

A DIAGRAMMATIC EXPOSITION OF AN ECONOMIC THEORY OF IMPERIALISM

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Imperialism is a favorite subject of many “committed scholars.” The volume of their work exceeds its value. Whereas such writings are interesting as displays of moral fervor, they are devoid of a positive theory of the economics of imperialism. These writers perhaps find their inspiration in the Leninist theory of imperialism and accept its emphasis on exploitation as the basis for their moralizing. The moral condemnation of imperialism which they offer is offset, however, by the writings of those who extend moral approval to imperialism for its civilizing aspects (which were also noticed by Marx). The Marxian dilemma is that during the capitalist period of history exploitation increases with the advance of civilization, and we have no moral theory to enable us to choose between less exploitation or more civilization. Perhaps this is why Marx said that “communists preach no morality at all” and relied on history.

In addition to those works which moralize about imperialism there are works which explain imperialism in terms of motives. The exploitative motive has been turned against the Soviet empire. Others explain the formation of empires such as Rome and Soviet dominated Eastern Europe in terms of the imperialist’s desire to establish a buffer state between the homeland and its enemies. Still others explain the formation of empires such as the British and French in terms of each nation seizing African and Asian territories in order to prevent them from falling into the hands of powerful rivals.

But the verification of motives is a difficult task, and even if we are able to establish the motives of the imperialist, the identification of a set of motives does not mean that the motives were in fact operative. The official motives of the imperialist may have been contravened by the disparate interests of the bureaucratic agents of the imperialist.

A positive theory of the economics of imperialism does not have the problems of verifying motives and deciding between conflicting moral evaluations.

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We define foreign imperialism as *dirigisme* across national boundaries. *Dirigisme* is defined as the imposition by a government of a preference function which diverges from the summation of the individual preferences of the governed. Domestic or indigenous imperialism is defined as *dirigisme* within national boundaries. We use two diagrams to illustrate two types of imperialism. Type (1) is imperialism based on exchange, and type (2) is imperialism based on command.

Figure 1 is a geometric exposition of type (2) imperialism. The curve AB represents a production possibility frontier determined by endowments of resources

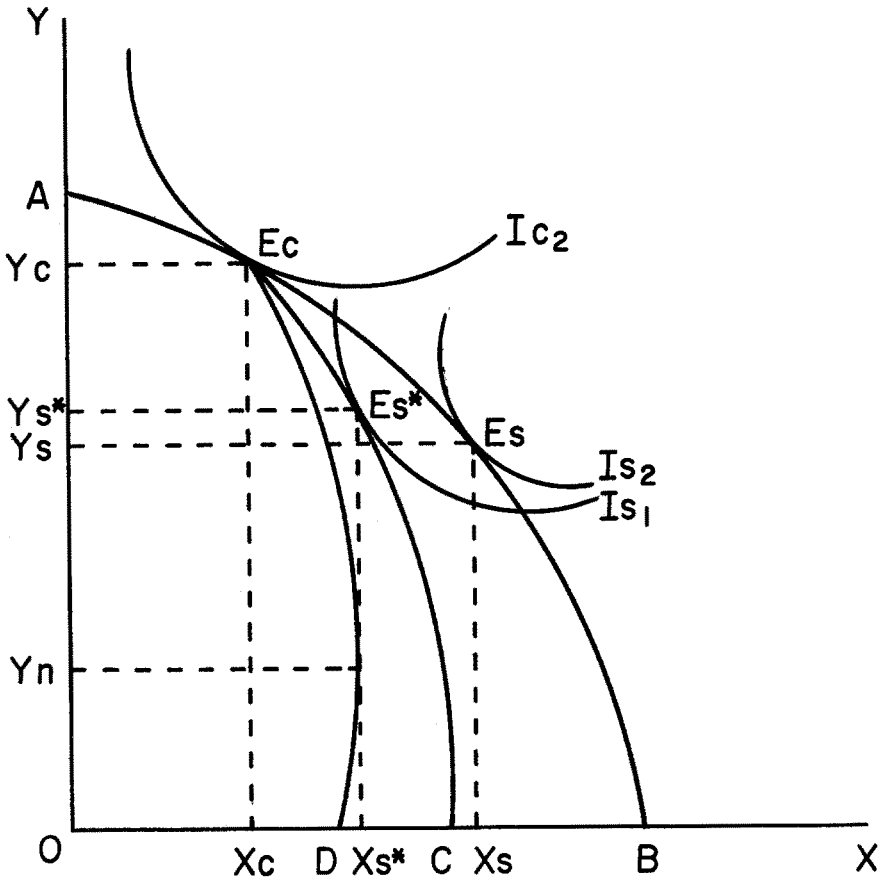


FIGURE I
TYPE (2)