

# Don't Base Foreign Policy on Fear

**T**he United States is arguably both the safest nation in the world and among the most fearful. Runaway threat inflation has long had detrimental effects on the nation's policymaking, particularly when it comes to foreign policy. In a new study, "High Anxiety: How Washington's Exaggerated Sense of Danger Harms Us All," John Glaser and Christopher A. Preble take a much-needed skeptical look at how America's foreign policy establishment is prone to blowing threats out of proportion and responding with heavy-handed, high-cost overreactions.

## LICENSE TO CARE

Occupational licensing has grown dramatically in recent years, with more than 25 percent of the U.S. workforce being licensed as of 2008, up from 5 percent in 1950. But has this expansion helped consumers? In "Occupational Licensing of Social Services and Nursing Home Quality" (Research Briefs in Economic Policy no. 193), John R. Bowlblis and Austin C. Smith examine one field that has gone from relatively light regulation to much heavier restrictions. They find no evidence that the increase in licensure significantly improves overall facility quality, quality of life, or the provision of social services.

## TRAFFIC TAX

It's been nearly a century since economist Arthur Pigou introduced the idea of using tolls to alleviate traffic congestion. Despite ample evidence in its favor, the policy remains perennially unpopular, and politicians are reluctant to impose tolls or other congestion fees. In "Can Tolling Help Everyone? Estimating the Aggregate and Distributional Consequences of Congestion Pricing" (Research Briefs in Economic Policy no. 195), Jonathan D. Hall estimates

that implementing pricing on just half the lanes on urban highways could increase social welfare by over \$30 billion per year.

## THE FUTILITY OF REGIME CHANGE

America has a long history of using military force to impose regime changes in foreign nations. How's that working out for us? In "The More Things Change, the More They Stay the Same: The Failure of Regime-Change Operations" (Policy Analysis no. 883), Benjamin Denison musters the empirical record to warn against pursuing future wars of choice in the misguided hope of creating stable, liberal governments through the use of military force.

## THE WELFARE MYTH

In "Immigrant and Native Consumption of Means-Tested Welfare and Entitlement



Benefits in 2016: Evidence from the Survey of Income and Program Participation" (Immigration Research and Policy Brief no. 15), Alex Nowrasteh and Tu Le

update their widely cited previous research on immigrant use of welfare benefits. Using the latest data, they conclude that immigrants consume 21 percent less welfare and entitlements than native-born Americans on a per capita basis.

## RIVER ON FIRE

Notoriously, Cleveland's Cuyahoga River caught fire in 1969 and became a symbol of the need to address America's polluted waterways. In "Burning Waters to Crystal Springs? U.S. Water Pollution Regulation over the Last Half Century" (Research Briefs in Economic Policy no. 198), David A. Keiser and Joseph S. Shapiro examine a

half-century of regulatory and policy efforts to secure cleaner water. They find that progress toward cleaner water has been made but not all of the promised benefits of regulation have materialized.

## SHORT SALES

Short sellers are often treated as scapegoats for financial crises. In "Short-Sale Constraints and Stock Price Crash Risk: Causal Evidence from a Natural Experiment" (Research Briefs in Economic Policy no. 199), Xiaohu Deng, Lei Gao, and Jeong-Bon Kim argue that blame is misplaced. During a regulatory trial program from 2005 to 2007, some U.S. stocks were subject to short-selling while others were not. Contrary to common perceptions, short-selling actually decreased the risk of stock price crashes. ■

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