

Like *The Economics of Zoning Laws*, *Zoning Rules!* is one of the most important books on land use economics in a generation. The book came out at an auspicious time, as many are beginning to turn against zoning laws. In 2015, intellectuals on the left and right, academics and policymakers alike, have realized the damage high housing costs in prosperous places is doing. Fischel's theory of homeowner capture of local politics elegantly explains how the nation arrived at this unhealthy equilibrium.

People may disagree with the author over whether zoning is the best way to handle the problems that arise from coordinating land use decisions, but it is clear that his theory is based on sound economic history and legal analysis. *Zoning Rules!* is not a book of punditry, out to push a theory. It is a book that seeks to explain how land use decisionmaking works. At that, it succeeds better than any of its peers. If you want to read a single book about land use regulation, *Zoning Rules!* should be that book.

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The Unquiet Frontier: Rising Rivals, Vulnerable Allies, and the Crisis of American Power

Jakub J. Grygiel and A. Wess Mitchell

Princeton, N.J.: Princeton University Press, 2016, 240 pp.

In *The Unquiet Frontier*, Jakub Grygiel and A. Wess Mitchell have articulated a provocative justification for a revitalized strategy of containment focused on China, Iran, and Russia. That strategy is based on what they call the “rimland imperative”—the notion that U.S. security and prosperity are vitally dependent upon supporting allies against the encroachment by “revisionist” states (those intent upon overturning the established geopolitical order) on the periphery of Eurasia, stretching “from the Baltic Sea to the Black Sea in Europe, through the Levant and Persian Gulf to the Indian Ocean and up through the littoral Asia to the Sea of Japan.”

In many ways, *The Unquiet Frontier* is unduly alarmist. The contention that “the U.S.-led global alliance network could unravel in coming years” is certainly hyperbolic. Over the past decade, a number of prominent analysts have voiced trenchant arguments in

favor of U.S. retrenchment. But that perspective has failed to exert much (if any) influence over U.S. foreign policy. In fact, the wars in Iraq and Afghanistan have prompted the Obama administration to place renewed emphasis on maintaining strong alliances—largely as a means of distributing the burden for addressing threats to international security. In his FY2017 budget proposal, President Obama recommended increasing funding for the European Reassurance Initiative by nearly 350 percent to \$3.4 billion. Reports of the death of the American alliance system have thus been greatly exaggerated.

Nevertheless, Grygiel and Mitchell provide a thorough and interesting explication of the general benefits of alliances. They can deter revisionist states by increasing the expected costs and reducing the expected gains of aggression—and in so doing temper the ambitions of U.S. rivals. In the event that deterrence fails, alliances also extend the reach of the U.S. military by securing access to overseas bases. And by reassuring smaller states, U.S. alliances can prevent them from pursuing independent security initiatives that could be destabilizing—most notably, developing their own nuclear weapons. Given those benefits, Grygiel and Mitchell view alliances as essential for preventing “the emergence of a power or combination of powers within the Eurasian landmass that could invade or economically dominate the United States.”

In promoting a strategy of forward containment, Grygiel and Mitchell lean heavily on classical geostrategic theory. They frequently invoke the arguments of Halford Mackinder and Nicholas Spykman stressing the importance of the global rimland. Moreover, their advocacy of the vital importance of “frontier allies” is cut from the same cloth as the perimeter defense concept inherent in U.S. containment doctrine from the early Cold War period. Any failure to resist revisionist probing, which Grygiel and Mitchell define as any “low-intensity and low-risk test aimed at gauging the opposing state’s power and will to maintain security and influence over a region,” is purported to encourage further aggression, which permits the growth of menacing Eurasian rivals to the United States.

Even if one acknowledges the general benefits of alliances, the contention that small states on the periphery of the Eurasian rimland are vital to U.S. security is unpersuasive. It is difficult to see how picking off small frontier states, through either aggression or accommodation, would substantially augment the power of a revisionist state.

In fact, such states often prove to be liabilities rather than assets. The suggestion that Estonia and Taiwan are vital to U.S. security and prosperity thus borders on the absurd.

Grygiel and Mitchell do acknowledge, however, that the United States cannot possibly defend every far-flung outpost in the world. Since “to defend everything is to defend nothing,” they argue that “America’s strategic goal should not be to defend some abstract global architecture or global principle but to defend specific states against specific threats.” This acknowledgment renders the advocacy of a perimeter defense strategy even more questionable. The inherent limits of American power would seem to suggest that a “strong-point” containment strategy, which analysts such as George Kennan gradually gravitated toward in the early Cold War period, would be more pragmatic. Rather than trying to contain Russia, Iran, and China along a 10,000-mile rimland, the United States could focus on deterring aggression against key modern industrial states—and perhaps less developed states in key strategic locations—whose absorption would substantially augment the material power of revisionist rivals. In other words, the United States should focus on doing what it has been doing: preserving a strong, independent Western Europe; deterring aggression against either Japan or South Korea; and working with Turkey and Saudi Arabia to maintain access to the straits of the Bosphorus, Dardanelles, and Hormuz.

A more limited containment strategy might also be preferable since it would be less likely to antagonize China, Iran, and Russia. That represents the largest hole in *The Unquiet Frontier*: Grygiel and Mitchell devote almost no attention to the security dilemma—the idea that actions one state takes to enhance its own security can perversely engender greater insecurity in other states. Yet recurring rounds of NATO expansion have clearly engendered fears of isolation and encirclement in Russia. Given those fears, Russia’s intervention in Ukraine should not necessarily be interpreted as a revisionist probe; in many ways, it constitutes a desperate attempt to preserve the status quo by preventing Ukraine from being absorbed into western political and military alliances. It is therefore imperative to consider whether maintaining military alliances on the doorsteps of countries like China, Iran, and Russia might do more harm than good by confirming their suspicions that the United States is intent upon encircling them.

Ultimately, *The Unquiet Frontier* is symptomatic of a pervasive fear that a new Cold War may be dawning. Yet the book makes one

wonder whether adopting a rimland containment strategy would likely turn those fears into a self-fulfilling prophecy. As George Kennan, the so-called father of containment, wrote in 1947, “It is an undeniable privilege of every man to prove himself right in the thesis that the world is his enemy; for if he reiterates it frequently enough and makes it the background of his conduct he is bound eventually to be right.”

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Side Effects and Complications: The Economic Consequences of Health-Care Reform

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It is a cruel fact of history, but for seven decades and counting, the U.S. government has joined the market for health insurance in unholy matrimony with the market for labor.

It’s cruel to workers. Separation from a job, for whatever reason, means, at a minimum, disruption of one’s health insurance coverage, and often disruption of one’s access to care. Rather than encourage coverage that would stay with workers after they retired, for example, the shotgun marriage of these two markets casts millions of workers out of their health plans the moment they reached retirement age—many of them with suddenly uninsurable preexisting conditions.

It’s cruel to taxpayers, because its impact on retirees fueled the creation of the incredibly expensive and wasteful Medicare program.

It’s cruel to economists, who, if they seek to understand and improve the functioning of one market, must become experts on two.

It’s cruel to policymakers, in that it fosters a misleading picture of trends in worker compensation, along with a network of tripwires and unintended consequences that stymie sensible reform.

And, finally, it’s doubly cruel to workers, because it allows policymakers to hide the cost of insensible reforms in forgone wages—as Congress quite consciously did under the Affordable Care Act of 2010, not to mention previous and equally dubious “affordable-care acts.”

This shotgun marriage could not have survived without some beneficiaries, notably: the health sector, on which it bestows large