and studying the Austrian School, Public Choice, and our topic for the day, Defense and Peace Economics.

Anthony Comegna ([01:00](#)):

Unless you were like blacked out for most of 2020, you've probably noticed that those last two things have been especially hot topics lately, so for more on the economics and slow, steady militarization of policing activities, we go to Nathan Goodman. Well, first off, Nathan, just go ahead and tell us about the first reading that you sent me, but especially, why don't you start off by telling us this absolute scandal from the past summer, involving something called BORTAC?

Nathan Goodman ([01:32](#)):

Yeah. This past summer, we saw a variety of protests against police brutality and against various racial disparities in the police force's treatment of African-Americans in particular. In fact, as I recall, you have an excellent piece in Reason about your own participation in some of the protests in Baltimore, but in Portland, those protests got to a point where there were a lot of things surrounding a federal courthouse, so various graffiti at the courthouse, large mass protests at the courthouse, certain types of vandalism at the courthouse, and because it was a federal courthouse, the federal government felt empowered to send in federal agents, largely associated with the Department of Homeland Security. These federal agents did things like grab people off the street while not wearing anything that identified the officers as police officers. Imagine you're walking down the street after a protest, you're dressed in black, and suddenly some men come out of your line of sight, and grab you and put you in an unmarked van, and then take you to a courthouse, and only then do you realize that they're federal agents.

Nathan Goodman ([02:50](#)):

Well, the people who were engaged in this sort of activity, as well as other forms of policing that was involved at, in terms of policing these protests, included members of an organization called the Border Patrol Tactical Unit, which we can essentially think of as Customs and Border Protection's top SWAT team. This is a militarized policing unit that was formed in the 1980's in response to riots at Immigration and Naturalization Service facilities, and that models its training quite directly on the training received by U.S. Special Forces, so they're very explicitly modeling their training on military training. They're generally highly armed, highly trained in very coercive and militarized tactics, and when they were created, the assumption was this team is going to be used for border security efforts. This team is going to be used to do things like police Immigration and Naturalization Service facilities, engage in various forms of anti-narcotics interdiction at the U.S. border, other forms of border policing, but beyond this border policing role, this is now being used, as of this summer, and then previously in the 1990's as well, which we can talk about, to police various forms of protests and civil unrest within American cities, and so one thing that this suggests is that policies that are adopted in one arena and powers that are given to the state in one arena will tend to be wielded against citizens who may not think of themselves as subject to that form of state authority, and so it's hard to keep any particular form of state power contained to the area in which it's initially created.

Anthony Comegna ([04:46](#)):

That's really just sort of the opening vignette of this paper here. Your argument though, is really about different types of entrepreneurship, in this case, political entrepreneurship, driving toward more and more militarization of things like border patrol services, if you want to call them services. Walk us through that argument and maybe start out by just telling us a little bit about the differences between the different types of entrepreneurship that economists talk about.

Nathan Goodman ([05:17](#)):

Yeah, thanks. The idea of entrepreneurship, when we think of entrepreneurs, we're often thinking just in a market context, but many economists, especially those of us who are interested in the Austrian School, will tend to instead think of entrepreneurship as a human universal. Entrepreneurship is people being alert to opportunities for them to improve their situation, opportunities for them to profit, and it's the propensity to discover those opportunities, and so this process of alertness and discovery tends to drive changes in the world, right? In the context of a market, where there are well-defined property rights and where the only way you can profit is by selling goods and services to consenting buyers who will pay you an amount that they think is to them, worth less than what they will receive from you, in that case, entrepreneurship results in discovering opportunities for you to do things that will benefit others at lower cost, and you face direct feedback in the form of profit and loss, where some entrepreneurial ventures may not pan out, and if they don't pan out, it's because those entrepreneurial ventures are, in some sense, destroying value. That is, they're using scarce resources in a way that creates a product or service that consumers are not willing to purchase at a price that recoups the cost you had to pay for the inputs that you put into that production process.

Nathan Goodman ([06:58](#)):

That's why market entrepreneurship tends to be something that classical liberals look upon really favorably, but of course, people can be alert to profit opportunities and discover profit opportunities in arenas besides free markets characterized by private property rights and voluntary exchange. You can also discover opportunities to profit through the political means, through the use of state power. This can include direct pecuniary monetary profits, especially for companies like defense contractors, but it also can include profits in the sense of getting for yourself various forms of economic rent, various benefits that you can receive from the state, and so for a politician, there might be entrepreneurial opportunities to realize, "Oh, I can increase my reelection chances by introducing this new program that I expect to be popular with a particular constituency." For a bureaucrat, there may be profit opportunities associated with securing new powers or new revenue streams for the government agency they work for, and so what I argue, and I'm building here on a fairly large literature in economics and political science, is that political entrepreneurship explains a fair amount of the changes that we've seen over recent decades in border security practices. That is that this process of change towards a more militarized form of border security can be explained by people seeking profit opportunities through the state, and as they seize profit opportunities by creating new programs or claiming new powers, that then alters the conditions that other people are facing.

Nathan Goodman ([08:50](#)):

That creates new profit opportunities for other political entrepreneurs to discover, and those profit opportunities will often, once again, involve increasing the scale of militarization and the scope of militarization that is imposed on people in border regions, and sometimes even outside of border regions.

Anthony Comegna ([09:14](#)):

Is it something peculiar to the kinds of operations that the border guards and border police and stuff are there to be doing, that the whole purpose of their job is to police and patrol and do somewhat military activities anyhow? I can almost see sort of a Hamiltonian argument about entrepreneurship always being good, even in political circumstances, unless you're one of these wild anarchist types, who just always hates whatever the state is doing. Surely, inventiveness, creativity and entrepreneurship is always good because, I mean, Hamilton argued that's the kind of thing that made the British system work. It's corruption essentially made it work because people got things done when they benefited from the activity of government privately, so adding profit opportunities to government, wouldn't that make it more efficient?

Nathan Goodman ([10:21](#)):

There's definitely people who would argue this, not just Hamilton, but there are also contemporary economists, for instance, who argue that because there's a public goods problem associated with the provision of national defense, the military-industrial complex is a good thing because they reap concentrated benefits from providing this public good, and so you could make a similar argument with border security, but I think there are several problems that prevent that argument from fully working. One is that this militarization tends to involve the imposition of direct violent force on vulnerable people, both people trying to cross borders and people who live within border regions who are not necessarily violating any particular law, but who nonetheless find themselves subjected to searches, surveillance and potentially to direct violent coercion by state agents. The other thing to keep in mind is that there are a range of different ways to engage in border policing, and which way you wind up engaging in border policing is going to in part be shaped by past acts of entrepreneurship, past acts of political entrepreneurship. For example, we could imagine enforcing immigration laws largely through audits, so looking through company's paperwork and saying, "Okay. We've identified some discrepancies."

Nathan Goodman ([11:44](#)):

"We're going to find this company for hiring workers who they don't have authorization to hire." Then, another way would be, "We're going to have a well-armed SWAT team or multiple well-armed SWAT teams that regularly police the border, and we're also going to fly drones over everyone's land on the border and surveil them, gather video surveillance using these drones, these unmanned aerial vehicles." There might be more collateral consequences of the militarized strategy, but if you've already heavily invested in various forms of militarization, and if there are many people who specialize in producing this type of militarized equipment, and if there are already a bunch of social ties between border patrol agents and people in the defense contracting industry, then all of that is going to lower the relative price of using the militarized tactics, as opposed to using the more mundane, bureaucratic paperwork tactics, and so the strategy that is going to be adopted in that case is likely to be more militaristic than the alternative, and so we can find ourselves along a sort of path-dependent path, where one act of militarization, say a foreign intervention abroad, results in us having more military hardware, which then lowers the cost of using that military hardware in other ways domestically. This can result in more collateral consequences for people's civil liberties, for their safety, for their privacy than we might expect under alternative mechanisms of enforcing the same laws.

Anthony Comegna ([13:41](#)):

Walk us through a little bit more. I liked the way that you set up this paper by making several different predictions, where if your thesis is correct, if your theory is correct, then there are several different things that you predict we'll see in different bureaucratic behavior in the process of militarization. Walk us through, how do you essentially get from the bureaucratic process of essentially registering and cataloging immigrants to the country, to a fully militarized and seemingly out of control federal police force like BORTAC? What exactly does that process look like over time?

Nathan Goodman ([14:21](#)):

Yeah. It's a multi-stage process. The first part of the process that I lay out is that during perceived crises, there are going to be opportunities to profit from expanding the scope of governmental activity, because during a perceived crisis, many members of the public are going to be fearful and they're going to clamor for additional governmental activity, and the presence of the crisis provides those who want to try out something new to have a built-in excuse that they can use. That combination of circumstances means there's a broader scope for creative entrepreneurial action, and so the two crises I look at here are the war on drugs and the war on terror. Throughout the 1970's and the 1980's, there were a variety of problems that people, especially in inner cities were facing around narcotics, right, things like the crack epidemic, as well as other fears around illicit drugs, and so this meant that there was a fair amount of support for doing more to stop drug interdiction.

Nathan Goodman ([15:33](#)):

We saw the passage of federal laws that allowed for further cooperation between the military and law enforcement, especially for drug and immigration enforcement. We also saw changes in rules about what types of equipment sharing could happen between the military and domestic law enforcements, and so this resulted in a series of task forces being set up, especially under the Reagan Administration. These task forces were, many of them were headed up by then Vice President George H. W. Bush. These task forces, with names like Operation Alliance, would put in the same collaborative structure both branches of the United States military, federal level law enforcement and intelligence agencies, and various state and local law enforcement organizations, especially ones in border states, and so what these types of collaborations would do would be enable things like military training exercises along the border, that would be largely related to drug interdiction, border surveillance and informing members of the border patrol about people who are crossing the border illegally. It involved cross-deputizing, people who didn't previously have the authority to do drug searches along the border or who didn't previously have the authority to do immigration checks along the border, so more law enforcement agents had additional powers.

Nathan Goodman ([17:13](#)):

It involved just setting up a variety of operations in which equipment could be transferred as well, so there were large amounts of transfers of aircraft and of a ground-based surveillance sensors, many of which were leftovers from the Vietnam war, and so we had a mix of direct collaboration, transfer of hardware and increases in the scope of border patrol powers. That's the war on drugs. Around the same period, not directly in response to the war on drugs, but in response to some riots at Immigration and Naturalization Service facilities, we also see the establishment of BORTAC, the Border Patrol Tactical Unit. They fairly quickly also get involved in various drug war-related policing efforts, that often involve direct collaboration with the military. Then, things really start to get even more intense around 2001, because after the 9/11 attacks, people are really looking for, "What can we do about terrorism?," and so we see the opening of a series of investigations to try and find those who are responsible for 9/11, and

so the Immigration and Naturalization Service has additional leeway to pick up immigrants who they suspect of any sort of connection to terrorism.

Nathan Goodman ([18:41](#)):

They can hold them for longer periods of time with less public scrutiny, and so at first, it's just an expansion in the activities of the Immigration and Naturalization Service, which at the time was part of the Department of Justice, but then we saw the passage of the Homeland Security Act, which reorganized the federal government's approach to handling security matters. That meant the end of the Immigration and Naturalization Service and all of its operations being placed under the umbrella of the Department of Homeland Security, and so that's how we got Customs and Border Protection, CBP and the Immigration and Customs Enforcement, which is ICE. That's when the agencies that we now know as the sort of main providers of border security and immigration enforcement came into existence. They were creatures of the war on terror, and them being part of the Department of Homeland Security meant that they had a very explicitly national security-oriented mission, which lends itself quite naturally to militarization. It also meant that their budget was largely controlled by the Homeland Security committees that had been created around this time in both Houses of Congress, and so when it came to which legislators you would influence, you would be influencing legislators who were on a committee that had explicitly national security-oriented goals, explicitly militarized goals in some sense, and because they supervised multiple agencies that were related to security, so the Department of Homeland Security doesn't just include ICE and CBP, it also includes things like the TSA, that includes the Coast Guard, right?

Nathan Goodman ([20:30](#)):

A bunch of different departments are under the umbrella of the Department of Homeland Security, and so these are legislative committees that it's very worthwhile for defense contractors to influence, and so then we reach ... This is my ... This deals with my first prediction, crises create entrepreneurial opportunities, related to expanding government and creating new agencies, new powers and new collaborations. The second prediction is that after these acts of entrepreneurship, we're going to see the creation of a sort of disequilibrium, which will create new profit opportunities. If we think about market entrepreneurship, the invention of the smartphone meant that there were a bunch of profit opportunities associated with creating apps.

Nathan Goodman ([21:17](#)):

In this case, the creation of a bunch of militarized border task forces or the creation of the Department of Homeland Security created new profit opportunities for defense contractors, and so they started heavily donating to the campaigns of members of the Department of the Homeland Security Committee. They hired people who had worked at the Department of Homeland Security, and then people who worked at ... The defense contractors went to work at the Department of Homeland Security. This is a phenomenon that's called the revolving door. They started doing things like paying for trips for members of the Homeland Security Committee, as well as members of the Appropriations Committee, and so these profit opportunities relate to building connections with decision-makers in the political arena. Then, the final prediction, the third and final prediction is that in addition to creating profit opportunities for private contractors, the creation of new militarized powers also creates profit opportunities for bureaucrats, for government employees, to find creative ways to wield those powers in new arenas.

Nathan Goodman ([22:29](#)):

The example that we started with, the use of BORTAC in Portland to police a protest, that's one example of that type of mission creep, that type of use of saying, "Well, I want to show to my superiors within the executive branch that the powers we have are useful and can achieve a wide range of policy ends, and that we are part of the government that you should be funding and that you should be seeking out new uses for, so we're going to go police a protest." BORTAC in the 1990's also engaged in policing in Los Angeles in response to the L.A. riots, right? The use of drones along the border doesn't stop at the border. Drones get lent out to a wide range of law enforcement agencies, both federal law enforcement agencies and state and local law enforcement agencies. During the protest against the Dakota Access Pipeline at Standing Rock, drones were led to North Dakota police officers to surveil those protests.

Nathan Goodman ([23:33](#)):

North Dakota police also acquired, or borrowed a drone from Customs and Border Protection in order to surveil a rancher who had had some cattle from a neighboring ranch, walk onto his land and who was initially unwilling to let police onto his land to take those cattle back. These sort of mundane, local law enforcement issues start to then have these militarized and surveillance state components as government employees seek profit opportunities associated with using these militarized powers in new ways that can achieve their various objectives.

Anthony Comegna ([24:19](#)):

Well, I'm glad you mentioned the case of drones there, because I still want to talk a little bit at least about the Working Paper you and Chris Coyne have up on SSRN, The Political Economy of the Virtual Wall, because I remember what seems like decades ago, now, but it was just a few years ago, when the big debate on the conservative side of politics was, "Do we have a militarized border with a gigantic wall, or do we have a virtual wall with drone technology and some sort of virtual detection grid or whatever to make sure people don't get across, or if they do, they're quickly apprehended?" That supposedly was just fine and sensible, so tell us a little bit about the problems with the virtual wall approach to border security and how it connects to your other arguments in the first article.

Nathan Goodman ([25:14](#)):

Yeah. Chris Coyne and I have this paper on The Political Economy of the Virtual Wall, which as you noted, is up as a Working Paper on SSRN. It also was recently published in Peace Review as part of a special issue that they did on walls, borders and peace. What we argue is that there are sort of three interrelated problems with virtual walls. As you said, virtual walls involve the use of surveillance technology to monitor people along the border in order to try to detect those who are crossing illegally or who might be smuggling contraband.

Nathan Goodman ([25:49](#)):

At first, this seems like a more humane option than building a wall across the border or having a lot of people with guns along the border, but it still runs into three fundamental problems. The first is that it promotes relationships of cronyism between the contractors who produce the surveillance technology and the political decision-makers, who are implementing the policy and making the policy. As I mentioned, a lot of defense contractors expend a great deal of resources to lobby and influence members of the House Homeland Security Committee, and many of these contractors are constructing technologies that are part of the virtual wall, so things like surveillance towers or drones, or in the case of Boeing, Boeing attempted starting in 2005, something called SBInet, the Secure Border Initiative

Network, which involved using computer network technologies to connect a wide range of surveillance devices into one network that would integrate with on the ground border patrol agents operations and inform them about things. This had a bunch of cost overruns and delays and bugs, and so it never came to fruition, but the overarching project of building a virtual wall in the form of using a bunch of advanced surveillance technology, that persists, and there's a lot of crony capitalism involved in it. The second big problem with it is that it undermines the civil liberties of both migrants and U.S. citizens, as well as people who are citizens of indigenous nations that cross over the border.

Nathan Goodman ([27:37](#)):

In this regard, I'm thinking in particular of the Tohono O'odham, which is a tribe of Native Americans, that their land include some land in Mexico and some land in the United States. Initially, it was all, well, initially post-colonization. It was all within the territory of Mexico, but then, after the Gadsden Purchase, the U.S. acquired a bunch of territory that included Tohono O'odham land, and so their land is directly crossed by the U.S. border, which means that building a wall would be particularly invasive because it would prevent them from engaging in various forms of traditional travel and economic activity, and religious activity, seeing family members, all these sorts of things, and so they're very opposed to a physical wall, but many members also feel that their privacy is invaded by the presence of surveillance towers that are currently being constructed, and so they're constructing surveillance towers that are being built by a contracting firm called Elbit Systems. These surveillance towers, well, they monitor the daily life of people on the Tohono O'odham nation, and so many people would feel that their privacy is being violated. You see similar concerns about privacy in a town called Arivaca, which also has substantial surveillance towers, and then Latino and Latina residents tend to face racial profiling from border patrol agents as well. There's these privacy rights violations that can have a chilling effect on the expression of and enactment of various individual liberties.

Nathan Goodman ([29:20](#)):

Then, the third and final problem is that implementing surveillance technology along the border often involves targeting specific areas, so we'll place surveillance technologies in areas that are high traffic routes for migrants. At first, that seems reasonable, "Let's surveil the areas where the marginal benefit in terms of picking up people who are illegally crossing is higher." Okay, but the problem is that part of why these high traffic areas have been targeted is that if you make high traffic areas that are relatively safe to cross, essentially impassable, because migrants know that they will be caught and border patrol agents will come quite quickly, then they're going to be diverted towards only being able to use relatively more dangerous routes. Starting in the 1990's, border patrol quite explicitly adopted a policy called Prevention Through Deterrence. The idea was, "We'll let the landscape and the harshness and danger of the landscape serve as an ally to border patrol's goal of deterring unlawful entry."

Nathan Goodman ([30:27](#)):

The idea is if it's too dangerous to cross, well, the cost of crossing has risen, so some people would be deterred, and so we'll close off areas that involve going through cities, and now you only get to go through treacherous desert areas. The problem with that, of course, is that some people are undeterred, and so they choose to go along these routes because getting into the United States is their best shot at a better life, and so they go along these dangerous desert routes, and various social scientists who have studied this find after the implementation of border enforcement measures, including the implementation of additional surveillance centers along the safer routes, more corpses start to be found around these more dangerous routes, and so Prevention Through Deterrence is

working for the stated goals of preventing people from crossing in safer areas, but with particularly gruesome and devastating and deadly consequences.

Anthony Comegna ([31:33](#)):

All right. Our absolute greatest thanks this week to Nathan Goodman for joining us on the show. It's not often we get the chance to interview grad students, but it's always very fun for me. While there's nothing whatsoever fun about this topic, I have no doubts that scholars like Nathan will ultimately help lead us out of this mess. That's the whole job in its way, and I say let's all buckle down, get to it and keep the progress coming.