

Against the Gay Ban

“Don’t Ask, Don’t Tell: Is the Gay Ban Based on Military Necessity?” by Aaron Belkin, in *Parameters* (Summer 2003), U.S. Army War College, 122 Forbes Ave., Carlisle, Pa. 17013–5238.

Under the compromise “don’t ask, don’t tell” policy adopted a decade ago, U.S. military service is still off limits to known homosexuals. But four other nations have lifted their gay bans in recent years with no apparent impairment of military effectiveness. The United States should follow their example, suggests Belkin, a political scientist at the University of California, Santa Barbara, and director of its Center for the Study of Sexual Minorities in the Military.

Australia and Canada in 1992, Israel in 1993, and Britain in 2000 eliminated their proscriptions, despite opposition from their armed forces and, in some cases, dire predictions about what would happen. Federal courts forced Canada’s hand, and the European Court of Human Rights, compelled Britain to act.

Researchers at Belkin’s center interviewed “every identifiable pro-gay and anti-gay expert on the policy change in each country including officers and enlisted personnel, ministry representatives, academics, veterans, politicians, and nongovernmental observers,” and also examined hundreds of documents and articles. They found that lifting the bans had little or no impact on the military services—“an absolute nonevent,” in the words of an Australian commodore. None of the 104 persons interviewed maintained that removal of the restrictions “undermined mil-

itary performance, readiness, or cohesion, led to increased difficulties in recruiting or retention, or increased the rate of HIV infection among the troops,” says Belkin.

Though more gay and lesbian soldiers revealed their sexual orientation after the bans were eliminated, most continued to avoid “outing” themselves. The Canadian military estimates that 3.5 percent of its personnel are gay or lesbian, but in 1998, six years after the ban was lifted, it received only 17 claims for medical and other benefits for homosexual partners. “Gay people have never screamed to be really, really out. They just want to be really safe from being fired,” said a lesbian Canadian soldier.

Many heterosexual soldiers object to homosexuality, Belkin notes, but there was no apparent increase in cases of sexual harassment or abuse after the bans were lifted. “In Israel, the 35 experts, soldiers, and officers we interviewed were able to recall only a handful of cases.”

Soldiers need not like one another to perform well, as many studies have shown, says Belkin. Of 194 combat soldiers in the formidable Israeli Defense Forces that he and a colleague surveyed, a fifth said they knew of a gay soldier in their unit. No study has found that any one of the 24 nations that now allow homosexuals to serve has suffered a decline in military performance as a result. The U.S. ban, Belkin concludes, is not needed for military effectiveness.

ECONOMICS, LABOR & BUSINESS

African Prospects

“Low Investment Is Not the Constraint on African Development” by Shantayanan Devarajan, William R. Easterly, and Howard Pack, in *Economic Development and Cultural Change* (April 2003) University of Chicago, Judd Hall, 5835 S. Kimbark Ave., Ste. 318, Chicago, Ill. 60637.

Experts have long argued that the key to fixing Africa’s economic woes is to increase public and private investment. It’s true that during the period from 1960 to 1994, African countries invested just 9.6 percent of their gross do-

mestic product (GDP), significantly less than the 15.6 percent average among other developing countries worldwide. But the authors of this study—Devarajan with the World Bank, Easterly with New York University and the

Center for Global Development, and Pack with the University of Pennsylvania—insist that “higher investment in Africa would not, by itself, produce faster GDP growth.”

After analyzing the effects of both government-sponsored and private investment in sub-Saharan countries, the authors found that such investments paid off in only one: Botswana. Through “pursuit of good policies, including exceptionally able management” of its lucrative diamond exports, and aided by an absence of ethnic conflict, Botswana achieved phenomenal growth in GDP per capita—almost 800 percent in the 1960–94 period. The diamond wealth wasn’t the difference; oil-rich Nigeria became an economic basket case over the same interval.

To those critics who suggest that the problem in Africa is that *not enough* money has

been invested, or that aid money comes with too many strings attached, the authors respond, in essence, “been there, tested that.” Easterly, for instance, calculated that if all aid given to Zambia had gone directly into investment, according to standard economic models it ought to have yielded a per capita income of \$20,320 by 1995; the figure the country actually managed was just \$600. Why such a difference? Because aid *never* gets translated dollar for dollar into jobs, but rather gets diverted to other uses, worthy (such as buying food) and unworthy (such as lining the pockets of government officials).

The authors zero in on Tanzania’s manufacturing sector—textiles, printing and publishing, and wood products—as a case study. Not atypically, investment in the East African country between 1975 and 1990

EXCERPT

Wall Street’s Moral Roller Coaster

Caught up in the market euphoria of the gilded '90s, it was easy to forget that during its first century and a half, the Street aroused the deepest misgivings. From the time of the American Revolution through the trauma of the Great Depression, millions of Americans cast a suspicious eye at a place they suspected of subverting values fundamental to the Republic: reward for hard work, equality of opportunity, democracy in public life. For many people, if not for everyone, Wall Street was a shadowy realm located dangerously close to the morally illegitimate. It nurtured self-indulgence and idleness, a hankering after wealth without work, and an addiction to speculative gambling. It cultivated aristocratic pretensions. It hatched unscrupulous, even criminal conspiracies to plunder the public purse. It was a nesting ground for alien English “devil-fish” and stateless Jews prepared to mortgage the nation’s independence for the meanest mercenary gain. It corrupted the democratic process, undermined the free market, monopolized vital resources, and mocked the nation’s egalitarian promise.

Only after the Second World War did the Street begin to shed this unsavory reputation. Then, during the last quarter-century especially, its moral reclamation proceeded at an amazingly rapid rate. Beginning with the Reagan “revolution” and with mounting passion all through the roaring '90s, Wall Street came to be widely admired not just as an avenue to wealth, but as a school of life, open to all, rewarding innovation, tough-mindedness, and studious attention to the inexorable laws of the free market. Reservations about its darker side were muted if not entirely silenced. This moral evolution of Wall Street from deviance to deliverance is a stunning commentary on the transfiguration of the nation’s sense of itself. Whether or not the Street is now about to undergo another long season in cultural excommunication remains to be seen.

—Steve Fraser, a teaching fellow at Princeton University, in *Raritan* (Winter 2003)

grew even as labor productivity fell. The authors' statistical analysis produces only a partial explanation: Bad management practices (e.g., running only single shifts) account for only one-sixth of the decline.

That mystery is the very point, the authors say. Until economists and others can identify more of the reasons why so much investment in Africa is wasted, it's unwise to pour more capital into the stricken continent.

Free Trade Defended

"Radical Birthday Thoughts" by Bill Emmott, in *The Economist* (June 28, 2003),
25 St. James's St., London SW1A 1HG, England.

The inequality between rich and poor nations, particularly between the richest few and the poorest few, has been growing in recent decades. But the anti-globalization skeptics who say that free trade means the rich get richer and the poor stay poor are wrong, argues Emmott, editor of *The Economist*, in an essay marking the 160th anniversary of the magazine's founding on a free-trade platform.

"Countries in Asia," he says, "have actually been narrowing the gap substantially: There, excluding already-developed Japan, in 1950–2001 income per head increased fivefold." In the period's early decades, the income growth was limited mainly to Hong Kong, Singapore, Taiwan, and South Korea; since 1980, it has spread to Southeast Asia and accelerated in China and India, the world's most populous countries. These are hardly laissez-faire states, but all have liberalized some markets. (Yet economic liberalization is not a miracle cure, as the cases of Russia, Ukraine, and Belarus make clear.) "For all the anti-globalists' cries on their behalf," Emmott adds, "few of the world's poorer countries show signs of wanting to retreat from liberalism: Their question, rather, is whether to extend it rapidly or gradually, and whether they have the domestic governmental institutions to cope with it."

Using the World Bank definition of poverty as income of \$2 or less a day, adjusted for differences in purchasing power, Surjit Bhalla, an Indian economist, calculates that the share of the world's population in poverty dropped from 56 percent in 1980 to 23 percent in 2000. That still represents a huge number of people—1.1 billion. But it's far fewer, says Emmott, than the 1.9 billion in poverty in 1980.

Before the era of liberalization that began about 1980, global poverty was on the rise.

Along with greater prosperity has come "an impressive expansion of political and civil freedoms," says Emmott. Eighty-one countries have taken "significant" steps toward democracy since 1980, according to a recent United Nations report. Of the world's nearly 200 countries, 140 now hold multiparty elections. To be sure, many of these countries still lack an independent judiciary, equality before the law, and constitutional limits on the abuse of power. Most nations in sub-Saharan Africa "have simply allowed a rotation of plundering governments." Still, by the UN report's count, 82 countries—home to 57 percent of the global population—are now full-fledged democracies.

Many countries still aren't rising out of poverty, Emmott acknowledges: Some of those in Asia, Central Asia, and Latin America, most in the Middle East, and almost all in Africa remain poor. "There, incomes have stagnated or even declined, and life expectancies are falling too, thanks to AIDS and other plagues." With 13 percent of the world's population, Africa accounts for only 3 percent of its gross domestic product.

If the pressure for protectionism is growing, Emmott argues, it is because of "the widespread and quite outrageous abuse, by capitalists, of capitalism," in the Enron scandal, for example, and other instances of corporate malfeasance in the United States and elsewhere. Laws against such abuse should be tightened and vigorously enforced, he urges. A revival of protectionism would be "a shame for the rich world, but a tragedy for the poorer countries."