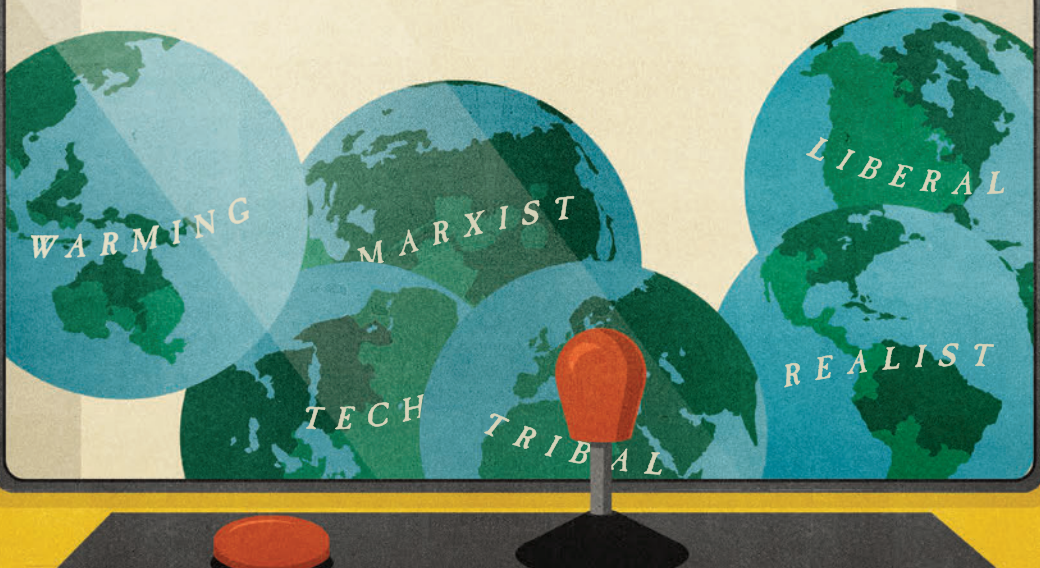
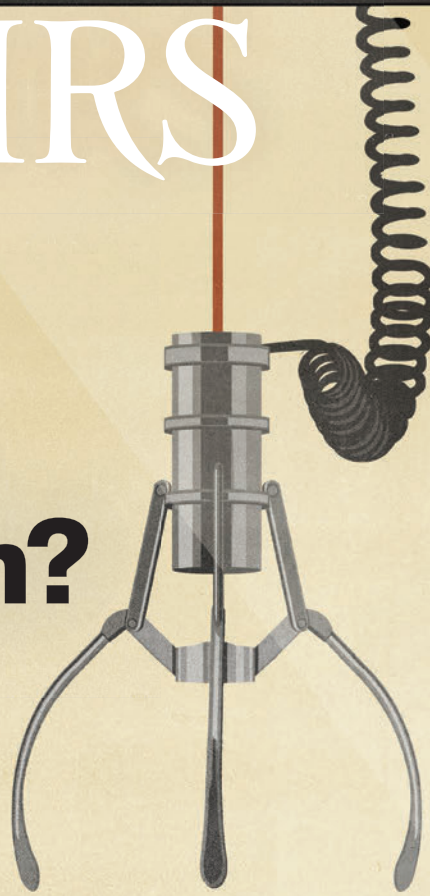


HOW 9/11 STILL WARPS AMERICAN STRATEGY

JULY/AUGUST 2018

# FOREIGN AFFAIRS

## Which World Are We Living In?



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# FOREIGN AFFAIRS



*Volume 97, Number 4*

## WHICH WORLD ARE WE LIVING IN?

<b>Realist World</b>	10
The Players Change, but the Game Remains <i>Stephen Kotkin</i>	
<b>Liberal World</b>	16
The Resilient Order <i>Daniel Deudney and G. John Ikenberry</i>	
<b>Tribal World</b>	25
Group Identity Is All <i>Amy Chua</i>	
<b>Marxist World</b>	34
What Did You Expect From Capitalism? <i>Robin Varghese</i>	
<b>Tech World</b>	43
Welcome to the Digital Revolution <i>Kevin Drum</i>	
<b>Warming World</b>	49
Why Climate Change Matters More Than Anything Else <i>Joshua Busby</i>	



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## ESSAYS

**The Long Shadow of 9/11** 58  
How Counterterrorism Warps U.S. Foreign Policy  
*Robert Malley and Jon Finer*

---

**NATO's Enemies Within** 70  
How Democratic Decline Could Destroy the Alliance  
*Celeste A. Wallander*

---

**Russia as It Is** 82  
A Grand Strategy for Confronting Putin  
*Michael McFaul*

---

**The Human Capital Gap** 92  
Getting Governments to Invest in People  
*Jim Yong Kim*

---

**Reclaiming Global Leadership** 102  
The Right Way to Put America First  
*John Kasich*

---

**Go Your Own Way** 113  
Why Rising Separatism Might Lead to More Conflict  
*Tanisha M. Fazal*

---

**The Myth of the Liberal Order** 124  
From Historical Accident to Conventional Wisdom  
*Graham Allison*

## ON FOREIGNAFFAIRS.COM

▶ **Megan MacKenzie** on women in combat.

▶ **Kevin Rudd** on how Xi Jinping views the world.

▶ **Emma Ashford** on a better U.S. Russia policy.

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**Why Carbon Pricing Isn't Working** 134  
**Good Idea in Theory, Failing in Practice**  
*Jeffrey Ball*

---

**How the Safety Net Can Survive Trump** 147  
**Social Democracy's Staying Power**  
*Lane Kenworthy*

---

## REVIEWS & RESPONSES

**Indonesia's Forgotten Bloodbath** 158  
**Cold War Crime and Cover-Up**  
*Gary J. Bass*

---

**Making Some Noise for God** 164  
**How to Understand Pope Francis**  
*Maria Clara Bingemer*

---

**Divide and Invest** 170  
**Why the Marshall Plan Worked**  
*Melvyn P. Leffler*

---

**The People's Authoritarian** 176  
**How Russian Society Created Putin**  
*Michael Kimmage*

---

**Did America Get China Wrong?** 183  
**The Engagement Debate**  
*Wang Jisi; J. Stapleton Roy; Aaron Friedberg; Thomas Christensen and Patricia Kim; Joseph S. Nye, Jr.; Eric Li; Kurt M. Campbell and Ely Ratner*

---

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# FOREIGN AFFAIRS

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**AMY CHUA** may be best known for her 2011 memoir, *Battle Hymn of the Tiger Mother*, but she has been a longtime professor at Yale Law School and the author of a slew of major books, on globalization, empire, and ethnic relations. In “Tribal World” (page 25), Chua argues that Americans have failed to fully grasp the power of ethnic, regional, religious, and sectarian identities—and have made some major mistakes as a result.



In 1983, **MICHAEL McFAUL** spent a summer at Leningrad State University as an undergraduate. He made friends with dissidents and black-market hustlers, and he developed a deep appreciation for Russia. He kept returning—in 1985, as a student; in 1990, as an academic; in 1994, as a senior fellow at the Carnegie Moscow Center; and in 2012, as U.S. ambassador to Russia. While he was ambassador, the Russian government accused him of supporting regime change, and in 2016, he discovered that he had been banned from the country. Now a professor at Stanford University, McFaul lays out a new U.S. grand strategy for dealing with the Kremlin in “Russia as It Is” (page 82).



**JIM YONG KIM** has spent his career working at the intersection of global health and poverty. In 1987, while he was in medical school at Harvard, Kim co-founded Partners in Health, a nonprofit that brings high-quality health care to impoverished areas. He joined the World Health Organization in 2003 and soon became the director of its HIV/AIDS Department. Then, in 2012, after a stint as president of Dartmouth College, he was named president of the World Bank. In “The Human Capital Gap” (page 92), Kim explains how governments can do a better job of investing in their citizens.



**MARIA CLARA BINGEMER** is a pioneering scholar of Catholic thought. A professor at the Pontifical Catholic University of Rio de Janeiro, she has advised the Brazilian Catholic Bishops’ Conference on the role of women and married laity in the Catholic Church. In “Making Some Noise for God” (page 164), a review of the *New York Times* columnist Ross Douthat’s new book, Bingemer argues that critics who have fixated on Pope Francis’ statements about marriage have overlooked the most important aspect of his tenure: his effort to restore the poor to a central place in Catholic life.



# WHICH WORLD ARE WE LIVING IN?

**B**ismarck once said that the statesman's task was to hear God's footsteps marching through history and try to catch his coattails as he went past. It's a great concept, but how do you spot him?

With the time clearly out of joint, we dispatched six scouts to look for tracks, and this issue's lead package presents their findings. Realist world. Liberal world. Tribal world. Marxist world. Tech world. Warming world. A half dozen choices of grand narrative for an increasingly turbulent era.

Stephen Kotkin argues that great-power rivalry is the motor of history, now as always. The story of the age is the rise of China and its geopolitical consequences, and the future will depend on how Beijing and Washington manage their relationship.

Not so fast, say Daniel Deudney and G. John Ikenberry. Despite what critics allege, the main story today is the resilience of liberal democracies and the international order they created. Today's challenges will be surmounted just as earlier ones were, because in the end, liberalism works.

Amy Chua sees tribalism as the dominant fact of human life, and its turbocharged expression—from nationalism to identity politics—as the theme of the current day. A calmer future depends on building inclusive communities.

Robin Varghese makes the case for class struggle as the key to understanding what is happening. It turns out that Marx was less wrong than early: the rich are getting richer, the masses

are getting screwed, and the system is finally going into crisis. What did you expect from capitalism?

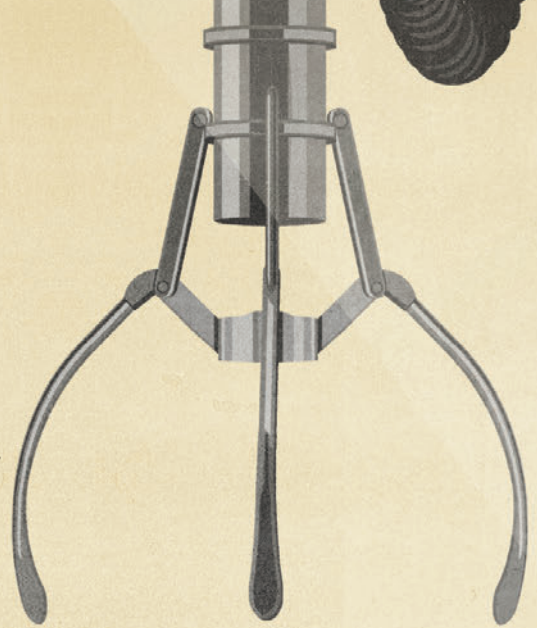
Science and technology are actually what matter most, claims Kevin Drum. Just as the Industrial Revolution transformed everything a couple of centuries ago, so the digital revolution is doing it again now. Strap yourself in; it's going to be a bumpy ride.

How silly all these debates will seem to future generations trying to keep their heads above water, notes Joshua Busby. Grappling with climate change is the defining challenge of the era.

Life today seems like a tale told by an idiot, full of sound and fury, signifying something. Take your pick as to what.

—*Gideon Rose, Editor*

*A half dozen choices of grand narrative for an increasingly turbulent era. Take your pick.*



**Realist World**

*Stephen Kotkin*

10

**Marxist World**

*Robin Varghese*

34

**Liberal World**

*Daniel Deudney and G. John Ikenberry*

16

**Tech World**

*Kevin Drum*

43

**Tribal World**

*Amy Chua*

25

**Warming World**

*Joshua Busby*

49

---

# Realist World

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## The Players Change, but the Game Remains

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*Stephen Kotkin*

**G**eopolitics didn't return; it never went away. The arc of history bends toward delusion. Every hegemon thinks it is the last; all ages believe they will endure forever. In reality, of course, states rise, fall, and compete with one another along the way. And how they do so determines the world's fate.

Now as ever, great-power politics will drive events, and international rivalries will be decided by the relative capacities of the competitors—their material and human capital and their ability to govern themselves and their foreign affairs effectively. That means the course of the coming century will largely be determined by how China and the United States manage their power resources and their relationship.

Just as the free-trading United Kingdom allowed its rival, imperial Germany, to grow strong, so the free-trading United States has done the same with China. It was not dangerous for the liberal hegemon to let authoritarian competitors gain ground, the logic ran, because challengers would necessarily face a stark choice: remain authoritarian and stagnate or liberalize to continue to

grow. Either way, the hegemon would be fine. It didn't end well the first time and is looking questionable this time, too.

China will soon have an economy substantially larger than that of the United States. It has not democratized yet, nor will it anytime soon, because communism's institutional setup does not allow for successful democratization. But authoritarianism has not meant stagnation, because Chinese institutions have managed to mix meritocracy and corruption, competence and incompetence, and they have somehow kept the country moving onward and upward. It might slow down soon, and even implode from its myriad contradictions. But analysts have been predicting exactly that for decades, and they've been consistently wrong so far.

Meanwhile, as China has been powering forward largely against expectations, the United States and other advanced democracies have fallen into domestic dysfunction, calling their future power into question. Their elites steered generations of globalization successfully enough to enable vast social mobility and human progress around the world, and they did quite well along the way. But as they gorged themselves at the trough, they overlooked the negative economic and social effects of all of this on citizens in their internal peripheries. That created an opening for demagogues to exploit, which they have done with a vengeance.

The Great Depression ended an earlier age of globalization, one that began in the late nineteenth century. Some thought the global financial crisis of 2008 might do the same for the current wave. The system survived, but the emergency measures implemented to save it—including bailouts for banks, but not for

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**STEPHEN KOTKIN** is John P. Birkelund '52 Professor in History and International Affairs at Princeton University and a Senior Fellow at Stanford's Hoover Institution.



*The coming conflict: Taiwanese navy personnel in Yilan, Taiwan, June 2016*

ordinary people—revealed and heightened its internal contradictions. And in the decade following, antiestablishment movements have grown like Topsy.

Today's competition between China and the United States is a new twist on an old story. Until the onset of the nineteenth century, China was by far the world's largest economy and most powerful country, with an estimated 40 percent share of global GDP. Then it entered a long decline, ravaged from without and within—around the same time the United States was born and began its long ascent to global dominance. The United States' rise could not have occurred without China's weakness, given how important U.S. dominance of Asia has been to American primacy. But nor could China's revival have occurred without the United States' provision of security and open markets.

So both countries have dominated the world, each has its own strengths and weaknesses, and for the first time, each confronts the other as a peer. It is too soon to tell how the innings ahead will play out. But we can be confident that the game will continue.

#### **BEWARE OF WHAT YOU WISH FOR**

To understand the world of tomorrow, look back to yesterday. In the 1970s, the United States and its allies were rich but disordered and stagnant; the Soviet Union had achieved military parity and was continuing to arm; China was convulsed by internal turmoil and poverty; India was poorer than China; Brazil, ruled by a military junta, had an economy barely larger than India's; and South Africa was divided into homelands under a regime of institutionalized racism.

Four decades later, the Soviet Union has dissolved, and its successor states have embraced capitalism and private property. China, still politically communist, chose markets over planning and has grown to have the world's second-largest economy. Once-destitute India now has the sixth-largest economy. Brazil became a democracy, experienced an economic takeoff, and now has the eighth-largest economy. South Africa overturned apartheid and became a multiracial democracy.

The direction of these changes was no accident. After World War II, the United States and its allies worked hard to create an open world with ever-freer trade and ever-greater global integration. Policymakers bet that if they built it, people would come. And they were right. Taken together, the results have been extraordinary. But those same policymakers and their descendants weren't prepared for success when it happened.

Globalization creates wealth by enticing dynamic urban centers in richer countries to invest abroad rather than in hinterlands at home. This increases economic efficiency and absolute returns, more or less as conventional economic theory suggests. And it has reduced inequality at the global level, by enabling hundreds of millions of people to rise out of grinding poverty.

But at the same time, such redirected economic activity increases domestic inequality of opportunity and feelings of political betrayal inside rich countries. And for some of the losers, the injury is compounded by what feels like cultural insult, as their societies become less familiar. Western elites concentrated on harvesting globalization's

benefits rather than minimizing its costs, and as a result, they turbocharged the process and exacerbated its divisive consequences.

Too many convinced themselves that global integration was fundamentally about economics and sameness and would roll forward inexorably. Only a few Cassandras, such as the political scientist Samuel Huntington, pointed out that culture was more powerful and that integration would accentuate differences rather than dissolve them, both at home and abroad. In 2004, he noted that

in today's America, a major gap exists between the nation's elites and the general public over the salience of national identity compared to other identities and over the appropriate role for America in the world. Substantial elite elements are increasingly divorced from their country, and the American public, in turn, is increasingly disillusioned with its government.

Soon enough, "outsider" political entrepreneurs seized the moment.

Having embraced an ideology of globalism, Western elites left themselves vulnerable to a mass political challenge based on the majoritarian nationalism they had abandoned. The tribunes of the popular insurgencies may traffic in fakery, but the sentiments of their voters are real and reflect major problems that the supposed experts ignored or dismissed.

#### **THAT WAS THEN**

For all the profound changes that have occurred over the past century, the geopolitical picture today resembles that of the 1970s, and even the 1920s,

albeit with one crucial exception. Diminished but enduring Russian power in Eurasia? Check. Germany at the core of a strong but feckless Europe? Check. A distracted U.S. giant, powerful enough to lead but wavering about doing so? Check. Brazil and South Africa dominating their regions? Check. Apart from the stirrings of older Indian, Ottoman, and Persian power centers, the most important difference today is the displacement of Japan by China as the central player in the Asian balance of power.

China's industriousness has been phenomenal, and the country has certainly earned its new position. But it could never have achieved what it has over the last two generations without the economic openness and global security provided by the United States as a liberal hegemon. From the late nineteenth and into the twentieth century, the United States—unlike the Europeans and the Japanese—spent relatively little effort trying to establish direct colonial rule over foreign territory. It chose instead to advance its interests more through voluntary alliances, multilateral institutions, and free trade. That choice was driven largely by enlightened self-interest rather than altruism, and it was backed up by global military domination. And so the various multinational bodies and processes of the postwar system are actually best understood not as some fundamentally new chimera called “the liberal international order” but as mechanisms for organizing and extending the United States' vast new sphere of influence.

Strong countries with distinctive ideologies generally try to proselytize, and converts generally flock to a winner. So it should hardly be surprising that

democracy, the rule of law, and other American values became globally popular during the postwar years, given the power of the U.S. example (even in spite of the fact that U.S. ideals were often more honored in the breach than the observance). But now, as U.S. relative power has diminished and the U.S. brand has run into trouble, the fragility of a system dependent on the might, competency, and image of the United States has been exposed.

Will the two new superpowers find a way to manage their contest without stumbling into war? If not, it may well be because of Taiwan. The thriving Asian tiger is yet another tribute to the wonders of globalization, having become rich, strong, and democratic since its unprepossessing start seven decades ago. But Beijing has been resolute in insisting on reclaiming all territories it regards as its historical possessions, and Chinese President Xi Jinping has personally reaffirmed that Taiwan is Chinese territory and a “core interest.” And the People's Liberation Army, for its part, has gradually amassed the capability to seize the island by force.

Such a radical move might seem crazy, given how much chaos it could provoke and how deeply China's continued internal success depends on external stability. But opinion polls of the island's inhabitants have recorded a decisive trend toward a separate Taiwanese identity, the opposite of what Beijing had expected from economic integration. (Western elites aren't the only ones who harbor delusions.) Will an increasingly powerful Beijing stand by and watch its long-sought prize slip away?

### THIS IS NOW

Over the last decade, Russia has confounded expectations by managing to weather cratering oil prices and Western sanctions. Vladimir Putin's regime may be a gangster kleptocracy, but it is not only that. Even corrupt authoritarian regimes can exhibit sustained good governance in some key areas, and smart macroeconomic policy has kept Russia afloat.

China, too, has a thuggish and corrupt authoritarian regime, and it, too, has proved far more adaptable than most observers imagined possible. Its elites have managed the development of a continent-sized country at an unprecedented speed and scale, to the point where many are wondering if China will dominate the world. In 1800, one would have expected China to dominate a century later—and instead, Chinese power collapsed and American power skyrocketed. So straight-line projections are perilous. But what if that early-nineteenth-century forecast was not wrong but early?

Authoritarianism is all-powerful yet brittle, while democracy is pathetic but resilient. China is coming off a long run of stable success, but things could change quickly. After all, Mao Zedong led the exact same regime and was one of the most barbaric and self-destructive leaders in history. Just as many people once assumed that China could never rise so far, so fast, now some assume that its rise must inevitably continue—with as little justification.

Xi's decision to centralize power has multiple sources, but one of them is surely an appreciation of just how formidable the problems China faces are. The natural response of authoritarian regimes to crises is to tighten their grip at the

top. This allows greater manipulation of events in the short term, and sometimes impressive short-term results. But it has never yet been a recipe for genuine long-term success.

Still, for now, China, backed by its massive economy, is projecting power in all directions, from the East China and South China Seas, to the Indian Ocean, to Central Asia, and even to Africa and Latin America. Wealth and consistency have combined to yield an increasingly impressive soft-power portfolio along with the hard-power one, enabling China to make inroads into its opponent's turf.

Australia, for example, is a rich and robust liberal democracy with a high degree of social solidarity and a crucial pillar of the American order—and it happens to be smack in the path of China's expansion. Beijing's influence and interference there have been growing steadily over the last generation, both as a natural consequence of economic interdependence and thanks to a deliberate long-term campaign on the part of China to lure Australia into a twenty-first-century version of Finlandization. Similar processes are playing out across Asia and Europe, as China embarks on building a Grand Eurasia centered on Beijing, perhaps even turning Europe away from the Atlantic.

Right now, the United States' debasement is giving China a boost. But as Adam Smith noted, there is indeed "a great deal of ruin in a nation," and the United States remains the strongest power in the world by far. Furthermore, this will not be a purely bilateral game. Yes, the United Kingdom allowed Germany to rise and lead a hegemonic challenge against it—twice.



But it also allowed the United States to rise, and so when those challenges came, it was possible, as Winston Churchill understood, for the New World, with all its power and might, to come to the aid of the Old.

In the same way, the United States has allowed China to rise but has also facilitated the growth of Europe, Japan, India, Brazil, and many others. And however much those actors might continue to chafe at aspects of American leadership or chase Chinese investment, they would prefer the continuation of the current arrangements to being forced to kowtow to the Middle Kingdom.

The issue of the day might seem to be whether a Chinese sphere of influence can spread without overturning the existing U.S.-created and U.S.-dominated international order. But that ship has sailed: China's sphere has expanded prodigiously and will continue to do so. At the same time, China's revival has earned it the right to be a rule-maker. The real questions, therefore, are whether China will run roughshod over other countries, because it can—and whether the United States will share global leadership, because it must.

Are a hegemon's commitments co-dependent, so that giving up some undermines the rest? Can alliances and guarantees in one place unwind while those in another remain strong? In short, is retrenchment possible, or does even a hint of retreat have to turn into a rout? A well-executed U.S. transition from hegemonic hyperactivity to more selective global engagement on core interests might be welcome both at home and abroad, however much politicians and pundits would squeal. But cases of successful peaceful retrenchment are

rare, and none has started from such an apex.

History tells us nothing about the future except that it will surprise us. Three-D printing, artificial intelligence, and the onrushing digital and genetics revolutions may upend global trade and destabilize the world radically. But in geopolitics, good outcomes are possible, too—realism is not a counsel of despair. For today's gladiators to buck the odds and avoid falling at each other's throats like most of their predecessors did, however, four things will be necessary. Western policymakers have to find ways to make large majorities of their populations benefit from and embrace an open, integrated world. Chinese policymakers have to continue their country's rise peacefully, through compromise, rather than turning to coercion abroad, as well. The United States needs to hew to an exactly right balance of strong deterrence and strong reassurance vis-à-vis China and get its house in order domestically. And finally, some sort of miracle will have to take care of Taiwan. 🌐

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# Liberal World

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## The Resilient Order

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*Daniel Deudney and  
G. John Ikenberry*

**D**ecades after they were supposedly banished from the West, the dark forces of world politics—illiberalism, autocracy, nationalism, protectionism, spheres of influence, territorial revisionism—have reasserted themselves. China and Russia have dashed all hopes that they would quickly transition to democracy and support the liberal world order. To the contrary, they have strengthened their authoritarian systems at home and flouted norms abroad. Even more stunning, with the United Kingdom having voted for Brexit and the United States having elected Donald Trump as president, the leading patrons of the liberal world order have chosen to undermine their own system. Across the world, a new nationalist mindset has emerged, one that views international institutions and globalization as threats to national sovereignty and identity rather than opportunities.

The recent rise of illiberal forces and leaders is certainly worrisome. Yet it is too soon to write the obituary of liberalism as a theory of international relations, liberal democracy as a system of government, or the liberal order as the overarching framework for global politics. The

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liberal vision of nation-states cooperating to achieve security and prosperity remains as vital today as at any time in the modern age. In the long course of history, liberal democracy has hit hard times before, only to rebound and gain ground. It has done so thanks to the appeal of its basic values and its unique capacities to effectively grapple with the problems of modernity and globalization.

The order will endure, too. Even though the United States' relative power is waning, the international system that the country has sustained for seven decades is remarkably durable. As long as interdependence—economic, security-related, and environmental—continues to grow, peoples and governments everywhere will be compelled to work together to solve problems or suffer grievous harm. By necessity, these efforts will build on and strengthen the institutions of the liberal order.

### THE LIBERAL VISION

Modern liberalism holds that world politics requires new levels of political integration in response to relentlessly rising interdependence. But political orders do not arise spontaneously, and liberals argue that a world with more liberal democratic capitalist states will be more peaceful, prosperous, and respectful of human rights. It is not inevitable that history will end with the triumph of liberalism, but it is inevitable that a decent world order will be liberal.

The recent rise of illiberal forces and the apparent recession of the liberal international order may seem to call this school of thought into question. But despite some notable exceptions, states still mostly interact through well-worn



*All together now: at the G-20 summit in Hamburg, Germany, July 2017*

institutions and in the spirit of self-interested, pragmatic accommodation.

Moreover, part of the reason liberalism may look unsuited to the times is that many of its critics assail a strawman version of the theory. Liberals are often portrayed as having overly optimistic—even utopian—assumptions about the path of human history. In reality, they have a much more conditional and tempered optimism that recognizes tragic tradeoffs, and they are keenly attentive to the possibilities for large-scale catastrophes. Like realists, they recognize that it is often human nature to seek power, which is why they advocate constitutional and legal restraints. But unlike realists, who see history as cyclical, liberals are heirs to the Enlightenment project of technological innovation, which opens new possibilities both for human progress and for disaster.

Liberalism is essentially pragmatic. Modern liberals embrace democratic

governments, market-based economic systems, and international institutions not out of idealism but because they believe these arrangements are better suited to realizing human interests in the modern world than any alternatives. Indeed, in thinking about world order, the variable that matters most for liberal thinkers is interdependence. For the first time in history, global institutions are now necessary to realize basic human interests; intense forms of interdependence that were once present only on a smaller scale are now present on a global scale. For example, whereas environmental problems used to be contained largely within countries or regions, the cumulative effect of human activities on the planet's biospheric life-support system has now been so great as to require a new geologic name for the current time period—the Anthropocene. Unlike its backward-looking nationalist and realist rivals,

liberalism has a pragmatic adaptability and a penchant for institutional innovations that are vital for responding to such emerging challenges as artificial intelligence, cyberwarfare, and genetic engineering.

Overall, liberalism remains perennially and universally appealing because it rests on a commitment to the dignity and freedom of individuals. It enshrines the idea of tolerance, which will be needed in spades as the world becomes increasingly interactive and diverse. Although the ideology emerged in the West, its values have become universal, and its champions have extended to encompass Mahatma Gandhi, Mikhail Gorbachev, and Nelson Mandela. And even though imperialism, slavery, and racism have marred Western history, liberalism has always been at the forefront of efforts—both peaceful and militant—to reform and end these practices. To the extent that the long arc of history does bend toward justice, it does so thanks to the activism and moral commitment of liberals and their allies.

### **DEMOCRATIC DECLINE IN PERSPECTIVE**

In many respects, today's liberal democratic malaise is a byproduct of the liberal world order's success. After the Cold War, that order became a global system, expanding beyond its birthplace in the West. But as free markets spread, problems began to crop up: economic inequality grew, old political bargains between capital and labor broke down, and social supports eroded. The benefits of globalization and economic expansion were distributed disproportionately to elites. Oligarchic power bloomed. A modulated form of capitalism morphed into winner-take-all casino capitalism. Many new

democracies turned out to lack the traditions and habits necessary to sustain democratic institutions. And large flows of immigrants triggered a xenophobic backlash. Together, these developments have called into question the legitimacy of liberal democratic life and created openings for opportunistic demagogues.

Just as the causes of this malaise are clear, so is its solution: a return to the fundamentals of liberal democracy. Rather than deeply challenging the first principles of liberal democracy, the current problems call for reforms to better realize them. To reduce inequality, political leaders will need to return to the social democratic policies embodied in the New Deal, pass more progressive taxation, and invest in education and infrastructure. To foster a sense of liberal democratic identity, they will need to emphasize education as a catalyst for assimilation and promote national and public service. In other words, the remedy for the problems of liberal democracy is more liberal democracy; liberalism contains the seeds of its own salvation.

Indeed, liberal democracies have repeatedly recovered from crises resulting from their own excesses. In the 1930s, overproduction and the integration of financial markets brought about an economic depression, which triggered the rise of fascism. But it also triggered the New Deal and social democracy, leading to a more stable form of capitalism. In the 1950s, the success of the Manhattan Project, combined with the emerging U.S.-Soviet rivalry, created the novel threat of a worldwide nuclear holocaust. That threat gave rise to arms control pacts and agreements concerning the governance of global spaces, deals forged by the United States in collaboration with the Soviet

PART OF BUSINESS AND PUBLIC POLICY

# Authoritarian Capitalism

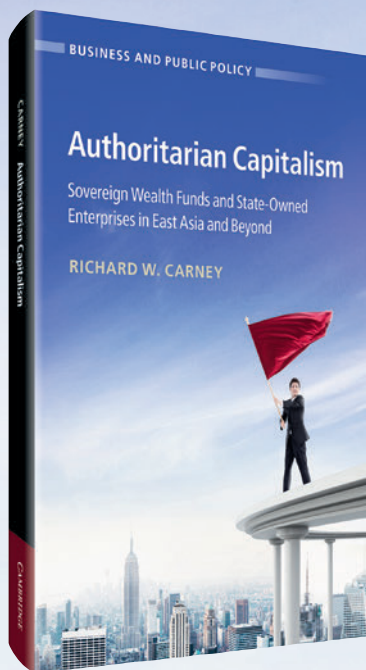
Sovereign Wealth Funds and State-Owned Enterprises in East Asia and Beyond

RICHARD W. CARNEY, *China Europe International Business School*

*"Authoritarian Capitalism arrives at a critical historical moment. With the earlier wave of democratization stalled or in reverse, we are forced to revisit the nature of autocracy. Richard Carney takes this work in a new and exciting direction by looking at the foreign economic policies of authoritarian regimes, including how they propagate state-led development models and use their sovereign wealth funds. This is an ambitious contribution that goes beyond economic issues to changing politics in the Asia-Pacific and even questions of liberal and illiberal grand strategies."*

Stephan Haggard,

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*'The book offers a fascinating analysis of state ownership of foreign firms especially in Asia.'*

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*'Masterful academic work, based on rigorous data analysis and rich case studies of five East Asian countries....'*

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*'A fantastic piece of scholarship!'*

Seung Ho Park, Parkland Chair Professor and Director of the Center for Emerging Market Studies, China Europe International Business School

*'The book makes a novel and important argument with global implications.'*

Krislert Samphantharak, School of Global Policy and Strategy, University of California San Diego

Union. In the 1970s, rising middle-class consumption led to oil shortages, economic stagnation, and environmental decay. In response, the advanced industrial democracies established oil coordination agreements, invested in clean energy, and struck numerous international environmental accords aimed at reducing pollutants. The problems that liberal democracies face today, while great, are certainly not more challenging than those that they have faced and overcome in these historically recent decades. Of course, there is no guarantee that liberal democracies will successfully rise to the occasion, but to count them out would fly in the face of repeated historical experiences.

Today's dire predictions ignore these past successes. They suffer from a blinding presentism. Taking what is new and threatening as the master pattern is an understandable reflex in the face of change, but it is almost never a very good guide to the future. Large-scale human arrangements such as liberal democracy rarely change as rapidly or as radically as they seem to in the moment. If history is any guide, today's illiberal populists and authoritarians will evoke resistance and countermovements.

### **THE RESILIENT ORDER**

After World War II, liberal democracies joined together to create an international order that reflected their shared interests. And as is the case with liberal democracy itself, the order that emerged to accompany it cannot be easily undone. For one thing, it is deeply embedded. Hundreds of millions, if not billions, of people have geared their activities and expectations to the order's institutions and incentives, from farmers to microchip makers. However unappealing aspects of it may be,

replacing the liberal order with something significantly different would be extremely difficult. Despite the high expectations they generate, revolutionary moments often fail to make enduring changes. It is unrealistic today to think that a few years of nationalist demagoguery will dramatically undo liberalism.

Growing interdependence makes the order especially difficult to overturn. Ever since its inception in the eighteenth century, liberalism has been deeply committed to the progressive improvement of the human condition through scientific discovery and technological advancements. This Enlightenment project began to bear practical fruits on a large scale in the nineteenth century, transforming virtually every aspect of human life. New techniques for production, communication, transportation, and destruction poured forth. The liberal system has been at the forefront not just of stoking those fires of innovation but also of addressing the negative consequences. Adam Smith's case for free trade, for example, was strengthened when it became easier to establish supply chains across global distances. And the age-old case for peace was vastly strengthened when weapons evolved from being simple and limited in their destruction to the city-busting missiles of the nuclear era. Liberal democratic capitalist societies have thrived and expanded because they have been particularly adept at stimulating and exploiting innovation and at coping with their spillover effects and negative externalities. In short, liberal modernity excels at both harvesting the fruits of modern advance and guarding against its dangers.

This dynamic of constant change and ever-increasing interdependence is only

accelerating. Human progress has caused grave harm to the planet and its atmosphere, yet climate change will also require unprecedented levels of international cooperation. With the rise of bioweapons and cyberwarfare, the capabilities to wreak mass destruction are getting cheaper and ever more accessible, making the international regulation of these technologies a vital national security imperative for all countries. At the same time, global capitalism has drawn more people and countries into cross-border webs of exchange, thus making virtually everyone dependent on the competent management of international finance and trade. In the age of global interdependence, even a realist must be an internationalist.

The international order is also likely to persist because its survival does not depend on all of its members being liberal democracies. The return of isolationism, the rise of illiberal regimes such as China and Russia, and the general recession of liberal democracy in many parts of the world appear to bode ill for the liberal international order. But contrary to the conventional wisdom, many of its institutions are not uniquely liberal in character. Rather, they are Westphalian, in that they are designed merely to solve problems of sovereign states, whether they be democratic or authoritarian. And many of the key participants in these institutions are anything but liberal or democratic.

Consider the Soviet Union's cooperative efforts during the Cold War. Back then, the liberal world order was primarily an arrangement among liberal democracies in Europe, North America, and East Asia. Even so, the Soviet Union often worked with the democracies to help build

international institutions. Moscow's committed antiliberal stance did not stop it from partnering with Washington to create a raft of arms control agreements. Nor did it stop it from cooperating with Washington through the World Health Organization to spearhead a global campaign to eradicate smallpox, which succeeded in completely eliminating the disease by 1979.

More recently, countries of all stripes have crafted global rules to guard against environmental destruction. The signatories to the Paris climate agreement, for example, include such autocracies as China, Iran, and Russia. Westphalian approaches have also thrived when it comes to governing the commons, such as the ocean, the atmosphere, outer space, and Antarctica. To name just one example, the 1987 Montreal Protocol, which has thwarted the destruction of the ozone layer, has been actively supported by democracies and dictatorships alike. Such agreements are not challenges to the sovereignty of the states that create them but collective measures to solve problems they cannot address on their own.

Most institutions in the liberal order do not demand that their backers be liberal democracies; they only require that they be status quo powers and capable of fulfilling their commitments. They do not challenge the Westphalian system; they codify it. The UN, for example, enshrines the principle of state sovereignty and, through the permanent members of the Security Council, the notion of great-power decision-making. All of this makes the order more durable. Because much of international cooperation has nothing at all to do with liberalism or democracy, when politicians who are hostile to all things liberal are in

power, they can still retain their international agendas and keep the order alive. The persistence of Westphalian institutions provides a lasting foundation on which distinctively liberal and democratic institutions can be erected in the future.

Another reason to believe that the liberal order will endure involves the return of ideological rivalry. The last two and a half decades have been profoundly anomalous in that liberalism has had no credible competitor. During the rest of its existence, it faced competition that made it stronger. Throughout the nineteenth century, liberal democracies sought to outperform monarchical, hereditary, and aristocratic regimes. During the first half of the twentieth century, autocratic and fascist competitors created strong incentives for the liberal democracies to get their own houses in order and band together. And after World War II, they built the liberal order in part to contain the threat of the Soviet Union and international communism.

The Chinese Communist Party appears increasingly likely to seek to offer an alternative to the components of the existing order that have to do with economic liberalism and human rights. If it ends up competing with the liberal democracies, they will again face pressure to champion their values. As during the Cold War, they will have incentives to undertake domestic reforms and strengthen their international alliances. The collapse of the Soviet Union, although a great milestone in the annals of the advance of liberal democracy, had the ironic effect of eliminating one of its main drivers of solidarity. The bad news of renewed ideological rivalry could be good news for the liberal international order.

## **CORE MELTDOWN**

In challenging the U.S. commitment to NATO and the trading rules of the North American Free Trade Agreement (NAFTA) and the World Trade Organization, Trump has called into question the United States' traditional role as the leader of the liberal order. And with the vote to leave the EU, the United Kingdom has launched itself into the uncharted seas of a full withdrawal from Europe's most prized postwar institution. In an unprecedented move, the Anglo-American core of the liberal order appears to have fully reversed course.

Despite what the backers of Trump and Brexit promise, actually effecting a real withdrawal from these long-standing commitments will be difficult to accomplish. That's because the institutions of the liberal international order, although often treated as ephemeral and fragile, are actually quite resilient. They did not emerge by accident; they were the product of deeply held interests. Over the decades, the activities and interests of countless actors—corporations, civic groups, and government bureaucracies—have become intricately entangled in these institutions. Severing those institutional ties sounds simple, but in practice, it is devilishly complicated.

The difficulties have already become abundantly clear with Brexit. It is not so easy, it turns out, to undo in one fell swoop a set of institutional arrangements that were developed over five decades and that touch on virtually every aspect of British life and government. Divorcing the EU means scrapping solutions to real problems, problems that haven't gone away. In Northern Ireland, for example, negotiators in the 1990s found an elegant solution to the long-running conflict there by allowing the region to remain part of



the United Kingdom but insisting that there be no border controls between it and the Republic of Ireland—a bargain that leaving the EU’s single market and customs union would undo. If officials do manage to fully implement Brexit, it seems an inescapable conclusion that the United Kingdom’s economic output and influence in the world will fall.

Likewise, the initial efforts by the Trump administration to unilaterally alter the terms of trade with China and renegotiate NAFTA with Canada and Mexico have revealed how intertwined these countries’ economies are with the U.S. economy. New international linkages of production and trade have clearly produced losers, but they have also produced many winners who have a vested interest in maintaining the status quo. Farmers and manufacturers, for instance, have reaped massive gains from NAFTA and have lobbied hard for Trump to keep the agreement intact, making it politically difficult for him to pull off an outright withdrawal.

The incentives for Washington to stay in international security institutions are even greater. Abandoning NATO, as candidate Trump suggested the United States should do, would massively disrupt a security order that has provided seven decades of peace on a historically war-torn continent—and doing so at a time when Russia is resurgent would be all the more dangerous. The interests of the United States are so obviously well served by the existing security order that any American administration would be compelled to sustain them. Indeed, in lieu of withdrawing from NATO, Trump, as president, has shifted his focus to the time-honored American tradition of trying to get the Europeans to increase

their defense spending to bear more of the burden. Similarly, major pieces of the nuclear arms control architecture from the end of the Cold War are unraveling and expiring. Unless American diplomatic leadership is forthcoming, the world may find itself thrown back into a largely unregulated nuclear arms race.

The Trump administration’s initiatives on trade and alliance politics have generated a great deal of anxiety and uncertainty, but their actual effect is less threatening—more a revisiting of bargains than a pulling down of the order itself. Setting aside Trump’s threats of complete withdrawal and his chaotic and impulsive style, his renegotiations of trade deals and security alliances can be seen as part an ongoing and necessary, if sometimes ugly, equilibration of the arrangements underlying the institutions of the liberal world order.

Moreover, despite Trump’s relentless demeaning of the international order, he has sometimes acted in ways that fulfill, rather than challenge, the traditional American role in it. His most remarkable use of force so far has been to bomb Syria for its egregious violations of international norms against the use of chemical weapons on civilians. His policy toward Russia, while convoluted and compromised, has essentially been a continuation of that pursued by the George W. Bush and Obama administrations: sanctioning Russia for its revisionism in eastern Europe and cyberspace. Perhaps most important, Trump’s focus on China as a great-power rival will compel him or some future administration to refurbish and expand U.S. alliances rather than withdraw from them. On the issues that matter most, Trump’s foreign policy, despite its “America first” rhetoric and chaotic

implementation, continues to move along the tracks of the American-built order.

In other areas, of course, Trump really is undermining the liberal order. But as the United States has stepped back, others have stepped forward to sustain the project. In a speech before the U.S. Congress in April, French President Emmanuel Macron spoke for many U.S. allies when he called on the international community to “step up our game and build the twenty-first-century world order, based on the perennial principles we established together after World War II.” Many allies are already doing just that. Even though Trump withdrew the United States from the Trans-Pacific Partnership, the trade deal lives on, with the 11 other member states implementing their own version of the pact. Similarly, Trump’s withdrawal from the Paris agreement has not stopped dozens of other countries from working to implement its ambitious goals. Nor is it preventing many U.S. states, cities, companies, and individuals from undertaking their own efforts. The liberal order may be losing its chief patron, but it rests on much more than leadership from the Oval Office.

### **THE LONG VIEW**

It is easy to view developments over the last few years as a rebuke to the theory of liberalism and as a sign of the eclipse of liberal democracies and their international order. But that would be a mistake. Although the recent challenges should not be underestimated, it is important to recognize that they are closer to the rule than the exception. Against the baseline of the 1990s, when the end of the Cold War seemed to signal the permanent triumph of liberal democracy and the “end of history,” the recent setbacks and

uncertainties look insurmountable. In the larger sweep of history, however, Brexit, Trump, and the new nationalism do not seem so unprecedented or perilous. The liberal democracies have survived and flourished in the face of far greater challenges—the Great Depression, the Axis powers, and the international communist movement. There is every reason to believe they can outlive this one.

Above all, the case for optimism about liberalism rests on a simple truth: the solutions to today’s problems are more liberal democracy and more liberal order. Liberalism is unique among the major theories of international relations in its protean vision of interdependence and cooperation—features of the modern world that will only become more important as the century unfolds. Throughout the course of history, evolution, crises, and tumultuous change have been the norm, and the reason liberalism has done so well is that its ways of life are so adept at riding the tumultuous storms of historical change. Indeed, the cumulative effect of Trump’s nativistic rhetoric and dangerous policies has been not to overthrow the system but to stimulate adjustments within it.

Fisher Ames, a representative from Massachusetts in the first U.S. Congress, once compared autocracy to a merchant ship, “which sails well, but will sometimes strike on a rock, and go to the bottom.” A republic, he said, “is a raft, which would never sink, but then your feet are always in water.” The liberal order and its democracies will prevail because the stately ships of illiberalism readily run aground in turbulent times, while the resilient raft of liberalism lumbers along. 🌐

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# Tribal World

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## Group Identity Is All

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*Amy Chua*

**H**umans, like other primates, are tribal animals. We need to belong to groups, which is why we love clubs and teams. Once people connect with a group, their identities can become powerfully bound to it. They will seek to benefit members of their group even when they gain nothing personally. They will penalize outsiders, seemingly gratuitously. They will sacrifice, and even kill and die, for their group.

This may seem like common sense. And yet the power of tribalism rarely factors into high-level discussions of politics and international affairs, especially in the United States. In seeking to explain global politics, U.S. analysts and policymakers usually focus on the role of ideology and economics and tend to see nation-states as the most important units of organization. In doing so, they underestimate the role that group identification plays in shaping human behavior. They also overlook the fact that, in many places, the identities that matter most—the ones people will lay down their lives for—are not national but ethnic, regional, religious, sectarian, or clan-based. A recurring failure to

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grasp this truth has contributed to some of the worst debacles of U.S. foreign policy in the past 50 years: most obviously in Afghanistan and Iraq, but also in Vietnam.

This blindness to the power of tribalism affects not only how Americans see the rest of the world but also how they understand their own society. It's easy for people in developed countries, especially cosmopolitan elites, to imagine that they live in a post-tribal world. The very term "tribe" seems to denote something primitive and backward, far removed from the sophistication of the West, where people have supposedly shed atavistic impulses in favor of capitalistic individualism and democratic citizenship. But tribalism remains a powerful force everywhere; indeed, in recent years, it has begun to tear at the fabric of liberal democracies in the developed world, and even at the postwar liberal international order. To truly understand today's world and where it is heading, one must acknowledge the power of tribalism. Failing to do so will only make it stronger.

### **BASIC INSTINCT**

The human instinct to identify with a group is almost certainly hard-wired, and experimental evidence has repeatedly confirmed how early in life it presents itself. In one recent study, a team of psychology researchers randomly assigned a group of children between the ages of four and six to either a red group or a blue one and asked them to put on T-shirts of the corresponding color. They were then shown edited computer images of other children, half of whom appeared to be wearing red T-shirts and half of whom appeared to wearing blue, and

asked for their reactions. Even though they knew absolutely nothing about the children in the photos, the subjects consistently reported that they liked the children who appeared to be members of their own group better, chose to hypothetically allocate more resources to them, and displayed strong subconscious preferences for them. In addition, when told stories about the children in the photos, these boys and girls exhibited systematic memory distortion, tending to remember the positive actions of in-group members and the negative actions of out-group members. Without “any supporting social information whatsoever,” the researchers concluded, the children’s perception of other kids was “pervasively distorted by mere membership in a social group.”

Neurological studies confirm that group identity can even produce physical sensations of satisfaction. Seeing group members prosper seems to activate our brains’ “reward centers” even if we receive no benefit ourselves. Under certain circumstances, our reward centers can also be activated when we see members of an out-group failing or suffering. Mina Cikara, a psychologist who runs Harvard’s Intergroup Neuroscience Lab, has noted that this is especially true when one group fears or envies another—when, for example, “there’s a long history of rivalry and not liking each other.”

This is the dark side of the tribal instinct. Group bonding, the neuroscientist Ian Robertson has written, increases oxytocin levels, which spurs “a greater tendency to demonize and de-humanize the out-group” and which physiologically “anesthetizes” the empathy one might otherwise feel for a suffering person. Such effects appear early in life. Consider

two recent studies about the in-group and out-group attitudes of Arab and Jewish children in Israel. In the first, Jewish children were asked to draw both a “typical Jewish” man and a “typical Arab” man. The researchers found that even among Jewish preschoolers, Arabs were portrayed more negatively and as “significantly more aggressive” than Jews. In the second study, Arab high school students in Israel were asked for their reactions to fictitious incidents involving the accidental death (unrelated to war or intercommunal violence) of either an Arab or a Jewish child—for example, a death caused by electrocution or a biking accident. More than 60 percent of the subjects expressed sadness about the death of the Arab child, whereas only five percent expressed sadness about the death of the Jewish child. Indeed, almost 70 percent said they felt “happy” or “very happy” about the Jewish child’s death.

### **IDENTITY OVER IDEOLOGY**

Insight into the potency of group identity has rarely shaped elite American opinion on international affairs. U.S. policymakers tend to view the world in terms of territorial nation-states engaged in political or ideological struggle: capitalism versus communism, democracy versus authoritarianism, “the free world” versus “the axis of evil.” Such thinking often blinds them to the power of more primal group identities—a blindness that has repeatedly led Washington into blunders overseas.

The Vietnam War was arguably the most humiliating military defeat in U.S. history. To many observers at the time, it seemed unthinkable that a superpower could lose to what U.S. President Lyndon



*I'm a believer: at a Trump rally in Elkhart, Indiana, May 2018*

Johnson called “a piddling, pissant little country”—or, more accurately, to half of that country. It’s now well known that U.S. policymakers, viewing Vietnam through a strictly Cold War lens, underestimated the extent to which Vietnamese people in both the North and the South were motivated by a quest for national independence, as opposed to an ideological commitment to Marxism. But even today, most Americans don’t understand the ethnic dimension of Vietnamese nationalism.

U.S. policymakers saw North Vietnam’s communist regime as China’s pawn—merely “a stalking horse for Beijing in Southeast Asia,” as the military expert Jeffrey Record put it. This was a mistake of staggering proportions. Hanoi accepted military and economic support from Beijing, but it was mostly an alliance of convenience. After all, for over a thousand years, most Vietnamese people had feared and hated

China. Every Vietnamese child learned of the heroic exploits of his or her ancestors who had fought and died to free their country from China, which conquered Vietnam in 111 BC and then colonized it for a millennium. In 1997, Robert McNamara, who had served as U.S. secretary of defense during the Vietnam War, met Nguyen Co Thach, the former foreign minister of Vietnam. “Mr. McNamara,” he later recalled Thach saying,

you must never have read a history book. If you’d had, you’d know we weren’t pawns of the Chinese. . . . Don’t you understand that we have been fighting the Chinese for 1,000 years? We were fighting for our independence. And we would fight to the last man. . . . And no amount of bombing, no amount of U.S. pressure would ever have stopped us.

Indeed, just a few years after U.S. forces withdrew from Vietnam, the country was at war with China.

Washington also missed another ethnic dimension of the conflict. Vietnam had a “market-dominant minority,” a term I coined in 2003 to describe outsider ethnic minorities that hold vastly disproportionate amounts of a nation’s wealth. In Vietnam, a deeply resented Chinese minority known as the Hoa made up just one percent of the population but historically controlled as much as 80 percent of the country’s commerce and industry. In other words, most of Vietnam’s capitalists were not ethnic Vietnamese. Rather, they were members of the despised Hoa—a fact that Vietnam’s communist leaders deliberately played up and exaggerated, claiming that “ethnic Chinese control 100 percent of South Vietnam’s domestic wholesale trade” and calling Cholon, an area with a predominantly ethnic Chinese population, “the capitalist heart beating within socialist Vietnam’s body.”

Because U.S. policymakers completely missed the ethnic side of the conflict, they failed to see that virtually every pro-capitalist step they took in Vietnam helped turn the local population against the United States. Washington’s wartime policies intensified the wealth and power of the ethnic Chinese minority, who, as middlemen, handled most of the U.S. military’s supplies, provisions, and logistics (as well as Vietnam’s brothels and black markets). In effect, the regimes that Washington installed in Saigon were asking the South Vietnamese to fight and die—and kill their northern brethren—in order to keep the ethnic Chinese rich. If the United States had actively wanted to undermine its own

objectives, it could hardly have come up with a better formula.

### **PASHTUN POWER**

Blunders of the sort that Washington made in Vietnam are part of a pattern in U.S. foreign policy. After the 9/11 attacks, the United States sent troops to Afghanistan to root out al Qaeda and overthrow the Taliban. Washington viewed its mission entirely through the lens of “the war on terror,” fixating on the role of Islamic fundamentalism—and yet again missing the central importance of ethnic identity.

Afghanistan is home to a complex web of ethnic and tribal groups with a long history of rivalry and mutual animosity. For more than 200 years, the largest ethnic group, the Pashtuns, dominated the country. But the fall of the country’s Pashtun monarchy in 1973, the 1979 Soviet invasion, and the subsequent years of civil war upended Pashtun dominance. In 1992, a coalition controlled by ethnic Tajiks and Uzbeks seized control.

A few years later, the Taliban emerged against this background. The Taliban is not only an Islamist movement but also an ethnic movement. Pashtuns founded the group, lead it, and make up the vast majority of its members. Threats to Pashtun dominance spurred the Taliban’s ascent and have given the group its staying power.

U.S. policymakers and strategists paid almost no attention to these ethnic realities. In October 2001, when the United States invaded and toppled the Taliban government in just 75 days, it joined forces with the Northern Alliance, led by Tajik and Uzbek warlords and widely viewed as anti-Pashtun. The Americans then set up a government that many

Pashtuns believed marginalized them. Although Hamid Karzai, whom Washington handpicked to lead Afghanistan, was a Pashtun, Tajiks headed most of the key ministries in his government. In the new, U.S.-supported Afghan National Army, Tajiks made up 70 percent of the army's battalion commanders, even though only 27 percent of Afghans are Tajik. As Tajiks appeared to grow wealthy while U.S. air strikes pounded predominantly Pashtun regions, a bitter saying spread among Afghan Pashtuns: "They get the dollars, and we get the bullets." Although many Pashtuns loathed the Taliban, few were willing to support a government they viewed as subordinating their interests to those of their deeply resented ethnic rivals.

Seventeen years after the United States invaded Afghanistan, the Taliban still controls large parts of the country, and the longest war in American history drags on. Today, many American academics and policy elites are aware of the ethnic complexities of Afghanistan. Unfortunately, this recognition of the centrality of group identity came far too late, and it still fails to meaningfully inform U.S. policy.

### **STUFF HAPPENS**

Underestimating the political power of group identity also helped doom the U.S. war in Iraq. The architects and supporters of the 2003 U.S. invasion failed to see (or actively minimized) the depth of the divisions among Iraq's Shiites, Sunnis, and Kurds, as well as the central importance of tribal and clan loyalties in Iraqi society. They also missed something much more specific: the existence of a market-dominant minority.

Sunnis had dominated Iraq for centuries, first under Ottoman rule, then under the British, who governed indirectly through Sunni elites, and then, most egregiously, under Saddam Hussein, who was himself a Sunni. Saddam favored Sunnis, especially those who belonged to his own clan, and ruthlessly persecuted the country's Shiites and Kurds. On the eve of the U.S. invasion, the roughly 15 percent of Iraqis who were Sunni Arabs dominated the country economically, politically, and militarily. By contrast, Shiites composed the vast majority of the country's urban and rural poor.

At the time, a small number of critics (including me) warned that under these conditions, rapid democratization in Iraq could be profoundly destabilizing. In 2003, I cautioned that elections could well produce not a unified Iraq but a vengeful Shiite-dominated government that would exclude and retaliate against Sunnis, an outcome that would further fuel the rise of intensely anti-American fundamentalist movements. Unfortunately, that precise scenario unfolded: instead of bringing peace and prosperity to Iraq, democracy led to sectarian warfare, eventually giving rise to the so-called Islamic State (also known as ISIS), an extremist Sunni movement as devoted to killing Shiite "apostates" as it is to killing Western "infidels."

The result of the surge of U.S. forces into Iraq in 2007 provides evidence that had Washington been more attentive to the importance of group identities in Iraq, the initial invasion and occupation could have turned out very differently. The influx of 20,000 additional troops was important, but the surge helped stabilize Iraq only because it was

accompanied by a 180-degree shift in the U.S. approach to the local population. For the first time during the Iraq war, the U.S. military educated itself about the country's complex sectarian and ethnic dynamics—recognizing, in the words of U.S. Brigadier General John Allen, that “tribal society makes up the tectonic plates in Iraq on which everything rests.” By forging alliances between Shiite and Sunni sheiks and by pitting moderates against extremists, the U.S. military achieved dramatic successes, including a precipitous decline in sectarian violence and in casualties among Iraqis and U.S. troops alike.

### THE TRUMP TRIBE

Vietnam, Afghanistan, and Iraq may seem worlds away from the United States, but Americans are not immune to the forces of tribal politics that have ravaged those countries. Americans tend to think of democracy as a unifying force. But as Iraq has illustrated, and as Americans are now learning firsthand, democracy under certain conditions can actually catalyze group conflict. In recent years, the United States has begun to display destructive political dynamics much more typical of developing and non-Western countries: the rise of ethnonationalist movements, eroding trust in institutions and electoral outcomes, hate-mongering demagoguery, a popular backlash against both “the establishment” and outsider minorities, and, above all, the transformation of democracy into an engine of zero-sum political tribalism.

These developments are due in part to a massive demographic transformation. For the first time in U.S. history, whites are on the verge of losing their status as the country's majority. To

varying degrees, minorities in the United States have long felt vulnerable and under threat; today, whites also feel that way. A 2011 study showed that more than half of white Americans believe that “whites have replaced blacks as the ‘primary victims of discrimination.’” When groups feel threatened, they retreat into tribalism. They close ranks and become more insular, more defensive, more focused on us versus them. In the case of the shrinking white majority, these reactions have combined into a backlash, raising tensions in an already polarized social climate in which every group—whites, blacks, Latinos, and Asians; Christians, Jews, and Muslims; straight people and gay people; liberals and conservatives; men and women—feels attacked, bullied, persecuted, and discriminated against.

But there's another reason these new tribalistic pathologies are emerging today. Historically, the United States has never had a market-dominant minority. On the contrary, for most of its history, the country has been dominated economically, politically, and culturally by a relatively unified white majority—a stable, if invidious, state of affairs.

But in recent years, something has changed. Owing in part to record levels of economic inequality and to stark declines in geographic and social mobility, white Americans are now more intensely split along class lines than they have been in generations. As a result, the United States may be seeing the emergence of its own version of a market-dominant minority: the much-discussed group often referred to as “coastal elites.” To be sure, “coastal elites” is a misleading term—a caricature, in some ways. The group's members are neither all coastal nor all elite, at least



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in the sense of being wealthy. Still, with some important caveats, American coastal elites bear a strong resemblance to the market-dominant minorities of the developing world. Wealth in the United States is concentrated in the hands of a relatively small number of people, most of whom live on the coasts. This minority dominates key sectors of the economy, including Wall Street, the media, and Silicon Valley. Although coastal elites do not belong to any one ethnicity, they are culturally distinct, often sharing cosmopolitan values such as secularism, multiculturalism, toleration of sexual minorities, and pro-immigrant and progressive politics. Like other market-dominant minorities, U.S. coastal elites are extremely insular, interacting and intermarrying primarily among themselves, living in the same communities, and attending the same schools. Moreover, they are viewed by many middle Americans as indifferent or even hostile to the country's interests.

What happened in the 2016 U.S. presidential election is exactly what I would have predicted would happen in a developing country holding elections in the presence of a deeply resented market-dominant minority: the rise of a populist movement in which demagogic voices called on "real" Americans to, in Donald Trump's words, "take our country back." Of course, unlike most backlashes against market-dominant minorities in the developing world, Trump's populism is not anti-rich. On the contrary, Trump himself is a self-proclaimed billionaire, leading many to wonder how he could have "conned" his antiestablishment base into supporting a member of the superrich whose policies will make the superrich even richer.

The answer lies in tribalism. For some, Trump's appeal is racial: as a candidate and as president, Trump has made many statements that either explicitly or in a coded fashion appeal to some white voters' racial biases. But that's not the whole picture. In terms of taste, sensibilities, and values, Trump is actually similar to some members of the white working class. The tribal instinct is all about identification, and many voters in Trump's base identify with him at a gut level. They identify with the way he talks and the way he dresses. They identify with the way he shoots from the hip—even (perhaps especially) when he gets caught making mistakes, exaggerating, or lying. And they identify with the way he comes under attack by liberal commentators—coastal elites, for the most part—for not being politically correct, for not being feminist enough, for not reading enough books, and for gorging on fast food.

In the United States, being anti-establishment is not the same as being anti-rich. The country's have-nots don't hate wealth: many of them want it, or want their children to have a shot at it, even if they think the system is rigged against them. Poor, working-class, and middle-class Americans of all ethnicities hunger for the old-fashioned American dream. When the American dream eludes them—even when it mocks them—they would sooner turn on the establishment, or on the law, or on immigrants and other outsiders, or even on reason, than turn on the dream itself.

#### **STEMMING THE TRIBAL TIDE**

Political tribalism is fracturing the United States, transforming the country into a place where people from one tribe see

others not just as the opposition but also as immoral, evil, and un-American. If a way out exists, it will have to address both economics and culture.

For tens of millions of working-class Americans, the traditional paths to wealth and success have been cut off. The economist Raj Chetty has shown that during the past 50 years, an American child's chances of outearning his or her parents have fallen from roughly 90 percent to 50 percent. A recent study published by the Pew Charitable Trusts found that "43 percent of Americans raised at the bottom of the income ladder remain stuck there as adults, and 70 percent never make it to the middle." Moreover, to an extent that American elites may not realize, their own status has become hereditary. More than ever before, achieving wealth in the United States requires an elite education and social capital, and most lower-income families can't compete in those areas.

Political tribalism thrives under conditions of economic insecurity and lack of opportunity. For hundreds of years, economic opportunity and upward mobility helped the United States integrate vastly different peoples more successfully than any other nation. The collapse of upward mobility in the United States should be viewed as a national emergency.

But U.S. citizens will also need to collectively fashion a national identity capable of resonating with and holding together Americans of all sorts—old and young, immigrant and native born, urban and rural, rich and poor, descendants of slaves as well as descendants of slave owners. A first step would be to start bridging the chasm of mutual ignorance and disdain separating the coasts and the heartland. One idea would be a public

service program that would encourage or require young Americans to spend a year after high school in another community, far from their own, not "helping" members of another group but interacting with people with whom they would normally never cross paths, ideally working together toward a common end.

Increasing tribalism is not only an American problem, however. Variants of intolerant tribal populism are erupting all across Europe, eroding support for supranational entities such as the European Union and even threatening the liberal international order. Brexit, for example, was a populist backlash against elites in London and Brussels perceived by many as controlling the United Kingdom from afar and being out of touch with "real" Britons—the "true owners" of the land, many of whom see immigrants as a threat. Internationally, as in the United States, unity will come not by default but only through hard work, courageous leadership, and collective will. Cosmopolitan elites can do their part by acknowledging that they themselves are part of a highly exclusionary and judgmental tribe, often more tolerant of difference in principle than in practice, inadvertently contributing to rancor and division. 🌐

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# Marxist World

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## What Did You Expect From Capitalism?

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*Robin Varghese*

**I**s Karl Marx destined to be the specter that haunts capitalism? After nearly every economic downturn, voices appear suggesting that Marx was right to predict that the system would eventually destroy itself. Today, however, the problem is not a sudden crisis of capitalism but its normal workings, which in recent decades have revived pathologies that the developed world seemed to have left behind.

Since 1967, median household income in the United States, adjusted for inflation, has stagnated for the bottom 60 percent of the population, even as wealth and income for the richest Americans have soared. Changes in Europe, although less stark, point in the same direction. Corporate profits are at their highest levels since the 1960s, yet corporations are increasingly choosing to save those profits rather than invest them, further hurting productivity and wages. And recently, these changes have been accompanied by a hollowing out of democracy and its replacement with technocratic rule by globalized elites.

Mainstream theorists tend to see these developments as a puzzling departure from the promises of capitalism,

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but they would not have surprised Marx. He predicted that capitalism's internal logic would over time lead to rising inequality, chronic unemployment and underemployment, stagnant wages, the dominance of large, powerful firms, and the creation of an entrenched elite whose power would act as a barrier to social progress. Eventually, the combined weight of these problems would spark a general crisis, ending in revolution.

Marx believed the revolution would come in the most advanced capitalist economies. Instead, it came in less developed ones, such as Russia and China, where communism ushered in authoritarian government and economic stagnation. During the middle of the twentieth century, meanwhile, the rich countries of Western Europe and the United States learned to manage, for a time, the instability and inequality that had characterized capitalism in Marx's day. Together, these trends discredited Marx's ideas in the eyes of many.

Yet despite the disasters of the Soviet Union and the countries that followed its model, Marx's theory remains one of the most perceptive critiques of capitalism ever offered. Better than most, Marx understood the mechanisms that produce capitalism's downsides and the problems that develop when governments do not actively combat them, as they have not for the past 40 years. As a result, Marxism, far from being outdated, is crucial for making sense of the world today.

### **A MATERIAL WORLD**

The corpus of Marx's work and the breadth of his concerns are vast, and many of his ideas on topics such as human development, ideology, and the state have been of perennial interest since he



*I'm still standing: a sculpture of Marx in Trier, Germany, April 2018*

wrote them down. What makes Marx acutely relevant today is his economic theory, which he intended, as he wrote in *Capital*, “to lay bare the economic law of motion of modern society.” And although Marx, like the economist David Ricardo, relied on the flawed labor theory of value for some of his economic thinking, his remarkable insights remain.

Marx believed that under capitalism, the pressure on entrepreneurs to accumulate capital under conditions of market competition would lead to outcomes that are palpably familiar today. First, he argued that improvements in labor productivity created by technological innovation would largely be captured by the owners of capital. “Even when the real wages are rising,” he wrote, they “never rise proportionally to the productive power of labor.” Put simply,

workers would always receive less than what they added to output, leading to inequality and relative immiseration.

Second, Marx predicted that competition among capitalists to reduce wages would compel them to introduce labor-saving technology. Over time, this technology would eliminate jobs, creating a permanently unemployed and under-employed portion of the population. Third, Marx thought that competition would lead to greater concentration in and among industries, as larger, more profitable firms drove smaller ones out of business. Since these larger firms would, by definition, be more competitive and technologically advanced, they would enjoy ever-increasing surpluses. Yet these surpluses would also be unequally distributed, compounding the first two dynamics.

Marx made plenty of mistakes, especially when it came to politics. Because he believed that the state was a tool of the capitalist class, he underestimated the power of collective efforts to reform capitalism. In the advanced economies of the West, from 1945 to around 1975, voters showed how politics could tame markets, putting officials in power who pursued a range of social democratic policies without damaging the economy. This period, which the French call “les Trente Glorieuses” (the Glorious Thirty), saw a historically unique combination of high growth, increasing productivity, rising real wages, technological innovation, and expanding systems of social insurance in Western Europe, North America, and Japan. For a while, it seemed that Marx was wrong about the ability of capitalist economies to satisfy human needs, at least material ones.

### **BOOM AND BUST**

The postwar boom, it appears, was not built to last. It ultimately came to an end with the stagflationary crisis of the 1970s, when the preferred economic policy of Western social democracies—Keynesian state management of demand—seemed incapable of restoring full employment and profitability without provoking high levels of inflation. In response, leaders across the West, starting with French Prime Minister Raymond Barre, British Prime Minister Margaret Thatcher, and U.S. President Ronald Reagan, enacted policies to restore profitability by curbing inflation, weakening organized labor, and accommodating unemployment.

That crisis, and the recessions that followed, was the beginning of the end for the mixed economies of the West.

Believing that government interference had begun to impede economic efficiency, elites in country after country sought to unleash the forces of the market by deregulating industries and paring back the welfare state. Combined with conservative monetary policies, independent central banks, and the effects of the information revolution, these measures were able to deliver low volatility and, beginning in the 1990s, higher profits. In the United States, corporate profits after tax (adjusted for inventory valuation and capital consumption) went from an average of 4.5 percent in the 25 years before President Bill Clinton took office, in 1993, to 5.6 percent from 1993 to 2017.

Yet in advanced democracies, the long recovery since the 1970s has proved incapable of replicating the broad-based prosperity of the mid-twentieth century. It has been marked instead by unevenness, sluggishness, and inequality. This sharp divergence in fortunes has been driven by, among other things, the fact that increases in productivity no longer lead to increases in wages in most advanced economies. Indeed, a major response to the profitability crisis of the 1970s was to nullify the postwar bargain between business and organized labor, whereby management agreed to raise wages in line with productivity increases. Between 1948 and 1973, wages rose in tandem with productivity across the developed world. Since then, they have become decoupled in much of the West. This decoupling has been particularly acute in the United States, where, in the four decades since 1973, productivity increased by nearly 75 percent, while real wages rose by less than ten percent. For the bottom 60 percent of households, wages have barely moved at all.



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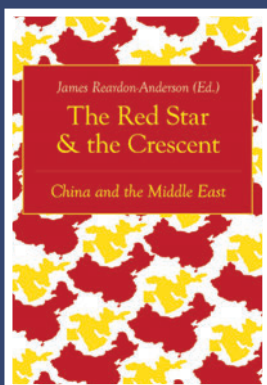
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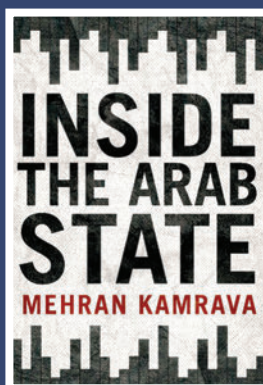
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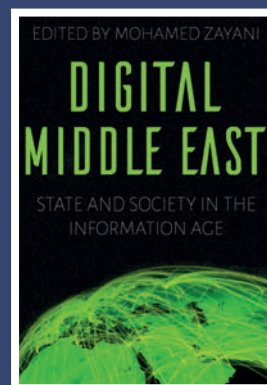
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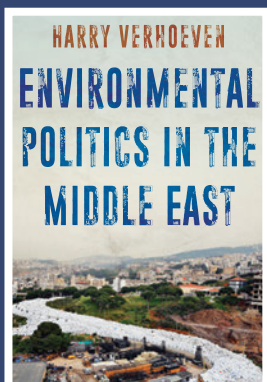
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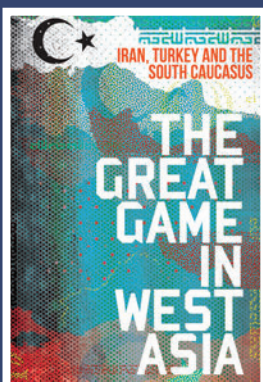
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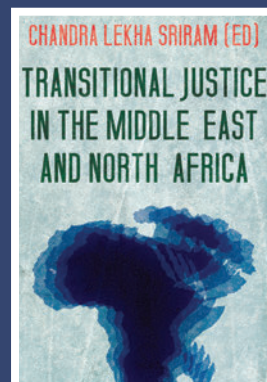
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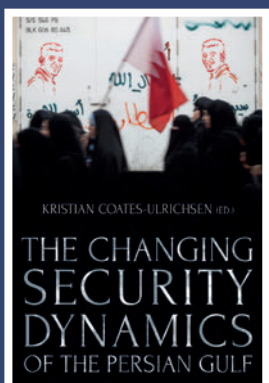
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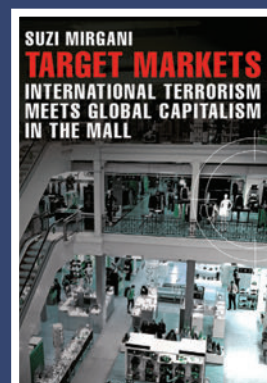
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If the postwar boom made Marx seem obsolete, recent decades have confirmed his prescience. Marx argued that the long-run tendency of capitalism was to form a system in which real wages did not keep up with increases in productivity. This insight mirrors the economist Thomas Piketty's observation that the rate of return on capital is higher than the rate of economic growth, ensuring that the gap between those whose incomes derive from capital assets and those whose incomes derive from labor will grow over time.

Marx's basis for the condemnation of capitalism was not that it made workers materially worse off *per se*. Rather, his critique was that capitalism put arbitrary limits on the productive capacity it unleashed. Capitalism was, no doubt, an upgrade over what came before. But the new software came with a bug. Although capitalism had led to previously unimaginable levels of wealth and technological progress, it was incapable of using them to meet the needs of all. This, Marx contended, was due not to material limitations but to social and political ones: namely, the fact that production is organized in the interests of the capitalist class rather than those of society as a whole. Even if individual capitalists and workers are rational, the system as a whole is irrational.

To be sure, the question of whether any democratically planned alternative to capitalism can do better remains open. Undemocratic alternatives, such as the state socialism practiced by the Soviet Union and Maoist China, clearly did not. One need not buy Marx's thesis that communism is inevitable to accept the utility of his analysis.

## LAWS OF MOTION

Marx did not just predict that capitalism would lead to rising inequality and relative immiseration. Perhaps more important, he identified the structural mechanisms that would produce them. For Marx, competition between businesses would force them to pay workers less and less in relative terms as productivity rose in order to cut the costs of labor. As Western countries have embraced the market in recent decades, this tendency has begun to reassert itself.

Since the 1970s, businesses across the developed world have been cutting their wage bills not only through labor-saving technological innovations but also by pushing for regulatory changes and developing new forms of employment. These include just-in-time contracts, which shift risk to workers; noncompete clauses, which reduce bargaining power; and freelance arrangements, which exempt businesses from providing employees with benefits such as health insurance. The result has been that since the beginning of the twenty-first century, labor's share of GDP has fallen steadily in many developed economies.

Competition also drives down labor's share of compensation by creating segments of the labor force with an increasingly weak relationship to the productive parts of the economy—segments that Marx called “the reserve army of labor,” referring to the unemployed and underemployed. Marx thought of this reserve army as a byproduct of innovations that displaced labor. When production expanded, demand for labor would increase, drawing elements of the reserve army into new factories. This would cause wages to rise, incentivizing



firms to substitute capital for labor by investing in new technologies, thus displacing workers, driving down wages, and swelling the ranks of the reserve army. As a result, wages would tend toward a “subsistence” standard of living, meaning that wage growth over the long run would be low to nonexistent. As Marx put it, competition drives businesses to cut labor costs, given the market’s “peculiarity that the battles in it are won less by recruiting than by discharging the army of workers.”

The United States has been living this reality for nearly 20 years. For five decades, the labor-force participation rate for men has been stagnant or falling, and since 2000, it has been declining for women, as well. And for more unskilled groups, such as those with less than a high school diploma, the rate of participation stands at below 50 percent and has for quite some time. Again, as Marx anticipated, technology amplifies these effects, and today, economists are once again discussing the prospect of the large-scale displacement of labor through automation. On the low end, the Organization for Economic Cooperation and Development estimates that 14 percent of jobs in member countries, approximately 60 million in total, are “highly automatable.” On the high end, the consulting company McKinsey estimates that 30 percent of the hours worked globally could be automated. These losses are expected to be concentrated among unskilled segments of the labor force.

Whether these workers can or will be reabsorbed remains an open question, and fear of automation’s potential to dislocate workers should avoid the so-called lump of labor fallacy, which assumes that there is only a fixed amount



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of work to be done and that once it is automated, there will be none left for humans. But the steady decline in the labor-force participation rate of working-age men over the last 50 years suggests that many dislocated workers will not be reabsorbed into the labor force if their fate is left to the market.

The same process that dislocates workers—technological change driven by competition—also produces market concentration, with larger and larger firms coming to dominate production. Marx predicted a world not of monopolies but of oligopolistic competition, in which incumbents enjoy monopolistic profits, smaller firms struggle to scrape by, and new entrants try to innovate in order to gain market share. This, too, resembles the present. Today, so-called superstar firms, which include companies such as Amazon, Apple, and FedEx, have come to dominate entire sectors, leaving new entrants attempting to break in through innovation. Large firms outcompete their opponents through innovation and network effects, but also by either buying them up or discharging their own reserve armies—that is, laying off workers.

Research by the economist David Autor and his colleagues suggests that the rise of superstar firms may indeed help explain labor's declining share of national income across advanced economies. Because superstar firms are far more productive and efficient than their competitors, labor is a significantly lower share of their costs. Since 1982, concentration has been increasing in the six economic sectors that account for 80 percent of employment in the United States: finance, manufacturing, retail trade, services, wholesale trade,

and utilities and transportation. And the more this concentration has increased, the more labor's share of income has declined. In U.S. manufacturing, for example, labor compensation has declined from almost one-half of the value added in 1982 to about one-third in 2012. As these superstar firms have become more important to Western economies, workers have suffered across the board.

### WINNERS AND LOSERS

In 1957, at the height of Western Europe's postwar boom, the economist Ludwig Erhard (who later became chancellor of West Germany) declared that "prosperity for all and prosperity through competition are inseparably connected; the first postulate identifies the goal, the second the path that leads to it." Marx, however, seems to have been closer to the mark with his prediction that instead of prosperity for all, competition would create winners and losers, with the winners being those who could innovate and become efficient.

Innovation can lead to the development of new economic sectors, as well as new lines of goods and services in older ones. These can in principle absorb labor, reducing the ranks of the reserve army and increasing wages. Indeed, capitalism's ability to expand and meet people's wants and needs amazed Marx, even as he condemned the system's wastefulness and the deformities it engendered in individuals.

Defenders of the current order, especially in the United States, often argue that a focus on static inequality (the distribution of resources at a given time) obscures the dynamic equality of social mobility. Marx, by contrast, assumed that classes reproduce themselves, that

wealth is transferred effectively between generations, and that the children of capitalists will exploit the children of workers when their time comes. For a period, it seemed that the children of the middle class had a fair shot at swapping places with the children of the top quintile. But as inequality rises, social mobility declines. Recent research by the economists Branko Milanovic and Roy van der Weide, for instance, has found that inequality hurts the income growth of the poor but not the rich. Piketty, meanwhile, has speculated that if current trends continue, capitalism could develop into a new “patrimonial” model of accumulation, in which family wealth trumps any amount of merit.

### THE KEYNESIAN CHALLENGE

Marx’s overall worldview left little room for politics to mitigate the downsides of capitalism. As he and his collaborator Friedrich Engels famously stated in *The Communist Manifesto*, “The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.”

Until recently, governments in the West seemed to be defying this claim. The greatest challenge to Marx’s view came from the creation and expansion of welfare states in the West during the mid-twentieth century, often (but not only) by social democratic parties representing the working class. The intellectual architect of these developments was the economist John Maynard Keynes, who argued that economic activity was driven not by the investment decisions of capitalists but by the consumption decisions of ordinary people. If governments could use policy levers to

increase overall demand, then the capitalist class would invest in production. Under the banner of Keynesianism, parties of both the center-left and the center-right achieved something that Marx thought was impossible: efficiency, equality, and full employment, all at the same time. Politics and policy had a degree of independence from economic structures, which in turn gave them an ability to reform those structures.

Marx believed in the independence of politics but thought that it lay only in the ability to choose between capitalism and another system altogether. He largely believed that it was folly to try to tame capitalist markets permanently through democratic politics. (In this, he ironically stands in agreement with the pro-capitalist economist Milton Friedman.)

Under capitalism, Marx predicted, the demands imposed by capital accumulation and profitability would always severely limit the choices available to governments and undermine the long-term viability of any reforms. The history of the developed world since the 1970s seems to have borne out that prediction. Despite the achievements of the postwar era, governments ultimately found themselves unable to overcome the limits imposed by capitalism, as full employment, and the labor power that came with it, reduced profitability. Faced with the competing demands of capitalists, who sought to undo the postwar settlement between capital and labor, and the people, who sought to keep it, states gave in to the former. In the long run, it was the economic interests of capital that won out over the political organization of the people.

### MARXISM TODAY

Today, the question of whether politics can tame markets remains open. One reading of the changes in advanced economies since the 1970s is that they are the result capitalism's natural tendency to overwhelm politics, democratic or otherwise. In this narrative, les Trente Glorieuses were a fluke. Under normal conditions, efficiency, full employment, and an egalitarian distribution of income cannot simultaneously obtain. Any arrangement in which they do is fleeting and, over the long run, a threat to market efficiency.

Yet this is not the only narrative. An alternative one would start with the recognition that the politics of capitalism's golden age, which combined strong unions, Keynesian demand management, loose monetary policy, and capital controls, could not deliver an egalitarian form of capitalism forever. But it would not conclude that no other form of politics can ever do so.

The challenge today is to identify the contours of a mixed economy that can successfully deliver what the golden age did, this time with greater gender and racial equality to boot. This requires adopting Marx's spirit, if not every aspect of his theories—that is, recognizing that capitalist markets, indeed capitalism itself, may be the most dynamic social arrangement ever produced by human beings. The normal state of capitalism is one in which, as Marx and Engels wrote in *The Communist Manifesto*, “all that is solid melts into air.” This dynamism means that achieving egalitarian goals will require new institutional configurations backed by new forms of politics.

As the crisis of the golden age was ramping up in the 1970s, the economist

James Meade wondered what sorts of policies could save egalitarian, social democratic capitalism, recognizing that any realistic answer would have to involve moving beyond the limits of Keynesianism. His solution was to buttress the welfare state's redistribution of income with a redistribution of capital assets, so that capital worked for everyone. Meade's vision was not state ownership but a broad property-owning democracy in which wealth was more equally distributed because the distribution of productive capacity was more equal.

The point is not that broader capital ownership is a solution to the ills of capitalism in the present day, although it could be part of one. Rather, it is to suggest that if today's egalitarian politicians, including Bernie Sanders in the United States and Jeremy Corbyn in the United Kingdom, are to succeed in their projects of taming markets and revitalizing social democracy for the twenty-first century, it will not be with the politics of the past. As Marx recognized, under capitalism there is no going back. 🌐

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# Tech World

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## Welcome to the Digital Revolution

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*Kevin Drum*

**P**redicting the future is hard, so let's start by explaining the past. What's the best lens for evaluating the arc of world history during the nineteenth century? For starters, it's the dawn of liberal democracy. The French have already guillotined their king, and a handful of John Locke enthusiasts across the Atlantic have established a nascent republic. In the United Kingdom, the philosopher John Stuart Mill is ably defending liberal democracy and human dignity. It's starting to look like monarchy has had its day. Then there's the laissez-faire capitalist revolution, starring such economists as Thomas Malthus and David Ricardo. Karl Marx is bringing economics to the proletariat.

The nineteenth century is also the height of Western empire and colonization. It's the start of the era of total war. It's the beginning of the decline of religion as a political force and its replacement with the rise of nationalism. It's also, if one squints hard enough, the start of the era of human equality. Women demand equal rights in Seneca Falls, New York, and New Zealand becomes the first country to give them the vote. The United Kingdom outlaws the slave trade, the United States emancipates its slaves, and Russia frees its serfs.

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**KEVIN DRUM** is a staff writer for *Mother Jones*.

So: democracy, capitalism, colonization, modern war, nationalism, and human equality. All of them vast in their implications, and all of them the catalyst for thousands of books.

And none of them mattered. When looking back today, the most important geopolitical feature of the nineteenth century is obvious: it was the era of the Industrial Revolution. Without it, there's no rising middle class and no real pressure for democracy. There's no capitalist revolution because agrarian states don't need one. There's no colonization at scale because there's a hard limit to a nonindustrial economy's appetite for raw materials. There's no total war without cheap steel and precision manufacturing. And with the world still stuck largely in a culture and an economy based on traditional subsistence agriculture, there's quite possibly no end to slavery and no beginning of feminism.

The key drivers of this era were the steam engine, germ theory, electricity, and railroads. Without the immense economic growth they made possible in the twentieth century, everything else would matter about as much as if it had happened in the Middle Ages. Nobody knew it in 1800, but the geopolitical future of the nineteenth century had already been set in motion nine decades earlier, when Thomas Newcomen invented the first practical steam engine. Historians and foreign policy experts may not like to hear it, but all the things they teach and write about the geopolitics of the nineteenth century are mere footnotes to the Industrial Revolution. And exactly the same thing is likely to be true when we—or our robot descendants—write the history of the digital revolution of the twenty-first.

## GETTING SMART

It's not possible to itemize the great currents of twenty-first-century geopolitics with the same confidence as those of the nineteenth, but there are a few obvious ones. There's the rise of China. There's increased political tribalism and a possible breakdown of liberal democracy on the horizon. In the nearer term, there's jihadist terrorism. And in the era of U.S. President Donald Trump, it's hard not to wonder if the world is headed toward a future of declining cooperation and a return to naked, zero-sum great-power competition. But with the usual caveat that accompanies every prediction about the twenty-first century—namely, that it depends on humans still being around—none of these forces really matters, either. Right now, the world is at the dawn of a second Industrial Revolution, this time a digital revolution. Its impact will be, if anything, even greater than that of the first.

That said, this revolution hasn't started yet. The marvels of modern technology are everywhere, but so far, all that has been invented are better toys. A true technological revolution would increase the overall productivity of the global economy, just as it did during the Industrial Revolution, when machines allowed companies to produce vastly more goods with the same number of people. That is not occurring now. After a big decline in the 1970s, labor productivity growth inched steadily upward through 2007—mostly thanks to the widespread adoption of computerized logistics and global supply chains in the business community—and then sank. Despite today's technological marvels, productivity growth has been

stubbornly sluggish for the past decade, which suggests that the latest generation of machines is not truly accomplishing much.

But all of this is on the verge of changing. Artificial intelligence, or AI, has been an obsession of technologists practically since computers were invented, but the initial naive optimism of the 1950s quickly gave way to the "AI winter" of the 1970s, as it became clear that the computers of the time lacked the raw processing power needed to match the human brain. But just as Moore's law predicted, computer power kept doubling every year or two, and so did advances in AI. Neural networks gave way to expert systems, which in turn gave way to machine learning. That resulted in computers that could read printed words and do a better job of searching the Internet, but the holy grail of AI—a computer that could pass for a human being in normal conversation—remained elusive.

Even today, AI is still in its prenatal phase—answering *Jeopardy!* questions, winning at chess, finding the nearest coffee shop—but the real thing is not far off. To get there, what's needed is hardware that's as powerful as the human brain and software that can think as capably.

After decades of frustration, the hardware side is nearly ready: the most powerful computers in the world are already as powerful as the human brain. Computer power is normally measured in floating point operations per second, or "flops," and the best estimates today suggest that the human brain has an effective computing power of about ten to 100 petaflops (quadrillions of operations per second). As it happens, the most powerful computers in the world right

now are also rated at about ten to 100 petaflops. Unfortunately, they're the size of living rooms, cost more than \$200 million, and generate annual electricity bills in the neighborhood of \$5 million.

What's needed now is to make these supercomputers much smaller and much cheaper. A combination of faster micro-processors, improved custom microchips, a greater ability to conduct multiple calculations in parallel, and more efficient algorithms will close the gap in another couple of decades. The software side is inherently fuzzier, but progress over the past decade has been phenomenal. It's hard to put solid numbers on software progress, but the people who know the most about AI—the researchers themselves—are remarkably optimistic. In a survey of AI experts published in 2017, two-thirds of respondents agreed that progress had accelerated in the second half of their careers. And they predicted about a 50 percent chance that AI would be able to perform all human tasks by 2060, with the Asian respondents figuring that it could do so closer to 2045.

These researchers don't think that machines will be able to perform only routine work; they will be as capable as any person at everything from flipping burgers to writing novels to performing heart surgery. Plus, they will be far faster, never get tired, have instant access to all of the world's knowledge, and boast more analytic power than any human. With luck, this will eventually produce a global utopia, but getting there is going to be anything but. Starting in a couple of decades, robots will put millions of people out of work, and yet the world's economic and political systems are still based on the assumption that laziness is



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### **WELCOMING OUR NEW ROBOT OVERLORDS**

Make no mistake: the digital revolution is going to be the biggest geopolitical revolution in human history. The Industrial Revolution changed the world, and all it did was replace human muscle. Human brains were still needed to build, operate, and maintain the machines, and that produced plenty of well-paying jobs for everyone. But the digital revolution will replace the human brain. By definition, anything a human can do, human-level AI will also be able to do—but better. Smart robots will have both the muscle to do the work and the brainpower to run themselves. Putting aside airy philosophical arguments about whether a machine can truly think, they will, for all practical purposes, make *Homo sapiens* obsolete.

Every other twenty-first-century geopolitical trend will look piddling by comparison. Take the rise of China. Millions of words have been spilled on this development, covering Chinese history, culture, demographics, and politics. All of that will matter over the course of the next 20 years or so, but beyond that, only one thing will matter: Will the Chinese have the world's best AI? If they do, then they will take over the world if they feel like it. If they do not, then they won't.

Jihadist terrorism? Even if it holds on for another decade or so—which is doubtful, given its steadily diminishing success since 9/11—it will soon become a victim of AI. Dumb drones, paired up with machine analysis of massive databases of signals intelligence, have already set terrorist groups back on their heels. As

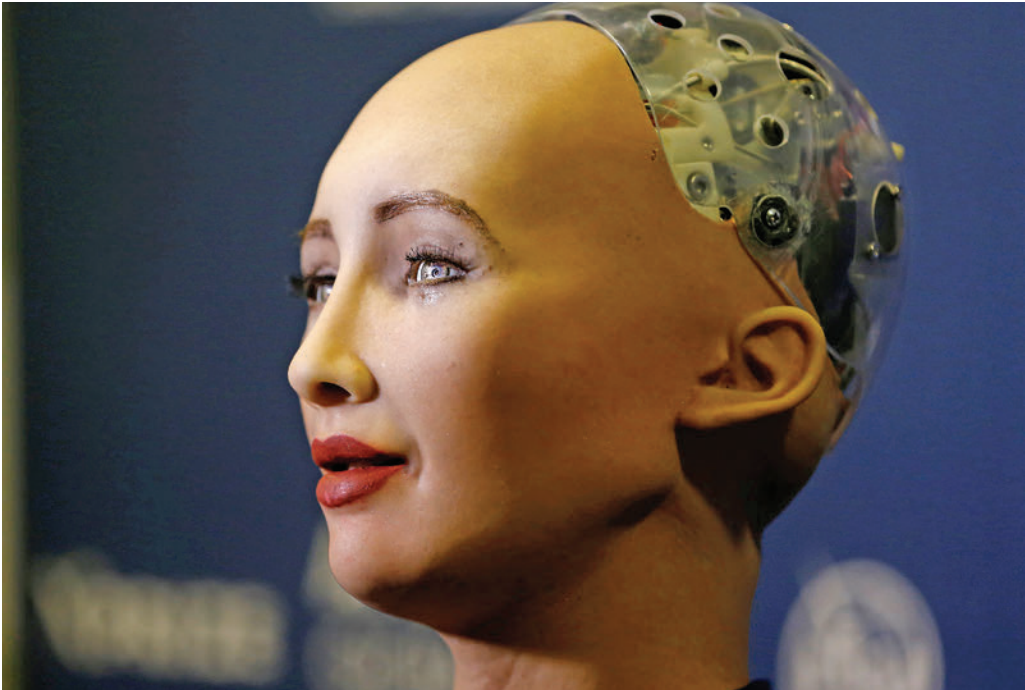
the drones become more capable and the guidance software becomes smarter, no low-tech organization will stand a chance of survival.

More generally, warfare itself will become entirely machine-driven. Paradoxically, this might make war obsolete. What's the point of fighting when there's no human bravery or human skill required? Besides, countries without AI will know they have no chance of winning, whereas those countries with top-level AI will have better ways of getting what they want. Aircraft carriers and cruise missiles will give way to subtle propaganda campaigns and all-but-undetectable cyberwarfare.

Then there's liberal democracy. It is already under stress—on the surface, due to anti-immigrant sentiment, and on a deeper level, due to general anxiety about jobs. That is partly what propelled Trump to the presidency. But what has happened so far is just the mild tremor that precedes the tsunami to come. Within a decade, there is a good chance that nearly all long-haul truckers will be out of work thanks to driverless technology. In the United States, that's two million jobs, and once AI is good enough to drive a truck, it will probably be good enough to do any other job a truck driver might switch to.

How many jobs will eventually be lost, and how quickly will they disappear? Different experts offer different estimates of job losses, but all agree that the numbers are frighteningly large and the time frames are frighteningly short. A 2017 analysis by the auditing firm PwC predicted that 38 percent of all jobs in the United States are “at high risk of automation by the early 2030s,” most of them routine occupations,





*The replacements: artificial intelligence in Geneva, Switzerland, June 2017*

such as forklift operator, assembly-line worker, and checkout clerk. By the 2040s, AI researchers project, computers will be able to conduct original math research, perform surgery, write best-selling novels, and do any other job with similar cognitive demands.

In a world where ten percent unemployment counts as a major recession and 20 percent would be a global emergency, robots may well perform a quarter or more of all work. This is the stuff of violent revolutions. And unlike the Industrial Revolution, which took more than 100 years to truly unfold, job losses during the digital revolution will accelerate in mere decades. This time, the revolution will take place not in a nation of shopkeepers but in a world of highly sophisticated multinational corporations that chase profits mercilessly. And AI will be the most profitable technology the world has ever seen.

### **RAGING AGAINST THE MACHINE**

What does all of this mean for politics? In an era of mass unemployment, one could argue that the form of government will be the most important thing in the world, since modern government is mostly about managing and controlling the economy for the greater good. But one could just as easily make the case that it will not matter at all: If robots can produce an unending supply of material goods, what exactly is there to manage and control?

The only sure bet is that the form of government that will come out on top is the one that proves most capable of marshaling the power of AI for the most people. Marxists already have plenty of ideas about how to handle this—let robots control the means of production and then distribute the spoils to everyone according to his or her needs—but they don't have a monopoly on solutions.

Liberal democracy still stands a chance, but only if its leaders take seriously the deluge that's about to hit them and figure out how to adapt capitalism to a world in which the production of goods is completely divorced from work. That means reining in the power of the wealthy, rethinking the whole notion of what a corporation is, and truly accepting—not just grudgingly—a certain level of equality in the allocation of goods and services.

This is a sobering vision. But there's also some good news here, even in the medium term. The two most important developments of the twenty-first century will be AI-driven mass unemployment and fossil-fuel-driven climate change—and AI might well solve the problem of climate change if it evolves soon enough. After all, the world already has most of the technology needed to produce clean energy: that is, wind and solar power. The problem is that they need to be built out on an enormous scale at huge expense. That's where cheap, smart robots could come in, constructing a massive infrastructure for almost nothing. And don't laugh, but once human-level AI is a reality, there's no reason to think progress will stop. Before long, above-human levels of AI might help scientists finally develop the holy grail of clean energy: nuclear fusion.

None of this is going to happen immediately. Today's technology is to true AI as the Wright Flyer is to the space shuttle. For the next couple of decades, the most important global movements will be all the usual suspects. But after that, AI is going to start making them seem trivial. Great-power competition will basically be a competition between different countries' AI tech-

nology. Tribalism won't matter: Who cares about identity if all the work is done by robots? Liberal democracy might still matter, but only if it figures out how to deal with mass unemployment better than other systems of government. Religion is going to have some tough times, too, as people's interactions with the world become increasingly mediated through constructs that seem every bit as thoughtful and creative as humans but rather plainly weren't constructed by God and don't seem to have any need for a higher power.

It's long past time to start taking this stuff seriously. Even technophobes can see which way the wind is blowing—and historically, mass economic deprivation has produced fewer thoughtful progressive reforms than violent revolutions and wars. Needless to say, that doesn't have to be the case this time around. It may be impossible to halt technology in its tracks, but it is possible to understand what's coming and prepare for an enlightened response. 🌍

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# Warming World

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## Why Climate Change Matters More Than Anything Else

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*Joshua Busby*

**T**he world seems to be in a state of permanent crisis. The liberal international order is besieged from within and without. Democracy is in decline. A lackluster economic recovery has failed to significantly raise incomes for most people in the West. A rising China is threatening U.S. dominance, and resurgent international tensions are increasing the risk of a catastrophic war.

Yet there is one threat that is as likely as any of these to define this century: climate change. The disruption to the earth's climate will ultimately command more attention and resources and have a greater influence on the global economy and international relations than other forces visible in the world today. Climate change will cease to be a faraway threat and become one whose effects require immediate action.

The atmospheric concentration of carbon dioxide, the main greenhouse gas, now exceeds 410 parts per million, the highest level in 800,000 years. Global average surface temperatures are 1.2 degrees Celsius higher than they were before the Industrial Revolution. The consensus scientific estimate is that the

maximum temperature increase that will avoid dangerous climate change is two degrees Celsius. Humanity still has around 20 years before stopping short of that threshold will become essentially impossible, but most plausible projections show that the world will exceed it.

Two degrees of warming is still something of an arbitrary level; there is no guarantee of the precise effects of any temperature change. But there is a huge difference between two degrees of warming and two and a half, three, or four degrees. Failing to rein in global emissions will lead to unpleasant surprises. As temperatures rise, the distribution of climate phenomena will shift. Floods that used to happen once in a 100 years will occur every 50 or every 20. The tail risks will become more extreme, making events such as the 50 inches of rain that fell in 24 hours in Hawaii earlier this year more common.

Making climate change all the more frightening are its effects on geopolitics. New weather patterns will trigger social and economic upheaval. Rising seas, dying farmlands, and ever more powerful storms and floods will render some countries uninhabitable. These changes will test the international system in new and unpredictable ways.

World-historical threats call for world-historical levels of cooperation. If humanity successfully confronts this problem, it will be because leaders infused the global order with a sense of common purpose and recognized profound changes in the distribution of power. China and the United States will have to work closely together, and other actors, such as subnational governments, private companies, and nongovernmental organizations, will all have to play their part.

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### A MATTER OF DEGREE

The effects of climate change are starting to make themselves apparent. Of the 17 warmest years on record, 16 have occurred since 2001. This past winter, temperatures in parts of the Arctic jumped to 25 degrees Celsius above normal. And climate change means far more than a warming planet. The world is entering a period that the climate scientist Katharine Hayhoe has called “global weirding.” Strange weather patterns are cropping up everywhere. Scientists have linked some of them to climate change; for others, whether there is a connection is not yet clear.

The seasons are changing. Dry spells are occurring when meteorologists would normally expect rain. Lack of rain increases the risk of forest fires, such as those that occurred in California last year. When it does rain, too often it is all at once, as happened in Houston during Hurricane Harvey. As sea levels rise and storm surges get stronger, what were once normal high-tide events will flood coastal infrastructure, as has already happened in Miami in recent years, necessitating the installation of storm water pumping systems at the cost of hundreds of millions of dollars.

By the middle of the century, the oceans may well have risen enough that salt water will destroy farmland and contaminate drinking water in many low-lying island nations, making them uninhabitable long before they are actually submerged. The evidence on the effects of climate change on tropical cyclones and hurricanes is murkier, but it suggests that although there may be fewer such storms, those that do occur are likely to be worse.

These developments will fundamentally transform global politics. Several major countries, including China and the United States, have large populations and valuable infrastructure that are vulnerable to climate change. Their governments will find themselves diverting military resources to carry out rescue operations and rebuild devastated towns and cities. That will take large numbers of soldiers and military hardware away from preparing for conflicts with foreign adversaries.

In 2017, when three huge storms battered the United States in quick succession, civilian disaster authorities had to be backstopped by the military to prevent huge losses of life. Tens of thousands of members of the National Guard were mobilized to rescue people, provide relief supplies, and restore essential services and the rule of law. The third storm, Hurricane Maria, caused some 1,000 deaths and left the entire island of Puerto Rico without power. It took months for the government to restore electricity to the 3.5 million Americans who live there. Even now, some remain without power. In the wake of the storm, over 100,000 Puerto Ricans left for the continental United States. The total cost to the United States of these storms and other weather-related emergencies in 2017 was \$300 billion.

China has its own set of problems. On its southern coast, several huge cities, such as Guangzhou and Shanghai, are vulnerable to flooding. In the north, in the country’s industrial heartland, whole regions are running out of water, affecting more than 500 million people. Over the past 25 years, some 28,000 Chinese rivers have disappeared.



*Water, water, everywhere: flooding in Albania, March 2018*

Solving these problems will not be cheap. A single ambitious infrastructure project to transport water from the south to the north has already cost the Chinese government at least \$48 billion. The project is not yet complete, but China claims that it has improved Beijing's water security and benefited 50 million people. To deal with flooding in places such as Shanghai, China has embarked on a "sponge cities" initiative to boost natural drainage. Since 2015, China has invested \$12 billion in this effort, and the price tag will ultimately run into the hundreds of billions of dollars.

Both China and the United States are rich enough that they will likely be able to cope with these costs. But the effects of climate change in poorer countries will create global problems. Each year, the monsoon brings floods to the Indus River in Pakistan. But in 2010, the flooding took on epic proportions, displacing as

many as 20 million people and killing nearly 2,000. The United States provided \$390 million in immediate relief funding, and the U.S. military delivered some 20 million pounds of supplies. In 2013, over 13,000 U.S. troops were deployed for disaster relief after Typhoon Haiyan buffeted the Philippines.

Individual storms do tremendous damage, but communities usually bounce back. Climate change, however, will cause more permanent problems. Rising sea levels, the storm surges they exacerbate, and the intrusion of salt water pose existential threats to some island countries. In 2017, after Hurricane Irma hit Barbuda, the entire population of the Caribbean island—some 1,800 people—had to be evacuated. Kiribati, a collection of Pacific islands, most of which rise only a few meters above sea level, has purchased land in neighboring Fiji as a last resort in the face of rising seas.

Even as some countries are inundated by water, others are suffering from a lack of it. In recent years, droughts in both the Horn of Africa and the continent's southern countries have put millions at risk of thirst or famine. In 2011, Somalia, already riven by decades of war, experienced a drought and subsequent famine that led to as many as 260,000 deaths. Earlier this year, Cape Town, South Africa, a city of nearly four million people, was able to avoid running out of water only through heroic conservation measures. Climate change, through rising temperatures and shifting rainfall patterns, will subject some regions to inadequate and irregular rains, leading to harvest failures and insufficient water for human needs.

Since 1945, although some states have split or otherwise failed, very few have disappeared. In the coming century, climate change may make state deaths a familiar phenomenon as salt-water intrusion and storm surges render a number of island countries uninhabitable. Although most of the islands threatened by climate change have small populations, the disorder will not be contained. Even in other countries, declining agricultural productivity and other climate risks will compel people to move from the countryside to the cities or even across borders. Tens of thousands of people will have to be relocated. For those that cross borders, will they stay permanently, and will they become citizens of the countries that take them in? Will governments that acquire territory inside other countries gain sovereignty over that land? New Zealand has taken tentative steps toward creating a new visa category for small numbers of climate refugees from Pacific island

states, but there are no international rules governing those forced to leave home by climate change. The urgency of these questions will only grow in the coming years.

As well as creating new crises, climate factors will exacerbate existing ones. Some 800,000 of Myanmar's Rohingya minority group have fled to Bangladesh, driven out by ethnic cleansing. Many of the refugee camps they now occupy are in areas prone to flash floods during the monsoon. To make matters worse, much of the land surrounding the camps has been stripped of its forest cover, leaving tents and huts vulnerable to being washed away. Although the world has gotten much better at preventing loss of life from weather emergencies, climate change will test humanitarian- and disaster-response systems that are already stretched thin by the seemingly endless conflicts in Somalia, South Sudan, Syria, and Yemen.

### **CLIMATE WARS**

Climate change will also make international tensions more severe. Analysts have periodically warned of impending water wars, but thus far, countries have been able to work out most disputes peacefully. India and Pakistan, for example, both draw a great deal of water from the Indus River, which crosses disputed territory. But although the two countries have fought several wars with each other, they have never come to blows over water sharing, thanks to the 1960 Indus Waters Treaty, which provides a mechanism for them to manage the river together. Yet higher demand and increasing scarcity have raised tensions over the Indus. India's efforts to build

dams upstream have been challenged by Pakistan, and in 2016, amid political tensions, Indian Prime Minister Narendra Modi temporarily suspended India's participation in joint meetings to manage the river. Peaceful cooperation will be harder in the future.

Partnerships among other countries that share river basins are even more fragile. Several Southeast Asian countries cooperate over the Mekong River through the Mekong River Commission, but China, the largest of the six countries through which the river flows and where the river originates, is not a member. The Chinese government and other upstream countries have built dams on the Mekong that threaten to deprive fishing and agricultural communities in Vietnam and other downstream countries of their livelihoods. Competition over the river's flow has only gotten worse as droughts in the region have become more frequent.

Similar dynamics are at play on the Nile. Ethiopia is building a vast dam on the river for irrigation and to generate power, a move that will reduce the river's flow in Egypt and Sudan. Until now, Egypt has enjoyed disproportionate rights to the Nile (a colonial-era legacy), but that is set to end, requiring delicate negotiations over water sharing and how quickly Ethiopia will fill the reservoir behind the dam.

Violence is far from inevitable, but tensions over water within and between countries will create new flash points in regions where other resources are scarce and institutional guardrails are weak or missing.

The ways countries respond to the effects of climate change may sometimes prove more consequential than

the effects themselves. In 2010, for example, after a drought destroyed about one-fifth of Russia's wheat harvest, the Russian government banned grain exports. That move, along with production declines in Argentina and Australia, which were also affected by drought, caused global grain prices to spike. Those price rises may have helped destabilize some already fragile countries. In Egypt, for example, annual food-price inflation hit 19 percent in early 2011, fueling the protests that toppled President Hosni Mubarak.

State responses to other climate phenomena have also heightened tensions. Melting sea ice in the Arctic has opened up new lanes for shipping and fields for oil and gas exploration, leading Canada, Russia, the United States, and other Arctic nations to bicker over the rights to control these new resources.

Moreover, the push to reduce carbon emissions, although welcome, could also drive competition. As demand for clean energy grows, countries will spar over subsidies and tariffs as each tries to shore up its position in the new green economy. China's aggressive subsidies for its solar power industry have triggered a backlash from the makers of solar panels in other countries, with the United States imposing tariffs in 2017 and India considering doing something similar.

As climate fears intensify, debates between countries will become sharper and more explicit. Since manufacturing the batteries used in electric cars requires rare minerals, such as cobalt, lithium, and nickel, which are found largely in conflict-ridden places such as the Democratic Republic of the Congo, the rise of battery-powered vehicles could prompt a dangerous new scramble for resources. Although

manufacturers will innovate to reduce their dependence on these minerals, such pressures will become more common as the clean energy transition progresses. Companies and countries that depend heavily on fossil fuels, for example, will resist pressure to keep them in the ground.

There are myriad potentially contentious policies governments might enact in response to changing climate conditions. Banning exports of newly scarce resources, acquiring land overseas, mandating the use of biofuels, enacting rules to conserve forests, and a thousand other choices will all create winners and losers and inflame domestic and international tensions. As fears grow of runaway climate change, governments will be increasingly tempted to take drastic unilateral steps, such as geoengineering, which would prove immensely destabilizing.

### **THE BURNING QUESTION**

These scary scenarios are not inevitable, but much depends on whether and how countries come together to curb carbon emissions and stave off the worst effects of climate change.

Last year, when U.S. President Donald Trump announced his intention to withdraw the United States from the Paris climate agreement, many other countries, including China, France, Germany, India, and the United Kingdom, responded by doubling down on their support for the deal. French President Emmanuel Macron hosted an international meeting on climate change last December and even set up a fund to attract leading climate scientists, especially those from the United States, to France.

Climate change will remain a salient issue for politicians in most countries as people around the world expect action

from their leaders. Even the United States is formally still in the Paris agreement; its withdrawal only takes effect the day after the next presidential election, in 2020. Should Trump not be reelected, the next president could have the country jump right back in.

Moreover, even as the U.S. federal government has stepped away from international climate leadership and begun to roll back Obama-era domestic climate policies, U.S. governors, mayors, and chief executives have remained committed to climate action. Last year, former New York Mayor Michael Bloomberg formed the We Are Still In coalition, which now includes some 2,700 leaders across the country who have pledged action on climate change that would, if fulfilled, meet 60 percent of the original U.S. emission-reduction target under the Paris agreement.

The coalition includes California Governor Jerry Brown, whose state boasts the world's fifth-largest economy. In September, to create momentum for action before next winter's climate negotiations in Poland, Brown is scheduled to host the Global Climate Action Summit in San Francisco. That will be a remarkable spectacle: a sitting governor carrying out his own global diplomacy independent from the federal government. California's contribution does not end there. Leading technology companies based in California, such as Google, are also part of the coalition. They have set ambitious internal renewable energy targets covering their entire operations. Given their vast size and global supply chains, these companies have enormous potential reach.

Even as leaders have invested time and energy in international agreements



between countries, they have built parallel, less showy, but no less important processes to encourage action. Because climate change encompasses a constellation of problems in transportation, energy, construction, agriculture, and other sectors, experimentation allows different venues to tackle different problems at the same time—the security implications in the UN Security Council, fossil fuel subsidies in the G-20, short-lived gases such as hydrofluorocarbons through the Montreal Protocol, and deforestation through efforts such as the New York Declaration on Forests, for example. This collection of efforts may be messier than centralizing everything through one global agreement, but avoiding a single point of failure and letting different groups and deals tackle the problems they are best suited to fix may produce more durable results.

Humans have proved highly adaptable, but the collective effects of climate change on cities, food production, and water supplies present an enormous challenge for the planet. China and the United States will be central to the global response. Together, the two countries are responsible for more than 40 percent of global emissions; China alone accounts for 28 percent.

In the lead-up to the Paris negotiations, U.S. President Barack Obama invested enormous political capital to come to a bilateral understanding with China. The Trump administration's backsliding on climate action elevates the pressure on China to both address its emissions at home and consider the environmental effects of its actions abroad through the Belt and Road Initiative and the Asian Infrastructure Investment Bank.

Relations between China and the United States have soured recently, but the countries need to work together, as the world will be ill served by an all-encompassing rivalry between them. They will have to build a system that allows issues to be compartmentalized, in which they can jockey over regional security in Asia, for instance, but still cooperate on issues on which their fates are linked, such as climate change and pandemics.

The only way of achieving that is through a system that recognizes the diffusion of power. To some extent, that diffusion is already under way, as the United States is ceding hegemonic control in an increasingly multipolar world, in which more is expected of a rising China. But the process will have to go much further. Governments will need to coordinate with subnational units, private corporations, nongovernmental organizations, and very rich individuals. On climate change and many other problems, these actors are much better able than governments to change things at the local level. Creating an order fit for purpose will not be easy. But the nascent combination of international agreements and networks of organizations and people dedicated to solving specific problems offers the best chance to avoid cataclysmic climate change. 🌍



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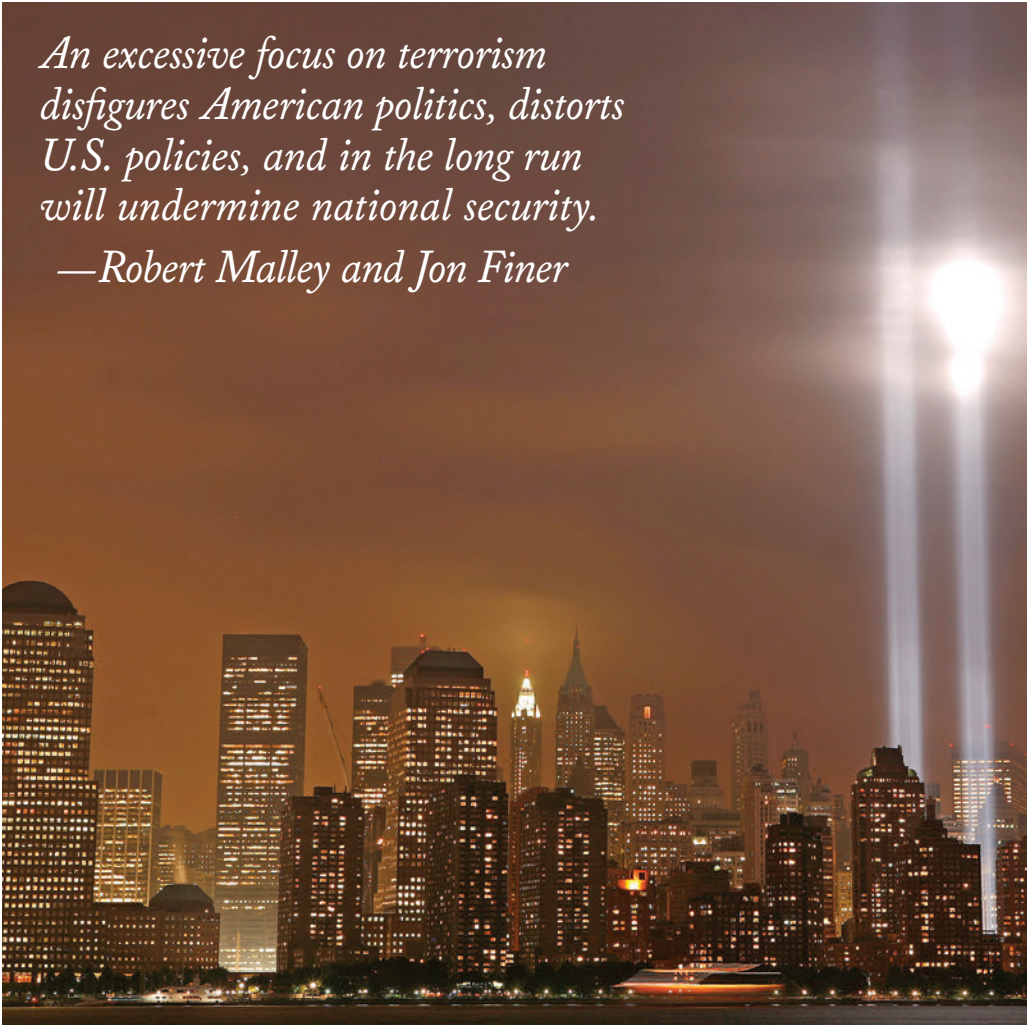
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# ESSAYS

*An excessive focus on terrorism  
disfigures American politics, distorts  
U.S. policies, and in the long run  
will undermine national security.*

—Robert Malley and Jon Finer



---

**The Long Shadow of 9/11**  
*Robert Malley and Jon Finer*

58

---

**Go Your Own Way**  
*Tanisha M. Fazal*

113

---

**NATO's Enemies Within**  
*Celeste A. Wallander*

70

---

**The Myth of the Liberal Order**  
*Graham Allison*

124

---

**Russia as It Is**  
*Michael McFaul*

82

---

**Why Carbon Pricing Isn't Working**  
*Jeffrey Ball*

134

---

**The Human Capital Gap**  
*Jim Yong Kim*

92

---

**How the Safety Net Can Survive Trump**  
*Lane Kenworthy*

147

---

**Reclaiming Global Leadership**  
*John Kasich*

102

---

# The Long Shadow of 9/11

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## How Counterterrorism Warps U.S. Foreign Policy

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*Robert Malley and Jon Finer*

**W**hen it comes to political orientation, worldview, life experience, and temperament, the past three presidents of the United States could hardly be more different. Yet each ended up devoting much of his tenure to the same goal: countering terrorism.

Upon entering office, President George W. Bush initially downplayed the terrorist threat, casting aside warnings from the outgoing administration about al Qaeda plots. But in the wake of the 9/11 attacks, his presidency came to be defined by what his administration termed “the global war on terrorism,” an undertaking that involved the torture of detainees, the incarceration of suspects in “black sites” and at a prison camp in Guantánamo Bay, the warrantless surveillance of U.S. citizens, and prolonged and costly military campaigns in Afghanistan and Iraq.

Barack Obama’s political rise was fueled by his early opposition to Bush’s excesses. He was clear-eyed about the nature of the terrorist threat and aware of the risks of overstating its costs. Once in office, he established clearer guidelines for the use of force and increased transparency about civilian casualties. But he also expanded the fight against terrorists to new theaters, dramatically increased the use of drone strikes, and devoted the later years of his presidency to the struggle against the Islamic State (also known as ISIS).

As for Donald Trump, he helped incite a wave of fear about terrorism and then rode it to an unlikely electoral victory, vowing to ban Muslims

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from entering the United States and to ruthlessly target terrorists wherever they were found. In office, Trump has escalated counterterrorism operations around the world, significantly loosened the rules of engagement, and continued to play up the terrorist threat with alarmist rhetoric.

In short, in an era of persistent political polarization, countering terrorism has become the area of greatest bipartisan consensus. Not since Democrats and Republicans rallied around containing the Soviet Union during the Cold War has there been such broad agreement on a foreign policy priority. Counterterrorism was a paramount concern for a president avenging the deaths of almost 3,000 Americans, and for his successor, who aspired to change the world's (and especially the Muslim world's) perception of the United States—and now it is also for his successor's successor, who is guided not by conviction or ideology but by impulse and instinct.

Many compelling reasons explain why U.S. policymakers have made the fight against terrorism a priority and why that fight often has taken on the character of a military campaign. But there are costs to this singular preoccupation and approach that are seldom acknowledged. An excessive focus on this issue disfigures American politics, distorts U.S. policies, and in the long run will undermine national security. The question is not whether fighting terrorists ought to be a key U.S. foreign policy objective—of course it should. But the pendulum has swung too far at the expense of other interests and of a more rational conversation about terrorism and how to fight it.

### **THE MORE THINGS CHANGE . . .**

The first and most obvious reason why several consecutive administrations have devoted so much attention to fighting terrorism is that guarding the safety of citizens should be any government's primary duty. Those privy to the constant stream of threat information generated by U.S. intelligence services—as we were during the Obama administration—can attest to the relentlessness and inventiveness with which terrorist organizations target Americans at home and abroad. They likewise can attest to the determination and resourcefulness required of public servants to thwart them.

Second, unlike most other foreign policy issues, terrorism matters to Americans. They may have an exaggerated sense of the threat or misunderstand it, and their political leaders might manipulate or exploit

their concerns. But politicians need to be responsive to the demands of their constituents, who consistently rank terrorism among the greatest threats the country faces.

A third reason is that, by the most easily comprehensible metrics, most U.S. counterterrorism efforts appear to have immediately and palpably succeeded. No group or individual has been able to repeat anything close to the devastating scale of the 9/11 attacks in the United States or against U.S. citizens abroad, owing to the remarkable efforts of U.S. authorities, who have disrupted myriad active plots and demolished many terrorist cells and organizations. What is more, when compared with other, longer-term, more abstract, and often quixotic policy priorities—such as spreading democracy, resurrecting failed states, or making peace among foreign belligerents—counterterrorism has a narrower objective over which the U.S. government has greater control, and its results can be more easily measured. In the Middle East, in particular, Washington's loftier pursuits have tended to backfire or collapse. Focusing on counterterrorism can discipline U.S. foreign policy and force policymakers to concentrate on a few tasks that are well defined and realistic.

Finally, in an age of covert special operations and unmanned drones, the targeted killing of suspected terrorists appears relatively precise, clean, and low risk. For a commander in chief such as Obama, who worried about straining the U.S. military and causing counterproductive civilian casualties, the illusory notion that one could wage war with clean hands proved tantalizing.

The combination of these factors helps explain why such dissimilar presidents have been so similar in this one respect. It also explains why, since the 9/11 attacks, the United States has been engaged in a seemingly endless confrontation with a metastasizing set of militant groups. And it explains why, by tacit consensus, American society has adopted a zero-tolerance policy toward terrorism, such that any administration on whose watch an attack were to occur would immediately face relentless political recrimination. The United States has become captive to a national security paradigm that ends up magnifying the very fears from which it was born.

### **DON'T BELIEVE THE HYPE**

For evidence of how this toxic cycle distorts American politics, one need look no further than Trump's rise, which cannot be dissociated

from the emotional and at times irrational fears of terrorism that he simultaneously took advantage of and fueled. Trump, more blatantly than most, married those sentiments to nativistic, bigoted feelings about immigrants and Muslims. In December 2015, he proposed a simple but drastic step to eliminate the danger: “a total and complete shutdown of Muslims entering the United States.” As a policy, this was absurd, but as demagoguery, it proved highly effective: several months prior to the 2016 presidential election, some polls showed that a majority of Americans approved of the idea, despite the fact that they were less likely to fall victim to a terrorist attack by a refugee than be hit by lightning, eaten by a shark, or struck by an asteroid.

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*A counterterrorism-industrial complex fuels the cycle of fear and overreaction.*

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But Trump is hardly the only one who has hyped the threat of terrorism for political gain; indeed, doing so has become a national—and bipartisan—tradition. It has become exceedingly rare for an elected official or candidate to offer a sober, dispassionate assessment of the threat posed by foreign terrorists. Obama tried to do so, but critics charged that at times of near panic, such rational pronouncements came across as cold and aloof. After the 2015 terrorist shooting in San Bernardino, California, took the lives of 14 people, he became all the more aware of the pernicious impact another attack could have—prompting baseless anti-immigrant and anti-refugee sentiment, proposals for the curtailment of civil liberties, and calls for foreign military adventures. So Obama intensified his own and his administration’s counterterrorism rhetoric and actions. It’s hard to ignore the irony of overreacting to terrorism in order to avoid an even greater overreaction to terrorism.

This dilemma reflects the peculiar nature of terrorism. For an American, the risk of being injured or killed in a terrorist attack is close to zero. But unlike truly random events, terrorism is perpetrated by people intentionally seeking bloodshed and working hard to achieve it. The combination of seeming randomness of the target and the deliberateness of the offender helps explain why terrorism inspires a level of dread unjustified by the actual risk. At any given time and place, a terrorist attack is extremely unlikely to occur—and yet, when one does happen, it’s because someone wanted it to.

But that only goes so far in explaining why Americans remain so concerned about terrorism even though other sources of danger pose much higher risks. The fact is that many U.S. political leaders, members of the media, consultants, and academics play a role in hyping the threat. Together, they form what might be described as a counterterrorism-industrial complex—one that, deliberately or not, and for a variety of reasons, fuels the cycle of fear and overreaction.

### **TERROR TALK**

But it's not just American politics that suffers from an overemphasis on counterterrorism; the country's policies do, too. An administration can do more than one thing at once, but it can't prioritize everything at the same time. The time spent by senior officials and the resources invested by the government in finding, chasing, and killing terrorists invariably come at the expense of other tasks: for example, addressing the challenges of a rising China, a nuclear North Korea, and a resurgent Russia.

The United States' counterterrorism posture also affects how Washington deals with other governments—and how other governments deal with it. When Washington works directly with other governments in fighting terrorists or seeks their approval for launching drone strikes, it inevitably has to adjust aspects of its policies. Washington's willingness and ability to criticize or pressure the governments of Egypt, Pakistan, Saudi Arabia, and Turkey, among others, is hindered by the fact that the United States depends on them to take action against terrorist groups or to allow U.S. forces to use their territory to do so. More broadly, leaders in such countries have learned that in order to extract concessions from American policymakers, it helps to raise the prospect of opening up (or shutting down) U.S. military bases or granting (or withdrawing) the right to use their airspace. And they have learned that in order to nudge the United States to get involved in their own battles with local insurgents, it helps to cater to Washington's concerns by painting such groups (rightly or wrongly) as internationally minded jihadists.

The United States also risks guilt by association when its counterterrorism partners ignore the laws of armed conflict or lack the capacity for precision targeting. And other governments have become quick to cite Washington's fight against its enemies to justify their own more brutal tactics and more blatant violations of international





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law. It is seldom easy for U.S. officials to press other governments to moderate their policies, restrain their militaries, or consider the unintended consequences of repression. But it is infinitely harder when those other states can justify their actions by pointing to Washington's own practices—even when the comparison is inaccurate or unfair.

These policy distortions are reinforced and exacerbated by a lopsided interagency policymaking process that emerged after the 9/11 attacks. In most areas, the process of making national security policy tends to be highly regimented. It involves the president's Na-

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*Paradoxically, fixating on counterterrorism can make it harder to actually fight terrorism.*

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tional Security Council staff; deputy cabinet secretaries; and, for the most contentious, sensitive, or consequential decisions, the cabinet itself, chaired by either the national security adviser or the president. But since the Bush administration, counterterrorism has been run through a largely separate

process, led by the president's homeland security adviser (who is technically a deputy to the national security adviser) and involving a disparate group of officials and agencies. The result in many cases is two parallel processes—one for terrorism, another for everything else—which can result in different, even conflicting, recommendations before an ultimate decision is made.

In one example from our time in government, in 2016, officials taking part in the more specialized counterterrorism side of the process debated whether to kill or capture a particular militant leader even as those involved in the parallel interagency process considered whether to initiate political discussions with him. That same year, those involved in the counterterrorism process recommended launching a major strike against ISIS leaders in Libya even as other officials working on that country worried that overt U.S. military action would undermine Libya's fledgling government.

It's true that once the most difficult decisions reach the president and his cabinet, the two processes converge, and a single set of players makes the final call. But the bifurcated bureaucratic structure and the focus on terrorism at the lower levels mean that by the time senior officials consider the issue, momentum typically will have grown in favor of direct action targeting a terrorist suspect, with less consideration given to other matters. Even when there is greater coordination

of the two processes, as there was for the counter-ISIS campaign, the special attention given to terrorist threats shapes policy decisions, making it more difficult to raise potentially countervailing interests, such as resolving broader political conflicts or helping stabilize the fragile states that can give rise to those threats in the first place.

That policy distortion has produced an unhealthy tendency among policymakers to formulate their arguments in counterterrorism terms, thereby downplaying or suppressing other serious issues. Officials quickly learn that they stand a better chance of being heard and carrying the day if they can argue that their ideas offer the most effective way to defeat terrorists. The Obama administration produced several examples of that dynamic. Officials held different views about how closely to work with Egyptian President Abdel Fattah el-Sisi, who took power in a coup in 2013, and whether to condition U.S. assistance to Egypt on political reforms. In essence, the debate pitted those who believed that the United States could not endorse, let alone bankroll, the Sisi regime's authoritarian practices against those who argued that relations with Egypt mattered too much to risk alienating its leader. This debate raised difficult questions about the utility of U.S. military aid and the effectiveness of making it conditional, about the importance of Egypt and the Middle East to Washington's security posture, and about the priority that U.S. policymakers ought to place on American values when formulating foreign policy. Yet policymakers often chose to frame the debate in different terms: those in the first camp insisted that Sisi's disregard for human rights would produce more terrorists than he could kill, whereas those in the second camp highlighted the need to work with Sisi against already existing terrorists in the Sinai Peninsula.

In 2014, a similar pattern emerged when it came to policy discussions about the civil war in Syria. Once again, senior officials faced a situation that tested their core assumptions and values: on the one hand, the conviction that the United States had a moral responsibility to intervene to halt mass atrocities, and on the other, a fear that U.S. forces would get bogged down in yet another military adventure in the Middle East. But in front of the president, officials regularly spoke a different language. Those who felt that Washington should try to topple Syrian President Bashar al-Assad asserted that he was a "magnet" for terrorist groups that could be eliminated only through Assad's removal. Meanwhile, officials who opposed intervention argued that

the conflict itself was generating the vacuum that resulted in ISIS' rise and that the goal therefore ought to be to de-escalate it; they also pointed out that many of the opposition groups asking for U.S. support had ties to al Qaeda.

But those examples and the often highly defensible decisions they produced are less important than the larger pattern they reflect. When officials package every argument as a variation on a single theme—how to more effectively combat terrorists—they are likely to downplay broader questions that they ought to squarely confront regarding the United States' role in the world, the country's responsibility to intervene (or not) on humanitarian grounds, and the relative importance of defending human rights or democracy.

### **TOO MUCH OF A GOOD THING**

Paradoxically, fixating on counterterrorism can make it harder to actually fight terrorism. The intense pressure to immediately address terrorist threats leads to a focus on symptoms over causes and to an at times counterproductive reliance on the use of force. Washington has become addicted to quick military fixes for what are too often portrayed as imminent life-and-death threats, or officials focus too much on tangible but frequently misleading metrics of success, such as the decimation of leadership structures, body counts, or the number of arrests or sorties. Of course, when it comes to an organization such as ISIS, it is hard to imagine any solution other than defeating the group militarily. But when dealing with the Afghan Taliban, for example, or violent groups elsewhere that have local roots and whose fighters are motivated by local grievances, it is hard to imagine any military solution at all.

Sometimes what's needed is a far broader approach that would entail, where possible, engaging such groups in dialogue and addressing factors such as a lack of education or employment opportunities, ethnic or religious discrimination, the absence of state services, and local government repression. These problems are hard to assess and require political, as opposed to military, solutions—diplomacy rather than warfare. That approach takes longer, and it's harder to know whether the effort is paying off. For a policymaker, and particularly for political appointees serving fixed terms, it's almost always preferable to choose immediate and predictable gratification over delayed and uncertain satisfaction.

But as the war on terrorism nears its third decade, and despite the elimination of countless terrorist leaders and foot soldiers, there are

now almost certainly more terrorist groups around the world and far more terrorists seeking to target the United States and its interests than there were in 2001. The United States is engaged in more military operations, in more places, against more such groups than ever before: in Afghanistan, Iraq, Libya, Niger, Somalia, Syria, Yemen, and the Sahel region, to name a few. The spread of such groups is hardly the result of U.S. policy failings alone. Still, it ought to encourage humility and prompt Washington to consider doing things differently. Instead, it has been used to justify doing more of the same.

One possible explanation for the resilience of the terrorist threat is that an overly militarized approach aggravates the very conditions on which terrorist recruitment thrives. The destruction of entire cities and the unintentional killing of civilians, in addition to being tragic, serve as powerful propaganda tools for jihadists. Such incidents feed resentment, grievances, and anti-Americanism. Not everyone who is resentful, grieving, or anti-American will turn to violence. The vast majority will not. But invariably, some will.

The Obama administration sought to improve the protection of civilians by establishing detailed constraints on counterterrorism strikes and unprecedented standards for transparency about civilian casualties. That approach proved easier to establish than to implement. Outside analysts argued that the administration did not go far enough, and journalists revealed troubling disparities in the way casualties were counted. But things have gotten far worse under Trump. In the name of unshackling the military and halting what Trump administration officials have disparaged as Obama-era “micromanagement” of the military’s operations, Trump has loosened the rules governing the targeting of presumed terrorists, diminished the vetting of strikes, and delegated increased authority to the Pentagon. Not surprisingly, the number of drone strikes has significantly grown as a result; in the case of Yemen, the Trump administration carried out more airstrikes during its first 100 days than the Obama administration did in all of 2015 and 2016.

Today, the public knows little about what standards the military must follow before launching a strike, but there is little doubt that they have been relaxed. Nor is there much doubt that the rate of civilian casualties has increased. But it’s hard to know for sure because the White House has weakened the transparency rules that Obama imposed at the end of his term. In a sense, such changes represent a

natural progression. They are an outgrowth of a discourse that presents terrorism as an existential threat, its elimination as a goal worthy of virtually any means, and secrecy as an essential tool.

Trump represents the culmination of that discourse. During the campaign, he blithely asserted that his approach to ISIS would be to “bomb the shit out of” the group’s members and suggested that the United States should also “take out their families.” *The Washington Post* recently reported that after he became president, Trump watched a recording of a U.S. strike during which a drone operator waited to fire until the target was away from his family. When the video was over, Trump asked, “Why did you wait?”

### **AVOIDING THE TERRORISM TRAP**

There must be a better way to allocate U.S. resources, define national security priorities, and talk to the American public about terrorism. But it’s hardly a mystery why a better path has been so difficult to find: few politicians are willing to challenge the dominant perspective, hint that the danger has been exaggerated, or advocate a less militarized approach. Fuzzy thinking mars even well-intentioned efforts at change. Senator Bob Corker, a Republican from Tennessee, and Senator Tim Kaine, a Democrat from Virginia, have proposed an update to the legislation that has governed most counterterrorism policy since 2001. Their bill seeks to rein in operations, put them on a sounder legal footing, and reassert Congress’ long-neglected role. But if passed, the bill would end up codifying the notion that the United States is engaged in an open-ended war against an ever-growing number of groups.

Still, a window of opportunity might be opening. Despite its missteps on counterterrorism, Trump’s national security team has declared that the biggest threats facing the United States result from great-power politics and aggressive “revisionist” states, such as China and Russia. Whatever one thinks of that assessment, it could at least help put terrorism in proper perspective. Moreover, the fight against ISIS appears to be winding down, at least for now, in Iraq and Syria. According to some polls, the U.S. public presently ranks international terrorism as only the third most critical threat to U.S. vital interests, behind North Korea’s nuclear program and cyberwarfare. There is also growing awareness of the considerable portion of the U.S. budget currently devoted to counterterrorism. And Senator Bernie Sanders, an independent from Vermont—and a once and possibly future presidential contender—

recently broke with orthodoxy by condemning the war on terrorism as a disaster for American leadership and the American people.

All of this amounts to just a small crack, but a crack nonetheless. It will take more to overcome the political trap that discourages officials from risking their futures by speaking more candidly. For example, Congress could create a bipartisan panel to dispassionately assess the terrorist threat and how best to meet it. Members of the policy community and the media could acknowledge the problem and initiate a more open conversation about the danger terrorism poses, whether U.S. military operations have successfully tackled it, and how much the global fight against terrorism has cost.

Future officeholders could rethink Washington's bureaucratic organization and the preeminent place granted to counterterrorism officials and agencies, insist on greater transparency regarding civilian casualties caused by U.S. military action, tighten the constraints loosened by the Trump administration, and press harder on allies and partners to act in accordance with international law. Finally, since sloppy language and bad policy are often mutually reinforcing, news organizations could impose on themselves greater discipline when covering terrorism. This would entail eschewing highly emotional wall-to-wall coverage of every attack (or even potential attack).

Washington's militarized counterterrorism culture, born in the aftermath of the 9/11 attacks, has tended to conflate the government's primary responsibility to protect citizens with a global fight against an ill-defined and ever-growing list of violent groups. This distortion has taken years to develop and will take years to undo. But that process will have to start somewhere, and it ought to start now. 🌐

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# NATO's Enemies Within

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## How Democratic Decline Could Destroy the Alliance

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*Celeste A. Wallander*

**N**ATO today faces multiple challenges. Terrorists have attacked European capitals, migration is putting pressure on border and homeland security systems, Russia is both able and willing to use military force and other instruments of influence in Europe, and U.S. President Donald Trump has threatened to scrap the alliance altogether. But the most serious problem is not one of these obvious threats; rather, it is the breakdown of liberal democracy within the alliance itself.

The North Atlantic Treaty Organization has never been a typical alliance. From its inception in 1949, NATO has not only deterred and defended against external threats; it has also advanced the principles of liberal democratic governance. Although its cohesion initially rested on the common threat of the Soviet Union, NATO was more unified than most multilateral organizations thanks to the common character of its members. Nearly all were democratically elected governments that were accountable to their citizens, bound by the rule of law, and dedicated to upholding political and civil rights. Article 2 of NATO's founding treaty committed members to "strengthening their free institutions."

Countries facing a common threat have often banded together for defense and survival, but most alliances don't last long once that threat is eliminated. That is why so many observers feared that NATO would disappear with the end of the Soviet Union. But thanks to the internal cohesion created by its democratic values, and the incentives its standards created for aspiring new members, the alliance defied predic-

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tions. Instead of disintegrating, NATO adapted to new challenges and became a cornerstone of transatlantic security after the Cold War.

Today, the Kremlin once again poses a serious threat in Europe and beyond. But unlike the last time the alliance faced down Russia, now NATO is in peril. Multiple members are dismantling the institutions and practices of liberal democracy that emerged triumphant in the Cold War, and things may get worse if autocratic demagogues exploit populist fears to gain political clout in other member states. Just when the alliance is needed as much as ever to meet challenges from without, the foundations of its power are at risk of crumbling because of challenges from within.

### **THE PRICE OF ADMISSION**

After the fall of the Soviet Union, the liberal democratic credentials of NATO's members became even more important to the alliance. Although many experts and policymakers hoped that Europe would emerge from the Cold War whole, free, and at peace, others warned that without a shared enemy, the region might return to past cycles of instability and conflict fueled by revanchist, chauvinistic, and illiberal European regimes. Far from being irrelevant, these observers argued, NATO would play a key role in bolstering liberal democracies and creating trust among countries that had spent centuries fighting one another.

As if on cue, border disputes and simmering ethnic conflicts in eastern Europe began to threaten the peace almost immediately after the fall of the Soviet Union. And with the disintegration of Yugoslavia in the early 1990s, they ultimately broke it. In the face of these challenges, NATO sought to leverage the desire for membership to encourage political reforms by requiring that new members meet its standards for good governance. This decision was based on the belief that liberal institutions, practices, and values would prevent a return to the nationalist, nativist, extremist, and intolerant dynamics that had driven destructive conflicts in Europe for centuries. To foster security within Europe, NATO required that new members leave autocratic practices behind.

Fulfilling these requirements was often politically contentious, and aspiring members did not always succeed. Countries that had spent decades under authoritarian communist rule had to root out the lingering influence of intelligence agencies, overturn politicized control of

the military in favor of apolitical professional defense forces, establish legislative oversight for military procurement, and implement personnel policies that would combat corruption. All of that has taken time:

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*NATO's ability to conduct security operations depends on its political cohesion as much as its members' military capabilities.*

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Montenegro set the goal of achieving membership in 2007 but had to wait ten more years to earn admission. And mere aspiration is not enough: Bosnia, for example, has yet to fulfill the criteria that the alliance set in 2010 for the country to be granted the Membership Action Plan, a procedural precursor to joining. These requirements

may have slowed the process of NATO's expansion, but liberal institutions and practices are central to creating security and trust among Europe's diverse societies. Anything less would have weakened the alliance instead of strengthening it.

Beyond its stabilizing effect on the broader continent, there is another reason NATO's liberal democratic character came to matter: in the absence of a shared external threat, the binding force of liberal democratic values and institutions has become essential to the alliance's effectiveness. NATO's ability to conduct security operations depends on its political cohesion as much as its members' military capabilities. Few question NATO's cohesion when Article 5 of its founding treaty is invoked—that is, when an ally is directly attacked. Common external threats generate unified responses. After 9/11, for example, NATO members quickly joined the U.S. campaign against Taliban-ruled Afghanistan.

However, when the alliance faces a security issue that does not invoke Article 5, alliance cohesion is less certain because members have different priorities that guide their cost-benefit calculations. In such cases, liberal commitment to the rule of law has played an important role. The alliance has proved cohesive when acting outside Europe and when the stakes are well grounded in international law, as was the case during its 2011 intervention in Libya, which was backed by a UN Security Council resolution.

In other instances, when the alliance has faced more diffuse and contested security challenges, a common commitment to liberal democratic values has proved even more essential to maintaining cohesion. Consider the Balkans: in 1995, NATO conducted Operation Deliberate



*With allies like these: at a NATO summit in Brussels, Belgium, May 2017*

Force to protect UN safe areas in Bosnia that had come under attack from ethnic Serbian armed groups. And in 1999, it conducted another air operation against the armed forces of what remained of Yugoslavia to prevent military attacks on ethnic Albanians in Kosovo. In both campaigns, Article 5 did not apply because no NATO member had been directly attacked. Nor was the alliance acting under a UN Security Council resolution. These interventions tested the alliance's political capacity, but ultimately, members coalesced around their common commitment to human rights, a principle that would become enshrined in international law in 2005 as "the responsibility to protect" (or R2P). The alliance's ability to prevent mass atrocities in non-NATO states was thus as much a product of its members' values as it was a product of their military assets.

By contrast, when democratic values and institutions have cut in the opposite direction, the alliance has been divided. Compare NATO's interventions in the Balkan wars to its disunity over the 2003 U.S. invasion of Iraq. Although the Bush administration contended that Iraq threatened global security by pursuing weapons of mass destruction (an area of international law far better established than R2P), NATO was far from unified on the matter. In fact, France and Germany

were among the most vocal critics of the invasion. Although NATO's interventions in the Balkans had been legally problematic, the allies were still united in pursuing them because of their shared commitment to human rights. But when it came to Iraq, without a justification rooted in liberalism, not all of them were willing to support an intervention beyond the purview of Article 5.

### **BACKSLIDING AWAY**

In the early years of this century, some observers, including me, worried that the credibility of NATO's admission criteria was being undermined by new members that managed to meet NATO's standards only to backslide after joining the alliance. When international organizations increase their membership, they often become more unwieldy and slow to act. Greater numbers mean greater diversity in interests and priorities. NATO argued that a shared commitment to liberal democracy would mitigate this challenge, but that would be true only if new members sustained those values after accession. At the time, I feared that long-standing NATO members were being exploited by states such as Hungary that had made promises of political reform they did not intend to keep. Giving backsliders a free pass would harm NATO's credibility and detract from its ability to cultivate liberal values. And if NATO became unwilling to enforce its membership requirements, the United States' most important multilateral alliance would become rife with weak links.

Such fears have since been borne out. It has become clear that there is no price for violating NATO's liberal democratic standards, and some weak links are indeed backsliding. Consider Hungary. In 1999, the country was welcomed into NATO. In 2002 and then again in 2006, it held competitive elections that resulted in the airing of past corruption and collusion with the Soviet-era Communist Party by officials in both main parties, many of whom were held accountable. In 2004, Hungary pursued EU membership with strong support across the political spectrum. It also made progress on civil liberties and political rights, achieving top scores in all categories from 2005 to 2010 in rankings produced by the nongovernmental organization Freedom House.

But in 2010, in elections that were widely recognized as free and fair, Viktor Orbán's right-wing party Fidesz won 53 percent of the vote and 68 percent of the seats in the parliament. Armed with a super-

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majority, Fidesz changed the constitution and weakened institutional checks on government power, especially the judiciary. It increased the number of seats on Hungary's Constitutional Court, which it then packed with its own people, and narrowed the court's mandate. By early 2018, Hungary had slipped to the bottom of the "free" end of Freedom House's scales on political rights and civil liberties. And as the rule of law and government accountability have declined in Hungary, corruption has gone up. In April 2018, Fidesz won 49 percent of the vote but again secured a supermajority in the parliament. Today, the party seems poised to drive the country further away from the values and institutions of European liberal democracy.

Hungary showed early signs of its potential to slide into illiberalism, but few imagined that Poland would join it. Devastated by centuries of war and great-power competition, Poland and its citizens represented the hope that liberal democracy could be an answer to Europe's past follies of ethnic grievance, demagoguery, and the assault on liberal political institutions. But after taking power in 2015, Poland's Law and Justice party began to do away with many of the same core checks and balances and rule-of-law protections that Fidesz had dismantled in Hungary, eliminating the power of the Constitutional Tribunal to review laws and executive actions and increasing the power of political leaders to pack the judiciary with sycophants. In Freedom House's ratings, Poland dropped from 93 out of 100 in 2015 to 85 in 2018. This January, the government passed a law making it a crime to claim that Poland was complicit in the Holocaust. Setting aside the question of complicity by some Poles—and there is considerable historical evidence for it—this effort threatens the core liberal democratic principle of freedom of speech, without which governments cannot be held accountable to their citizens.

### **THE NEW THREAT**

In 2002, I wrote in this magazine about the risk that backsliding among new NATO members could undermine the coherence of the alliance. It is now clear that I was guilty of a failure to imagine even worse. Today, liberal democracy is at risk not just among new members but also among the original or early members of the alliance—a development that poses an even greater threat to NATO's unity and effectiveness.

The most egregious case may come as little surprise. Turkey, which joined NATO in 1952, and whose history is checkered with military

coups, has long been a problem for the alliance's commitment to liberal democratic institutions and principles. But after the Cold War, Turkey made progress in expanding legal and civil rights and allowing for political competition. When the Justice and Development Party took power in 2002 under the leadership of Recep Tayyip Erdogan, it at first appeared that progress would continue. Soon, however, the party began backsliding. In 2016, under the cover of investigating an alleged coup attempt, Erdogan's government put political opponents on trial, persecuted journalists, and went after businesses that had

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*Today, liberal democracy is at risk not just among new members but also among the original or early members of the alliance.*

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not supported his party. Through pressure on business interests, the Turkish state acquired control of central media outlets and made them instruments of the ruling party. Erdogan also went after the independent judiciary, pushing through a constitutional amendment that enabled his party to stack the judiciary with compliant political appointees. In 2018, Freedom House officially classified Turkey as "not free," putting it in the same category as China, Iran, Russia, and Syria.

Meanwhile, in other core NATO members, there are worrying signs, such as the rise of the National Front in France (after the party's confessed acceptance of Russian money) and the unimaginable emergence of a far-right nationalist party in Germany: the Alternative for Germany. And in 2017, the Netherlands had a sort of near-death experience with the nail-biting defeat of Geert Wilders, the leader of the radical right Party for Freedom.

Then there is the United States. Assuming that there proves to be no evidence to the contrary, the 2016 U.S. presidential election was an example of a free and fair election that brought to power an administration intent on disrupting the institutions and practices of liberal democracy. U.S. President Donald Trump regularly advances falsehoods, and he has assaulted the role of the independent press, suggesting that journalists should be imprisoned or forced to reveal their sources. He and other members of his administration have expressed support for violent racist provocateurs, publicly denigrated religious minorities, and defended acts of sexism and misogyny perpetrated by both elected officials and those seeking elected office. Trump has also repeatedly criticized an independent Justice Department investiga-

tion into his presidential campaign and possible foreign interference in the 2016 election. In light of all of this, in 2018, Freedom House downgraded the United States' freedom score to 86 out of 100, a rating that is barely ahead of Poland's (at 85).

Of course, some NATO members also experienced authoritarianism or military rule during the Cold War. Greece was ruled by a military junta from 1967 to 1974, and the Portuguese government was an authoritarian regime until 1974. It would not be unreasonable to criticize as a convenient fairy tale the narrative of NATO as an alliance of liberal democracies. During the Cold War, exceptions were tolerated in the interests of enhancing NATO's military capabilities and its ability to prevent communist infiltration in Western Europe. But the deviations prove the point: under authoritarian rule, Greece and Turkey fought a narrow, revanchist, destructive conflict over Cyprus that weakened the alliance. Still, the divisive effects were sufficiently mitigated by the strong cohesive force of the Soviet threat. The authoritarian failings of certain NATO allies put them at odds with core members of the alliance, but they did not create a fissure that would weaken NATO's deterrent posture toward its main external security threat.

The situation today is different. With Russia mounting a renewed threat in Europe and beyond, there is an additional reason the institutions of liberal democracy are important to transatlantic security: illiberal and nondemocratic countries are more vulnerable to subversion. Authoritarianism enables corruption, and in Europe, corruption enables Russian access and influence. After Russia's 2014 intervention in Ukraine, the NATO members that were most affected by corruption, demagogic populism, and Russian media influence complicated the alliance's efforts to forge a unified response. Every time European sanctions against Russia have come up for renewal, the United States and other core allies have had to scramble to prevent these countries from breaking with NATO and succumbing to pressure or temptation from the Kremlin.

The Soviet threat was primarily military, and political infiltration abroad was advanced through communist ideology and leftist political parties. Russian influence today, on the other hand, operates through shadowy financial flows, corrupt relationships, bribes, kickbacks, and blackmail. To the extent that Russia promotes an ideology, it is the same combination of intolerant nationalism, xenophobia, and illiberalism that is on the rise in Hungary, Poland, Turkey, and elsewhere in Eu-



rope. Even as Orban and Erdogan have been berated by their allies, they have found Russian President Vladimir Putin to be a source of understanding and support. Unlike during the Cold War, NATO's illiberal weak links now align with the Kremlin's tactics. They are the alliance's Achilles' heel. One hopes that these countries can still withstand any pressures to break consensus in the event of a Russian strike on a NATO member. But confidence that these allies have not been compromised would be a lot better than anxious hope.

Much has been written about how NATO needs to enhance its military capabilities to counter Russia. That is true, but even more important, the alliance needs to restore its liberal democratic foundations to reduce its vulnerability to Moscow's subversion through corruption, information warfare, and blackmail.

## **DEFENDING THE ALLIANCE**

In 2002, I suggested mechanisms for putting backsliders on notice, suspending their rights, and potentially expelling them from the alliance. My proposal centered on modifying NATO's consensus rule, which holds that the alliance's major decisions require the consent of all members. I believed that a "consensus minus one" mechanism—which would allow other allies to discipline an errant member—would enable NATO to protect itself from weak links and erect a higher barrier against backsliding. I also proposed providing a process for an offending state to reverse course and regain its full stature.

But these ideas were predicated on the assumption that the alliance would be dealing with only the occasional outlier. With multiple alliance members, new and old, already backsliding or at risk of doing so, that window of opportunity has passed. If the cohort of backsliders grows, NATO may find itself with a bloc within the alliance bent on protecting illiberal democracy.

Given the proliferation of problem members, NATO should consider adopting a form of the EU's "qualified majority" rule for internal governance. Instead of requiring consensus or consensus minus one (which coalitions of backsliders are likely to subvert), NATO should make it possible for a defined supermajority of members to suspend the voting or decision rights of backsliders. Under the 2007 Lisbon Treaty, most EU decisions require the support of a double majority—55 percent of the member states representing 65 percent of the population of the union. Under this procedure, the EU can initiate a process

that revokes the voting rights and organizational privileges of members found to be advancing systematic threats to the rule of law. Indeed, the EU is looking at precisely these procedures to restrict funding and other benefits to Hungary and Poland.

NATO should also make one of its senior officials responsible for monitoring and reporting on the liberal democratic credentials of not only new or aspiring members but also all allies. The assistant secretary-general for political affairs and security policy might be able to take on this role. (To date, this position has primarily focused on external relations and traditional security issues, such as arms control.) Given the centrality of the alliance's commitment to the liberal democratic institutions and practices of its members, NATO's institutional leadership should be more involved in holding members accountable to the alliance's standards.

Finally, NATO should work more closely with the EU. The two organizations share a common focus on good governance, the rule of law, and the rights of citizens and could reinforce each other's internal strengths. Deepening this relationship by creating official channels of exchange would bolster NATO's capacity to monitor whether allies were meeting its standards for good governance (the EU already has metrics for evaluating this). And an explicit and systematic process for sharing information would make it harder for members to use their status in one organization to avoid being held to account in the other for any misbehavior or backsliding. For example, Poland often cites its good standing in NATO, where it is a strong military ally that assumes a tough stance on Russia, to excuse its growing illiberalism.

But procedural fixes to inoculate the alliance against weak links are not enough. NATO might be able to deal with, say, a repressive Turkey by pushing it to the sidelines of core missions and decisions. NATO rules do not formally provide for such an approach, but the organization is good at finding procedural workarounds, and it is at least possible that the Turkish leadership would not object. It would be quite another matter if a core NATO member departed from the alliance's liberal democratic foundations. How could NATO sideline or work around France, or Germany, or the United States?

The best defense lies within the member states themselves. NATO can structure disincentives and punishments for backsliders, but only citizens can hold elected leaders accountable. Most important, the United States must rise to meet the challenge. The decline of liberal-

ism among core NATO allies is concerning: Germany represents the transatlantic phoenix rising from fascism's ashes; France is the symbol of resistance through occupation; the United Kingdom was where Europe kept hope alive in World War II. But it was the United States that saved the twentieth century from dictatorship and helped Europe achieve prosperity, security, and stability. NATO might survive European publics toying with fascism (although it should limit the experiments). It cannot survive if U.S. liberal democracy fails.

Americans must face the fact that the biggest threat to NATO today may be the United States itself. Regardless of political party and policy preferences, all Americans have a patriotic interest in protecting the laws, practices, and institutions of U.S. liberal democracy. This is not merely a matter of domestic politics; it is also a matter of national security. Threats to democracy at home have already undermined Washington's ability to work with allies in a dangerous, uncertain, and threatening world. As the most powerful member of NATO, the United States must take the lead through a bipartisan defense of liberal institutions and values.

Today, fundamental threats to NATO come from its own members. These challenges cannot be resolved in NATO's shiny new headquarters in Brussels through procedural modifications or by pointing fingers at the worst offenders. They must be defeated at home. 🌐

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# Russia as It Is

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## A Grand Strategy for Confronting Putin

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*Michael McFaul*

**R**elations between Russia and the United States have deteriorated to their most dangerous point in decades. The current situation is not, as many have dubbed it, a new Cold War. But no one should draw much comfort from the ways in which today's standoff differs from the earlier one. The quantitative nuclear arms race is over, but Russia and the United States have begun a new qualitative arms race in nuclear delivery vehicles, missile defenses, and digital weapons. The two countries are no longer engulfed in proxy wars, but over the last decade, Russia has demonstrated less and less restraint in its use of military power. The worldwide ideological struggle between capitalism and communism is history, but Russian President Vladimir Putin has anointed himself the leader of a renewed nationalist, conservative movement fighting a decadent West. To spread these ideas, the Russian government has made huge investments in television and radio stations, social media networks, and Internet "troll farms," and it has spent lavishly in support of like-minded politicians abroad. The best description of the current hostilities is not cold war but hot peace.

Washington must accept that Putin is here to stay and won't end his assault on Western democracy and multilateral institutions anytime soon. To deal with the threat, the United States desperately needs a new bipartisan grand strategy. It must find ways to contain the Kremlin's economic, military, and political influence and to strengthen democratic allies, and it must work with the Kremlin when doing so is truly necessary and freeze it out when it is not. But above all, Washington must be patient. As long as Putin remains in power, changing Russia will be close to impossible. The best Washington

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*Red dawn: Russian and Syrian soldiers outside eastern Ghouta, Syria, February 2018*

can hope for in most cases is to successfully restrain Moscow's actions abroad while waiting for Russia to change from within.

### **UPS AND DOWNS**

At the end of the Cold War, both U.S. and Russian leaders embraced the promise of closer relations. So what went wrong? Russia's renewed international power provides part of the explanation. If Russia were too weak to annex Crimea, intervene in Syria, or interfere in U.S. elections, Moscow and Washington would not be clashing today. But not all rising powers have threatened the United States. Germany and Japan are much stronger than they were 50 years ago, yet no one is concerned about a return to World War II rivalries. What is more, Russia's relations with the United States were much more cooperative just a few years back, well after Russia had returned to the world stage as a great power.

In Russian eyes, much of the blame falls on U.S. foreign policy. According to this argument, the United States took advantage of Russia when it was weak by expanding NATO and bombing Serbia in 1999, invading Iraq in 2003, and allegedly helping overthrow pro-Russian governments in Georgia in 2003 and Ukraine in 2004. Once Russia was off its knees, it had to push back against U.S. hegemony. At the 2007

Munich Security Conference, Putin championed this line of analysis: “We are seeing a greater and greater disdain for the basic principles of international law. . . . One state, and, of course, first and foremost the United States, has overstepped its national borders in every way.”

There is some truth to this story. The expansion of NATO did exacerbate tensions with Moscow, as did Western military interventions in Serbia and Iraq. Democratic upheavals in Georgia and Ukraine threatened Putin’s ability to preserve autocracy at home, even if Putin grossly exaggerated the U.S. role in those so-called color revolutions.

Yet this account omits a lot of history. After the end of the Cold War, U.S. presidents were truly committed to, in Bill Clinton’s words, “a strategic alliance with Russian reform” and Russia’s integration into the international system. Just as the United States and its allies helped rebuild, democratize, and integrate Germany and Japan after World War II, the thinking went, so it would rebuild Russia after the Cold War. It is true that the United States and Europe did not devote enough resources or attention to this task, leaving many Russians feeling betrayed. But it is revisionism to argue that they did not embrace Moscow’s new leaders, support democratic and market reforms, and offer Russia a prominent place in Western clubs such as the G-8.

The most powerful counterargument to the idea that U.S. foreign policy poisoned the well with Russia is that the two countries managed to work together for many years. The cooperative dynamic of U.S.-Russian relations established after the fall of the Soviet Union survived not only U.S. provocations but also two Russian military operations in Chechnya and the 1998 Russian financial crisis, after which foreign governments accused the Kremlin of wasting Western aid. And even the U.S. withdrawal from the Anti-Ballistic Missile Treaty, in 2002, and another, larger round of NATO expansion, in 2004, did not end the cooperative dynamic that U.S. President George W. Bush and Putin had forged after the 9/11 attacks. Russia’s invasion of Georgia in 2008 pushed U.S.-Russian relations to a low point in the post-Cold War era. But even this tragedy did not permanently derail cooperation.

## **HOW IT ALL WENT WRONG**

Even after all these ups and downs, U.S.-Russian relations experienced one last spike in cooperation, which lasted from 2009 to 2011. In 2009, when U.S. President Barack Obama met for the first time with Russian President Dmitry Medvedev and Putin, who was then serving as Russia’s

prime minister, the U.S. president tried to convince the two Russians that he was a new kind of American leader. He had opposed the Iraq war long before it was popular to do so, he explained, and had always rejected the idea of regime change. At least at first, Medvedev seemed convinced. Even Putin showed signs of softening. Over the next few years, Russia and the United States signed the New Strategic Arms Reduction Treaty (or New START), worked through the UN to impose tough new sanctions on Iran, managed Russia's entry into the World Trade Organization, coordinated to defuse violence in Kyrgyzstan after the collapse of the government there, and arranged a vast expansion of the network used to transport U.S. soldiers and supplies to Afghanistan through

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*Putin's anti-American campaign was not just political theater intended for a domestic audience.*

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Russia. In 2011, in perhaps the most impressive display of renewed cooperation, Russia acquiesced in the Western intervention in Libya. At the height of the so-called reset, in 2010, polls showed that around 50 percent of Americans saw Russia as a friendly country and that some 60 percent of Russians viewed the United States the same way.

This period of relative harmony began to break down in 2011, owing primarily to the way that Putin reacted to popular democratic mobilizations against autocracies in Egypt, Libya, Syria—and Russia itself. The Libyan uprising in 2011 marked the beginning of the end of the reset; the 2014 revolution in Ukraine marked the start of the hot peace.

Popular mobilization inside Russia was especially unnerving to Putin. He had enjoyed solid public support during most of his first eight years as president, thanks primarily to Russia's economic performance. By 2011, however, when he launched a campaign for a third term as president (after having spent three years as prime minister), his popularity had fallen significantly. The implicit bargain that Putin had struck with Russian society during his first two terms—high economic growth in return for political passivity—was unraveling. Massive demonstrations flooded the streets of Moscow, St. Petersburg, and other large cities after the parliamentary election in December 2011. At first, the protesters focused on electoral irregularities, but then they pivoted to a grander indictment of the Russian political system and Putin personally.

In response, Putin revived a Soviet-era source of legitimacy: defense of the motherland against the evil West. Putin accused the leaders of the demonstrations of being American agents. Obama tried to explain that the United States had not prompted the Russian demonstrations. Putin was unconvinced. After his reelection in the spring of 2012, Putin stepped up his attacks on protesters, opposition parties, the media, and civil society and placed under house arrest the opposition leader he feared the most, the anticorruption blogger Alexei Navalny. The Kremlin further restricted the activity of non-governmental organizations and independent media outlets and imposed significant fines on those who participated in protests that the authorities deemed illegal. Putin and his surrogates continued to label Russian opposition leaders as traitors supported by the United States.

Putin's anti-American campaign was not just political theater intended for a domestic audience: Putin genuinely believed that the United States represented a threat to his regime. Some pockets of U.S.-Russian cooperation persisted, including a joint venture between the Russian state-owned oil giant Rosneft and ExxonMobil, an agreement brokered by Obama and Putin in which Syria pledged to eliminate its chemical weapons, and Russian support for the international negotiations that produced the Iran nuclear deal. But most of these ended in 2014, after the fall of the pro-Russian Ukrainian government and the subsequent Russian invasion of Ukraine. Once again, Putin blamed the Obama administration, this time for supporting the revolutionaries who toppled Ukrainian President Viktor Yanukovich.

Putin was never inclined to believe in Washington's good faith. His training as a KGB agent had led him to distrust the United States along with all democratic movements. But in the early years of his presidency, he had held open the possibility of close cooperation with the West. In 2000, he even suggested that Russia might someday join NATO. After the 9/11 attacks, Putin firmly believed that Russia could work with the United States in a global war on terrorism. In 2008, after he stepped aside as president, he allowed Medvedev to pursue closer ties with Washington. But the Western intervention in Libya confirmed Putin's old suspicions about U.S. intentions. Putin believed that the United States and its allies had exploited a UN resolution that authorized only limited military action in order to overthrow the Libyan dictator Muammar al-Qaddafi. In Putin's view, Obama had turned out to be a regime changer, no different from Bush.



## **CONFRONTING THE KREMLIN**

Four years after Russia annexed Crimea, the United States has still not articulated a bipartisan grand strategy for dealing with Russia. Such a strategy is necessary because Washington's conflict with the Kremlin doesn't revolve around mere policy disagreements: rather, it is a contest between Putinism and democracy. No tweaking of U.S. policy on Syria or NATO will influence Putin's thinking. He has been in power for too long—and he is not likely to leave in the foreseeable future. U.S. policymakers must dispense with the fantasy that Putin's regime will collapse and democracy will emerge in Russia in the near term. The United States and its allies must continue to support human rights and democracy and embrace people inside Russia fighting for those values. But real political change will likely begin only after Putin steps down.

The United States also has to give up on the idea that Russia can or should be integrated into multilateral institutions. The theory that integration would moderate Russian behavior has not been borne out by events. The United States must dig in for a long and difficult confrontation with Putin and his regime. On most issues, the aim should be to produce a stalemate, as preserving the status quo will often be the best the United States can hope for.

Containment must start at home. Limiting Putin's ability to influence U.S. elections should be priority number one. The Trump administration should mandate enhanced cybersecurity resilience. If the federal government can require all cars to have seat belts, then federal authorities can require elementary cybersecurity protections such as dual authentication for all processes related to voting during a presidential election. Those who operate the systems that maintain voter registries must be required to receive training about how to spot common hacking techniques, and an even more rigorous set of standards must be adopted for the vote count. In a dozen states, including large battlegrounds such as Florida and Pennsylvania, at least some precincts lack paper trails for each ballot cast. These sloppy practices have to end. Every precinct must be able to produce a paper record for every vote.

Congress should also pass laws to provide greater transparency about Russian media activities inside the United States, including a requirement for social media companies to expose fake accounts and disinformation. Foreign governments should not be allowed to buy

ads anywhere to influence voter preferences. Beyond elections, the federal government must devote more time and money to blocking Russian threats to all national electronic infrastructure.

To further counter Putin's ideological campaign, the United States should organize democracies around the world to develop a common set of laws and protocols regulating government-controlled media.

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*The United States must dig in for a long and difficult confrontation with Putin and his regime.*

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Through regulation, Washington should encourage social media platforms to grant less exposure to Kremlin-created content. Algorithms organizing search results on Google or YouTube should not overrepresent information distributed by the Russian government. When such material does appear in searches, social

media companies should make its origins clear. Readers must know who created and paid for the articles they read and the videos they watch.

On their own, without government intervention, social media platforms should provide sources from more reliable news organizations; every time an article or video from the Kremlin-backed news channel RT appears, a BBC piece should pop up next to it. Social media companies have long resisted editorial responsibilities; that era must end.

In Europe, Putin's success in courting Hungarian President Viktor Orban and nurturing several like-minded political parties and movements within NATO countries underscores the need for a deeper commitment to ideological containment on the part of Washington's European allies. Those allies must pay greater attention to combating Russian disinformation and devote more time and resources to promoting their own values. NATO members must also meet their defense spending pledges, deploy more soldiers to the alliance's front-line states, and reaffirm their commitment to collective security.

No theater in the fight to contain Russia is more important than Ukraine. Building a secure, wealthy, democratic Ukraine, even if parts of the country remain under Russian occupation for a long time, is the best way to restrain Russian ideological and military aggression in Europe. A failed state in Ukraine will confirm Putin's flawed hypothesis about the shortcomings of U.S.-sponsored democratic revolutions. A successful democracy in Ukraine is also the best means for inspiring democratic reformers inside Russia and other former Soviet republics. The United States must increase its military, political, and economic

support for Ukraine. Washington should also impose new sanctions on Russians involved in violating Ukraine's sovereignty and ratchet them up until Putin begins to withdraw.

In the Middle East, the United States needs a more aggressive strategy to contain Russia's most important regional ally, Iran. It should continue to arm and support Syrian militias fighting Iranian soldiers and their allies in Syria and should promote anti-theocratic and pro-democratic ideas in the region, including inside Iran. Abandoning the fight in Syria would deliver a tremendous victory to Moscow and Tehran. The goals of U.S. policy toward Iran must remain denying Tehran a nuclear weapon, containing its destabilizing actions abroad, and encouraging democratic forces inside the country, but not coercive regime change from the outside.

The United States must contain the Kremlin's ambitions in Asia, as well. Strengthening existing alliances is the obvious first step. Putin has sought to weaken U.S. ties with Japan and South Korea. To push back, the United States should make its commitment to defend its allies more credible, starting by abandoning threats to withdraw its soldiers from South Korea. It should also begin negotiations to rejoin the Trans-Pacific Partnership. A harder but still important task will be to divide China from Russia. In 2014, Putin suffered a major setback when China did not support his annexation of Crimea at the UN. But today, putting daylight between the two countries will not be easy, as Putin and Chinese President Xi Jinping have forged a united front on many issues. When opportunities do arise, such as working with Beijing toward North Korean denuclearization, Washington must act.

Western countries must also develop a coherent strategy to contain the Russian government's economic activities. Europe must reduce its dependence on Russian energy exports. Projects such as the planned Nord Stream 2 natural gas pipeline from Russia to Germany are no longer appropriate and should be discontinued. Putin uses government-owned and supposedly private companies to advance his foreign policy interests; the United States and Europe must impose greater financial sanctions on the activities those firms undertake in the service of Kremlin interests abroad if Russia continues to occupy Ukraine or assault the integrity of democratic elections. At a minimum, the West must adopt new laws and regulations to require greater transparency around Russian investments in the United States, Europe, and, as far as possible, the rest of the world. Russian officials and businesspeople

tied to the Kremlin cannot be allowed to hide their wealth in the West. Genuine private-sector companies inside Russia should be encouraged to engage with Western markets, but authorities must expose the ill-gotten financial assets that Putin and his cronies have parked abroad. The goal should be to underscore the economic benefits of free markets and access to the West while highlighting the economic costs of state ownership and mercantilist behavior.

On the other side of the equation, Western foundations and philanthropists must provide more support for independent journalism, including Russian-language services both inside and outside Russia. They should fund news organizations that need to locate their servers outside Russia to avoid censorship and help journalists and their sources protect their identities.

More generally, the United States and its democratic allies must understand the scope of their ideological clash with the Kremlin. Putin believes he is fighting an ideological war with the West, and he has devoted tremendous resources to expanding the reach of his propaganda platforms in order to win. The West must catch up.

### **HOW DO YOU SOLVE A PROBLEM LIKE PUTIN'S RUSSIA?**

Containing Russia does not mean rejecting cooperation in every area. The United States selectively cooperated with the Soviet Union during the Cold War; it should do so with Russia now. First on the list must be striking new arms control deals or at least extending existing ones, most urgently New START, which is set to expire in 2021 and contains crucial verification measures. Combating terrorism is another area for potential partnership, as many terrorist organizations consider both Russia and the United States to be their enemies. But such cooperation will have to remain limited since the two countries have different ideas about what groups and individuals qualify as terrorists, and some of Russia's allies in the fight against terrorism, such as Iran, Syria, and Hezbollah, are at odds with the United States. U.S. and Russian officials might also seek to negotiate an agreement limiting mutual cyberattacks. Yet Washington should not pursue engagement as an end in itself. Good relations with Russia or a friendly summit with Putin should be not the goal of U.S. diplomacy but the means to achieve concrete national security ends.

Some might argue that the United States cannot pursue containment and selective cooperation at the same time. The history of the Cold War suggests otherwise. President Ronald Reagan, for example, pursued a

policy of regime change against Soviet-backed communist dictatorships in Afghanistan, Angola, Cambodia, and Nicaragua while negotiating arms control deals with Soviet leaders.

On global issues in which Russia does not need to be involved, the United States should isolate it. Since the end of the Cold War, U.S. presidents have been eager to give their counterparts in the Kremlin symbolic leadership roles as a way to signal respect. Those days are over. Conversations about Russia rejoining the G-8 must end. Western governments should boycott sporting events held in Russia. Let the athletes play, but without government officials in the stands. Given Moscow's politicization of Interpol arrest requests, Interpol must suspend Russian participation. Even Russia's presence at NATO headquarters must be rethought. The more the United States can do without Russia, the better.

Even as the United States isolates the Russian government, it must continue to develop ties with Russian society. By canceling exchange programs, banning U.S. civil society organizations, and limiting Western media access to Russian audiences, Putin has tried to cut the Russian people off from the West. The United States and Europe need to find creative ways to reverse this disturbing trend. Happily, far more opportunities exist to do so today than did during the Cold War. Washington should promote student and cultural exchanges, dialogues between U.S. and Russian nongovernmental organizations, trade, foreign investment, and tourism.

### **STRATEGIC PATIENCE**

But no matter how effective a containment strategy U.S. policymakers put in place, they must be patient. They will have to endure stalemate for a long time, at least as long as Putin is in power, maybe even longer, depending on who succeeds him. In diplomacy, Americans often act like engineers; when they see a problem, they want to fix it. That mentality has not worked with Putin's Russia, and if tried again, it will fail again.

At the same time, American leaders must say clearly that they do not want endless conflict with Russia. When the current confrontation winds down, most likely because of political change inside Russia, future U.S. presidents must stand ready to seize the moment. They will have to do better at encouraging democracy within Russia and integrating Russia into the West than their predecessors have done. Past politicians and the decisions they made created today's conflict. New politicians who make different decisions can end it. 🌐

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# The Human Capital Gap

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## Getting Governments to Invest in People

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*Jim Yong Kim*

Governments in pursuit of economic growth love to invest in physical capital—new roads, beautiful bridges, gleaming airports, and other infrastructure. But they are typically far less interested in investing in human capital, which is the sum total of a population's health, skills, knowledge, experience, and habits. That's a mistake, because neglecting investments in human capital can dramatically weaken a country's competitiveness in a rapidly changing world, one in which economies need ever-increasing amounts of talent to sustain growth.

Throughout the World Bank Group's history, our development experts have studied every aspect of what makes economies grow, what helps people lift themselves out of poverty, and how developing countries can invest in prosperity. In 2003, the bank published the first annual *Doing Business* report, which ranked countries on everything from taxation levels to contract enforcement. The findings proved hard to ignore: heads of state and finance ministers faced the possibility that foreign direct investment could go down as companies chose to invest in countries with a better business climate. In the 15 years since, *Doing Business* has inspired more than 3,180 regulatory reforms.

Now we are taking a similar approach to marshaling investments in people. The staff of the World Bank Group is developing a new index to measure how human capital contributes to the productivity of the next generation of workers. Set to launch at the World Bank Group's annual meetings in Bali this October, the index will measure the health, as well as the quantity and quality of education, that a child born today can expect to achieve by the age of 18.

Scholars know a great deal about the many benefits of improving human capital. But their knowledge has not turned into a convincing call

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**JIM YONG KIM** is President of the World Bank Group.

for action among developing countries. One constraining factor is the shortage of credible data that make clear the benefits of investing in human capital, not just for ministers of health and education but also for heads of state, ministers of finance, and other people of influence around the world. That's why an index of human capital across countries can galvanize more—and more effective—investments in people.

Over the past three decades, life expectancy in rich and poor countries has started to converge. Schooling has expanded tremendously. But the agenda is unfinished: almost a quarter of children under five are malnourished, more than 260 million children and youth are not in school, and 60 percent of primary school children in developing countries are still failing to achieve minimum proficiency in learning. In too many places, governments are failing to invest in their populations.

## **PEOPLE POWER**

The value of human capital can be calculated in several different ways. Traditionally, economists have done so by measuring how much more people earn after staying in school longer. Studies have found that each additional year of education increases a person's income by about ten percent on average. The quality of the education matters, too. In the United States, for example, replacing a low-quality teacher in an elementary school classroom with an average-quality one raises the combined lifetime income of that classroom's students by \$250,000.

But cognitive abilities are not the only dimensions of human capital that count. Socioemotional skills, such as grit and conscientiousness, often have equally large economic returns. Health also matters: healthier people tend to be more productive. Consider what happens when children no longer suffer from parasitic worms. A 2015 study conducted in Kenya found that giving deworming drugs in childhood reduced school absences and raised wages in adulthood by as much as 20 percent—lifelong benefits from a pill that costs about 30 cents to produce and deliver.

The different dimensions of human capital complement one another starting at an early age. Proper nutrition and stimulation in utero and during early childhood improve physical and mental well-being later in life. Although some gaps in cognitive and socioemotional skills that manifest themselves at an early age can be closed later, doing so becomes more expensive as children reach their teens. It is no surprise, then, that focusing on human capital during the first 1,000 days of a child's life is one of the most cost-effective investments governments can make.

How does all of this relate to economic growth? For one thing, when the benefits of individual investments in human capital are added up, the overall impact is greater than the sum of the parts. Going back to those schoolchildren in Kenya: deworming one child also decreases the chances of other children becoming infected with parasites, which in turn sets those children up for better learning and higher wages. Some of the benefits from improved human capital also accrue beyond the generation in which the investments are made. Educating mothers about prenatal care, for instance, improves the health of their children in infancy.

Individual investments in human capital add up: development economists have estimated that human capital alone explains between ten and 30 percent of differences in per capita income across countries. These positive effects also persist over time. In the mid-nineteenth century, the state of São Paulo, in Brazil, encouraged the immigration of educated Europeans to specific settlements. More than 100 years later, those very settlements boast higher levels of educational attainment, a greater share of workers in manufacturing as opposed to agriculture, and higher per capita income.

Education yields particularly large returns, so it plays an important role in decreasing poverty. Ghana's success story is a testament to this relationship: throughout the 1990s and early years of this century, the country doubled its education spending and drastically improved its primary enrollment rates. As a result, the literacy rate went up by an astonishing 64 percentage points from the early 1990s to 2012, and the poverty rate fell from 61 percent to 13 percent.

Investments in education can also reduce inequality. In most countries, children born to more affluent parents start having access to better opportunities early in life, and these lead to lifelong advantages, whereas children born to poorer parents miss out on these opportunities. When governments take steps to correct that problem, economic inequality tends to fall. One study released this year drew on a trial conducted in North Carolina to estimate that if the United States made effective early childhood development programs universal, U.S. income inequality would fall by seven percent—about enough for the country to achieve Canadian levels of equality.

The societal benefits of investing in human capital extend even further. Staying in school longer reduces a person's probability of committing





*Teach your children well: a teacher in northeastern Nigeria, June 2017*

a crime. So do programs that improve noncognitive skills. In a 2017 study in Liberia, drug dealers, thieves, and other criminally inclined men were enrolled in cognitive behavioral therapy in order to build skills such as recognizing emotions, improving self-control, and navigating difficult situations. The program, when combined with a small cash transfer, significantly reduced the odds that these men would fall back into a life of crime.

Human capital is also associated with social participation. In the mid-1970s, Nigeria introduced universal primary education, sending a large cohort of children through primary school who otherwise wouldn't have gone. Years later, those same people were more likely to pay close attention to the news, speak to their peers about politics, attend community meetings, and vote.

Investments in human capital increase trust, too. More educated people are more trusting of others, and more trusting societies tend to have higher economic growth. They are also more tolerant: research suggests that the large wave of compulsory school reforms that took place across Europe in the mid-twentieth century made people more welcoming of immigrants than they were before.

## **THE VISIBLE HAND**

Human capital doesn't materialize on its own; it must be nurtured by the state. In part, that's because individuals often fail to consider the benefits that investments in people can have on others. In deciding whether to deworm their children, for instance, parents take into account potential improvements to their own children's health, but they rarely consider how the treatment will reduce the risk of infection for other children. Or in deciding whether to pay to enroll their children in preschool, parents might not consider the wider societal benefits of doing so, such as lower crime and incarceration rates. These knock-on effects are significant: a 2010 study of one preschool program developed in Michigan in the 1960s estimated that for each \$1 spent, society received \$7 to \$12 in return.

Sometimes, social norms hold parents back from investing in their children. Although the preference among parents for sons over daughters has been well documented, the extent of the discrimination can be astounding. The government of India has estimated that the country has as many as 21 million "unwanted girls," daughters whose parents wished for sons instead. These girls receive much less parental investment, in terms of both health and education. Other times, families want to invest in the human capital of their children but simply cannot afford to do so. Poor parents of talented kids cannot take out a loan on their children's future earnings to pay for school today. And even when education is free, parents still have to pay for transportation and school supplies, not to mention the opportunity cost that arises because a child in the classroom cannot work to earn extra income for the family.

Despite how crucial it is for governments to invest in human capital, politics often gets in the way. Politicians may lack the incentive to support policies that can take decades to pay off. For example, in the absence of a pandemic, they can usually get away with neglecting public health. It is rarely popular to fund public health programs by raising taxes or diverting money from more visible expenditures, such as infrastructure or public subsidies. The government of Nigeria ran into major resistance in 2012 when it removed the country's fuel subsidy to spend more on maternal and child health services. Media coverage focused on the unpopular repeal of the subsidy and paid scant attention to the much-needed expansion of primary health care. After widespread public protests, the subsidy was reinstated. In some countries, such resistance is partly explained by a weak social contract: citizens do not

trust their government, so they are hesitant to pay tax money that they worry will be misspent.

The problem of implementation is equally daunting. Across the world, too many children cannot read because their teachers are not adequately trained. The Service Delivery Indicators, an initiative launched by the World Bank Group in partnership with the African Economic Research Consortium to collect data on sub-Saharan African countries, has revealed the depth of the problem. In seven countries surveyed—Kenya, Mozambique, Nigeria, Senegal, Tanzania, Togo, and Uganda—only 66 percent of fourth-grade teachers had mastered the language curriculum they were supposed to

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*Human capital doesn't materialize on its own; it must be nurtured by the state.*

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be teaching, and only 68 percent had the minimum knowledge needed to teach math. In health care, medical professionals in these countries could correctly diagnose common conditions such as malaria, diarrhea, pneumonia, tuberculosis, and diabetes just 53 percent of the time.

Implementation is also challenging in places where the people providing a given service lack the motivation to do their jobs well. In those same seven countries, on average, teachers taught for only half the time they were supposed to. In many cases, the problem is that civil servants work in politicized bureaucracies, where promotions are based on connections, not performance.

But there are success stories. When the incentives of central governments, local governments, and service providers are aligned, countries can make great strides in improving human capital. That has been the case with Argentina's Plan Nacer, a program launched in 2004 and supported by the World Bank Group that provides health insurance to uninsured families. Plan Nacer allocated funding to provinces based on indicators measuring the scope and quality of their maternal and child health-care services, an approach that incentivized provinces to invest in better care. Among its beneficiaries, Plan Nacer reduced the probability of a low birth weight by 19 percent.

More and more, populations in developing countries are demanding better health care and education. In Peru, for example, a remarkable campaign led by civil society groups placed stunted growth among children firmly on the political agenda in 2006, an election year. Politicians responded by setting a clear target of reducing stunting by

five percentage points in five years. The country managed to outperform even that ambitious goal: from 2008 to 2016, the rate of stunting among children under five fell by about 15 percentage points. It was proof that change is possible.

## **THE POWER OF MEASUREMENT**

When politicians and bureaucrats fail to deliver, poor people suffer the most. But there is a way to empower the people to demand the services they deserve: transparency. Better access to information allows citizens to know what their leaders and civil servants are and aren't doing. In Uganda in 2005, for example, researchers working with community organizations released report cards grading local health facilities, which galvanized communities to demand better services. This simple policy led to sustained improvements in health outcomes, including a reduction in mortality for children under five. Similarly, in 2001, after Germany's disappointing scores in the inaugural Program for International Student Assessment were released to an embarrassed public—an event known as “the PISA shock”—the government undertook major educational reforms that improved learning.

Learning assessments proved similarly pivotal in Tanzania. In 2011, the nongovernmental organization Twaweza, supported by the World Bank Group, published the results of a survey assessing children's basic literacy and numeracy. The news was dismal: only three out of ten third-grade students had mastered second-grade numeracy, and even fewer could read a second-grade story in English. Around the same time, the results of the Service Delivery Indicators surveys came out and shined a spotlight on teacher incompetence and absenteeism. The ensuing public outcry led to the introduction of Tanzania's “Big Results Now” initiative, a government effort to address low levels of learning.

As these examples show, when credible analysis on the state of human capital development is made public, it can catalyze action. That is the logic behind the metrics the World Bank Group is developing to capture key elements of human capital. In countries where investments in human capital are ineffective, these measurements can serve as a call to action. We are focusing our efforts on health and education by looking at the basics. Will children born today live long enough to start school? If they do survive, will they enroll in school? For how many years, and how much will they learn? Will they leave secondary school in good health, ready for future learning and work?

In many developing countries, there is a great deal of work to be done for the health of young people. In Benin, Burkina Faso, and Côte d'Ivoire, ten percent of children born today will never see their fifth birthday. In South Asia, as a result of chronic malnutrition, more than one-third of children under the age of five have a low height for their age, which harms their brain development and severely limits their ability to learn.

The state of education is equally concerning. To better understand whether schooling translates into learning, the World Bank Group, in partnership with the UNESCO Institute for Statistics, has developed a comprehensive new database of student achievement test scores.

We harmonized results from several major testing programs covering more than 150 countries, so that they are comparable to PISA scores. The database reveals huge gaps in learning: less than half of students in developing countries meet what PISA calls “minimum proficiency”—a score of roughly 400—compared with 86 percent in advanced

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*Ministries of finance typically spend more time worrying about their country's stock of debt than its stock of human capital.*

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economies. In Singapore, 98 percent of students reached the international benchmark for basic proficiency in secondary school; in South Africa, 26 percent of students did. In other words, nearly all of Singapore's secondary school students have sufficient skills for the world of work, while almost three-quarters of South Africa's youth are functionally illiterate. That is a staggering waste of human potential.

When children leave school, they face very different futures in terms of health, depending on which country they live in. One stark indicator is adult survival rates: in the richest countries, less than five percent of 15-year-olds will not live to see their 60th birthday. But in the poorest countries, 40 percent of 15-year-olds will die before they turn 60.

These individual data points provide snapshots of the vast differences in health and education across countries. To bring these different dimensions of human capital together into a salient whole, we at the World Bank Group are combining them into a single index that measures the consequences of the failure to invest in human capital in terms of lost productivity of the next generation of workers. In countries with the lowest human capital investments today, our analysis suggests that the work force of the future will be only between one-

third and one-half as productive as it could be if people enjoyed full health and received a complete high-quality education.

Measuring the economic benefits of investments in human capital in this way does not diminish the social and intrinsic value of better health and education. Rather, it calls attention to the economic costs of failing to provide them. Ministries of finance typically spend more time worrying about their country's stock of debt than its stock of human capital. By demonstrating the beneficial effects that investing in human capital has on worker productivity, the World Bank Group can get policymakers to worry as much about what is happening in their schools and hospitals as what is happening in their current account.

Moreover, the index will be accompanied by a ranking, which should serve as a call to action in countries where investments are falling short. We learned with the *Doing Business* report that even with the most comprehensive measurements, reforms do not necessarily follow. A ranking puts the issue squarely in front of heads of state and finance ministers, and it makes the evidence hard to ignore.

Benchmarking countries against one another is only the first step. If governments are to identify which investments in human capital will yield results, they need to be able to measure the various factors that contribute to human capital. Better measurement is a public good, and like most public goods, it is chronically underfunded. The World Bank Group can add real value here: it can help harmonize the various measurement efforts across development partners, collect more and better information, advise policymakers how to use it, provide technical support, and help design effective interventions.

## **HUMAN CAPITAL IN THE TWENTY-FIRST CENTURY**

Human capital matters—for people, economies, societies, and global stability. And it matters over generations. When countries fail to invest productively in human capital, the costs are enormous, especially for the poorest. These costs put new generations at a severe disadvantage. With technological progress placing a premium on higher-order skills, the failure of countries to lay the groundwork for their citizens to lead productive lives will not only carry high costs; it will also likely generate more inequality. It will put security at risk, too, as unmet aspirations can lead to unrest.

Better information is part of the answer, but only part. For one thing, it is hard for a government to deliver quality services if there is not

enough money. So countries that chronically underinvest in human capital will have to close tax loopholes and exceptions, improve revenue collection, and reorient spending away from poorly targeted subsidies. Egypt and Indonesia, for example, have both drastically reduced their energy subsidies in recent years and reallocated these resources toward social safety nets and health care. Greater revenue can go hand in hand with better health outcomes. Between 2012 and 2016, tobacco tax revenues allowed the Philippines to triple the budget for the Department of Health and triple the share of its population with health insurance. In the United States, cities such as Philadelphia aim to use resources from soda taxes to fund early childhood education.

Increased funding is not enough, however. Some countries will have to work to improve the efficiency of their social services while still maintaining their quality. In Brazil, for example, a recent World Bank Group study found that efficiency improvements in the health sector at the local level could generate savings equivalent to approximately 0.3 percent of GDP. In other countries, reconciling the competing interests of stakeholders will be critical. Chile's decades-long experience with educational reform showed the importance of building political coalitions to focus on one key goal: learning for all. In 2004, the country was able to introduce performance-related pay for teachers by balancing that reform with concessions to teachers' unions.

But no matter the starting point, better measurement is crucial. After all, you can only improve what you measure. More and more accurate measurement should lead to shared expectations about what reforms are needed. It should also bring clarity to questions about priorities, generate useful debate about various policies, and foster transparency.

In 1949, the World Bank's president, John McCloy, wrote in these pages, "Development is not something which can be sketched on a drawing-board and then be brought to life through the magic wand of dollar aid." There was often a gap, McCloy argued, between concepts for development and their implementation in practice. That is precisely the gap that the World Bank Group's human capital index is designed to close. The new measurements will encourage countries to invest in human capital with a fierce sense of urgency. That will help prepare everyone to compete and thrive in the economy of the future—whatever that may turn out to be. And it will help make the global system work for everyone. Failing to make those investments would simply be too costly to human progress and human solidarity. 🌍

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# Reclaiming Global Leadership

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## The Right Way to Put America First

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*John Kasich*

**T**he international system that the United States and its allies created after World War II has benefited the entire world, but global political and economic engagement have left too many Americans behind. Over the last 70 years, free-market democracies have come to dominate the global economy, U.S.-led efforts have dramatically reduced poverty and disease, and the world has been spared great-power conflict. Yet many Americans—myself included—are increasingly coming to believe that our country suffers from a leadership vacuum. People are losing faith that their leaders will work to make all Americans better off and that they will rally us to join with our allies in order to craft cooperative solutions to the global problems that buffet us. Economic growth is delivering benefits for the few but not for the many. Political discourse has become poisoned by partisanship and egotism.

In the face of these challenges, we have a choice between two options: shut the blinds and withdraw from the world or engage with allies old and new to jump-start a new era of opportunity and security. Although American leaders should always put American interests first, that does not mean that we have to build walls, close off markets, or isolate the United States by acting in ways that alienate our allies. Continuing to do that will not insulate us from external challenges; it will simply turn us into bystanders with less and less influence.

I choose cooperation and engagement. Only those who have forgotten the lessons of history can credibly contend that peace and prosperity await us inside “Fortress America.” Yet as evergreen as this debate is—

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**JOHN KASICH** is Governor of Ohio.





*Kasich in Wauwatosa, Wisconsin, March 2016*

retreat or engage—reaching for set-piece answers to the problems facing the country will not work. New times require new answers, even to old questions. The way forward is not to retreat but to renew our commitment to supporting those who share our values, to reboot our capacity to collaborate, and to forge a new consensus on how to adapt our policies and institutions to the new era.

Having served on the Armed Services Committee and chaired the Budget Committee of the U.S. House of Representatives when the U.S. government enjoyed the only balanced budget in living memory, I am no stranger to the pessimism of those who say, “It can’t be done.” But I am also no stranger to the hope that comes from remembering past accomplishments. Leaders must now draw on that hope to rediscover open-mindedness, civility, mutual respect, and compromise.

On challenge after challenge, we are better off working together than going it alone. To secure our economic future, we must prepare our workers for the future rather than retreat into protectionism. To deal with global threats—from Russian aggression to nuclear proliferation to cyberattacks—we need to harden our defenses and reinvigorate our alliances. To fight terrorism, we must be more discerning about when to commit American power and insist that our allies bear more of the

burden. To deal with the rise of China, we must strike the right balance between cooperation and confrontation. In other words, the world needs more American engagement, not less.

### **TRANSFORMING DISRUPTION INTO OPPORTUNITY**

As governor of Ohio, a state with an economy larger than those of 160 countries, I am reminded daily that we live in a connected world. Over a quarter of a million jobs in my state depend on trade, and those jobs generate close to \$50 billion in export earnings every year. In the United States as a whole, one in five jobs—40 million of them—depend on trade, and these jobs tend to be higher paying. There's no denying that as goods and services have flowed more freely across borders, our country as a whole has become better off. But there are also some people who have suffered as a result. Jobs have been lost, and the cold steel furnaces in my hometown of McKees Rocks, Pennsylvania, stand as a testament. These steel mills were once the engines of middle-class prosperity. Today, the well-paying jobs they provided are gone.

It is up to Americans to constantly innovate in order to remain competitive. Our international trading partners have to realize, however, that if they do not do more to eliminate government subsidies, dumping, and other anticompetitive behavior, support for free and fair trade will collapse even further in the United States. The result will be that everyone will suffer. That said, we should not have to resort to heavy-handed tariffs and quotas in order to get our partners to start taking our concerns seriously. To reduce jobs losses from trade, we need an expedited process, free of bureaucratic delays, to review trade violations and stop them when they occur. But we must also undertake new efforts that help people obtain the skills they need for the jobs of the future. Trade was not responsible for the majority of American job losses in the last generation; technology was. That trend will only accelerate.

Traditional manufacturing will suffer the most from the technological tsunami. It would be foolish to try to spare ourselves the force of this wave by retreating. Instead, we must ride the wave. That means better preparing the U.S. work force—in particular, aligning our education and training efforts with the needs of emerging industries and improving the flexibility of labor markets. Educators must partner with the private sector to advocate the right curricula, develop the right skill sets, and make businesses a greater part of the educational system by offering mentoring, workplace opportunities, and on-the-

job training. Real leadership is showing the courage to help people embrace change, find new frontiers, and adjust in a fast-paced world—not making false promises about returning to the past. The right leadership can draw out from Americans the characteristics that we need to flourish, ones I know we already possess: resiliency, flexibility, and agility, and a dedication to lifelong learning.

Without greater confidence about their future place in the global economy, Americans will have little reason to support international cooperation and engagement. If the United States continues to go it alone, however, that will only open up further opportunities for nations that do not have our best interests at heart, such as China and Russia, to shape our future for us. That's why it was such a mistake for the Trump administration to turn its back on the Trans-Pacific Partnership, which would have eliminated 18,000 foreign tariffs currently imposed on products that Americans make and seek to sell overseas. Those tariffs hold back job creation, and eliminating them could unleash new growth across the United States. We shouldn't have threatened to jettison the North American Free Trade Agreement or the U.S.-Korea Free Trade Agreement either. Instead, we should work with our neighbors and partners to modernize these agreements, which are essential to our economic security and global influence. On trade, as on many other issues, the goal should be to find win-win solutions, not to make threats and try to divide and conquer.

## **COUNTERING THREATS**

During my 18 years on the House Armed Services Committee, I learned that our alliances are vital to national security. But the world has changed markedly since these partnerships were first formed. We now must contend with not just the familiar conventional and nuclear threats from Russia but also those posed by China, Iran, and North Korea; threats in space and cyberspace; and threats from non-state actors. The new environment demands leaner, more agile coalitions to solve such problems swiftly.

President Donald Trump was right to suggest that our allies are no longer the poverty-stricken nations they were after World War II. They can and must provide for a greater share of their own defense and security, particularly in their own regions. These allies, along with the United States, need to take care to avoid overemphasizing any individual threat, such as terrorism, at the expense of longer-term

challenges, such as Russian intimidation, Chinese expansionism, or North Korean nuclear proliferation. All of us must adapt our budgets accordingly, investing in efforts to deal with new cyberthreats and

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*Real leadership is showing the courage to help people embrace change, find new frontiers, and adjust in a fast-paced world—not making false promises about returning to the past.*

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preserving our ability to project power and secure the open global trading system. And Washington must insist that its allies in Europe and the Pacific contribute more to joint efforts.

Our common purpose with our allies is to preserve and advance freedom, democracy, human rights, and the rule of law. These values are what distinguish us from our rivals, and they are what make our alliances so strong and attractive to others. As we press

our allies to do more, we must not lose sight of the fact that we should also be working with them—both to reshape our alliances into nimble coalitions and to recruit other like-minded countries, such as Indonesia, Malaysia, and Vietnam, to join in.

As a child of the Cold War, I remember well the schoolroom “duck and cover” exercises, an ever-present reminder of the risk of nuclear war. No threat holds greater consequences for all of humanity than that of the accidental or deliberate use of nuclear weapons. Containing that risk has to remain our top priority.

U.S.-Russian agreements such as the 1987 Intermediate-Range Nuclear Forces (INF) Treaty and the 2010 New Strategic Arms Reduction Treaty (New START) were designed to achieve greater stability and security when it comes to nuclear weapons, and that goal should not be abandoned lightly. With New START expiring in 2021 and the INF Treaty on the verge of being fatally undermined by Russia’s non-compliance, we need to think long and hard about walking away from them. Unless we are convinced that they are unsalvageable, agreements that by and large have worked for the two states holding more than 90 percent of the world’s nuclear weapons should not be allowed to fall apart.

A number of issues have soured U.S. relations with Russia, including the Kremlin’s violent intervention in Ukraine, its support for Syria’s brutal dictator, its disinformation and destabilization campaign in the Baltic states, its penchant for assassinating political enemies at home

and abroad, and, of course, its interference in the 2016 U.S. presidential election. Nonetheless, we will have to work with Russia on arms control, because with around 7,000 warheads, the country remains the world's largest nuclear power. Where we have common interests, we should cooperate, while never closing our eyes to the nature of Russia's leaders, their intentions, and their disregard for our values. Where we cannot cooperate, we must hold Moscow at arm's length until there is either a change in behavior or a change in leadership.

North Korea's acquisition of nuclear weapons remains another major concern. Until we have a definitive, verifiable treaty that formally ends the Korean War and denuclearizes the Korean Peninsula, we will need to keep up the pressure on Pyongyang to relinquish its nuclear weapons. Additional sanctions can and should be put in place. That includes sanctions on large Chinese companies that enable North Korea's nuclear weapons program. North Koreans who are working overseas to earn the regime the hard currency that funds that program should be sent home on an expedited basis. The United States and its allies should also put in place a much tighter counterproliferation regime on shipments going into or out of North Korea. Ultimately, however, it will take peaceful regime change in Pyongyang to resolve the nuclear threat North Korea poses in Northeast Asia. The country best positioned to facilitate such a change is China, provided it can be sure that the United States, South Korea, and Japan will not exploit the situation.

Iran also presents a major proliferation threat. Given that the nuclear deal with Iran was one of the few things constraining the country from producing nuclear weapons, it was a mistake for President Trump to walk away from it. The president's move created disunity and separated us from our allies at a time when we need to be rallying together to confront a myriad of other challenges.

I am sympathetic to the efforts of former Secretary of State Henry Kissinger, former Democratic Senator Sam Nunn of Georgia, former Secretary of Defense William Perry, and former Secretary of State George Shultz to rid the world of nuclear weapons. In my discussions with them, however, it has been made clear that this is a goal that can be achieved only in small steps. And with nuclear proliferation on the upswing, it appears as though that dream is now further away than ever. For that reason, deterrence will have to remain an essential part of our national defense strategy for the foreseeable future. Accordingly, we will have to continue to modernize our nuclear

weapons and harden against cyberattacks the electronic systems that control them.

Almost all U.S. computer systems and communication networks are at risk from such attacks. To stop the systematic looting of American technology and ideas, we will need to reorganize our cyber-operations. Those parts of the U.S. military, the Department of Homeland Security, and the FBI that deal with cyberattacks should be united under a single agency headed by a cabinet-level official. That agency must be responsible for both cyberoffense and cyberdefense, and the latter task must encompass both government and commercial systems.

Beyond this, the government can mandate that sensitive data be encrypted, and individual agencies can hold cyberdefense drills and employ “red teams” to independently test the ability of their systems to withstand attacks. But we cannot rely on defenses alone. Washington must use its improving ability to attribute the origins of cyberattacks and then retaliate loudly or softly, depending on the circumstances. And given that cyberwarfare has geopolitical implications, diplomacy will be key to organizing a collective defense among our allies—a cyber-NATO, effectively.

The private sector has a vital role to play in cyberdefense, too. American technology giants have all too often failed to prevent their platforms from being used for malign purposes, such as interfering in elections and spreading terrorist propaganda. The general public and the rest of the private sector should place economic pressure on these companies—for example, withholding advertising and avoiding doing business with them—until they fulfill their responsibilities.

## **REBALANCING THE WAR ON TERRORISM**

After 17 years, the war on terrorism has become a series of open-ended commitments. Some of those commitments clearly need to be revisited. In Afghanistan, President Barack Obama micromanaged the war and put in place a series of half measures, and President Trump sent additional troops into a conflict that cannot be resolved militarily. Both presidents’ decisions were mistakes. We must now look instead to diplomacy to negotiate a sustainable U.S. exit with all of Afghanistan’s stakeholders.

We should continue to train and assist Afghan government forces so that they can hold key population centers, but we should limit ourselves to securing two core U.S. interests: preventing Afghanistan

from once again becoming a terrorist safe haven and ensuring that Pakistan's nuclear weapons remain secure. Neither goal requires all that many U.S. boots on the ground. U.S. forces in the Gulf and along Afghanistan's northern borders can achieve the first goal. A political settlement in Afghanistan that reduces the risk of chaos spilling across the border, together with long-term assistance in Pakistan supporting the institutions of civilian nuclear control, can help achieve the second. We should have no illusions about the difficulty of achieving such a settlement. But it is probably the only way to exit an otherwise endless conflict without risking a bloodbath in Afghanistan or instability in Pakistan.

President Trump deserves credit for improving on President Obama's strategy against the Islamic State, also known as ISIS, in Syria and Iraq. Now that the terrorists' strongholds have been all but eliminated, the only remaining core U.S. interest at stake is preventing ISIS from using those countries to mount future attacks against us. That mission does not require a major commitment of U.S. combat troops. With our help, allies whose interests are more directly affected than our own—such as Egypt, Israel, Saudi Arabia, Turkey, and European countries—should take the lead in mitigating the continuing but reduced threat from ISIS and in repatriating Syrian refugees.

Going forward, we need to be much more careful and focused about how we fight terrorism. We have to develop better criteria for when to intervene abroad. And when we do intervene, we need clearer guidelines about what kinds of resources to commit—for example, combat troops versus military trainers. We also need clearer benchmarks for when we should escalate our commitments and when it makes more sense to cut our losses and leave. In particular, we should restrict our major counterterrorism efforts to instances in which our homeland is directly at risk. When it is not, we should avoid getting embroiled in civil wars and instead use diplomacy to rally international partners to assume the lead. Doing that would allow us to husband our resources for the challenges that pose a far greater long-term threat to U.S. national security.

## **ADAPTING TO THE RISE OF CHINA**

Chief among those challenges is an increasingly assertive China. Beijing is already seeking to convert its economic power into regional influence through such projects as the Belt and Road Initiative, a mas-

sive infrastructure venture, and the Asian Infrastructure Investment Bank, a rival to Western-led development banks. Looking to fill the political void created by the current vacuum in U.S. international leadership, Chinese leaders are making ridiculous assertions that their country will define the meaning of freedom and liberty.

The principal strategic challenge for the United States is to integrate China into the international system in a manner that al-

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*To achieve any of our foreign policy goals, we will have to rededicate ourselves to civility and compromise at home.*

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lows us to protect our interests in Asia and safeguard international institutions against China's assaults on democratic values. China's ultimate goal is to end what it considers to be American dominance and to replace it with a new order in which Beijing gets an equal voice in setting the rules.

It wants to push the United States out of the western Pacific, undermine our alliances in the region, and re-create a Sinocentric sphere of influence in Asia free from challenges to its authoritarian rule.

Confounding our hopes and expectations, China's regime has managed to deliver economic growth without being forced to democratize. But China is not 12 feet tall: its economy has serious structural flaws, including exceedingly high levels of debt, a cohort of retirees whose living expenses will be difficult to fund, and wages that are increasingly uncompetitive with those paid by China's neighbors. Nor is China a monolith: like the United States, the country is riven by rival factions, leading to infighting that diverts productive resources. China does not need to be contained as the Soviet Union once did, since its provocative behavior is already driving some of its neighbors into our arms. Indeed, through its actions, Beijing can largely be counted on to contain itself.

Another difference between the rivalry with China today and that with the Soviet Union during the Cold War is that China and the United States are so economically intertwined. This means not only that the two countries will remain co-dependent for the foreseeable future but also that relations between them need not be a zero-sum game. There are ample opportunities to pursue strategies with China that can adapt the world system to reflect Beijing's growing international role while benefiting both sides. Those opportunities include reining



in North Korea, addressing climate change, and promoting international investment and economic growth.

There are limits to how much can be achieved through cooperation, however. We should acknowledge our rivalry with China more frankly and prepare our country to compete more vigorously. This does not necessarily mean embarking on a path of outright confrontation. Rather, it means putting hopes of a peaceful political evolution in China on the back burner and incentivizing Beijing to play a constructive role in the international system. It also means being prepared to decisively counter Chinese moves that threaten the United States and its allies.

Achieving these ends will be impossible if we continue to hollow out the State Department. Instead, we must empower it and permit our seasoned senior diplomats to guide the way, harnessing all the instruments of American power to exploit China's weaknesses. U.S. officials should much more forthrightly advocate the values that we hold dear and vocally criticize China's shortcomings. They should also better protect our economic interests by combating Chinese dumping and currency manipulation, streamlining the World Trade Organization's dispute-resolution process, and insisting on full reciprocity in market access.

Deterring China also has a military dimension. The U.S. military should forward-deploy greater numbers of forces in the western Pacific and continue to challenge China's illegal attempts to expand its territorial control there. Washington should make it clear that there will be a significant price to pay for any attack on U.S. assets in space and expand our regional allies' missile and air defense capabilities. In the long run, however, the best chance for peace lies in a China that itself chooses reform. To kick-start that process, we will have to support efforts to give mass audiences in China better access to the unvarnished truth about what is going on in the world.

## **TOGETHER WE ARE STRONGER**

The United States needs a national security doctrine around which a consensus can be built—both between the Democratic and the Republican Parties and with those who share our interests and values overseas. As we continue the search for that, we should work together to secure our economic future, reimagine and strengthen our defenses and alliances, and focus on the prime challenges to our national interests. Rather than pulling back and going it alone, America must cooperate and lead.

That is true whether the country in question is China, Iran, or Russia and whether the issue at stake is nuclear proliferation, cybersecurity, or counterterrorism. But to achieve any of our foreign policy goals, we will have to rededicate ourselves to civility and compromise at home. Without doing so, we cannot hope to lead by example. Nor will we be able to pass the fiscal, educational, work-force, and other reforms needed to restore Americans' confidence in international engagement.

I have faith that our deeply held values will guide us down the right path. As we look back at history, Americans can take pride in the fact that we have made the world a better place time and time again. We can draw strength for the future from our past achievements. Working together in the spirit of bipartisan compromise, idealists and realists can help the United States rediscover optimism to shape our destiny and guarantee our security. America will be stronger and more prosperous for it. 🌍

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# Go Your Own Way

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## Why Rising Separatism Might Lead to More Conflict

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*Tanisha M. Fazal*

**F**rom the Mediterranean coast of northern Spain to the island states of the South Pacific, secessionism is on the rise. In 1915, there were eight movements seeking their own independent state. In 2015, there were 59. One explanation for the increase is that there are now more countries from which to secede. But even taking that into account, the rate of secessionism has more than doubled over the last century.

Yet even though more groups are trying to break away, fewer are resorting to violence. Because secessionists wish to join the exclusive club of states, they pay close attention to signals sent by major countries and organizations that indicate how they should behave. So far, those signals have discouraged them from resorting to violence (and made them more careful to avoid civilian casualties if they do) or unilaterally declaring independence. Kurdish forces in Iraq and Syria, for example, have largely avoided killing civilians and have offered assistance to Western powers fighting the Islamic State (or ISIS). Somaliland, which broke away from Somalia in the early 1990s, has worked quietly but effectively with countries trying to curb piracy in the Gulf of Aden. And in Catalonia and Scotland, independence movements have long opted for referendums and negotiations rather than unilateral declarations.

This good behavior has gone largely unrewarded. Amid the war against ISIS, Turkey and the United States have moved swiftly to tamp down talk of an independent Kurdistan. No country has recognized Somaliland's statehood. And the Spanish government

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declared Catalonia's independence referendum illegal and ignored the result. Meanwhile, the newest member of the club of states, South Sudan, won international recognition despite flagrantly violating international law and human rights during its struggle for independence.

This contradiction presents secessionists with a dilemma: Should they believe what they are told is the best path to statehood or what they can see actually works? In recent decades, they seem to have closed their eyes to the gap between rhetoric and reality. But the ability of major countries and international organizations to maintain the fiction that good behavior leads to success may be eroding.

If secessionists conclude that abiding by the rules generates few rewards, the consequences could be ugly. Some will continue to play nice for their movement's own internal reasons. But those who see the rules as an external constraint will swiftly abandon them. That could send the recent trend of nonviolent secessionism into reverse and increase the human costs of war in places where secessionists have already resorted to rebellion.

## **HOW TO CREATE YOUR OWN STATE**

It is common for analysts of international affairs to note that since World War II, civil wars have become more frequent than wars between states. Less well known is the growing trend toward secessionism among rebel groups that fight in civil wars. Data I collected with my fellow political scientist Page Fortna show that the proportion of civil wars in which at least one rebel group aimed to secede rose from zero in 1899 to 50 percent in 1999.

There are several reasons for this increase. First, the creation of the United Nations, in 1945, codified a norm against territorial conquest that is meant to protect all member states. Today, states worry less about being swallowed up by their neighbors than they used to. Second, other international organizations have created a set of economic benefits to statehood. Members of the International Monetary Fund (IMF) and the World Bank are eligible for loans and aid. Members of the World Trade Organization are afforded the benefits of lower trade barriers. And third, the principle of self-determination, which is crucial to the secessionist enterprise, enjoys more international support today than in previous eras.

But secessionists face an uphill battle. Existing states, international law, and international organizations have laid out several conditions

for the recognition of new states. The 1934 Montevideo Convention, which set a standard for statehood on which countries continue to rely, lists four criteria: a permanent population, a defined territory, a government, and the capacity to enter into relations with other states. Those requirements might not seem to present many problems; several currently active secessionist groups could meet them. But the bar has risen significantly since 1934, especially after the main wave of decolonization ended in the late 1960s.

Consider the United Kingdom's policy on recognizing new states, which is typical of the policies of many Western democracies. If the leadership of an existing internationally recognized state is overthrown, British policy automatically grants the new government the same recognition as the old one. But gaining recognition as a new state—the project of secessionism—is a steeper climb. The British government requires that in addition to meeting the Montevideo criteria, would-be states must respect the UN Charter and the basic principles of international law, guarantee the rights of minorities, accept certain commitments regarding disarmament and regional stability, sign up to a raft of other human rights obligations, and not violate any UN resolutions.

The United States takes a similar approach, at least on paper. U.S. policy adheres to the criteria laid out in the Montevideo Convention but admits the possibility of exceptions, such as to the requirement that a new state have clear territorial boundaries, if political expediency dictates. In practice, political factors often take precedence over principles. U.S. policymakers have on occasion expressed support for new states that have achieved quite limited progress toward effective governance and democracy.

Gaining UN membership is an even more explicitly political affair. The UN prefers that aspiring members first join their main regional organization, such as the African Union or the Organization of American States. Then a state must apply to the UN secretary-general's office. The most viable applications will eventually be discussed, and perhaps voted on, by the UN Security Council, which must approve new members. Because any of the five permanent members of the council can veto an application, many applicants, including Kosovo, Palestine, and Taiwan, have been unable to achieve membership.

Groups whose UN membership bids fail may nonetheless succeed in joining other international organizations or gaining recognition from other

countries. Both Kosovo and Taiwan are members of FIFA, the international football organization, as well as their regional economic development banks. Palestine is recognized by 70 percent of the UN's members and in 2012 was upgraded from a "non-member non-state" to a "non-member observer state" at the UN by a vote in the General Assembly.

### PLAYING NICE

Unlike groups that seek to overthrow the central government or plunder resources, secessionists require foreign recognition to achieve their goals. For that reason, what international organizations and major countries say about secessionism matters. The UN has expressed a clear preference against the use of violence by independence movements, and the evidence suggests that secessionists have listened. Even though secessionist movements account for an increasing proportion of rebel groups in civil wars, the percentage of all secessionists engaged in war has fallen. An increasing number of secessionist movements begin entirely peacefully, and other formerly violent secessionists have turned to nonviolence. Since 1949, secessionist movements have been half as likely to fight large-scale wars (those resulting in at least 1,000 fatalities) as they were in the previous century.

Meanwhile, secessionist groups that have resorted to violence have moderated their conduct in war. Secessionists are over 40 percent less likely than nonsecessionist armed groups to target civilians in civil war. That is in part because secessionists understand the political downsides of violating international humanitarian law. Many secessionists make a special effort to broadcast their compliance with the laws of war. For example, several groups, including the Polisario Front (which seeks to end Moroccan control of Western Sahara), the Moro Islamic Liberation Front (an armed group in the Philippines), and the Kurdistan Workers' Party in Turkey, have highlighted their commitment to avoiding the use of antipersonnel land mines. Secessionists have also contrasted their own behavior with that of their government opponents, who often resort to harsher tactics.





Consider the little-known case of the South Moluccan secessionists, who waged a guerilla campaign against the Indonesian government from 1950 to 1963. The South Moluccans refrained from targeting civilians. They publicized incidents in which Indonesian troops bombed South Moluccan villages, erected starvation blockades, or used South Moluccan civilians as human shields. And they pleaded for help from the UN in the pages of *The New York Times*, but to no avail. Since losing the civil war, the South Moluccan secessionist movement has been represented by a government in exile in the Netherlands. Decades later, in the late 1980s, another group of Indonesian separatists, the East Timorese, adopted a policy of nonviolence after it became clear that they could not win their armed struggle against

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*Secessionists understand  
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the Indonesian government. And both before and after they did so, the separatists worked to bring international attention to attacks by Indonesian security forces on peaceful protesters. (In 2002, after a UN-brokered transition, East Timor became an independent country.) More recently, in 2014, Kurdish forces in Iraq and Syria were extensively photographed assisting Yazidis who had been persecuted by ISIS. Yet it bought the Kurds little international support. The United States, for example, “strongly opposed” Iraqi Kurdistan’s 2017 independence referendum and threatened to end its dialogue with Iraqi Kurds should they proceed with their vote.

The preferences of major states and international organizations have influenced secessionists’ nonviolent actions, as well. Since the founding of the UN, the international community has generally frowned on unilateral declarations of independence. In the 1990s, during the Balkan wars that preceded the breakup of Yugoslavia, the British, French, and U.S. governments stated their opposition to such declarations. And in 1992, the UN Security Council issued a resolution on Bosnia and Herzegovina affirming that “any entities unilaterally declared . . . will not be accepted.” Secessionists have taken note: even though secessionism in civil war has increased since the turn of the twentieth century, the proportion of secessionists issuing formal declarations of independence has declined since 1945.

Secessionists have usually gained little by defying this norm. During the breakup of Yugoslavia, Croatia and Slovenia issued unilateral declarations of independence. But the 1991 peace agreements that the European Community brokered to conclude their wars of independence required both countries to rescind those declarations. Both obliged, and within a year, both had become members of the UN.

South Sudan’s declaration of independence, in 2011, provides an example of how to get secessionist diplomacy right. The South Sudanese worked with a New York–based nongovernmental organization (NGO), Independent Diplomat, to navigate a path to international recognition. Together, they met with representatives from international organizations, including the UN, to establish a set of guidelines for independence. As a result, when South Sudan declared indepen-



dence, it did not do so unilaterally. It adhered closely to the provisions laid out in the 2005 Comprehensive Peace Agreement between the Sudan People's Liberation Movement and the government of Sudan, which it correctly viewed as its best path to independence. The declaration was issued after the country was recognized by Sudan; the next week, South Sudan was voted in as a member of the UN, after its government followed a careful script that included President Salva Kiir handing the country's declaration of independence to UN Secretary-General Ban Ki-moon.

Although states have been resistant to unilateral declarations of independence, a recent ruling of the International Court of Justice challenged that long-standing position. In 2010, the court issued an advisory opinion on the legality of Kosovo's declaration of independence. It found that declarations of independence in general, and Kosovo's in particular, are not illegal under international law. Many international lawyers (and the Kosovars themselves) argue that the ICJ's opinion did not set a binding precedent. But several other would-be states, including Nagorno-Karabakh (which declared independence from Azerbaijan in 1991), Palestine, the Republika Srpska (a semiautonomous region within Bosnia and Herzegovina), and Transnistria (a breakaway region of Moldova), have indicated that they do see a precedent in the opinion, thus creating an opening for future unilateral declarations of independence.

Last year, two secessionist groups tested these waters. Until recently, Iraqi Kurdistan stepped extremely carefully around the question of declaring independence. But in September, the Kurdish government held a referendum against the advice of foreign allies, including the United States, in which 93 percent of Kurds voted for independence (although many of those in opposition to independence boycotted the referendum). The regional response was swift: Iraq cut off air access to Erbil, the capital of Iraqi Kurdistan, and Iran and Turkey (both of which have fought separatist Kurdish groups) moved troops to the region's borders.

Catalan separatists also recently abandoned their historical reluctance to issue a formal declaration of independence, which stemmed from a fear that doing so would be received poorly abroad. That reticence made it surprising when the Catalan leader Carles Puigdemont decided to declare independence after the Catalans voted to leave Spain in a referendum in October 2017. Less surprising was

Puigdemont's instantaneous reversal. In the same speech in which he declared independence, he also suspended the declaration in order to allow for negotiations with the Spanish government and foreign countries and organizations. Despite this about-face, European officials criticized the declaration, and the Spanish government, which deemed the referendum and the declaration illegal, sought to arrest Puigdemont (who is currently in exile in Germany) on the charge of rebellion. Despite the ICJ's opinion, international aversion to unilateral declarations of independence seems to be as strong as ever.

### **THE SECESSIONISTS' DILEMMA**

Unfortunately for independence movements that have followed the rules, playing nice has rarely worked. The political scientist Bridget Coggins has shown that when it comes to gaining international recognition, having a great-power patron matters more than being on one's best behavior. Take Iraqi Kurdistan and Somaliland. Both areas are well governed, especially compared with many of their neighbors. Their governments collect taxes, provide health care, and even conduct international relations to the extent that they can. Their militaries have mostly avoided targeting civilians, unlike nearby groups such as ISIS and al Shabab. Yet both governments have received little international recognition, which prevents them from providing many of the services one would expect of a modern state. They cannot issue travel visas, for example, or offer their residents an internationally recognized postal identity that would allow them to send and receive foreign mail.

Bad behavior seems more likely to win international recognition. During South Sudan's war for independence, opposing factions within the Sudan People's Liberation Army, the military wing of the southern independence movement, attacked civilians who belonged to ethnic groups they saw as aligned with the other side. The brutality of their tactics, which included murder, rape, and torture, rivaled that of Sudan's repressive central government. The South Sudanese authorities have also failed when it comes to the basics of governance: they have never been able to feed South Sudan's population or deliver health care without international assistance. Yet none of these failures prevented South Sudan's international supporters, including the United States, from championing the country's independence.

South Sudan's experience is important in part because secessionists are becoming better observers of international politics and someday

may decide that playing nice is not worth their while. Secessionists are increasingly connecting with one another, often with the help of NGOs. The Unrepresented Nations and Peoples Organization provides a forum for groups, including many secessionists, that lack official representation in major international organizations. It holds meetings at which its members can share information and strategies. Geneva Call, a humanitarian organization based in Switzerland, regularly reaches out to armed nonstate groups to train them in international humanitarian law and connects such groups with one another in order to increase compliance with the laws of war. Although both NGOs encourage separatists to abide by democratic and humanitarian norms, the more frequent contact that these organizations facilitate also allows secessionists to discuss which strategies have worked and which have not. They may very well conclude that good behavior has not been rewarded and note that separatists who have behaved badly have avoided punishment.

Cheap travel has also helped create a global separatist community. For example, in 2014, during the run-up to the Scottish independence referendum, Catalans traveled to Glasgow to wave their flag in solidarity with the pro-independence parties. There is now even an official soccer league for stateless nations (many of which include secessionists), the Confederation of Independent Football Associations. (Abkhazia, a breakaway region of Georgia, won the 2016 CONIFA World Football Cup.)

### **GIVE THE PEOPLE (SOME OF) WHAT THEY WANT**

There are no easy answers to the secessionists' dilemma. That is in part because secessionists have a complicated relationship with the principle of sovereignty, which underlies modern international relations. In one sense, they buy into the idea, as they would like to join the club of states themselves. But in order to do so, secessionists must violate the sovereignty of the country from which they secede. Existing states frown at the practice and tend to support one another in rejecting it; there is no right to secession in international law.

Yet if established states and international organizations continue to deny international recognition to secessionist movements that appear viable as states, separatists might abandon restraint and opt for violence. At the same time, any steps to give would-be governments more recognition would necessarily weaken the foundations of state sovereignty.

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*Secessionists are becoming better observers of international politics.*

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There are ways to strike a balance between these competing interests. Concerned states and international organizations could offer some secessionists rewards that would enhance their autonomy but

fall short of membership in blue-chip organizations such as the UN. These could include invitations to join less well-known organizations whose work is nonetheless crucial for day-to-day international politics. Membership in the International Telecommunication

Union, for example, would give secessionist groups more control over local communications infrastructure. Joining the IMF would open up access to loans. Having an internationally recognized central bank would allow self-governing secessionists to develop their financial markets. And membership in the World Bank's Multilateral Investment Guarantee Agency would offer protection to foreign investors.

Rewards along these lines would not be unprecedented. Kosovo is a member of the IMF, the World Bank, and the International Olympic Committee. Taiwan lost its membership in the UN to mainland China in 1971 but remains a member of the World Trade Organization, the Asia-Pacific Economic Cooperation forum, and the Asian Development Bank. And the Order of Malta, a religious military organization that is the world's only sovereign entity without territory, maintains delegations at the African Union and the International Committee of the Red Cross and has a permanent observer mission at the UN.

Another option would be to further decentralize the process of recognition. Several states already recognize Kosovo and Palestine. Erbil hosts a number of consulates and offices representing international organizations and NGOs—thus receiving a tacit form of recognition.

In each case, major powers will have to weigh the benefits of soft recognition against political concerns. No matter how well Kurdistan is governed, for example, independence will always be a long shot given the fractured distribution of the Kurdish population among four neighboring and often antagonistic countries. And the fact that China and Russia, both permanent members of the UN Security Council, face their own internal secessionist movements means that they are unlikely to yield on the fundamental principles of state sovereignty and territorial integrity. But offering some carrots could help local populations and also create a boon for regional allies. Ethio-

pia and the United Arab Emirates, for example, are investing over \$400 million in a port and military base in Somaliland, despite push-back from the internationally recognized government of Somalia. If Somaliland were a member of the World Bank's Multilateral Investment Guarantee Agency, it would be able to attract even more foreign funding, as investors would receive some external protection.

The strongest secessionist groups, such as the government of Somaliland, the Iraqi Kurds, and the Catalans, appear to be the most receptive to international pressure because they believe they are the likeliest candidates for international recognition. Catalan secessionists, for example, refrained from violence even in the face of Madrid's crackdown after last year's independence referendum. If, however, secessionists come to believe that good behavior will not be rewarded, at least some of these groups will resort to violence, perhaps including terrorism.

Continuing to frustrate secessionist groups will not keep them from pursuing their ends. Members of a secessionist movement often face a hard choice: remain among family and friends in an area that is relatively well governed but targeted by government forces or move across the putative secessionist border and face possible discrimination and isolation. Many who feel they are part of a movement will decide to stay, even in the face of international disapproval. Isolating would-be governments and giving their citizens reasons to feel aggrieved with the international system is a recipe for misery everywhere. Finding better ways of dealing with secessionism is therefore as much an issue for major countries and international organizations as it is for secessionists themselves. 🌐

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# The Myth of the Liberal Order

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## From Historical Accident to Conventional Wisdom

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*Graham Allison*

**A**mong the debates that have swept the U.S. foreign policy community since the beginning of the Trump administration, alarm about the fate of the liberal international rules-based order has emerged as one of the few fixed points. From the international relations scholar G. John Ikenberry's claim that "for seven decades the world has been dominated by a western liberal order" to U.S. Vice President Joe Biden's call in the final days of the Obama administration to "act urgently to defend the liberal international order," this banner waves atop most discussions of the United States' role in the world.

About this order, the reigning consensus makes three core claims. First, that the liberal order has been the principal cause of the so-called long peace among great powers for the past seven decades. Second, that constructing this order has been the main driver of U.S. engagement in the world over that period. And third, that U.S. President Donald Trump is the primary threat to the liberal order—and thus to world peace. The political scientist Joseph Nye, for example, has written, "The demonstrable success of the order in helping secure and stabilize the world over the past seven decades has led to a strong consensus that defending, deepening, and extending this system has been and continues to be the central task of U.S. foreign policy." Nye has gone so far as to assert: "I am not worried by the rise of China. I am more worried by the rise of Trump."

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Although all these propositions contain some truth, each is more wrong than right. The “long peace” was not the result of a liberal order but the byproduct of the dangerous balance of power between the Soviet Union and the United States during the four and a half decades of the Cold War and then of a brief period of U.S. dominance. U.S. engagement in the world has been driven not by the desire to advance liberalism abroad or to build an international order but by the need to do what was necessary to preserve liberal democracy at home. And although Trump is undermining key elements of the current order, he is far from the biggest threat to global stability.

These misconceptions about the liberal order’s causes and consequences lead its advocates to call for the United States to strengthen the order by clinging to pillars from the past and rolling back authoritarianism around the globe. Yet rather than seek to return to an imagined past in which the United States molded the world in its image, Washington should limit its efforts to ensuring sufficient order abroad to allow it to concentrate on reconstructing a viable liberal democracy at home.

### **CONCEPTUAL JELL-O**

The ambiguity of each of the terms in the phrase “liberal international rules-based order” creates a slipperiness that allows the concept to be applied to almost any situation. When, in 2017, members of the World Economic Forum in Davos crowned Chinese President Xi Jinping the leader of the liberal economic order—even though he heads the most protectionist, mercantilist, and predatory major economy in the world—they revealed that, at least in this context, the word “liberal” has come unhinged.

What is more, “rules-based order” is redundant. Order is a condition created by rules and regularity. What proponents of the liberal international rules-based order really mean is an order that embodies good rules, ones that are equal or fair. The United States is said to have designed an order that others willingly embrace and sustain.

Many forget, however, that even the UN Charter, which prohibits nations from using military force against other nations or intervening in their internal affairs, privileges the strong over the weak. Enforcement of the charter’s prohibitions is the preserve of the UN Security Council, on which each of the five great powers has a permanent seat—and a veto. As the Indian strategist C. Raja Mohan has observed,

superpowers are “exceptional”; that is, when they decide it suits their purpose, they make exceptions for themselves. The fact that in the first 17 years of this century, the self-proclaimed leader of the liberal order invaded two countries, conducted air strikes and Special Forces raids to kill hundreds of people it unilaterally deemed to be terrorists, and subjected scores of others to “extraordinary rendition,” often without any international legal authority (and sometimes without even national legal authority), speaks for itself.

### **COLD WAR ORDER**

The claim that the liberal order produced the last seven decades of peace overlooks a major fact: the first four of those decades were defined not by a liberal order but by a cold war between two polar opposites. As the historian who named this “long peace” has explained, the international system that prevented great-power war during that time was the unintended consequence of the struggle between the Soviet Union and the United States. In John Lewis Gaddis’ words, “Without anyone’s having designed it, and without any attempt whatever to consider the requirements of justice, the nations of the postwar era lucked into a system of international relations that, because it has been based upon realities of power, has served the cause of order—if not justice—better than one might have expected.”

During the Cold War, both superpowers enlisted allies and clients around the globe, creating what came to be known as a bipolar world. Within each alliance or bloc, order was enforced by the superpower (as Hungarians and Czechs discovered when they tried to defect in 1956 and 1968, respectively, and as the British and French learned when they defied U.S. wishes in 1956, during the Suez crisis). Order emerged from a balance of power, which allowed the two superpowers to develop the constraints that preserved what U.S. President John F. Kennedy called, in the aftermath of the Cuban missile crisis of 1962, the “precarious status quo.”

What moved a country that had for almost two centuries assiduously avoided entangling military alliances, refused to maintain a large standing military during peacetime, left international economics to others, and rejected the League of Nations to use its soldiers, diplomats, and money to reshape half the world? In a word, fear. The strategists revered by modern U.S. scholars as “the wise men” believed that the Soviet Union posed a greater threat to the United States





*Illiberal disorder: a U.S. military police officer in Karbala, Iraq, July 2003*

than Nazism had. As the diplomat George Kennan wrote in his legendary “Long Telegram,” the Soviet Union was “a political force committed fanatically to the belief that with US there can be no permanent *modus vivendi*.” Soviet Communists, Kennan wrote, believed it was necessary that “our society be disrupted, our traditional way of life be destroyed, the international authority of our state be broken, if Soviet power [was] to be secure.”

Before the nuclear age, such a threat would have required a hot war as intense as the one the United States and its allies had just fought against Nazi Germany. But after the Soviet Union tested its first atomic bomb, in 1949, American statesmen began wrestling with the thought that total war as they had known it was becoming obsolete. In the greatest leap of strategic imagination in the history of U.S. foreign policy, they developed a strategy for a form of combat never previously seen, the conduct of war by every means short of physical conflict between the principal combatants.

To prevent a cold conflict from turning hot, they accepted—for the time being—many otherwise unacceptable facts, such as the Soviet domination of Eastern Europe. They modulated their competition with mutual constraints that included three noes: no use of

nuclear weapons, no overt killing of each other's soldiers, and no military intervention in the other's recognized sphere of influence.

American strategists incorporated Western Europe and Japan into this war effort because they saw them as centers of economic and

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*Had there been no Soviet threat, there would have been no Marshall Plan and no NATO.*

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strategic gravity. To this end, the United States launched the Marshall Plan to rebuild Western Europe, founded the International Monetary Fund and the World Bank, and negotiated the General Agreement on Tariffs and Trade to promote global prosperity. And to ensure that Western Europe and Japan remained

in active cooperation with the United States, it established NATO and the U.S.-Japanese alliance.

Each initiative served as a building block in an order designed first and foremost to defeat the Soviet adversary. Had there been no Soviet threat, there would have been no Marshall Plan and no NATO. The United States has never promoted liberalism abroad when it believed that doing so would pose a significant threat to its vital interests at home. Nor has it ever refrained from using military force to protect its interests when the use of force violated international rules.

Nonetheless, when the United States has had the opportunity to advance freedom for others—again, with the important caveat that doing so would involve little risk to itself—it has acted. From the founding of the republic, the nation has embraced radical, universalistic ideals. In proclaiming that “all” people “are created equal,” the Declaration of Independence did not mean just those living in the 13 colonies.

It was no accident that in reconstructing its defeated adversaries Germany and Japan and shoring up its allies in Western Europe, the United States sought to build liberal democracies that would embrace shared values as well as shared interests. The ideological campaign against the Soviet Union hammered home fundamental, if exaggerated, differences between “the free world” and “the evil empire.” Moreover, American policymakers knew that in mobilizing and sustaining support in Congress and among the public, appeals to values are as persuasive as arguments about interests.

In his memoir, *Present at the Creation*, former U.S. Secretary of State Dean Acheson, an architect of the postwar effort, explained the

thinking that motivated U.S. foreign policy. The prospect of Europe falling under Soviet control through a series of “‘settlements by default’ to Soviet pressure” required the “creation of strength throughout the free world” that would “show the Soviet leaders by successful containment that they could not hope to expand their influence throughout the world.” Persuading Congress and the American public to support this undertaking, Acheson acknowledged, sometimes required making the case “clearer than truth.”

### **UNIPOLAR ORDER**

In the aftermath of the disintegration of the Soviet Union and Russian President Boris Yeltsin’s campaign to “bury communism,” Americans were understandably caught up in a surge of triumphalism. The adversary on which they had focused for over 40 years stood by as the Berlin Wall came tumbling down and Germany reunified. It then joined with the United States in a unanimous UN Security Council resolution authorizing the use of force to throw the Iraqi military out of Kuwait. As the iron fist of Soviet oppression withdrew, free people in Eastern Europe embraced market economies and democracy. U.S. President George H. W. Bush declared a “new world order.” Hereafter, under a banner of “engage and enlarge,” the United States would welcome a world clamoring to join a growing liberal order.

Writing about the power of ideas, the economist John Maynard Keynes noted, “Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.” In this case, American politicians were following a script offered by the political scientist Francis Fukuyama in his best-selling 1992 book, *The End of History and the Last Man*. Fukuyama argued that millennia of conflict among ideologies were over. From this point on, all nations would embrace free-market economics to make their citizens rich and democratic governments to make them free. “What we may be witnessing,” he wrote, “is not just the end of the Cold War, or the passing of a particular period of postwar history, but the end of history as such: that is, the end point of mankind’s ideological evolution and the universalization of Western liberal democracy as the final form of human government.” In 1996, the *New York Times* columnist Thomas Friedman went even further by proclaiming the “Golden Arches Theory of Conflict Prevention”: “When a country reaches a certain level of economic development, when it has a middle

class big enough to support a McDonald's, it becomes a McDonald's country, and people in McDonald's countries don't like to fight wars; they like to wait in line for burgers."

This vision led to an odd coupling of neoconservative crusaders on the right and liberal interventionists on the left. Together, they persuaded a succession of U.S. presidents to try to advance the spread of capitalism and liberal democracy through the barrel of a gun. In 1999, Bill Clinton bombed Belgrade to force it to free Kosovo. In

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*The end of the Cold War produced a unipolar moment, not a unipolar era.*

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2003, George W. Bush invaded Iraq to topple its president, Saddam Hussein. When his stated rationale for the invasion collapsed after U.S. forces were unable to find weapons of mass destruction, Bush declared a new mission: "to build a lasting democracy that is peaceful and prosperous." In the words of Condoleezza Rice, his national security adviser at the time, "Iraq and Afghanistan are vanguards of this effort to spread democracy and tolerance and freedom throughout the Greater Middle East." And in 2011, Barack Obama embraced the Arab Spring's promise to bring democracy to the nations of the Middle East and sought to advance it by bombing Libya and deposing its brutal leader, Muammar al-Qaddafi. Few in Washington paused to note that in each case, the unipolar power was using military force to impose liberalism on countries whose governments could not strike back. Since the world had entered a new chapter of history, lessons from the past about the likely consequences of such behavior were ignored.

As is now clear, the end of the Cold War produced a unipolar moment, not a unipolar era. Today, foreign policy elites have woken up to the meteoric rise of an authoritarian China, which now rivals or even surpasses the United States in many domains, and the resurgence of an assertive, illiberal Russian nuclear superpower, which is willing to use its military to change both borders in Europe and the balance of power in the Middle East. More slowly and more painfully, they are discovering that the United States' share of global power has shrunk. When measured by the yardstick of purchasing power parity, the U.S. economy, which accounted for half of the world's GDP after World War II, had fallen to less than a quarter of global GDP by the end of the Cold War and stands at just one-seventh

today. For a nation whose core strategy has been to overwhelm challenges with resources, this decline calls into question the terms of U.S. leadership.

This rude awakening to the return of history jumps out in the Trump administration's National Security Strategy and National Defense Strategy, released at the end of last year and the beginning of this year, respectively. The NDS notes that in the unipolar decades, "the United States has enjoyed uncontested or dominant superiority in every operating domain." As a consequence, "we could generally deploy our forces when we wanted, assemble them where we wanted, and operate how we wanted." But today, as the NSS observes, China and Russia "are fielding military capabilities designed to deny America access in times of crisis and to contest our ability to operate freely." Revisionist powers, it concludes, are "trying to change the international order in their favor."

## **THE AMERICAN EXPERIMENT**

During most of the nation's 242 years, Americans have recognized the necessity to give priority to ensuring freedom at home over advancing aspirations abroad. The Founding Fathers were acutely aware that constructing a government in which free citizens would govern themselves was an uncertain, hazardous undertaking. Among the hardest questions they confronted was how to create a government powerful enough to ensure Americans' rights at home and protect them from enemies abroad without making it so powerful that it would abuse its strength.

Their solution, as the presidential scholar Richard Neustadt wrote, was not just a "separation of powers" among the executive, legislative, and judicial branches but "separated institutions sharing power." The Constitution was an "invitation to struggle." And presidents, members of Congress, judges, and even journalists have been struggling ever since. The process was not meant to be pretty. As Supreme Court Justice Louis Brandeis explained to those frustrated by the delays, gridlock, and even idiocy these checks and balances sometimes produce, the founders' purpose was "not to promote efficiency but to preclude the exercise of arbitrary power."

From this beginning, the American experiment in self-government has always been a work in progress. It has lurched toward failure on more than one occasion. When Abraham Lincoln asked "whether

that nation, or any nation so conceived, . . . can long endure,” it was not a rhetorical question. But repeatedly and almost miraculously, it has demonstrated a capacity for renewal and reinvention. Throughout this ordeal, the recurring imperative for American leaders has been to show that liberalism can survive in at least one country.

For nearly two centuries, that meant warding off foreign intervention and leaving others to their fates. Individual Americans may have sympathized with French revolutionary cries of “Liberty, equality, fraternity!”; American traders may have spanned the globe; and American missionaries may have sought to win converts on all continents. But in choosing when and where to spend its blood and treasure, the U.S. government focused on the United States.

Only in the aftermath of the Great Depression and World War II did American strategists conclude that the United States’ survival required greater entanglement abroad. Only when they perceived a Soviet attempt to create an empire that would pose an unacceptable threat did they develop and sustain the alliances and institutions that fought the Cold War. Throughout that effort, as NSC-68, a Truman administration national security policy paper that summarized U.S. Cold War strategy, stated, the mission was “to preserve the United States as a free nation with our fundamental institutions and values intact.”

### **SUFFICIENT UNTO THE DAY**

Among the current, potentially mortal threats to the global order, Trump is one, but not the most important. His withdrawal from initiatives championed by earlier administrations aimed at constraining greenhouse gas emissions and promoting trade has been unsettling, and his misunderstanding of the strength that comes from unity with allies is troubling. Yet the rise of China, the resurgence of Russia, and the decline of the United States’ share of global power each present much larger challenges than Trump. Moreover, it is impossible to duck the question: Is Trump more a symptom or a cause?

While I was on a recent trip to Beijing, a high-level Chinese official posed an uncomfortable question to me. Imagine, he said, that as much of the American elite believes, Trump’s character and experience make him unfit to serve as the leader of a great nation. Who would be to blame for his being president? Trump, for his opportunism in seizing victory, or the political system that allowed him to do so?

No one denies that in its current form, the U.S. government is failing. Long before Trump, the political class that brought unending, unsuccessful wars in Afghanistan, Iraq, and Libya, as well as the financial crisis and Great Recession, had discredited itself. These disasters have done more to diminish confidence in liberal self-government than Trump could do in his critics' wildest imaginings, short of a mistake that leads to a catastrophic war. The overriding challenge for American believers in democratic governance is thus nothing less than to reconstruct a working democracy at home.

Fortunately, that does not require converting the Chinese, the Russians, or anyone else to American beliefs about liberty. Nor does it necessitate changing foreign regimes into democracies. Instead, as Kennedy put it in his American University commencement speech, in 1963, it will be enough to sustain a world order "safe for diversity"—liberal and illiberal alike. That will mean adapting U.S. efforts abroad to the reality that other countries have contrary views about governance and seek to establish their own international orders governed by their own rules. Achieving even a minimal order that can accommodate that diversity will take a surge of strategic imagination as far beyond the current conventional wisdom as the Cold War strategy that emerged over the four years after Kennan's Long Telegram was from the Washington consensus in 1946. 🌐

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# Why Carbon Pricing Isn't Working

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Good Idea in Theory, Failing in Practice

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*Jeffrey Ball*

**F**or decades, as the reality of climate change has set in, policy-makers have pushed for an elegant solution: carbon pricing, a system that forces polluters to pay when they emit carbon dioxide and other greenhouse gases. Among the places that have imposed or scheduled it are Canada, China, South Korea, the EU, and about a dozen U.S. states. Much as a town charges people for every pound of trash tossed into its dump, these jurisdictions are charging polluters for every ton of carbon coughed into the global atmosphere, thus encouraging the dirty to go clean.

In theory, a price on carbon makes sense. It incentivizes a shift to low-carbon technologies and lets the market decide which ones will generate the biggest environmental bang for the buck. Because the system harnesses the market to help the planet, it has garnered endorsements across the political spectrum. Its adherents include Greenpeace and ExxonMobil, leftist Democrats and conservative Republicans, rich nations and poor nations, Silicon Valley and the Rust Belt. Essentially every major multilateral institution endorses carbon pricing: the International Monetary Fund, the UN, and the World Bank, to name a few. Christine Lagarde, the managing director of the IMF, spoke for many in 2017 when she recommended a simple approach to dealing with carbon dioxide: “Price it right, tax it smart, do it now.”

In practice, however, there's a problem with the idea of slashing carbon emissions by putting a price on them: it isn't doing much about climate change. More governments than ever are imposing prices on

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carbon, even as U.S. President Donald Trump backpedals on efforts to combat global warming, yet more carbon than ever is wafting up into the air. Last year, the world's energy-related greenhouse gas output, which had been flat for three years, rose to an all-time high. Absent effective new policies, the International Energy Agency has projected, energy-related greenhouse gas emissions will continue rising through at least 2040.

If governments proved willing to impose carbon prices that were sufficiently high and affected a broad enough swath of the economy, those prices could make a real environmental difference. But political concerns have kept governments from doing so, resulting in carbon prices that are too low and too narrowly applied to meaningfully curb emissions. The existing carbon-pricing schemes tend to squeeze only certain sectors of the economy, leaving others essentially free to pollute. And even in those sectors in which carbon pricing might have a significant effect, policymakers have lacked the spine to impose a high enough price. The result is that a policy prescription widely billed as a panacea is acting as a narcotic. It's giving politicians and the public the warm feeling that they're fighting climate change even as the problem continues to grow.

Sometime this century, global temperatures are all but certain to cross what scientists warn is a perilous threshold: two degrees Celsius above their preindustrial levels. The two-degree line, a notion introduced in 1975 by the economist William Nordhaus, is less an environmental cliff than a political rallying cry. But beyond it, a range of problems will grow worse, including extreme weather events, coastal flooding, and, in tropical and temperate regions, a reduction in the yields of crucial crops such as wheat and rice. So the world needs solutions that do more than merely chip away at the problem. What's required are more targeted moves—ones that are politically difficult but possible and environmentally effective. These include phasing out coal as a fuel for electricity, except where coal is paired with technology to capture its carbon emissions; keeping nuclear power plants up and running; slashing fossil fuel subsidies; raising gasoline taxes; reducing the cost of renewable power; and toughening energy-efficiency requirements.

Carbon pricing need not be abandoned. It can, at least at the margins and in concert with these more direct carbon-cutting policies, help channel money into cleaner energy options. But there is little evidence

for what has become an article of faith in the climate fight: that carbon pricing should be society's main tool to keep the planet cool.

### **PERMISSION TO POLLUTE**

The roots of the notion of curbing pollution by pricing it go back nearly a century. In 1920, the British economist Arthur Pigou developed the concept of an economic “externality”: a benefit or cost that is not priced into a given activity but can be, through what would come to be called a Pigouvian tax. Nearly 50 years later, in the late 1960s, two economists working separately—Thomas Crocker and John Dales—proposed a different sort of pricing mechanism to limit emissions: a combination of government-mandated caps and tradable emission allowances, a one-two punch that would come to be known as “cap and trade.”

Under a cap-and-trade system, a government imposes a limit on the amount of carbon that the economy, or specified sectors of it, may emit. It apportions responsibility for curbing emissions in line with that cap to individual players, such as companies. At the same time, it creates a tradable currency called a carbon permit; each permit allows its bearer to emit one metric ton of carbon dioxide. In some cap-and-trade systems, the original permits are given away for free, whereas in others, they are sold—creating revenue for governments. If a polluter's expected emissions exceed the cap, it must either curb its emissions—say, by installing more efficient manufacturing equipment or shifting to cleaner energy sources—or buy more permits on the market. A polluter whose emissions are trending below its cap can sell its excess permits on the market. In some systems, the market alone sets the price; in others, the government imposes a floor and a ceiling on the permit price.

The basic idea behind a cap-and-trade system is twofold. First, by forcing polluters to pay for the carbon they emit, the system incentivizes them to invest in lower-carbon solutions, thus directing more private capital—and, in turn, more research and innovation—toward clean technology. Second, by spreading the burden for cutting carbon across an entire sector—or, ideally, across an entire economy—the system helps each regulated player find the lowest-cost way to reduce its carbon output.

The first major use of emission trading was in the United States, to fight local air pollution. The federal government used it to phase



*Bad atmospherics: smokestacks in Jilin, China, February 2013*

out leded gasoline starting in the 1980s and to combat acid rain, an effect of power plant emissions, starting in the early 1990s. Both campaigns succeeded, but limiting pollution from tailpipes and smokestacks in a single city or region is infinitely easier than slashing emissions of invisible carbon dioxide around the planet.

Carbon pricing started in the 1990s in Scandinavia and expanded in the following decade throughout Europe. More recently, it has taken hold in California, the Northeast of the United States, much of Canada, and many other places. Today, according to the World Bank, 42 countries and 25 subnational jurisdictions—together representing about half of global GDP and a quarter of global greenhouse gas emissions—have imposed or are pursuing a price on carbon, through either a cap-and-trade system or a carbon tax.

But because many jurisdictions have imposed carbon prices just in certain sectors of their economies, carbon pricing covers only about 15 percent of global emissions, the World Bank has calculated. That portion should grow to between 20 and 25 percent once China, the world's largest carbon emitter, implements a nationwide carbon-pricing program, as it has promised to do. Yet even that share would fall far short of the 50 percent of global emissions that a World Bank panel has said needs to be covered by carbon pricing within a decade in order to meet the global carbon-reduction goals set forth in the Paris climate accord.

Why does carbon pricing squeeze certain sectors more than others? The answer is that it works well for industries that use a lot of fossil energy, that have technologies available to them to reduce that energy use, and that can't easily relocate to places where energy is cheaper. In other words, it works well in the power and heating sector, which produces about 25 percent of global emissions. That industry is

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*Carbon pricing covers only about 15 percent of global emissions.*

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dominated by localized utilities that can curb their carbon emissions in a number of ways: by switching to more efficient equipment for burning fossil fuels, by shifting from higher-carbon fossil fuels such as coal to lower-carbon

ones such as natural gas, by increasing their use of renewable energy, by capturing the carbon dioxide they produce and sequestering it, or by incentivizing their customers to waste less electricity.

Carbon pricing tends not to work well for curbing emissions from buildings, which generate about six percent of global emissions. Builders rarely occupy the buildings they build, which means they don't pay the energy bills and thus have little incentive to foot the capital cost of more efficient buildings. Nor does carbon pricing work well to curb emissions from transportation, which account for about 14 percent of the global total. Studies show that drivers are usually unresponsive to modest increases in gasoline and diesel taxes. And although they do respond to big hikes, taxes that high tend to be political nonstarters. No wonder, then, that carbon-pricing regimes tend not to tamp down emissions from buildings and vehicles.

Just as the breadth of a carbon-pricing system matters, so does the price it puts on each metric ton of carbon dioxide. In 2017, a group of leading economists known as the High-Level Commission on Carbon Prices concluded that carbon prices would have to be between \$40 and \$80 per metric ton by 2020, and between \$50 and \$100 by 2030, to achieve the emission cuts called for in the Paris climate accord. (Even in the unlikely event that the 195 nations that have agreed under the accord to voluntarily constrain their carbon outputs met their promises, that wouldn't stop global temperatures from surpassing the two-degree threshold.) But of the global emissions now subject to a carbon price, just one percent are priced at or above the commission's \$40 floor of ecological relevance. Three-quarters are priced below \$10. The upshot: more

than two years after the ostensible watershed moment of Paris, a mere 0.15 percent of global greenhouse gas emissions are subject to a carbon price that economists deem high enough to make much of an environmental difference.

Four countries have priced carbon at or above that \$40 floor, according to the World Bank: Finland, Liechtenstein, Sweden, and Switzerland. These are rich nations with a deep-seated culture of environmental protection. They also have, by global standards, comparatively low-carbon electricity systems, thanks in large part to plentiful hydropower and, in the cases of Finland, Sweden, and Switzerland, a great deal of nuclear power, too. All told, they couldn't be more different from the sorts of places—China, India, Africa, and the rest of the developing world—that most matter in the fight against climate change.

The same is true of most of the U.S. states, including California, Maine, New York, and Vermont, that have chosen to price at least some of their carbon either on their own or through a regional cap-and-trade program for power plant emissions. Compared with other U.S. states, these tend to have ample solar power, wind power, or hydropower, and they are less reliant on high-carbon coal.

It's not just governments that are joining the carbon-pricing stampede. More than 1,400 companies globally, including some of the world's largest multinationals, are voluntarily integrating carbon prices into their investment decisions, according to CDP, a nonprofit that gathers environmental data from companies and governments. When, say, an oil company decides whether to drill in a certain field or a bank decides whether to loan to a certain project, it first tries to calculate what would happen to its profits if the government imposed a particular carbon price. In theory, doing this should lead companies to favor less carbon-intensive investments.

Here, too, however, the reality is underwhelming. To decarbonize the energy system enough to meet even the limited goals set in Paris, annual global investment in low-carbon technologies would have to rise by about \$700 billion by 2030, according to the World Bank. The bank also estimates that an international carbon market could incentivize about one-third of that—about \$220 billion annually. That figure in itself is telling: even under the rosier of circumstances, carbon pricing will produce only a fraction of the emission cuts needed to put the world onto a sufficiently low-carbon path.

## THE PRICE IS WRONG

How a strategy so widely seen as so promising has failed to live up to its ideal is a tale of good intentions thwarted by economic and political realities. Europe's experience is instructive. Launched in 2005, the EU's emission-trading system was designed to cover electricity generators and energy-intensive industries such as cement and steel manufacturing. But from the beginning, the companies the system covered got plentiful free permits. That was a compromise EU officials made to mollify opposition from industry. It meant that only those companies that experienced unexpected rises in emissions had to pay much for the right to pollute.

When the 2008 global financial crisis struck, European economic activity declined, and so did emissions. Companies found themselves with more free permits than they needed, and European carbon prices tanked, from more than 25 euros per metric ton in 2008 to less than five euros in 2013. In recent years, the EU has toughened the system somewhat; among other things, it has required more companies to buy more of their permits, and it has broadened the system to cover airline flights within the EU. But the permits remain so cheap that the program is not prodding emission reductions in line with the long-term carbon-reduction goals that it has set. Between 2015 and 2016, EU emissions fell by 0.7 percent across the bloc—enough to keep the EU on track to meet its goal of cutting emissions to 20 percent below 1990 levels by 2020, but not enough, officials have admitted, to meet the EU's more ambitious commitment of reducing them to 80 percent below 1990 levels by 2050. And in 2017, emissions covered by the EU's carbon-pricing system actually rose, for the first time in seven years, the result of stronger than expected industrial output.

Last year, recognizing significant flaws in its carbon-pricing system, the EU agreed to redesign it. The new version, set to take effect in 2021, seeks to tighten emission limits, reduce handouts of free permits, and pull excess permits off the market if their price falls below a certain level. But the reforms are probably too little, too late. The price of permits has risen markedly this year, from about eight euros in January to about 14 euros in mid-May. Nevertheless, some analysts have predicted that their price will average only about 18 euros per metric ton in 2020, about half the price that the World Bank says will be necessary to make a real dent in carbon emissions. In a November 2017 report, the Mercator Research Institute on Global

Commons and Climate Change, a Berlin-based organization, cited persistently low permit prices when it warned that the EU's carbon-pricing system is "in a crisis."

California, the world's sixth-largest economy, has had similar problems. Although it produces only about one percent of global greenhouse gas emissions, it has long been a bellwether for environmental policy, imposing regulations that are later adopted across the country and around the world. The state launched its cap-and-trade system for carbon in 2012, part of a broader plan to cut its emissions to 1990 levels by 2020—a goal less ambitious than the EU's but more ambitious than the U.S. federal government's. California is all but sure to meet that target. But even though emissions from power generation covered by its cap-and-trade system fell in 2016, those related to transportation—the state's biggest source of carbon emissions—rose that year. What's more, as an analysis released last year by Near Zero, a nonprofit research group in California, concluded, the decline in power plant emissions owes little to carbon pricing. Instead, it is largely the product of an increased use of hydropower (a result of higher rainfall) and a greater production of wind and solar power (a result of state renewable energy mandates). As of mid-May, California's carbon price was around \$15 per metric ton. It was that low because factors other than the carbon market led power producers to curb their emissions, leaving companies with extra permits that they had gotten from the state for free.

Like Europe, California is moving to add more bite to its carbon-pricing system. It wants to force far deeper emission cuts, in line with the EU's ambitions: to 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050. A plan now under consideration could increase the carbon price to between \$81 and \$150 per metric ton in 2030. If such a higher price materializes, it should spur big cuts in emissions. But the state has yet to decide on the proposed plan, and the fight is intense. In public hearings and through private lobbying, oil producers and power companies are sparring with environmental groups. In March, an official from Pacific Gas and Electric, California's largest utility, told state officials that a 2030 carbon price of \$150, a level that some environmentalists call sensible, would be "very high" and would not "strike that appropriate balance" between planet and pocketbook.

California's revised system would reflect a new carbon-pricing approach that is drawing bipartisan support and interest from policymakers. Called a "revenue-neutral" carbon price or a "carbon dividend,"

this scheme returns to consumers some or all of the money raised by the selling of permits rather than putting that revenue into government coffers. The allure of this approach is that although it still forces big emitters to pay, goading them to pollute less, it returns revenue to consumers (for instance, as tax rebates), compensating them for the higher prices they have to pay for energy and other goods as a result of the price on carbon.

In theory, returning to consumers money raised from a carbon price should be popular, giving policymakers political cover to impose a carbon price high enough to make a difference on climate change. But in reality, even this idea faces opposition from interests that would be hit hardest by the carbon price. British Columbia implemented a revenue-neutral carbon price in 2008 and initially saw its emissions drop. But in 2012, amid political blowback, the province froze its carbon price, at 30 Canadian dollars per metric ton. Unsurprisingly, emissions started rising again. This spring, British Columbia raised the carbon price to 35 Canadian dollars per metric ton—lower than a government advisory panel suggested was necessary.

### **THE CHINESE DREAM**

China, the world's factory floor and most populous country, is the most important piece in the climate change puzzle. Unless it slashes its carbon emissions, little that the rest of the world does in the climate fight will matter much. It is the world's largest producer of both coal-fired power and renewable energy. And with its powerful central government, it would seem uniquely able to execute a carbon-pricing revolution. In 2013 and 2014, after studying the European and Californian examples, China launched carbon-pricing tests in five cities and two provinces. And in 2015, Chinese President Xi Jinping announced with great fanfare that China would soon take carbon pricing nationwide. Trading is expected to start in 2019 or 2020.

As has been the case elsewhere, however, carbon pricing is unlikely to reduce carbon emissions dramatically in China. Those emissions are expected to peak between 2025 and 2030. That might seem like good news, but it's not good enough. The start of a decline in carbon output from the world's biggest emitter won't fix climate change; what's necessary is for total global emissions to plummet. Moreover, assuming that China's emissions do in fact peak, which seems likely, they will do so in response to broad changes in the economy that



have next to nothing to do with a price on carbon. Those changes—in particular, improvements in the energy efficiency of manufacturing and reductions in emissions from coal-fired power plants—will be driven primarily by economic and public health priorities. Indeed, in the pilot programs that China has rolled out in various localities, carbon in mid-May was trading at between about \$2 and \$9 per metric ton, too low to meaningfully change the behavior of companies or citizens.

None of this is terribly surprising, given that the plans for China's nationwide carbon-pricing system have been steadily watered down. The scheme was originally designed to cover between 6,000 and 7,000 companies across multiple industries. Instead, it will, at least initially, cover 1,700 power producers. China may soften its carbon-pricing system even further. The government has yet to decide how many permits it will provide to companies, and it could choose to hand them out for free. Already, companies that successfully lobbied to receive free additional emission permits under the pilot programs are pushing for the right to use those permits under the nationwide system. This has the potential to create an oversupply of permits in China similar to the ones that have contributed to the low prices in the EU and California. As one carbon-pricing expert involved in the design of China's system told me, "We are repeating the same mistakes that the EU market and California have done."

## **BLUNT TOOLS**

For all its shortcomings, carbon pricing has done two important things. It has accustomed powerful economic players—governments, companies, and, to a lesser extent, consumers—to the notion that they will have to integrate decarbonization into their spending decisions. In the process, it has prodded those actors to put more effort into discovering both the technologies and the business models that would most cost-effectively cut carbon emissions to an environmentally meaningful extent. But carbon pricing is failing to produce emission cuts that are significant—and the time for tinkering is running out. Because carbon pricing is giving humanity the illusion that it is dealing responsibly with climate change, it is reducing the pressure to adopt other carbon-cutting measures, ones that would hit certain sectors harder and that would produce faster reductions.

Seriously addressing climate change in the immediate future demands not a theoretically effective strategy but an actually effective one.

That's because with each passing year, more carbon accumulates in the atmosphere, and more global warming becomes inevitable. Slashing emissions in the near term is crucial. But in 2017, global energy-related carbon emissions rose for the first time in four years. The 1.4 percent rise was due to an increase in coal use, particularly in Asia, and to a slowdown in worldwide energy-efficiency improvements, the result of cheap fossil fuel.

Since carbon pricing on its own is not reversing that trend, what else is needed? Policymakers should start with electricity, arguably the easiest sector to clean up, owing to the ready availability of natural gas and increasingly cost-effective renewable energy sources. Where

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*Maybe one day carbon pricing will be the best tool for fighting climate change. But the planet doesn't have time to wait.*

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feasible, coal, the most carbon-intensive fossil fuel, should be phased out by fiat unless technology to mitigate its emissions—technology known as “carbon capture and storage,” or CCS—can be scaled up. But make no mistake: coal is all but certain to remain a major electricity source for decades, particularly in the developing world. China

and India sit on massive supplies of it, and even as both countries rapidly scale up renewable power from a tiny base, they will be hard-pressed to get rid of coal anytime soon. In the meantime, then, the imperative is to resolve the technological, legal, and political impediments to CCS.

Finding an economically and politically viable way to capture and store carbon from fossil fuel consumption is crucial not just for electricity production but also for industrial processes such as cement and steel production. These activities emit huge quantities of carbon dioxide, and for now, there is no viable way to power them other than by burning fossil fuels. But efforts to develop CCS technology have stalled as carbon pricing has floundered, because absent a strong government push to reduce carbon emissions, companies have no reason to spend money on it. Experts estimate that a carbon price well above \$100 per metric ton, and perhaps much higher, would be needed to create enough of an incentive for firms to invest in large-scale CCS. Given that a carbon price that high anytime soon seems to be a pipe dream, governments will have to provide more direct financial support for the technology.

Meanwhile, humanity cannot afford to reject nuclear power, a reliable, carbon-free energy source. The safety and proliferation concerns about nuclear power are real, but they can be mitigated through a combination of newer nuclear technologies and smarter regulations. Given public opposition to nuclear power, and given the declining cost of renewable energy, nuclear power's share of global electricity generation is expected to remain relatively flat. Even so, shutting down nuclear plants that have years of life left in them, as Germany, Japan, California, and other U.S. states are doing, represents a step backward for the climate.

Policymakers will also have to figure out how to unlock the potential of renewable energy. The cost of wind and solar power is plummeting, but it is still too high, and these sources remain a small slice of the total energy supply. To slash costs further, policymakers should, for example, resist the temptation to impose protectionist policies, such as tariffs on imported renewable energy equipment, which only make renewable energy more expensive.

Compared with the electricity sector, transportation is harder to decarbonize. True, electric cars will likely proliferate as their cost continues to fall, and if powered by clean electricity, they could become a major climate-fighting tool. But batteries remain too expensive, and it will likely take decades to replace the fleet of vehicles already on the road. So oil will, according to most projections, continue to power most transportation until the middle of the century and perhaps well beyond it. For the foreseeable future, then, the key is to minimize the wasteful consumption of oil.

One important way to do that is to raise the price of gasoline and diesel fuel. In developed countries, particularly in the United States, that means raising the price at the pump through taxes. In developing countries, that means rolling back motor fuel subsidies. That is politically difficult. But governments from Mexico to Saudi Arabia are showing it's possible.

Then there are improvements in energy efficiency that can be made to buildings, appliances, vehicles, and aircraft. The payoff of such improvements remains an open question; there is evidence that as a given thing's energy efficiency improves, people tend to use that thing more, negating any reduction in carbon emitted. That said, efficiency improvements are an important factor in decreasing carbon emissions. Rules forcing greater energy efficiency—particularly in buildings and cars—work.

## MOVING ON

Humanity has solved a host of important environmental problems—once it decided those problems were crises. Crushing smog in postwar Los Angeles helped spur the 1970 Clean Air Act. When the Cuyahoga River in Cleveland, then strewn with industrial waste, burst into flames in 1969, another in a line of river fires, that hastened the Clean Water Act of 1972. Public worry in the 1980s about the growing ozone hole led to the 1987 Montreal Protocol, which started the phaseout of ozone-depleting chemicals. But climate change, this century’s grand challenge, is different from these past problems. It is not just more serious; it is also massively harder to solve. Physics, politics, and economics all conspire to make climate change what social scientists call a “wicked problem”—one in which every supposed solution creates another complication.

That does not, however, necessarily mean that climate change cannot be tamed. Although the planet is all but certain to cross the two-degree threshold, minimizing greater warming is both possible and pressing. Phasing out high-carbon coal, speeding the development of CCS, maintaining nuclear energy, slashing renewable energy costs, and raising fuel prices would make a difference. So would ratcheting up efforts unrelated to energy, such as combating deforestation. To be sure, such a grab bag of policies lacks the intellectual tidiness of a carbon price. Some of the policies will be hard to achieve; others will fail. And all would be helped by an effective carbon price. But pursuing these measures directly offers a politically realistic path to significant environmental benefit.

Maybe one day carbon pricing will be the best tool for fighting climate change. But the planet doesn’t have time to wait. To the extent that the carbon-pricing experiment lets policymakers and the public delude themselves that they are meaningfully addressing global warming, it’s not just ineffectual; it’s counterproductive. The time has come to acknowledge that this elegant solution isn’t solving the problem it was designed to solve. In the toughest environmental fight the world has ever faced, a good idea that isn’t working isn’t good enough. 🌍

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# How the Safety Net Can Survive Trump

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## Social Democracy's Staying Power

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*Lane Kenworthy*

**D**uring his campaign for the U.S. presidency, Donald Trump promised to protect the foundations of the United States' public insurance system. "I was the first & only potential GOP candidate to state there will be no cuts to Social Security, Medicare & Medicaid," he tweeted in May 2015. "The Republicans who want to cut SS & Medicaid are wrong," he added two months later.

Trump's commitments to the safety net set him apart from his Republican competitors during the campaign. But since taking office, the president has fallen in line with Republican leaders in Congress who seek to roll back the social programs he pledged to preserve. Last year, with Trump's support, Republican lawmakers tried and narrowly failed to slash Medicaid, which helps pay for health services for low-income Americans, as well as government subsidies for private purchases of health insurance. Speaker of the House Paul Ryan of Wisconsin and Senator Orrin Hatch of Utah, the chair of the Senate Finance Committee, have said they will seek to scale back Medicare this year. The partial privatization of Social Security could be on the table, and food stamps, disability benefits, and housing assistance are also likely targets.

Such proposals seem to threaten the progress the United States has made toward social democratic capitalism—a system that features modestly regulated markets, a big welfare state, and public services meant to boost employment, such as childcare and job-placement assistance. The evidence suggests that social democratic policies improve

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economic security and well-being without sacrificing liberty, economic growth, health, or happiness. Contrary to conventional wisdom, the country has gradually come to embrace this model over the last century. The federal government has built public insurance programs that help Americans manage old age, unemployment, illnesses, and more. Since 2000, California, Massachusetts, New York, Oregon, and Washington State, which are home to around one-quarter of all Americans, have gone further, introducing such policies as paid parental and sick leave and a \$15 minimum wage. Although the United States has not reached the level of social democratic protections that exists in countries such as Denmark and Sweden, it has been moving steadily, if slowly, in that direction.

Republican control of the presidency and Congress has put that march on hold. But the United States' social democratic future is not over. The structure of the U.S. government and popular support for public services will be formidable obstacles to the small-government vision of the current Republican majority, as well as to the vision of future ones. The United States has weathered a number of challenges in its progress toward social democracy, and the trials of the present era will likely prove a brief detour rather than a dead end.

### **THE LAISSEZ-FAIRE FANTASY**

Those who support shrinking the safety net tend to believe that cutting taxes and government spending would produce faster economic growth. Even if much of that growth accrued to the rich, over the long run it would also boost the living standards of the poor. As the state stepped back, private firms would provide services such as health care and education via markets, with competition driving quality up and prices down. People in need could turn to their families and communities, and government transfers to the desperate would fill the remaining gaps.

That may sound plausible in theory, but it has proved less attractive in practice. At a certain point, high taxes and public spending can indeed do economic harm by weakening incentives for investment and work. But the United States is still far from that point: the record of the affluent democracies suggests that such governments can tax and spend up to 55 percent of their GDPs before holding back economic growth. That is around 20 percentage points higher than the share of GDP the United States spends today. And even if the United States

were to achieve faster economic growth, that might not do much to boost the incomes of ordinary Americans, whose real wages have not risen much since the late 1970s.

Another problem with the laissez-faire fantasy concerns the abilities of families and communities to care for children, tend to the elderly, and protect the disadvantaged—roles now played partly by the state. Civic groups such as churches and charities help those they can, but some people inevitably fall through the cracks. And not all parents are blessed with an abundance of money, time, and skills. To make matters worse, family and civic ties have frayed in recent decades. Nearly nine in ten Americans born between 1925 and 1934 were married by the time they were between the ages of 35 and 44, but only about six in ten born between 1965 and 1974 were. Since the 1960s, the political scientist Robert Putnam has found, Americans' participation in voluntary associations has fallen, too. Lest one contend that the rise of the nanny state is to blame, remember that family ties and civic organizations were strongest in the 1940s, 1950s, and 1960s, when the U.S. government was expanding the fastest.

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*The United States'  
social democratic  
future is not dead.*

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In the conservative vision of limited government, the final backstops to poverty are targeted public insurance programs. In principle, these can help the neediest at little cost to taxpayers. Compared with those of its rich peers, the United States' welfare programs are already small and targeted. Yet under the current system, the poorest 20 percent of Americans have lower incomes and living standards than their counterparts in many other affluent democracies, from Denmark and Sweden to Canada and France. Meanwhile, tens of millions of low-income Americans are not poor enough to qualify for Medicaid or old enough to access Medicare, yet they cannot afford to buy private health insurance, even with government subsidies.

For some, the individual liberty that limited government provides makes the accompanying shortcomings irrelevant. But there is evidence that social democratic states are at least as good as countries with smaller governments at safeguarding their citizens' freedoms. On an index of personal freedom compiled by the Cato Institute each year since 2008, Denmark, Finland, Norway, and Sweden have scored higher than the United States. And according to annual surveys

conducted by the Gallup World Poll since 2005, citizens in the Nordic countries are more likely than Americans to say that they are satisfied with their freedom to do what they want with their lives. That is partly because these countries' more robust safety nets broaden individual choice by ensuring that if people start new businesses, move in search of better jobs, or take time off for training, they won't become destitute if things don't pan out. And when it comes to ensuring affordable education, access to health care, decent living standards in old age, and much more, public services tend to be more reliable than the private alternatives available to many people—especially the least advantaged.

When polled, more than half of Americans nevertheless tend to say they prefer “a smaller government providing fewer services” over “a bigger government providing more services,” according to the Pew Research Center. This dislike of the idea of big government is another common rationale for shrinking the state. But Americans favor a lot of the things that the government does in practice, including most of its public insurance programs. Big majorities consistently say that the government spends either the right amount or too little on Social Security, assistance to the poor, education, and health care. The health-care reform proposed by Republicans in 2017, which would have caused around 25 million Americans to lose health insurance, was the least popular major legislative proposal since 1990, according to analyses of public opinion data by the political scientist Christopher Warshaw. And a poll conducted by *The Washington Post* and the Kaiser Family Foundation earlier this year found that more than half of Americans support “having a national health plan—or a single-payer plan—in which all Americans would get their insurance from a single government plan.” Among the country's existing social programs, there is only one—welfare—that Americans seldom support.

As for the axiom that Americans hate taxes—which are essential for a sustainable safety net—there was some truth to it in the late 1970s and early 1980s, when revolts against local property taxes were spreading across the country and Ronald Reagan was elected president on a tax-cutting agenda. Yet that moment has long since passed. Public opinion surveys now tend to find widespread support for higher taxes, particularly on rich Americans. The 2017 Republican tax cut was the second least popular major legislative proposal since 1990,





*Time for a raise: rallying in support of a \$15 minimum wage, Chicago, April 2016*

according to Warshaw. And state and local referendums proposing tax hikes have grown steadily more popular since the 1980s. They now are as likely to pass as those proposing cuts, the political scientist Vanessa Williamson has found.

Nor does Republican control of the presidency and Congress suggest that Americans want a smaller state. For one thing, the size of the government is just one of many issues that shape voters' choices. For another, the tax cuts and spending increases of Presidents Reagan, George W. Bush, and Trump have laid waste to the Republicans' reputation for fiscal prudence, so voting for the Republican Party doesn't necessarily indicate a preference for smaller government. More important, U.S. electoral rules do a poor job of translating votes into representation. California's two senators, for instance, represent the same number of Americans as the 44 senators of the country's 22 least populous states. Since 2010, the gerrymandering of congressional districts has meant that Republicans have needed to win just 48 percent of the vote in order to hold a majority of the seats in the House of Representatives, according to calculations by the political scientist Alan Abramowitz. And although Republicans have done well in local and state elections in recent years, that should be no surprise: as the

political scientist James Stimson has found, voters tend to shift rightward during Democratic presidencies, such as Barack Obama's, and leftward during Republican ones.

## **REPUBLICANS AND THE WELFARE STATE**

If American conservatives were to drop their obsession with small government, they could do a number of things to improve social policy that would be consistent with their other beliefs and commitments. Republicans could reduce regulatory obstacles to employment, such as some occupational licensing requirements; increase choice and competition in the delivery of services such as education and health care; and make the government more effective by pushing lawmakers to consistently use evidence to design policy. But for at least the coming year, Republican officials seem determined to continue to try to shrink the welfare state.

They face three main obstacles in getting there. The first is time. The Republican Party could lose its majority in the House or the Senate in November's midterm elections, closing the door on attempts to shrink the safety net through new legislation. (Republicans might pass a major reform before then, but that would be unusual in an election year.) The second obstacle involves the veto points in the U.S. political system. Republicans hold 51 of the Senate's 100 seats, but under that body's filibuster rules, many proposed changes, including most reforms of Social Security, require 60 votes to pass. The third roadblock is public opinion. During Reagan's presidency, the political scientist Paul Pierson has found, the popularity of welfare state programs discouraged lawmakers from pursuing the extensive cuts that some conservatives advocated. Something similar happened when the George W. Bush administration proposed a partial privatization of Social Security in 2005 and during congressional Republicans' attempt at health-care cuts in 2017. When social programs have been around for a while and seem to be improving people's lives, they tend to become popular, making it harder to weaken them.

The Trump administration has instituted some cutbacks on its own, without congressional action, and it may put in place more. It has weakened and delayed regulations protecting workers' safety, ensuring access to fair pay, and securing the right to organize, and it has issued executive orders allowing states to require able-bodied low-income recipients of Medicaid, food stamps, and housing assistance to have a

paying job in order to qualify for benefits. Although these changes have real effects on people's lives, they don't amount to a frontal assault on the U.S. welfare state, and they can be quickly reversed by a future president.

In the longer term, public support for government services will probably deepen. Many of the groups that back such programs—including professionals, minorities, immigrants, millennials, and single, secular, and highly educated people—are growing as a share of the U.S. population. The opposite is true of groups that are more skeptical of the safety net, such as rural residents, working-class whites, the religious, and the rich but not highly educated. And not everyone in the latter set opposes a bigger role for the state: Trump's pitch for a government that would secure jobs and maintain public

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*The real threat to the United States' social democratic future is a sustained economic slowdown.*

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insurance programs helped him win over many working-class whites in 2016. (That plenty of those voters still support Trump despite his abandonment of his earlier commitments to the welfare state may be explained by the president's positions on cultural issues and his rhetorical commitment to job creation.)

To be sure, the 2017 tax cuts will reduce annual federal revenues by around one percent of GDP, and that could pressure lawmakers to shrink government programs and limit new spending. But recent history suggests that tax cuts tend to be followed by tax increases. Tax rates fell under Reagan, rose under George H. W. Bush and Bill Clinton, fell under George W. Bush, and rose again under Obama. By 2016, tax revenues equaled 26 percent of the country's GDP, just as they did the year before Reagan took office.

If Trump ends his presidency as unpopular as he is today, reversing his administration's tax reductions may prove relatively easy. Lawmakers could raise the corporate tax rate from 21 percent to 25 percent—the rate that the Republican presidential candidate Mitt Romney proposed in 2012—and undo Trump's tax breaks for rich individuals and business owners. Even without increasing rates, lawmakers could collect more unpaid taxes, crack down on tax havens, and raise the cap on income subject to the Social Security tax, among other measures. As for state governments, they will likely adjust to

the blow of last year's reform, which damaged their ability to collect revenue by limiting the amount of state and local taxes their residents can deduct for federal income tax purposes, by, for instance, shifting from income to payroll taxes.

### **A SOCIAL DEMOCRATIC FUTURE?**

The real threat to the United States' social democratic future is a sustained economic slowdown. Over the last century, the country's GDP per capita has grown at an average rate of 1.9 percent per year. But between 2000 and 2007, the rate dipped to 1.5 percent, and from 2007 through 2017, it fell further, to an average of just 0.6 percent. The Great Recession is the chief culprit: its arrival in 2008 cut short an economic expansion, and its depth dug a big hole from which the U.S. economy has yet to emerge. Yet some analysts believe that the United States has entered not a moment but an era of slow growth. One version of this story points to weak demand, perhaps due to the rising share of income that goes to the rich, who tend to spend a smaller fraction of their earnings than do middle- and lower-income households. Others contend that the problem is a decline in competition in important sectors, such as the technology industry, or a slowdown in the formation of new businesses. The most pessimistic assessment comes from economists such as Tyler Cowen and Robert Gordon, who argue that inventions such as electricity, railroads, and the assembly line boosted productivity and growth in earlier eras to a degree that more recent innovations cannot match.

The slowdown is worrisome because economic growth facilitates the expansion of public social programs. For one thing, it makes them more affordable; as the economy grows, so do tax revenues. Economic growth also increases public support for the welfare state. Most people are risk averse and altruistic, so as they get richer, they tend to want more protections for themselves and more fairness in their society. If the United States suffers years of slow growth, Americans' embrace of generous public insurance programs may wane. One worrisome sign: the slow recovery from the 2008–9 economic crisis has fueled support for right-wing populists across the rich democracies. Although many populists support the safety net itself, nativism could undermine the public's commitment to the kind of fairness and inclusivity on which social democratic policies depend.

The economic policies of the Trump administration and congressional Republicans are as likely to hurt growth as to help it. The 2017 tax cuts and the additional government spending authorized by the 2018 budget agreement may boost economic growth by about one percentage point this year, because the economy is still operating at less than full capacity. But they won't spur growth in the longer term, if the historical record is any guide. Most economists believe that Trump's efforts to reduce imports and immigration will reduce growth. And there is a risk that Washington will overshoot in scaling back financial regulations, setting the stage for a replay of the 2008 financial crisis.

Still, growth could return to a higher rate in the coming decades. There have been previous periods, such as the 1930s, when the economy slowed down before returning to the long-term trend. And the productivity benefits of new technologies such as the Internet may take years to appear; after all, the period of strongest productivity growth stemming from electricity and other nineteenth-century innovations occurred decades later, between the mid-1940s and the mid-1970s. Moreover, economists have an array of proposals for remedying the slowdown, from improving the educational system to toughening antitrust efforts to reducing income inequality.

Even if the slowdown in the rate of economic growth persists, the United States could still become far richer in the coming decades. Over the last 70 years, per capita GDP in the United States, adjusted for inflation, has increased by about \$40,000. The country is now wealthy enough that securing the same increase over the next 70 years would require a yearly growth rate of only 0.8 percent.

Then again, it may be people's perceptions of their living standards, not GDP growth rates, that shape their feelings about public insurance programs. Since the late 1970s, the real incomes of American households in the middle and below have grown slowly. There have been many causes—technological advances, globalization, firms' privileging shareholders over employees, the decline of unions, and more—and that will make it difficult to reverse the trend. Increasing the federal minimum wage would help, as would pressuring employers to pay workers more by keeping the unemployment rate low. Another important step is to boost the supply of affordable housing in big cities, which are the most productive, environmentally friendly, and in many respects attractive places for ordinary Americans to live. It will also help if Americans continue to enjoy advances in health care,

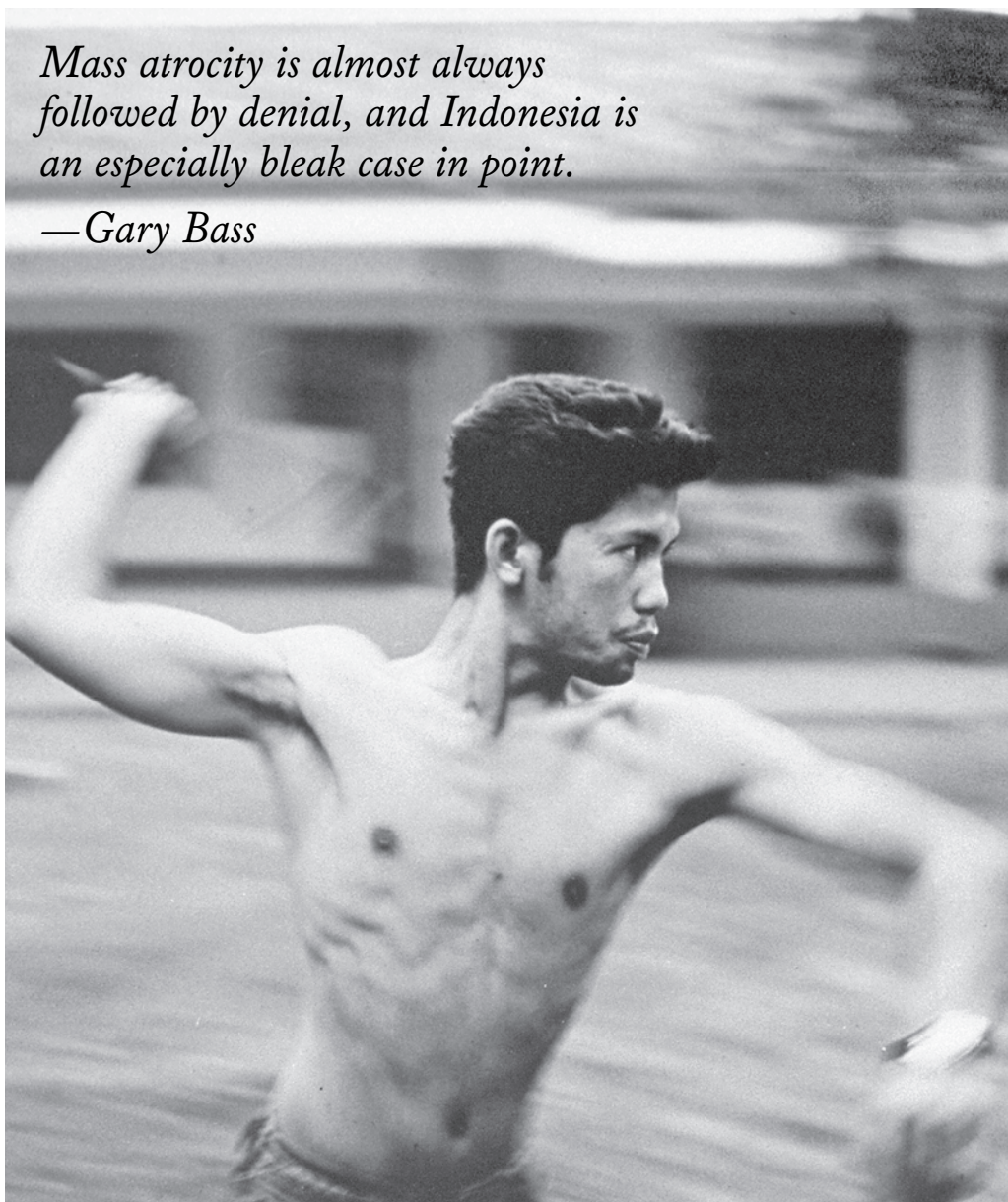
consumer products, entertainment, and access to information, which cost-of-living measures don't fully capture. Taken together, such improvements could preserve Americans' support for the safety net.

At some point, perhaps as soon as 2021, there will again be an opportunity to move federal policy in a social democratic direction. When that happens, policymakers should push for public investments in early education, universal health insurance coverage, paid sick and parental leave, upgraded unemployment insurance, and more. There is evidence that such programs improve lives. Less clear is which measures to prioritize—and how to implement them. Should the United States move to universal health insurance coverage by expanding Medicare, Medicaid, or both? Should public preschool begin at age four or earlier? Should paid parental leave last six months or 12 months? Questions such as these, rather than whether or not to shrink the government, should be at the center of policymakers' debates. 🌐

# REVIEWS & RESPONSES

*Mass atrocity is almost always followed by denial, and Indonesia is an especially bleak case in point.*

—Gary Bass



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## Indonesia's Forgotten Bloodbath

*Gary J. Bass*

158

---

## The People's Authoritarian

*Michael Kimmage*

176

---

## Making Some Noise for God

*Maria Clara Bingemer*

164

---

## Did America Get China Wrong?

*Wang Jisi; J. Stapleton Roy; Aaron Friedberg; Thomas Christensen and Patricia Kim; Joseph S. Nye, Jr.; Eric Li;*

---

## Divide and Invest

*Melvyn P. Leffler*

170

*Kurt M. Campbell and Ely Ratner* 183

---

# Indonesia's Forgotten Bloodbath

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## Cold War Crime and Cover-Up

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Gary J. Bass

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*The Killing Season: A History of the Indonesian Massacres, 1965–66*

BY GEOFFREY B. ROBINSON.  
Princeton University Press, 2018, 456 pp.

“**F**orgetting the past was easy to do in Indonesia,” wrote Barack Obama in his 2006 book, *The Audacity of Hope*. When the future U.S. president was six years old, he moved to Jakarta with his mother, who had married an Indonesian man. They arrived in 1967, shortly after what the adult Obama would describe as “a massive purge of communists and their sympathizers,” when “between 500,000 and one million people were slaughtered.” Obama’s mother later insisted that they never would have gone to Indonesia if she had known about the massacres. His stepfather, who had been drafted into the Indonesian army, said that “some things were best forgotten.”

Few Americans have any awareness of what happened in Indonesia. Standard histories of the Cold War pay the country only cursory attention. (The historian Odd Arne Westad’s recent book, *The*

*Cold War: A World History*, is a distinguished exception to that rule.) Today, with Asia central to world politics, what was once dismissed as the strategic periphery has become the core. But most Americans are ill equipped to understand the region and the role their country has played there.

In *The Killing Season*, an authoritative and harrowing account of the massacres in Indonesia and their aftermath, Geoffrey Robinson seeks to recover this episode from historical oblivion. Robinson, a history professor at the University of California, Los Angeles, who previously worked for Amnesty International, tempers his indignation with scholarly rigor. Confronted with a void, he fills it with archival citations. What emerges is a scathing and persuasive indictment of the Indonesian military and the foreign powers—especially the United States and the United Kingdom—that were complicit in the brutality.

### THE DESCENT INTO VIOLENCE

During the Cold War, Indonesia—the fourth most populous country in the world—became an irresistible prize for the United States, China, and the Soviet Union. As these powers vied for influence, they deepened existing divisions within the country. On the right, there was Indonesia’s reactionary army, as well as nationalist and Islamist parties, which often had their own militias. On the left was a behemoth, the Indonesian Communist Party (PKI), which boasted some 3.5 million members, as well as 20 million people who belonged to organizations aligned with it. The PKI was the third-largest communist party in the world, behind only those ruling China and the Soviet Union. By the

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mid-1960s, the United States and the United Kingdom feared that Indonesia was about to go communist.

The carnage began on October 1, 1965, when a group of junior Indonesian army officers killed six generals. The army's remaining chiefs, led by Major General Suharto, claimed that the killings were part of a Communist-backed coup attempt. They then unleashed what Robinson describes as an "awful juggernaut of arbitrary detention, interrogation, torture, mass killing, and political exile," systematically wiping out those branded as Communists or Communist sympathizers. Right-wing militias, death squads, and armed civilians often participated, too. Alleged association with the wrong group—regardless of the truth—was grounds for arrest or execution. President Sukarno's leftist government was swept away in the onslaught, and Suharto and the generals seized power. Robinson conservatively estimates that by the time the military assault ended, just over six months later, as many as half a million people had been killed. An additional million had been thrown into arbitrary detention or packed off to penal colonies and labor camps. All told, Robinson concludes, the campaign represents "one of the largest and swiftest, yet least examined instances of mass killing and incarceration in the twentieth century."

### **DISPELLING THE MYTHS**

After 1966, Suharto's regime, eerily called the New Order, tried to shrug off the massacres as a popular uprising against the Communists rather than a coordinated military assault. Emphasizing the role of militias and local death squads, officials claimed that the violence was the spontaneous product of communal conflict.

Robinson dispenses with that myth. Drawing on Indonesian primary sources, he catalogs the brutality in haunting and gruesome detail and breaks down 50 years of official whitewash to reveal the army's central role in the massacres. These chapters are unbearable to read. Robinson shows that there was nothing banal or impersonal about the extermination of humans whom one Indonesian army officer called "less than animals." People were shot, decapitated, throttled, clubbed to death, gutted with bamboo spears, or slashed apart with knives, machetes, swords, or ice picks. Before being killed, women were often raped. Torture was routine. Guards would beat prisoners with clubs or electric cables, crush their toes, break their fingers, burn them with cigarettes, or deliver electric shocks. Some prisoners were forced to observe the torture of their spouses or children.

As in better-known cases of mass atrocity, such as those in Bosnia, Rwanda, and Syria, the horror in Indonesia was not the inevitable result of ethnic grievances or socioeconomic strife but a well-organized, systematic campaign carried out by political authorities. Robinson persuasively argues that without the Indonesian army to provide training, organization, and encouragement, individuals with parochial grudges could never have inflicted such widespread devastation. Although midlevel authorities had some discretion in choosing their methods, grisly patterns found throughout the country imply institutional repertoires of violence: decapitation, castration, the public exhibition of body parts and corpses, and particular forms of torture were all common. Local militia forces were almost always working either under the command of the army or with its blessing. And

the army supplied ideological justifications for the killings by dehumanizing accused Communists as “devils,” “whores,” “terrorists,” “animals,” and—particularly salient for some Islamist militias—“atheists.”

### WESTERN RESPONSIBILITY

But the Indonesian army was not the only responsible party. *The Killing Season* also harshly condemns Western powers: Robinson argues that in Indonesia, “the United States and its allies aided and abetted crimes against humanity, possibly including genocide.”

In backing up that grave accusation, Robinson provides less a smoking gun than a kind of smoldering miasma. For one thing, the book contains few quotes from top White House officials and none from U.S. President Lyndon Johnson. The loquacious president’s silence here is notable when compared with his depiction in other histories of this period, such as Fredrik Logevall’s classic account of U.S. escalation in Vietnam, *Choosing War*, which shared ample direct evidence of Johnson’s thinking. But what Robinson does reveal is sordid enough.

In April 1965, the U.S. ambassador in Jakarta wrote to Johnson that Washington should give the army and other anti-Sukarno forces “the most favorable conditions for confrontation”; it’s not clear how or if the president responded. When the killing began, the CIA informed Johnson that it favored a broad crackdown on the Indonesian Communists, and he apparently did not object, according to Robinson. Around this time, British and U.S. officials made secret assurances to a top Indonesian general that they would not interfere in the country’s domestic affairs. Even as the atrocities

worsened, the Johnson administration offered no criticism. In November 1965, the U.S. deputy chief of mission in Jakarta told a senior Indonesian army officer that the Johnson administration was “generally sympathetic with and admiring of what [the] Army [is] doing.” Despite its brutality, the army’s campaign was met with enthusiasm in the Johnson administration: Undersecretary of State George Ball told Vice President Hubert Humphrey that if “the PKI is cleaned up . . . we will have a new day in Indonesia.”

Johnson’s team also spun the Washington press. Ball told James Reston of *The New York Times* that the Indonesian army had the “strength to wipe the earth with the PKI and if they don’t, they may not have another chance.” These actions met with no evident resistance from other parts of the administration. (In comparison, in 1971, U.S. diplomats in East Pakistan [now Bangladesh] risked their careers to oppose U.S. President Richard Nixon and National Security Adviser Henry Kissinger’s support for a Pakistani military junta that was massacring Bengalis.)

### COLD WARRIORS

Robinson spares no one, but his indictment is nuanced and rises above Cold War passions. He finds no evidence that the United States or the CIA orchestrated the coup attempt or the massacres. He doubts that a small CIA station could manage such devastation, and he is wary of exonerating the Indonesian army leadership and local murderers. Furthermore, Robinson repeatedly criticizes the charismatic Sukarno and other militant nationalists for dangerously escalating the country’s tensions. In 1959, Sukarno had decried parliamentary democracy

as a foreign implant that was alien to Indonesian culture and had installed an authoritarian “guided democracy.” Although the country was nominally nonaligned, Sukarno veered leftward—particularly as Mao’s China, on the brink of its Cultural Revolution, galvanized revolutionaries across Asia. To rally the public, Sukarno campaigned to crush the new country of Malaysia, which had been created from former British colonial territories in what he saw as a neoimperialist attempt to throttle Indonesia. In a 1965 speech, he declared, “We are now fostering an anti-imperialist axis—the Jakarta–Phnom Penh–Hanoi–Peking–Pyongyang axis.”

In criticizing the United States and its allies, Robinson also points out that they were responding to Soviet military aid to Sukarno and growing Chinese influence. China, in particular, had backed Sukarno’s campaign against Malaysia and offered to help him develop nuclear weapons. Zhou Enlai, Mao’s premier, offered the PKI 100,000 light arms to help it develop a militia force that would arm some 21 million workers and peasants. As the historian Taomo Zhou has shown, in 1963, the Chinese premier included the PKI in a meeting with Communist leaders from Southeast Asia, exhorting them to “go deep into the countryside, prepare for armed struggle, and establish base camps.” All this Chinese bluster, Robinson contends, while more show than substance, emboldened Sukarno and the PKI to challenge the army.

Still, Robinson’s main complaint is with the United States, the United Kingdom, and their allies, which had been pressing the Indonesian army to smash Sukarno and the Communists for years. After 1958, when the Soviets extended massive

military aid to Indonesia, U.S. officials began funneling smaller amounts of support to the Indonesian army, which the Joint Chiefs of Staff described as “the only non-communist force in Indonesia with the capability of obstructing the progress of the PKI toward domination of the country.” As China ramped up its support of Sukarno, the United States started covertly funding and aiding anticommunists—including an Islamist party whose members proved particularly brutal during the killing campaign.

Worse yet, even after the mass killing began, the United States provided political support and modest amounts of covert assistance to the Indonesian military. And after Suharto seized power, in March 1966, the United States and the United Kingdom gave him ample aid, including military support. Soon after, the Australian prime minister, Harold Holt, cruelly joked to a New York audience, “With 500,000 to one million Communist sympathizers knocked off, I think it is safe to assume a reorientation has taken place.”

### **DOOMED TO REPEAT?**

Mass atrocity is almost always followed by denial, and Indonesia is an especially bleak case in point. Suharto’s regime remained unrepentantly dedicated to stamping out any remaining leftists and repressing the subjugated provinces of Aceh, East Timor, and West Papua. Under his rule, Indonesia jailed a staggering number of political prisoners, and the New Order added hundreds of thousands of killings to its ledger.

Even after Suharto resigned, in 1998, in response to nationwide protests and the Asian financial crisis, Indonesia continued to bury its past. Unlike in Argentina,

Bosnia, Germany, and South Africa, there have been no war crimes trials, truth commissions, or even monuments to the dead. While some brave Indonesian scholars, activists, and journalists have spoken up, the slaughter has been consigned to oblivion—thanks in part to Western governments with bad consciences.

Robinson accuses U.S. officials, such as the ambassador in Jakarta and the CIA station chief there, of publishing deceitful accounts that whitewashed American responsibility. And for decades, the U.S. government refused or ducked requests to declassify relevant documents under the Freedom of Information Act. In 2017, under pressure from historians, activists, and Tom Udall, a Democratic senator from New Mexico, the government finally released 30,000 pages of records from the U.S. embassy in Jakarta from 1964 to 1968. The glacial pace of declassification is an affront to the victims, an impediment to accountable democratic governance, and a gift for conspiracy theorists. (It is also routine. I'm still waiting on a mandatory declassification review request related to U.S. policy toward Bangladesh that I filed six years ago with the Nixon Presidential Library.)

The United States is not the only country concealing things. As Robinson argues, it is high time for Indonesia to open up its own archives and hold war crimes trials for those implicated. China also keeps its foreign policy decisions shrouded in darkness. Although Beijing briefly declassified some Foreign Ministry papers from this period in 2008, authorities reclassified the bulk of that material in 2013. Chinese scholars worry about the political risks of trying to dig up dirt.

The findings of Robinson's painstaking scholarship may shock those

accustomed to triumphal readings of the Cold War, but Robinson provides a more accurate, if less inspirational, perspective on U.S. policy. The fall of the Soviet empire was a historic victory for liberty, but that is all the more reason to look hard at the United States' darker deeds during the Cold War: devastating wars in Korea, Vietnam, Laos, and Cambodia; support for bloodstained governments in countries such as Argentina, Brazil, Iran, South Africa, and Zaire (present-day Congo); covert backing for coups in Iran and Guatemala; and complicity in campaigns of mass violence in Indonesia and East Pakistan.

The United States has done little to memorialize or make amends for these dire chapters of its history. There is no prospect of a truth commission for the Cold War. Obama, marked by his early experiences in Indonesia, was unusually forthcoming. In a momentous visit to Jakarta in 2010, he made only an oblique reference to "violence and killing," which "was largely unknown to [him] because it was unspoken by [his] Indonesian family and friends." But in the spring of 2016, he told *The Atlantic's* Jeffrey Goldberg, "We have history in Iran, we have history in Indonesia and Central America." Around that time, Obama paid a somber visit to a memorial to the victims of the U.S.-backed military dictatorship in Argentina. In September 2016, he acknowledged the civilians killed in the secret U.S. war in Laos, although he stopped short of apologizing. Republicans called these actions unpatriotic.

More than 50 years after the massacres in Indonesia, the United States remains a country that rarely takes responsibility for past transgressions, devotes little effort to educating its

citizens about foreign countries or its historical entanglements abroad, and has a political system that rewards ill-informed and belligerent candidates. All those flaws have congealed in the squalid presidency of Donald Trump, who is more openly contemptuous of human rights than any president since Nixon—and lacks any of Nixon’s strategic vision. Trump has expressed admiration for authoritarian leaders such as Egyptian President Abdel Fattah el-Sisi, North Korean leader Kim Jong Un, Russian President Vladimir Putin, and Turkish President Recep Tayyip Erdogan. He publicly applauded Saudi Arabia’s “strong action” in Yemen without mentioning the thousands of civilians killed by its bombs. And he praised Rodrigo Duterte, the brutal president of the Philippines, for an “unbelievable job on the drug problem”—explicitly supporting the alleged extrajudicial killings of over 7,000 people, a campaign that Human Rights Watch says could amount to crimes against humanity. It seems likely that Trump will echo some of the worst offenses of his predecessors—and commit some new ones of his own. 🌐



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# Making Some Noise for God

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How to Understand Pope Francis

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*Maria Clara Bingemer*

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*To Change the Church: Pope Francis and the Future of Catholicism*

BY ROSS DOUTHAT. Simon & Schuster, 2018, 256 pp.

**F**rom the very first time he appeared on the balcony overlooking St. Peter's Square, in Rome, in 2013, Pope Francis has sought to demystify the papacy and cultivate an image of himself as a humble servant of the faithful. Standing before the multitudes gathered below, who had anxiously awaited the billows of white smoke announcing the selection of a new pope, Francis—formerly Cardinal Jorge Mario Bergoglio of Buenos Aires—chose not to deliver a formal inaugural address, as previous popes had done. “Brothers and sisters, good evening,” he said. He then joked about his prior distance—geographic and otherwise, perhaps—from the Vatican, noting that the cardinals tasked with naming a new pope had to look “almost to the ends of the earth” to find him. He offered a prayer for his predecessor, Pope Benedict XVI, and

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then explained, in clear but ecclesiastically impeccable language, the mission of the bishop of Rome: to preside “in charity over all the churches.” Then he bowed to receive the crowd’s blessing and conferred a blessing of his own. And that was that.

From that moment on, Francis has never wasted an opportunity to project an aura of humility. Images abound of him visiting families in their homes, enjoying a coffee, embracing a sick worshiper or kissing a small child, and even buying new glasses at an eyewear store. In encouraging such coverage of Francis, the Vatican has highlighted one of his principal messages: that Catholics can and should find God even in the ordinary circumstances of human life. It has also bolstered the idea that Pope Francis is not a distant and mysterious figure but a common man like everyone else, just one more follower of Jesus Christ among so many others.

Despite these efforts—or perhaps in part because of them—Francis has proved to be one of the most polarizing figures in the history of the Catholic Church. He infuriates ultraconservatives and leaves traditionalists uneasy: a number of high-profile church figures have taken to the airwaves and social media to condemn Francis’ teachings. But he delights progressives, who welcomed his selection as pope as marking the end of a more than 30-year ecclesiastical winter during which his predecessors, John Paul II and Benedict XVI, positioned the church as a bastion of religious conservatism in a rapidly secularizing world.

Meanwhile, Francis confounds the media and journalists, who remain unsure how to cover him or how to narrate his papacy. The tale began clearly enough,



with a wave of positive sentiment on the part of young people, liberals, and many Catholics who had drifted away from the church and who saw the new pope as an approachable, down-to-earth, and open-minded reformer committed to addressing the plight of the downtrodden and to protecting the environment. Such positions, along with the pope's easygoing manner, earned him a form of pop-cultural celebrity never sought or won by his immediate predecessor, the dour and patrician Benedict.

But in recent years, Francis' story has shifted dramatically. "Pope Francis in the Wilderness," declared a recent headline in *The New York Times*. "Today, Francis is increasingly embattled," the article reported. "The political climate has shifted abruptly around the world, empowering populists and nationalists who oppose much of what he stands for. Conservative forces arrayed against him within the Vatican have been emboldened, seeking to thwart him on

multiple fronts." The article quoted Cardinal Gianfranco Ravasi, the head of the Vatican's Pontifical Council for Culture, saying that Francis holds steadfastly to his goals even though "the world is going in another direction."

*To Change the Church*, a new book about Francis and his papacy by the *New York Times* columnist Ross Douthat, captures and in some ways embodies this backlash. Douthat, who identifies as a conservative Catholic, portrays Francis as an intelligent and perceptive man who has nevertheless recklessly endangered the church's unity and some of its most important traditions. "Francis has not just exposed conflicts; he has stoked them," Douthat charges. "He has not just fostered debate; he has taken sides and hurled invective in a way that has pushed friendly critics into opposition, and undercut the quest for the common ground." Douthat predicts that Francis will be remembered for daring to blaze a new path but without

giving enough thought to the preservation of the church's institutions and norms. This mostly critical assessment is tempered with points of praise for Francis. Douthat recognizes that the pope has generated enthusiasm and credits him with helping restore Catholicism's central place in the Western religious imagination. But Francis' legacy, Douthat argues, will be marred by the tension and uncertainty his leadership has produced.

Douthat's book is well crafted and offers a good deal of lucid analysis, but its primary argument misses the mark. Douthat overestimates the radicalism of *Amoris laetitia* (The joy of love), an important written work (formally called an "apostolic exhortation") that Francis released in 2016 and that reflects on, among other things, the family and the status of Catholics who have divorced or remarried. Meanwhile, Douthat underplays the most important aspect of the Francis era: the pope's effort to restore the poor to a central place in Catholic life.

### **A MODERATE AMONG RADICALS**

Douthat begins by placing Francis in geographic and theological context, which involves examining the church in Latin America and the branch of Catholic thought that emerged there in the late 1960s and which is referred to today as "liberation theology." According to this school of thought, Catholics should consider the mysteries of faith by first analyzing reality and then applying the precepts of Christian Scripture, always with an eye toward creating what adherents term a "preferential option for the poor." (Douthat describes liberation theology as "a synthesis between gospel faith and

political activism, with Jesus's Sermon on the Mount as a blueprint for social revolution.") This line of thinking took some inspiration from the Second Vatican Council, or Vatican II, the multiyear reform program initiated by Pope John XXIII in 1962. The most important document produced by that council was *Gaudium et spes* (Joy and hope), in which the church embraced a mission to address "the joys and the hopes, the griefs and the anxieties of the men of this age, especially those who are poor or in any way afflicted." Liberation theology sought to make good on that pledge, and Pope Francis' current emphasis on poverty represents a recommitment to it.

But as Douthat notes, Francis' relationship to liberation theology is complicated. In 1973, Bergoglio, then only 36 years old, was named provincial superior of the Society of Jesus in Argentina—the highest Jesuit official in the country. His predecessor in that role, Ricardo O'Farrell, had thrown his support behind "priests who wished to live as political organizers among Argentina's poor," Douthat writes, and had ordered "a rewrite of the Jesuit curriculum in which sociology crowded out theology." This led to a minor revolt among more conservative Jesuits, and O'Farrell stepped aside. Replacing him, Bergoglio took a more moderate approach. As a result, Douthat writes, more radical priests believed that "their revolution had been betrayed," and adherents of liberation theology "felt undercut and marginalized."

But years later, after he was appointed cardinal by Pope John Paul II in 2001, Bergoglio became a constant presence in the *villas*, as the extremely poor neigh-



borhoods on the outskirts of Buenos Aires are known. The intensity of his commitment to this population perplexed many observers; by that point, Bergoglio had developed a reputation for centrism on matters theological and political. He had walked a thin line during the “Dirty War” that roiled Argentina in the late 1970s and early 1980s, which saw the country’s brutal military dictatorship and its right-wing allies murder or “disappear” tens of thousands of suspected socialists and dissidents. Some Jesuit priests under his supervision who opposed the junta were imprisoned, tortured, and even threatened with execution. Bergoglio intervened with military authorities in order to secure the priests’ release and arrange for them to leave the country. He also helped a number of left-wing activists escape from Argentina, hiding them on church property, providing them with false documents, and driving them to the airport. But he never publicly criticized the military dictatorship; partly as a result, Douthat writes, “the entire Argentine church was a compromised force during the junta’s rule.” Later, in the years just before he became pope, Bergoglio butted heads with Argentina’s leftist president, Cristina Fernández de Kirchner, accusing her of corruption and cronyism. And yet, at the same time, he did not align himself with Kirchner’s upper-class, conservative Catholic foes.

Bergoglio’s lack of ideological zeal set him apart from other clergy who ministered in the *villas*—the so-called slum priests, who were more tightly bound to liberation theology and who were often accused, sometimes by enemies within the Vatican, of being

Marxists. But Bergoglio’s time in the *villas* clearly left a profound mark on him. As pope, he has said that he yearns for priests and bishops who have “the smell of the sheep,” that closeness to the poor is central to living out the gospel of Jesus Christ, and that he wishes to lead “a poor church for the poor.”

Francis’ commitment to the poor is not solely a matter of words; he has also taken action. In 2016, he announced the creation of the Dicastery for Promoting Integral Human Development, charged with centralizing the church’s work on “issues regarding migrants, those in need, the sick, the excluded and marginalized, the imprisoned and the unemployed, as well as victims of armed conflict, natural disasters, and all forms of slavery and torture.” The pope himself personally oversees the dicastery’s work on migrants and refugees, an issue of particular importance to him. During the migrant crisis in Europe in 2015, Francis called on clergy and laypeople alike to personally assist refugees. More recently, the Vatican established a fund to assist people fleeing political unrest and economic hardship in Venezuela.

### A DIVIDED CHURCH?

Douthat acknowledges Francis’ “constant stress on economic issues,” especially “the crimes of the rich, the corrupting influence of money, the plight of the unemployed, the immigrant, the poor.” But Douthat is ultimately more interested in other aspects of Francis’ papacy. He focuses in particular on the clash between liberals and traditionalists produced by *Amoris laetitia*. Liberals embraced the document, which calls for priests to exercise “careful discernment” when it comes to family and marital

issues and to “avoid judgements that do not take into account the complexity of various situations.” The document proposes training priests in how to better understand and deal with family dysfunction and marital discord and encourages pastors to be supportive of single parents. Although it affirms that the church sees “absolutely no grounds for considering homosexual unions to be in any way similar or even remotely analogous to God’s plan for marriage and family,” the document also denounces violence against gay men and women, stating that “every person, regardless of sexual orientation, ought to be respected in his or her dignity and treated with consideration.”

The document also states that priests have a duty to “accompany” divorced and remarried Catholics and to help them “to understand their situation.” It suggests reforming the slow process of obtaining a marriage annulment, which makes it difficult for divorced Catholics to remarry within the church. It also makes a passing reference to the fact that Eastern Catholic churches allow priests to marry, suggesting that “the experience” of those churches could “be drawn upon”—which some read as a tacit suggestion that perhaps Roman Catholic priests should also be able to marry.

A number of conservative cardinals have expressed dismay at some of these passages. Douthat harshly criticizes what he characterizes as the document’s ambiguity on such core moral issues. Multiple interpretations are possible, Douthat argues, “and because the pope . . . declined to choose explicitly between them, all of them were embraced” in different ways by different people. Douthat worries about the factional divisions this has produced,

which he fears will polarize the church, pitting “bishops against bishops, theologians against theologians” and risking an ecclesiastical war unlike any the church has experienced in decades. He faults Francis for allowing this damaging division to fester by refusing to respond to pointed requests from a number of cardinals to clarify some of the more controversial passages in *Amoris laetitia*. The pope, Douthat wrote in a *New York Times* column last year, has chosen “the lesser crisis of feuding bishops and confused teaching over the greater crisis that might come . . . if he presented the church’s conservatives with his personal answers” to their questions and charges.

There is no question that *Amoris laetitia* touched a nerve. But overlooked by much media coverage of the document, and to some degree by Douthat, is the fact that for many Catholics, the text represented a long-awaited invitation to renewal, allowing them to reconcile with a church from which they had distanced themselves. *Amoris laetitia* puts forward a vision of an inclusive church that stresses mercy and integration over judgment and excommunication. Without in any way disavowing traditional doctrines, such as the indissolubility of marriage, the exhortation clearly communicated to divorced Catholics that they should not see themselves as excommunicated from the church, that they still have a home in the ecclesiastical community. *Amoris laetitia* responds with openness and empathy to the enormous and radical societal changes of recent decades. It reveals Francis as a religious leader sensitive to the challenges faced in day-to-day life by Catholics who want to start families and raise children. It rejects a cold, bureaucratic morality, paralyzed by rules.

As for the pope's reluctance to engage with dissenting priests, Douthat's cynicism is unfounded. A better understanding of Francis' silence would take into account the pope's Jesuit background. Saint Ignatius of Loyola, the founder of the Society of Jesus, taught that when one makes a decision before God and with a feeling of inner peace and serenity, one ought to soldier on rather than shrinking from or altering the charted course.

Such resoluteness, however, should not be confused with stubbornness. When Francis believes he has erred, he says so—as he did in April when he admitted that he had made a “grave error” in initially standing by Juan Barros, a Chilean bishop who had been accused of covering up sexual abuse. The pope expressed regret for his earlier statements in support of Barros, which he lamented as “a slap in the face” to abuse victims. To make amends, he invited Chilean bishops to the Vatican and met at great length with victims. This is clearly not a man convinced of his own infallibility or uninterested in an exchange of views but someone with the ability to reevaluate his point of view and his decisions.

Francis believes that the church is not an end in itself but exists to serve humanity. To carry out that mission, he has generally sought dialogue in the face of difference. Still, Francis' church is a missionary church, and the pope is less interested in protecting tradition and institutions than in shaking things up: he has called on Catholics to “*hagan lío*”—“make some noise”—even if doing so risks dissent and even division. He aims to leave behind a stronger, more resilient church, and his efforts to do so in the coming years will likely continue to surprise the world. 🌍

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# Divide and Invest

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## Why the Marshall Plan Worked

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*Melvyn P. Leffler*

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*The Marshall Plan: Dawn of the Cold War*  
BY BENN STEIL. Simon & Schuster,  
2018, 624 pp.

**T**he Marshall Plan was the most successful U.S. foreign policy program of the Cold War, and arguably the most successful in all of U.S. history. In France, Italy, the United Kingdom, West Germany, and beyond, the plan's \$13 billion in aid expedited economic recovery, buoyed morale, and eroded the appeal of communism. All that is well known. But what is often forgotten is that the Marshall Plan also ratcheted up Cold War tensions. By spurring the economic revival of the western occupation zones in Germany and their eventual merger into the country of West Germany, it rekindled fears across the continent, east and west, about the specter of renewed German power. That, in turn, led to the establishment of NATO and the division of Europe.

These are the themes of Benn Steil's well-crafted new book, *The Marshall Plan: Dawn of the Cold War*, which puts the initiative in grand strategic perspective.

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Steil, a fellow at the Council on Foreign Relations, argues that although the Marshall Plan was a strategic success, it also contributed mightily to the evolving Cold War. What is more provocative, he shows that key U.S. policymakers—such as Secretary of State George Marshall, the plan's namesake, and George Kennan, the head of the State Department's new Policy Planning Staff—understood that the initiative would trigger a Soviet clampdown in Eastern Europe and solidify the division of the continent. According to Steil, the administration of President Harry Truman was wise to accept this unhappy tradeoff. The Marshall Plan worked, Steil concludes, “because the United States aligned its actions with its interests and capacities in Europe, accepting the reality of a Russian sphere of influence into which it could not penetrate.”

### POSTWAR PLANNING

Steil attributes the realism that infused U.S. strategic thinking during this period to a growing interest in geopolitics and the influence of such thinkers as the British geographer Halford Mackinder. That is true, but even more important were the lessons that the United States had just learned from waging war against Nazi Germany and militaristic Japan. In 1945, two years before Marshall announced that the United States was willing to contribute to a European recovery program, some of the country's most renowned experts on international relations—Frederick Dunn, Edward Mead Earle, William T. R. Fox, Grayson Kirk, David Rowe, Harold Sprout, and Arnold Wolfers—authored a study for the Brookings Institution in which they found that the country's overriding national security



*Man with a plan: Marshall in Washington, January 1948*

imperative was to prevent any adversary or coalition of adversaries from gaining control of Eurasia. The great lesson of World War II, they argued, was that enemies that could harness the resources, industrial infrastructure, and skilled labor of all of Europe and Asia might also be tempted to attack and wage a protracted war against the United States. Military planners went so far as to turn the study into a classified official document of the Joint Chiefs of Staff.

In the spring of 1947, what U.S. officials feared most was not Soviet military aggression. They worried even more about the economic challenges, social turmoil, and political disarray facing Western Europe, which were occurring at the same time that the Soviet Union was establishing a domineering presence in Eastern Europe. Communist parties already enjoyed strong support in France and Italy, and a veritable civil war was

under way between the left and the right in Greece. In the middle of Europe, Germany was divided into four occupation zones, its recovery thwarted by wartime agreements regarding reparations and limits on industrial production and by growing disunity among the victorious powers. In particular, France and the Soviet Union feared Germany's resurgence and wanted to control key parts of its industrial infrastructure in order to keep the country weak. But without German coal, steel, and machinery, the rest of Europe could not easily recover. As conditions continued to deteriorate, U.S. policymakers began to worry that the Kremlin might be able to achieve hegemony over all of Europe without firing a single bullet.

Most experts at the time understood that a key part of the problem was the "dollar gap": many countries did not have enough hard currency to purchase

the food and fuel they needed to import for reconstruction. Frigid temperatures and heavy snows in the winter of 1947 exacerbated these shortages. Forced to improvise, governments established quotas for imports, controls on foreign exchange, and bilateral agreements to trade by bartering. Throughout Europe, autarky spread, and government planning took root. In the United Kingdom, the Labour Party nationalized major industries and created a comprehensive welfare state, which magnified the country's financial challenges. With London looking to economize abroad, British diplomats told their American counterparts in February 1947 that the United Kingdom would withdraw from the eastern Mediterranean, leaving a power vacuum in Greece and Turkey. Across the world, liberal capitalism and open markets seemed imperiled.

### **TAKING ACTION**

At the center of Washington's response to these challenges was a remarkable group of U.S. policymakers, diplomats, and generals: Marshall, Kennan, Dean Acheson, Lucius Clay, William Clayton, W. Averell Harriman, and Robert Lovett. These leaders had absorbed the lessons of the past, and they grasped the intersecting economic, financial, and strategic problems before them. After talking with Stalin in Moscow in April 1947, Marshall concluded that deliberation and negotiation meant procrastination, and that procrastination meant defeat. Stalin, he intuited, was biding his time, waiting for conditions to worsen in Western Europe, and hoping to capitalize on the deterioration. The United States had to take action. When he returned from Moscow, Marshall ordered

Kennan and the Policy Planning Staff to devise a program for European recovery. And in June, Marshall introduced this new U.S. strategy in a commencement address at Harvard University.

In his retelling of the story of the Marshall Plan, Steil makes an important contribution by emphasizing the U.S. role in Germany's recovery and the political and strategic consequences that flowed from it. Marshall and his colleagues understood that the western zones of Germany were vital to the overall reconstruction of Europe, since German coal, in particular, was necessary to fuel industrial production elsewhere. Indeed, Kennan's first priority was to boost coal production in the Ruhr Valley. A few weeks after Marshall's Harvard speech, the Joint Chiefs of Staff issued a new directive mandating that the occupation zones in Germany become self-supporting. This meant boosting the level of industrial production in the western zones of Germany, suspending the obligation to pay reparations to the Soviet Union, and, in effect, casting aside the Potsdam agreement of August 1945. In a memo they signed in July 1947, the U.S. secretaries of war, state, and the navy stated: "It is assumed that Germany must cooperate fully in any effective European plan, and that the economic revival of Europe depends in considerable part on a recovery in German production—in coal, in food, steel, fertilizer, etc., and on efficient use of such European resources as the Rhine River."

U.S. policymakers doggedly pursued Germany's revival. Steil describes Clay, the military governor of the U.S. zone of occupied Germany, as "a dictator." "He was a benign one by any reasonable standard, but a dictator nonetheless,"

Steil writes. Clay was determined to see Germany committed to capitalism and integrated into the Western European economic orbit. If this meant dividing the country, so be it. If it meant losing Czechoslovakia and Poland to the Soviet bloc, so be it. U.S. officials were playing a strategic game, making sacrifices to pursue their priorities. In so doing, they were prepared to accept a long Cold War.

At the same time, Kennan and Marshall decided to extend the offer of aid to all European countries, including the Soviet Union. In his Harvard speech, Marshall said that the initiative was not aimed at any country or doctrine but merely intended to combat “hunger, poverty, desperation, and chaos.” This phrasing was shrewd. Presented as an anti-Soviet measure, the plan might have antagonized key constituents in Europe on whose support its success depended. But by conditioning participation on a set of principles that Stalin could not accept—because they would mean the revival of the western zones of Germany and the opening of Eastern Europe to trade and capital investment—U.S. policymakers were able to guarantee that the Soviets would not be able to sabotage the initiative from within. According to Steil, Kennan calculated that Stalin would reject collaboration, forbid his minions in Eastern Europe from cooperating, and clamp down in his sphere of influence.

Like many recent scholars who have studied Soviet foreign policy, Steil uses Russian sources to show that until the rollout of the Marshall Plan, Stalin was interested in sustaining some minimum form of cooperation with the West. The initiative took the Soviet leader “by surprise,” Steil writes. Stalin had “not

yet concluded that cooperation—or his version of it—was at an end.” Now, however, the Soviet leader was faced with the specter of a German revival and Western penetration of his sphere of influence in Eastern Europe. “Forever traumatized by the Nazi invasion of 1941,” Steil emphasizes, Stalin “was determined never again to leave his country vulnerable to German military capacity and intentions.” As Kennan had predicted, Stalin orchestrated a communist seizure of power in Czechoslovakia, imposed more controls elsewhere, and blockaded Berlin. He wanted to thwart currency reform in the western zones and pressure Washington, London, and Paris to reverse their decision to boost industrial production and form West Germany. He failed.

#### **ALLIANCE REVISITED**

By blockading Berlin, which was already divided into separate sectors and was located deep inside the Soviet zone, Stalin precipitated the first great crisis of the Cold War and impelled Washington to reconsider its approach. The Marshall Plan was initially intended to avert U.S. political commitments and strategic obligations by spurring European recovery and undercutting support for popular communist parties. But it soon became evident that the plan might provoke war in the short term or leave Western Europe vulnerable to Soviet conquest in the long term. The French made clear that they would not accept U.S. or British initiatives in western Germany without security guarantees. They feared that these actions might provoke a Soviet attack, and they worried about the long-term consequences of a revived Germany.

The North Atlantic Treaty, which established NATO, was a direct consequence of the Marshall Plan. With their strategy for European recovery imperiled by French intransigence, Marshall, Acheson, and Truman decided to assume entanglements that they had previously eschewed. As Steil argues, the Marshall Plan was fundamentally a geopolitical initiative to prevent Moscow from dominating Europe. U.S. policymakers recognized that Soviet hegemony on the continent would lead to new demands inside the United States for greater defense spending, more government control over the U.S. economy, increased monitoring of domestic subversives, and other infringements on basic freedoms. Concerns about the growth of communist power abroad and the prospect of a future war would likely result in more surveillance of dissidents, critics, and minorities, as it had just before and during World War II. With the American way of life at risk, even Thomas Jefferson's proscription against "entangling alliances" no longer held sway.

What is interesting and important in Steil's account is his emphasis on U.S. initiative. When Acheson succeeded Marshall as secretary of state, in 1949, he "pushed Kennan's early containment ideas into the realm of offense." Acheson, Steil writes, "was determined to challenge Moscow on every front—political, economic, and military—after first creating 'situations of strength.'" Steil does not argue that the United States caused the Cold War or that it could have been avoided if Washington had followed an alternative course. But he does say that the Marshall Plan "accelerated and intensified" existing tensions.

Still, Steil praises the Marshall Plan abundantly. He argues that the aid

hastened economic growth, rejecting the claims of economic historians such as Alan Milward, who have maintained that Western European recovery would have occurred without the Marshall Plan. And Steil agrees with scholars such as the historian Michael Hogan, who have described how U.S. policymakers skillfully adapted to accommodate the preferences of French and Italian governments. Washington's priority was thwarting the communist left in Europe, not promoting financial stability or boosting U.S. exports.

### LESSONS FOR TODAY

In his concluding chapter, Steil draws some surprising comparisons between the 1940s and the post-Cold War years. Rather than focusing on the prospects of a reconfigured Marshall Plan for Mikhail Gorbachev's or Boris Yeltsin's Russia, Steil emphasizes the misguided strategic thinking of U.S. officials over the past quarter century. Quickly dismissing the idea that a huge economic aid program could have worked without inappropriate intrusion into Russia's domestic life, Steil dwells on U.S. support for the expansion of NATO. Steil writes that U.S. President Bill Clinton and his advisers naively challenged Russia's security perimeter, not realizing that "each inch of eastward expansion was bound to increase Russian distrust of the West." Whereas the architects of the Marshall Plan and NATO "acknowledged that a line was being drawn, and were willing to bear the necessary costs to defend it," the Clinton administration "was denying the line's existence." As Steil concludes, "Great acts of statesmanship are grounded in realism no less than idealism. It is a lesson we need to relearn."



But defining what constitutes “realism” is always a daunting challenge. Steil suggests that the United States must realistically accept a Russian security sphere in Europe. “Radical changes in Russia’s external environment were bound to have security implications,” he writes. But where do legitimate Russian interests cease, and where should realistic redlines be drawn today? Realism in 1947 clearly meant safeguarding Western Europe and western Germany from Soviet domination, but what constitutes realism now when it comes to the Baltic states, Crimea, and eastern Europe? Steil (understandably) does not answer these confounding questions with the specificity readers might crave.

Nonetheless, his careful analysis of the Marshall Plan illustrates what it takes for an administration to reboot its foreign policy after a disastrous start. Truman’s first 20 months in the White House were disappointing. The new president, by his own admission, was ill prepared to lead the country after President Franklin Roosevelt’s death. More often than not, Truman was frustrated and confused. His advisers fought with one another, and his first secretary of state, James Byrnes, seemed to deliberately keep him in the dark. Meanwhile, spiraling inflation and massive labor strife eroded his popularity. In an October 1945 letter, Truman wrote, “The Congress is balking; labor has gone crazy; management is not far from insane in selfishness. My Cabinet, at least some of them, have Potomac fever. There are more prima donnas per square foot in public life here in Washington than in all the opera companies ever to exist.”

Yet after the Democrats’ devastating defeat in the 1946 congressional elections, Truman recalibrated. He appointed a new secretary of state, and Marshall, ably assisted by Acheson and others, created an orderly policy apparatus, led by Kennan’s Policy Planning Staff. Through careful study, these policy-makers came to the conclusion that the real threats to U.S. interests in Europe were economic disarray and political upheaval, not Soviet military capabilities. They set U.S. priorities accordingly: reconstructing and integrating Western Europe, reviving and unifying the western zones in Germany, and thwarting the rise of the European left. They grasped the costs: a division of Europe, the “loss” of China, and an intensifying Cold War. To implement their strategy, they worked tirelessly to establish a collaborative bipartisan relationship with Senator Arthur Vandenberg of Michigan, the Republican chair of the Senate Foreign Relations Committee, without whose help the Marshall Plan would not have passed. Recognizing the importance of public opinion, they launched a massive public relations campaign and knowingly manipulated anticommunist slogans to mobilize support. They carefully crafted a budget that accounted for their foreign policy initiatives and placed appropriations for reconstruction ahead of funding for rearmament. And when it became necessary, they changed their approach, grudgingly accepting the need for strategic commitments and the consummation of the North Atlantic Treaty. That is what it took to make the Marshall Plan a success. 🌐

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# The People's Authoritarian

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## How Russian Society Created Putin

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*Michael Kimmage*

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*Lost Kingdom: The Quest for Empire and the Making of the Russian Nation*

BY SERHII PLOKHY. Basic Books, 2017, 432 pp.

*The Long Hangover: Putin's New Russia and the Ghosts of the Past*

BY SHAUN WALKER. Oxford University Press, 2018, 288 pp.

*The Future Is History: How Totalitarianism Reclaimed Russia*

BY MASHA GESSEN. Riverhead Books, 2017, 528 pp.

In 1839, the French aristocrat Astolphe Louis Léonor, better known as the Marquis de Custine, traveled to Russia to understand “the empire of the Czar.” Competing with his compatriot Alexis de Tocqueville’s study of American democracy, Custine produced a travelogue that was also an analysis of “eternal Russia.” Russians excelled at submission, Custine believed. Dissidents were dispatched to Siberia, “that indispensable auxiliary of Muscovite civilization.” Despotism at home kindled the desire for empire abroad.

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“The idea of conquest,” Custine wrote, “forms the secret aspiration of Russia.”

More than anything, Custine was overwhelmed by the artificiality of imperial Russia. “The Russians have everything in name, and nothing in reality,” he wrote. He called its princes “false and crafty” and deemed the country “better served with spies than any other in the world.” A conservative, Custine began his trip as an advocate for a French-Russian alliance, a union of Christian autocrats. His trip changed his mind about which major power France should befriend: “Everything which tends to hasten the perfect agreement of French and German policy is beneficent.”

Many of Custine’s conclusions would not seem out of place in American or European analyses of contemporary Russia. Current EU policy toward Moscow, based on the French-German alliance that Custine advocated, presumes precisely the Russian duplicity and danger that he described.

Serhii Plokhy, Shaun Walker, and Masha Gessen, the authors of three recent books on Russia, walk, perhaps unconsciously, in Custine’s footsteps. They rely on history and direct observation to explain eternal Russia and to chart the enigmas of its statehood, its foreign policy, and its president, Vladimir Putin. They explore Putin’s recipe for despotism: conjuring a glorious Russian past from the rubble of Soviet and pre-revolutionary history, presenting himself as the apogee of this past, and exerting his power as a strong ruler blessed by fate.

Yet all three books, stimulating and insightful as they are, bypass the problem that has most vexed Western policy since 2014. The psychology of Putin, the ideology of his regime, and the machinery



*Everybody loves Putin: at the Victory Day celebrations in Moscow, May 2018*

of the Russian state and military have received exhaustive attention in the West. The Russian people, however, remain poorly understood. Like many Western analysts (and like Custine before them), Plokhy, Walker, and Gessen lean on the motif of Russia as a place where nothing is real, a Potemkin village built on ancient myths and postmodern memes where the nation must be willed into being by the state. In their portraits, Russia is defined by the state's grip on society. What they miss is that society itself has a grip on the state. In Russia's future, this embrace will prove the decisive factor.

### **PARADISE LOST**

In *Lost Kingdom*, Plokhy examines how Russia built an empire through ideological artifice. In the early modern era, Russia needed to justify its westward expansion, so it invented a “myth of

origins” that claimed Moscow as an heir to Kievan Rus, a mystical Slavic and Orthodox Christian federation, and designated the city the third Rome, after Rome itself and Constantinople. This lost kingdom of Rus coincided roughly with modern Belarus, eastern Ukraine, and Russia west of the Urals. In the eighteenth century, when Catherine the Great's empire spread into Poland, this myth evolved into a policy of enforced uniformity. Ethnic Belorussians, Russians, and Ukrainians were all labeled one people, with a common Orthodox religion and a single history.

The revival of Rus was a lost cause from the outset, Plokhy argues. Although Russian Slavophiles were willing to accommodate Belorussian and Ukrainian national feeling, the makers of Russian foreign policy were not. Their pursuit of a homogeneous empire imposed a choice on Belorussians and Ukrainians:

become Russian or embrace an independent Belorussian or Ukrainian identity. As “the most egalitarian and democratic of the Slavs,” Plokhy writes, Ukrainians were open to a partnership with Russia but not to Russian domination. The imperial push for homogeneity fueled Ukrainian nationalism—until World War I intervened.

After the Bolshevik Revolution overthrew the tsarist dynasty and ended the Russia empire in 1917, Vladimir Lenin concluded that the greatest threat to the unity of the new Soviet state was Russian chauvinism. He proposed transferring power from Moscow to newly established Soviet republics on the former empire’s periphery, seeking a “voluntary union of peoples” to accommodate non-Russian national sentiment. When Lenin died, in 1924, his successor, Joseph Stalin, adopted this model in theory. But in practice, he incorporated Russian chauvinism into the new Soviet empire, a confederation on paper but not in fact. By the 1980s, the language and culture of the entire Soviet Union were on their way to Russification. Yet Lenin’s vision did have lasting effects. Because the Soviet Union was not a single Russian state and because it was not a Russian empire in name, Russians had to create an identity “separate from the imperial one,” Plokhy writes. “Almost by default, Lenin became the father of the modern Russian nation.”

This unstable arrangement ended with the breakup of the Soviet Union, which led to the full independence of Belarus and Ukraine. For Russians, the existence of a Ukrainian nation was uncomfortable evidence that their lost kingdom was truly lost. Russia cannot be an empire without Ukraine. That is why, Plokhy suggests, Putin seized Crimea

and invaded eastern Ukraine in 2014 after protests toppled a Ukrainian government that had leaned toward Russia. Plokhy does not think Russia will stop there. In his view, Moscow’s imperial instinct presages further conflict and “threatens the stability of the whole East European region.”

Walker, a journalist for *The Guardian*, offers a similar diagnosis of Russian imperialism in *The Long Hangover*. The Soviet collapse traumatized the Russian people, he writes, and rather than heal the trauma, Putin and his government “exploited it, using fear of political unrest to quash opposition, equating ‘patriotism’ with support for Putin, and using a simplified narrative of the Second World War to imply Russia must unite once again against a foreign threat.”

Walker details several of the paths not taken toward a Russia that might have been more accommodating of Western liberalism. One was Russia’s failure to undertake a full-scale reckoning with the crimes of the Stalin era. Putin’s government has worked to expunge from public memory the gulag, Stalin’s Great Terror, and the complicity of ordinary Russians in the killing. It has also avoided taking responsibility for the Soviet Union’s other crimes, such as the mass deportation of Crimean Tatars during World War II or the Soviet occupation of Eastern Europe.

Unable to deal with its actual past, the state has turned to celebratory myth. In 2005, the state-run news agency RIA Novosti created and popularized an orange and black Saint George’s ribbon, based on imperial Russia’s highest military decoration and intended to commemorate the Soviet Union’s victory in World War II. In 2008, the government revived Soviet-style military parades, featuring

heavy weapons. Walker fears that Russia has dealt with its post-Soviet hangover by drinking from the cup of Soviet nostalgia.

That theory leads him to an explanation for the war in Ukraine that is at odds with Plokhy's. Where Plokhy stresses the romance of empire and eastern Slavic unity, Walker puts "the Kremlin's cynicism" in the foreground. Having reintroduced the Russian people to the idea that victories abroad were central to Russia's cohesion, Putin could not limit himself to Stalin's victory in World War II. He needed a triumph of his own. With the annexation of Crimea, Putin got his wish.

Hollow triumphs are no less a theme in Masha Gessen's *The Future Is History*. Her book is both a sweeping attempt to capture the last 40 years of Russian history and a personal reckoning. Gessen was born in Russia and immigrated to the United States as a teenager. She returned after the collapse of the Soviet Union eager to cover her country of origin's "embrace of freedom and its journey toward democracy." Once there, she encountered a less heartening story: "Russia's reversion to type on the world stage." The book, which follows the lives of seven Russians, recounts a battle of ideas. Most of her subjects are agents of progress striving not just for democracy but also for a modern Russian culture enlightened by the social sciences.

Soviet society "had been forbidden to know itself," Gessen maintains. A few cracks in the mass ignorance began to appear during glasnost and perestroika, the period of limited reform and opening that Soviet Premier Mikhail Gorbachev inaugurated in the 1980s. At their best, Gorbachev and other reformers sought "to restore thought and knowledge to the land," Gessen writes. In the 1990s,

the children of these reformers brought polling, sociology, psychology, and LGBT studies to Russia. Their aim was to transform *Homo sovieticus*—whose psyche was hemmed in by "obedience, conformity, and subservience"—into the autonomous, informed, and self-aware citizen of a true democracy.

On the other side were reactionaries such as the philosopher Alexander Dugin, the only Putin supporter among Gessen's subjects. Inspired by Eurasianist thinkers such as the ethnographer Lev Gumilyov, who trumpeted the "essential nature of ethnic groups," Dugin foresees a unique destiny for the Russian people. For Dugin, a defining feature of Russia is its absolute separation from the West. He has argued for a martial foreign policy conducted along civilizational lines. In 2012, he predicted that Putin would fall if, in Gessen's words, he "continued to ignore the importance of ideas and history." Technocratic stewardship of the economy was not enough. Putin needed to show Russia's strength and to compensate for past humiliations.

By 2014, a version of *Homo sovieticus* had returned. The Russian state had restored the authoritarian Soviet institutions. Putin had dispensed with President Boris Yeltsin's concept of "national penitence" for the sins of Soviet communism. Putin skillfully exploited divisions within Russia by championing "traditional values," including an official aversion to homosexuality, and by stylizing the state as the safeguard against Western decadence. Ideology was ascendant. The social sciences were cast as an obstacle to conformity. "Russia," Gessen concludes, "had a mafia state ruling over a totalitarian society."

### THE NATURE OF THE REGIME

Both Plokhy and Gessen suggest that the Russian state is moving toward fascism. After the annexation of Crimea, Putin argued that the collapse of the Soviet Union had left Russians a “divided” people. He declared that Russia “could not abandon Crimea and its residents” to live under the new pro-EU Ukrainian government. For Gessen, this rhetoric “recalled Hitler’s Sudetenland speech directly.” Plokhy refers to a “Crimean Anschluss.” Plokhy, Walker, and Gessen all agree that Putin depends on militarism to retain power. Well before 2014, the state had distorted history to stigmatize the West, valorize Russia’s wars, and thereby compel the loyalty of the Russian people. The war in Ukraine is merely the kinetic version of this political project.

Plokhy, Walker, and Gessen are haunted by the modern, self-critical, conciliatory polity that Russia failed to become after 1991. Plokhy can only urge “Russian elites to . . . adjust Russia’s own identity to the demands of the post-imperial world” and to abandon the awkward anachronisms of Russian foreign policy. Gessen finishes her book with an absurdly macabre portrait of Moscow in 2016, a city with “the geometry and texture of a graveyard,” the capital of a country impervious to the marvels of liberal civilization, a country “seized by the death drive.”

But fascism, totalitarianism, and “the death drive” are misleading descriptions of contemporary Russia. They mask the uncoerced, or popular, foundation of the post-Soviet Russian state and, indeed, of Putin’s government. One pillar is the Russian history not identical to imperial conquest. Missing for the most part from these books is the enthusiasm among

Russians for their individual and communal pasts, for the history that is not pathological (at least not in Russian eyes), for the lived experience of their extended families. Many Russians love the Russia they have inherited from the Soviet and immediate post-Soviet periods, with its language, literature, landscapes, music, popular culture, jokes, and food.

The very disruptions of recent Russian history have heightened an emotional connection to the past that neither the West nor the westernization of Russia can supply. In the eyes of the West, Russia should be rapidly distancing itself from its traumatic twentieth-century history. To many Russians, that would be tantamount to amputation. They want a Russian leader who, like Putin, works with, rather than against, the past.

### PUTIN’S POPULARITY

The degree of Putin’s genuine popularity is unknowable. His reelection earlier this year was more a display of apathy than ardor. All polling and electoral data in Russia are suspect, but Putin clearly dominates the political culture. He has delivered the stability that many Russians craved before his presidency, although, as Dugin realized in 2012, stability is boring. Still, although nationalist ideology can be exhilarating, Russians are skilled at decoding propaganda, another legacy of their Soviet past. The government’s success in manufacturing the nation’s obedience may be much more superficial than Putin would like.

For now, Putin’s system works because it meets Russian culture halfway. Society is fostering some of the tendencies for which the government takes credit, such as the assertion of

Russian pride and the refusal to serve as a student of the West. Gessen writes of an early Soviet Union in which “the expression and cultivation of a Russian national identity were strongly discouraged.” A century later, Russian society is expressing and cultivating a national identity that would exist with or without Putin. That identity has created Putin more than he has created it.

A major weakness of both Walker's and Gessen's books is their subordination of culture to politics. Under Putin, Russian culture has been repressed and made into propaganda, but by the standards of Russian history, it has been relatively free and unpoliticized. It cannot be reduced to positions for or against the Kremlin. The theaters of Moscow and St. Petersburg have a vitality that has nothing to do with politics. *Leviathan*, a 2014 film that criticizes Putin's system of government and the Russian Orthodox Church, was funded in part by the Russian Ministry of Culture. High-quality Russian television shows, such as *Fartsa* (a Russian *Mad Men* of sorts), examine the Soviet past with originality and nuance.

The complications of this culture show up in the idiosyncrasies of Russian politics: the opposition stalwart Alexei Navalny appears to believe that Crimea belongs to Russia, Russian Communists chastise the post-Soviet state for abetting inequality, and many nationalists loathe Putin for not going far enough in Ukraine. These stances reflect the ambiguities and contradictions of the Russian population.

Dugin and the Western-oriented opposition figures Gessen describes occupy extremes on a wide spectrum. Most Russians are aware of the horrific corruption of their leaders yet see their

country as separate from western Europe and the United States. It is quite possible that Russians born after 1991, few of whom are followers of either Dugin or the opposition, believe in the distinctiveness of Russian culture more than their parents or grandparents ever did. At the same time, Russians young and old know that beyond providing stability, a degree of prosperity, military might, and a startling redesign of a few showcase cities, Putin has done little to modernize Russia. No amount of television programming or high-profile sports events can hide the effects of bad governance or the reality of strongman rule.

The deepest source of Putin's popularity comes from his foreign policy. As Gessen notes, polls showed that 88 percent of Russians supported the annexation of Crimea immediately after it took place, although, as she says, that is a questionable number. Popular feelings of victimhood and imperial longing help justify military action abroad, but so does sheer defiance of the West, the element of Russian life most confounding to Western observers. That defiance has its roots in the collapse of the Soviet Union and in the Cold War. But elements of it show up as far back as the nineteenth century—in Tchaikovsky's *1812 Overture*, for example, which commemorated, 68 years later, Russia's victory over Napoleon's invading army. Today, many Russians share an image of the West, and especially of its foreign policy, as aggressive, hypocritical, triumphalist, and condescending.

NATO's expansion in the 1990s and the first decade of this century bolstered this image in Russia. The alliance has always threatened Russian pride more than Russian security, and Putin is a virtuoso at appealing to wounded pride.

He has cheerfully defied the West in Georgia, Syria, and Ukraine, earning the support of many, perhaps even most, Russians because he does not back down, as Gorbachev and Yeltsin did before him. Since 2014, Putin has held his own, militarily and economically. Although he cannot remain president forever, his adversarial foreign policy will outlast him.

### LIVING WITH RUSSIA

Western policymakers must take better account of popular Russian attitudes. So far, diplomatic efforts to end the war in Ukraine have failed because the West has little leverage over Russia. The tool it has chosen—economic sanctions—has only whetted the popular Russian appetite for defying the West. Plokhly refers to “the crippling effect of the economic sanctions.” But each year since 2014, Russian foreign policy has grown more recalcitrant, more anti-Western, and more ambitious. Western countries have sometimes aspired to turn Russia into a responsible stakeholder in the international order. At other times, they have tried to isolate Russia and prevent it from using force outside its borders. They have not been able to achieve either goal.

Even when power does change hands in Moscow, Western policy must rest on sober expectations of what is likely and what is possible. Hopes of a democratic friendship between Russia and the West are dead, and in a contested relationship, Russia will prove a formidable adversary. The Russian population will tolerate major sacrifices for the sake of prevailing in a confrontation with the West. Russians are in no rush to adjust their identity to the demands of the post-imperial world.

Western powers, then, should confront Moscow only on issues on which their own will is strong, such as cyberwarfare, election interference, and the integrity of NATO. They should not attempt to deter Russia with false displays of strength, because Russian politicians pay a heavy domestic price for backing down and will do so only as a last resort. In Syria and Ukraine, Moscow has not been shy about calling Western bluffs. When Western countries do decide to challenge Russia, they should take bold steps, present clear ultimatums, and be willing to back up any threats with their superior resources.

At the same time, the West should pursue extensive cultural and diplomatic contacts with Russia, just as it did with the Soviet Union during the Cold War. When and if Russia westernizes, it will be on Russian terms. So without expecting Russia to be yet another European country, Western governments and societies should break down the divisions between Russia and the West by emphasizing common ground and by offering an image of Western life that defies the caricatures that are prevalent in official Russian media. There will be no easy breakthroughs. There may be only irritation and stalemate. Still, it would be wise to balance sanctions, military buildups, and pointed rhetoric with a sincere message to the Russian people that, although Western powers are ready for anything, they would prefer peace to permanent conflict. 🌐



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# Did America Get China Wrong?

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## The Engagement Debate

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### The View From China

*Wang Jisi*

“**T**he United States has always had an outsize sense of its ability to determine China’s course,” Kurt Campbell and Ely Ratner write in their article “The China Reckoning” (March/April 2018). Of course, China here could be replaced by present-day Egypt or Venezuela, or by South Vietnam before the fall of Saigon in 1975. Americans have often thought that they could alter another country to their liking and then felt frustrated when things turned out otherwise. Still, Campbell and Ratner’s self-reflection is admirable. And their counsel—that Washington should focus more on its own power and base its China policy on more realistic expectations—is worth taking seriously.

Although Campbell and Ratner have legitimate reasons to be dismayed at the direction of the U.S.-Chinese relationship, their Chinese counterparts may be equally disillusioned with, and probably more perplexed by, the United States. Some U.S. watchers in China, myself included, find the country we have studied for years increasingly unrecognizable and unpredictable. We should do our own self-reflection to examine what went wrong. Political polarization, power struggles, scandals, a lack of confidence

in national establishments, tweets doubling as policy announcements, the frequent replacement of top officials in charge of foreign affairs, vacancies in important government positions—similar problems existed before, but their intensity and scope have been particularly stunning since the 2016 U.S. presidential election.

The way the Trump administration is wielding U.S. power and influence is bewildering to Chinese political analysts. In recent years, Americans have often asked China to follow the “rules-based liberal international order.” Yet Washington now has abandoned or suspended some of the same rules that it used to advocate, such as those of the Paris agreement on climate change and the Trans-Pacific Partnership. It has become harder and harder for foreign-policy makers in China to discern what rules the Americans want themselves and others to abide by, what kind of world order they hope to maintain, and where Washington is on major international issues.

Even more unsettling to Beijing is that a new American consensus is emerging with regard to China. In the United States, “hard realists” focus on China’s military and assertive behavior abroad, while “liberals” deplore China’s effort to tighten political control at home. These two threads have converged in the view that China is a major “strategic competitor” and “revisionist power” that threatens U.S. interests. Official documents, such as the Trump administration’s National Security Strategy, enshrine this depiction. As a result, U.S.-Chinese business deals, educational exchanges, and other agreements are becoming increasingly fraught. Previous crises, such as the NATO bombing of the

Chinese embassy in Belgrade in 1999 or the midair collision of a Chinese fighter jet and a U.S. reconnaissance plane near China's Hainan Island in 2001, created temporary storms. The current deterioration in relations may prove more permanent.

Still, two larger principles should prevent a head-on confrontation between China and the United States. First, as the *New York Times* columnist Thomas Friedman has pointed out, the primary geopolitical divide today is between "the world of order" and "the world of disorder." Both China and the United States belong to the world of order. Campbell and Ratner regret that events elsewhere distracted from the Obama administration's effort to "pivot," or "rebalance," U.S. strategic attention to Asia. Yet that might not have been such a bad thing. Despite labeling China as the United States' principal rival, the Trump administration has fixed its attention on the world of disorder (especially the Middle East and North Korea), and that shouldn't change as long as China does not commit any blunder that might draw the United States' focus away from more imminent troubles.

Second, even as strategic competition and economic friction are likely to intensify between the two countries, there is potential for cooperation. U.S. renewable energy technology, for example, could help China address its environmental challenges. And millions of Chinese people would be willing to spend their savings on American medical breakthroughs if society-to-society ties were strengthened.

Campbell and Ratner seem disturbed by "the increasingly prominent view in China that the United States (along

with the West more broadly) is in inexorable and rapid decline." In fact, Chinese think tanks and media constantly debate whether the United States is a declining power, and no consensus has emerged. Despite occasional triumphalism in Chinese official media, Beijing remains sober-minded enough to see China as a developing country still trying to catch up with the United States not only economically but also in terms of higher education and technological know-how. In reality, compared with most other countries in the world, both China and the United States are rising powers. Although China is rising more rapidly, the power gap between the two countries is still significant. It would be wise for China to adhere to Deng Xiaoping's approach of "keeping a low profile" and to avoid overstretching its resources.

In his 2011 book, *On China*, former U.S. Secretary of State Henry Kissinger proposed that Beijing and Washington establish a relationship of "co-evolution," in which "both countries pursue their domestic imperatives, cooperating where possible, and adjust their relations to minimize conflict." I think "co-evolution" also means "benign competition." Finding out which country is better able to handle its domestic affairs and satisfy its citizens is the most constructive form of competition between China and the United States.

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## Engagement Works

*J. Stapleton Roy*

Attacks on the supposedly failed China policy of the past 40 years, such as that by Kurt Campbell and Ely Ratner, are based on the false premise that the policy was meant to remake China in the United States' image. Such critiques often fail to distinguish between the way Washington publicly justifies its policies, by referring to values, and the way it actually formulates them, by putting national interests first.

Consider Richard Nixon, the ultimate realist. In 1967, before his election to the presidency, he wrote in this magazine about the need to transform China. But when he became president, and his skillful policy brought China to the U.S. side in the Cold War, his real intent became clear: not to turn China into a democracy but to gain a geopolitical advantage for the United States in the competition with the Soviet Union.

Another example is U.S. efforts to establish diplomatic relations with China in the late 1970s. (I participated in the secret negotiations as a State Department official.) Washington could not fully exploit its advantage in the Cold War without establishing diplomatic relations with Beijing. It was that sentiment—and not gauzy dreams of Chinese democracy—that drove the policy of normalization.

An exception to the rule of interest-based policy formulation was the Clinton administration's misguided decision in 1993 to link most favored nation trading status to human rights in a vain effort to use economic leverage to force changes in Chinese behavior. (As the U.S. ambassador to China at the time, I doubted the

wisdom of this approach but sought to carry it out to the best of my ability.) The policy failed, not because of obduracy in Beijing but because the United States put one of its interests in opposition to another. This produced internecine warfare in Washington. Ultimately, the president rescinded the policy.

To date, constructive engagement has served U.S. interests well. Since the 1980s, cooperation with China has advanced U.S. national interests in many areas. American businesses were eager to tap into the Chinese market, and U.S. companies lowered the cost of their goods by taking advantage of cheaper labor. Although Maoist China believed that nuclear proliferation would break the monopoly of imperialists and hegemons, China under Deng Xiaoping accepted that proliferation posed a threat to Chinese interests and acceded to the Nuclear Nonproliferation Treaty in 1992. Today, dealing with global warming would be impossible without Chinese cooperation.

Meanwhile, China changed for the better all on its own. The Communist Party's decision to let the country's best students study at U.S. universities, exposing them to the vitality of the U.S. market-based economy and showing them the positive role that an independent judiciary and a free press can play in checking abuses of power and corruption, has made a profound impact. Chinese diplomats, some trained in the United States, have become highly professional. Chinese financiers have brought home financial skills learned in the West. And Chinese lawyers, influenced by international standards, have quietly drafted new prison laws to curb torture and the mistreatment of prisoners.

Should the United States have hindered the economic development in China that has lifted hundreds of millions of Chinese out of abject poverty? How would that have accorded with U.S. values? At every step of the way, U.S. policymakers have known that a more prosperous and more powerful China would take on the characteristics of a rising power. That was not, and should not have been, cause for alarm. Do Americans really believe that their government lacks the capacity to deal with powerful countries in ways that do not lead to war?

Last fall, the chairman of the Joint Chiefs of Staff testified to Congress that China would become the biggest threat to the United States by 2025. That is quite possible. Should Washington mistakenly conclude that this outcome is predetermined, it will happen even sooner. Slashing the State Department's budget, inducing the most experienced Foreign Service officers to leave in droves, and disparaging diplomacy will weaken the foreign policy arm of U.S. strategy and make military solutions the sole alternative.

There is a better way. The wisest approach would be to continue engaging with China while focusing on advancing U.S. interests. If Washington behaves responsibly, the U.S. military presence in East Asia will balance China's growing strength and foster its peaceful rise. Meanwhile, the United States should stop sending the world the message that it is no longer prepared to play a constructive global leadership role. Instead, it should emphasize that U.S. policies seek the common good, not simply the good of the United States. Making the U.S. model more attractive should be the

starting point of any effort to deal with a rising China.

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## The Signs Were There

*Aaron Friedberg*

**K**urt Campbell and Ely Ratner's essay is a valuable contribution to the intensifying debate over the future of U.S. China policy, but it is also incomplete and, in certain respects, misleading. Although no school of thought or individual observer can claim to have gotten China completely right over the past quarter century, some have done better than others at grasping Beijing's motivations and anticipating its behavior. The "clear-eyed rethinking of the United States' approach to China" that Campbell and Ratner call for should begin by acknowledging this disparity and examining the divergent beliefs and assumptions that lie behind it.

As the authors note, events have decisively disproved the predictions of those who claimed that engagement would lead to China's economic and political liberalization and its transformation into a "responsible stakeholder" in the U.S.-led international order. Optimistic observers underestimated the Chinese Communist Party's resourcefulness, ruthlessness, and unwavering determination to retain its exclusive grip on domestic political power, and they overstated the material and ideological forces that were supposedly pushing China toward greater openness, integration, and democracy. Since Deng Xiaoping began the process of "reform

and opening up,” China’s leaders have confounded the expectations of their Western counterparts, finding ways to enjoy the benefits of participation in the global economy while retaining control over their people through an evolving mixture of co-optation, coercion, and indoctrination.

Whether they realized it or not, the optimists were influenced by academic theories about the requirements of economic growth, the links between development and democracy, and the socializing effects of participation in international institutions. The widespread acceptance and apparent authority of these theories made it easier to downplay or ignore evidence that seemed to contradict them. In addition, from the 1990s onward, Beijing used propaganda and influence operations to encourage the perception that engagement was achieving its desired effects.

Many optimists also appear to have suffered from a failure of imagination and a lack of strategic empathy. They could not conceive of what Beijing might want other than to become a full member of the Western “club,” and they seem not to have understood that the liberal principles on which the prevailing international order was based were profoundly threatening to China’s authoritarian rulers. Whatever their shortcomings, however, optimistic arguments underpinned a set of policies that promised to promote peace and stability and that were enormously profitable for at least some sectors of American society. It is not surprising that these policies were backed by a broad coalition of experts, business executives, politicians, and former government officials.

In support of their assertion that “all sides of the policy debate erred,” Campbell and Ratner include one example of what might be called “hawkish optimism”: the argument that if it maintained a sufficient margin of advantage, the United States could dissuade China from trying to compete with it in the military domain. Although this view had some adherents, with the passage of time, most China hawks argued not that competition could be avoided but that the United States needed to run faster in order to stay ahead. If not for the 9/11 attacks, this is the approach that the George W. Bush administration would have pursued with greater vigor, and it was the course of action that the Obama administration attempted to resume with its 2011 announcement of the “pivot.”

The fact is that not everyone has been equally optimistic about the ability of U.S. policy to change China or to steer relations onto a smooth and peaceful trajectory. Absent from Campbell and Ratner’s account is any discussion of those who, for some time, have questioned the efficacy of engagement and warned that an escalating competition with China was, if not inevitable, then highly likely. Like their optimistic cousins, these skeptics came in several varieties. As China’s economic growth accelerated in the 1990s, some theorists of international relations (such as Samuel Huntington) cautioned that fast-rising states have historically tended to seek regional, if not global, hegemony, pursuits that have often brought them into conflict with the dominant powers of their day. Around that time, a handful of defense analysts (led by Andrew Marshall, the director of the Pentagon’s Office of Net Assessment) began to warn that if it acquired large

numbers of conventional precision-strike weapons, China might be able to offset the United States' seemingly overwhelming advantage in military capabilities, thus neutralizing its ability to project power into the western Pacific. And beginning in the early years of this century, despite talk of village elections, the growth of civil society, and the unstoppable momentum of market-driven reforms in China, a few close observers (such as James Mann, Andrew Nathan, and Minxin Pei) identified retrograde, repressive, statist, and nationalist tendencies in the political and economic policies of the Chinese regime.

For most of the past quarter century, the skeptics struggled to gain traction against their more numerous, influential, and optimistic opponents. In time, U.S. policy grew ever more lopsided. Washington continued to pursue engagement while failing to invest adequately in the diplomatic and military policies needed to balance China's growing strength and without paying sufficient attention to the risks of opening up its economy and society to an emerging strategic competitor.

The United States and its democratic allies today face an increasingly rich and powerful authoritarian rival that is both ambitious and deeply insecure. China's rulers are attempting to use every instrument at their disposal to reshape Asia and the world in ways that serve their interests and defend their domestic regime. This is a challenge of historic proportions. But it should not have come as a surprise.

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## **Don't Abandon Ship**

*Thomas Christensen and  
Patricia Kim*

**K**urt Campbell and Ely Ratner brand decades of U.S. policy toward China as a failure, reflecting Washington's current apprehension over the direction of Beijing's domestic and foreign policies. But their article misses the mark in fundamental ways, offering an often inaccurate account of U.S. officials' expectations of and strategies toward China and sweeping the many achievements of past decades under the rug.

It is unrealistic to think that the United States could drive China to abandon its political system and to curb its ambitions to become a great power. But history has demonstrated that the United States can affect how China pursues its interests by projecting American strength and leveraging common interests. It would be rash and self-destructive, therefore, for Washington to abandon efforts to shape China's policy choices, as Campbell and Ratner suggest.

Campbell and Ratner identify President Richard Nixon's opening to China as the start of a failed attempt to alter China's political trajectory. But rapprochement was never designed primarily as a means to change Beijing's basic interests; it was about recognizing common interests and working with China for mutual benefit. China's decision to side with the anti-Soviet camp created enormous advantages for the United States and great costs for the Soviet Union. For example, the Chinese border with the Soviet Union and Mongolia tied down more Soviet forces than were stationed in all the Warsaw Pact countries.

Through rapprochement, Chinese leaders also came to see the stabilizing benefits of the U.S. presence in East Asia, which underpinned its tacit acceptance of the U.S.-Japanese alliance. As Campbell and Ratner point out, Beijing today is much less sanguine about this system and is increasing its capabilities to counter the U.S. military presence in the region. But there is little evidence of a concerted effort to drive the U.S. military out of Asia. Chinese analysts still grudgingly recognize that the U.S. presence can serve as a restraint on U.S. allies in the region and prevent the escalation of local conflicts. Washington can still use this common desire for stability, along with clear projections of U.S. strength, to encourage cooperative behavior by China in East Asia.

Although the United States made some compromises on its Taiwan policy along the path toward the normalization of relations with China in 1979, it has successfully protected the island from domination despite the massive rise of mainland China's power in subsequent decades. Under the United States' own "one China" policy, the United States has maintained a robust relationship with Taiwan, which has created incentives for mainland China not to act rashly to achieve unification. Taiwan is now a free and wealthy democracy. It almost certainly would not be either of those things without the United States' balanced, informed, and firm posture toward cross-strait relations over the last five decades.

U.S. policies toward China and the World Trade Organization have also fostered a web of economic interdependence that has produced great prosperity and arguably been a major force for peace. Since China joined the WTO, in 2001, U.S.

exports to China have grown faster than U.S. imports from China. China is now the United States' third-largest export market. Beijing's recently introduced "Made in China 2025" campaign and the ongoing coerced transfer of intellectual property from foreign firms to Chinese ones are troubling, but this is hardly the fault of WTO agreements, which are primarily about trade. What is needed to address such problems are more agreements—for example, a bilateral investment treaty and U.S. accession to the Trans-Pacific Partnership—and much better enforcement of existing ones.

The effort since 2005 to urge China to become a "responsible stakeholder" in the existing international order has often been frustrating, but it has hardly been a failure. The United States has convinced a reluctant China to contribute to important international efforts, such as reducing genocidal violence in Sudan, pushing Iran to negotiate the nuclear deal, and pressuring North Korea to reenter negotiations on nuclear disarmament. The United States has little choice but to seek Chinese cooperation on such matters: China's economic footprint is so large in these troubled regions that it could single-handedly undercut international pressure.

Campbell and Ratner seem to suggest that almost anything China does to become more influential, including developing a stronger military, is revisionist. To them, that's true even of China's development of the Asian Infrastructure Investment Bank (which adheres to the existing norms of international development lending), because they view the international order as by definition U.S.-led. According to this logic, the only way that U.S. policy could be considered a success is if China were to stop getting

stronger or refrain from seeking a larger voice with its growing power. Such a standard is unrealistic and provides no guidance for how the United States can best manage the reality of China's increasing power and influence.

Although the United States could never dictate Chinese foreign policy, it can, along with allies and partners, shape the environment around China so that destabilizing policy options appear unwise to Chinese elites. As China's power grows, this task will become more challenging, but it is not impossible. It can be achieved with precisely the policies Campbell and Ratner advocate, including a strong U.S. presence in East Asia and the avoidance of unnecessary confrontations. In fact, this is what U.S. officials in all administrations since Nixon's have advocated. And despite dismissing decades of U.S. China policy as an utter failure, Campbell and Ratner largely promote a strategy of staying the course.

Campbell and Ratner are rightly concerned about various disappointing trends in Chinese domestic and foreign policy since the 2008 financial crisis: the strengthening of authoritarianism at home, the moves away from marketization, and China's abandonment of its "peaceful rise" diplomacy of the previous decade in favor of assertive behavior in regard to sovereignty disputes in the East China and South China Seas. But many Chinese observers, including well-placed ones in the Chinese Communist Party, share these concerns and disappointments. In 2007, few of them would have anticipated all that transpired in the decade that followed, so it seems unfair to claim that U.S. China watchers were naive or ill informed when they hoped for or expected better.

Ultimately, if there is to be progressive political change in China, it will have to come from within China itself. But the United States should continue encouraging Chinese leaders to seek political stability and greater prosperity through more liberty and freer markets. The United States can do this in two ways: by getting its own house in order to set an example that inspires Chinese citizens and elites and by continuing to try to persuade Chinese leaders at all levels that political and economic reform will produce more stability and wealth than will doubling down on statist economics and authoritarianism. Liberal democratic ideas are still powerful in China—that is precisely why the Chinese Communist Party spends so many resources countering them.

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## **Time Will Tell**

*Joseph S. Nye, Jr.*

**K**urt Campbell and Ely Ratner are right to raise questions about the assumptions that have guided U.S. China policy. Twenty-five years ago, the West bet that China would head toward democracy and a market economy. Such a bet was not simply the product of post-Cold War illusions. Social science theories of modernization suggested that as an economy approached



the threshold of an annual income of \$10,000 per capita, an expanding middle class would demand more liberties. This expectation was based not only on Western history but also on the recent experiences of Asian countries such as South Korea. Moreover, the development of the Internet meant that societies had access to vastly more information than ever before. U.S. President Bill Clinton said that trying to control the Internet would be like trying to “nail Jell-O to the wall.” As it turned out, the Chinese Communist Party proved quite adept at that seemingly impossible task.

Were these theories wrong? Yes, in the short run, but it is too soon to be sure for the long run. It may take many more decades for modernization theories to be properly tested by history.

Regardless, U.S. policy toward China has not been a total failure. When I supervised the Pentagon’s East Asian strategy review in 1994, the United States knew that if it tried to contain China and prevent its economic growth, it would fail, because such a policy had no support in the region or elsewhere. Moreover, as I told the U.S. Congress at the time, treating China as an enemy would guarantee that it would become one. Integrating China into the international order would not assure future friendship, but it would keep open a range of cooperative possibilities.

Just to be safe, however, we created an insurance policy in case this bet failed. As Campbell has pointed out elsewhere, when it comes to U.S. grand strategy in Asia, some Americans start with China and work from the inside out. Others work from the outside in and aim to stabilize the situation by

arranging alliances in the region to balance Chinese power. That was the strategy we chose during the Clinton administration.

In 1994, we began to revive the U.S.-Japanese security alliance, which was in bad shape. Many Americans regarded the alliance as a Cold War relic, and some even feared a Japanese economic threat. In Japan, many politicians viewed the U.S. treaty as obsolete and wanted a closer relationship with China or reliance on the UN, instead of the United States, for security. After two years of hard work, we were able to reduce support for those positions in both countries. The joint declaration on a security alliance signed in April 1996 established the U.S.-Japanese treaty as the basis for stability and prosperity in East Asia in the post-Cold War era. It remains so to this day. Some American hawks argue that China wishes to expel the United States from the western Pacific, or at least push the country back beyond the chain of islands that run along China’s coast. But Japan is the heart of this island chain, and it pays the United States to keep 50,000 troops there. China is in no position to expel the U.S. military.

No one can be certain about China’s long-term future—not even Chinese President Xi Jinping. If the United States maintains its alliances with Australia and Japan and continues to develop good relations with India, it will hold the best cards in the Asian balance of power. The United States is better positioned than China not just in terms of military power but also in terms of demographics, technology, currency reserves, and energy independence. There is no need to succumb to exaggerated fears. Washington can wait

to see what future decades will produce in Beijing. Deng Xiaoping created a framework for institutional succession, which Xi has torn up. Xi's new system might not last forever. In the meantime, there are issues such as climate change, pandemic disease, nuclear proliferation, terrorism, and financial instability on which both countries can benefit from cooperation.

Maybe the United States was not so wrong after all. As strategic gambles go, the outside-in China policy has proved more robust than the current handwringers recognize.

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## **Better Together**

*Eric Li*

**K**urt Campbell and Ely Ratner rightly conclude that the United States needs to adjust its basic assumptions about China and pursue a more sustainable bilateral relationship. But the historical and contemporary contexts on which the authors draw to reach such a conclusion are deeply flawed. A strategic redesign based on this faulty reasoning would make the world less stable and leave the United States in a weaker position.

First, the assessment that the United States has always failed to induce changes in Chinese behavior is incorrect. Campbell and Ratner neglect to mention that President Richard Nixon's opening to China altered Chinese policies in the United States' favor, which was arguably

one of the most decisive factors in the outcome of the Cold War. Second, Beijing's participation in Washington-led economic globalization has made China perhaps the largest contributor to global economic expansion and interconnectedness in the past three decades. Fifteen years ago, the Chinese grand strategist Zheng Bijian coined the term "peaceful rise" to describe China's development. Many doubted such a shift would be possible. But a peaceful rise has already happened to a large extent.

In both ancient and modern times, violence and disruptions have accompanied the rise of great powers. The Athenian Empire, the Roman Empire, and the British Empire, along with France, Germany, Japan, and the United States, all invaded countless countries and territories, killed massive numbers of people, and subjugated large populations to enable their ascents. China's rise has been faster and bigger, yet so far, it has been largely peaceful. This is in no small part because of China's successful integration into the post-World War II international order.

As Campbell and Ratner admit, China has participated fully in the international institutions that it has joined, such as the Asia-Pacific Economic Cooperation, the International Monetary Fund, and the World Trade Organization. The authors fault China for not fully supporting, and at times seeking to undermine, the U.S. alliance system in Asia, which they present as a bedrock of the order. But China is excluded from this alliance system. Washington should not expect Beijing to comply with a system that acts against China's national interests.

American elites such as Campbell and Ratner assume that the current

international order empowers the United States to compel other countries to accept its political system and values and to militarily enforce what Washington views as the correct application of international rules. But the post–World War II order confers no such legitimacy. The UN Charter specifically guarantees national sovereignty. That was the kind of international order China signed on to after Nixon’s outreach; Beijing has never accepted Washington’s post–Cold War revision of the order, which expanded the powers of the U.S. alliance system to attack or invade sovereign nations without the endorsement of the UN Security Council.

China and the United States should and must cooperate to ensure a peaceful and productive twenty-first century. A realignment of the bilateral relationship is necessary, but it should be based on a correct understanding of the historical and contemporary contexts. If U.S. elites continue to believe that their country is entitled to global hegemony, the United States will accelerate its own decline. The world is too big, and too many developing countries are rapidly catching up, for a country of 325 million people to be its sole ruler.

But if the United States abandons its post–Cold War triumphalism and returns to the priorities that made the twentieth century “the American century”—rebuilding its own social cohesion, achieving a more equitable distribution of wealth, and investing in the future—it can excel in a more competitive world without making an enemy of China or anyone else. If the United States treats China, and indeed also Russia, with the respect that such a great power deserves by recognizing its natural sphere of

influence, it will have a chance to remain the world’s most powerful country for a long time.

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## **Campbell and Ratner Reply**

**I**n “The China Reckoning,” we advanced a straightforward set of claims: that U.S. policy toward China, particularly since the end of the Cold War, has been undergirded by the belief that China would gradually liberalize and broadly accept the existing international system; that the gap between these aspirations and China’s actual evolution is growing wider; and that this divergence calls for a reassessment of U.S. strategy.

The responses to our piece collected here are thoughtful contributions to the debate over how to interpret and advance U.S.-Chinese relations. Notably, despite quibbles over historical context and language, the responses rarely challenge our core arguments.

Admittedly, there are areas where our essay would have benefited from greater clarity or detail. It is true that many motivations have animated U.S. policy apart from ambitions to shape China’s future. Nevertheless, we stand by the assertion that assumptions about how China would change have been deeply embedded in the fabric of U.S. policymaking. These were not merely rhetorical devices to justify alternative ends, as Stapleton Roy suggests.

A careful reading of our essay should belie several reflexive and unfounded critiques. We did not argue that U.S.

policy has been an “utter failure,” as Thomas Christensen and Patricia Kim claim. This misinterpretation stems in part from sins of omission. We should have more prominently underscored the consequential achievements of U.S. China policy, including the remarkable diplomatic opening that reshaped the contours of the Cold War. We did, however, acknowledge that Washington’s engagement with Beijing has produced tremendous commercial gains and led to critical Chinese contributions on major international issues, including efforts to curb the nuclear ambitions of Iran and North Korea. Critics are right to add multilateral cooperation on climate change and stability across the Taiwan Strait to that list of accomplishments, and we agree that the environment and global health are important areas for future U.S.-Chinese collaboration.

That said, despite decades of diplomatic exchanges and a robust economic relationship, bilateral cooperation has remained hard fought and narrow, rarely enduring beyond particular moments when U.S. and Chinese interests happened to align. There are many reasons for this, but it is telling that China has been more willing to make concessions in response to the Trump administration’s threats of punitive action—for example, on North Korea and trade—than was often the case during the preceding decades of intense and respectful strategic engagement. This is less an endorsement of President Donald Trump’s approach than a recognition that Beijing rarely went to its bottom line under the policies pursued by previous U.S. administrations. Future U.S. officials will have to wrestle with this uncomfortable reality.

Nowhere do we assert that U.S. policymakers were naive or ill informed. For example, contrary to what some of our critics claim, we argued that U.S. engagement was grounded in modest expectations for gradual reforms, not rosy hopes for imminent Chinese democratization. In our view, many of these assessments were reasonable at the time, given the prevailing uncertainty over China’s development. Nonetheless, it is now clear that China is challenging core U.S. interests in ways that policymakers either did not anticipate or hoped to prevent.

Some critics have urged us to be more patient, arguing that China’s political evolution is not yet complete and that Washington should remain focused on efforts to empower reformers or, in the words of Christensen and Kim, “persuade Chinese leaders” to relinquish authoritarianism and China’s statist model. But continuing to base policy primarily on what the United States wants China to be, rather than what China is, will only inhibit Washington’s ability to respond effectively to the challenge. Although we concur that the Chinese people would benefit from a more representative system, near-term change does not appear likely. The United States needs a strategy to cooperate and compete with a China that is decidedly illiberal at home and abroad, even if we wish it were otherwise.

We readily acknowledge, as Aaron Friedberg observes, that there has been a healthy debate on China policy over the years, with no shortage of dissenting voices, some of whom warned that U.S. decision-making was based on overly optimistic expectations. But none of those arguments carried the day. After pivotal events such as the fall of the

Soviet Union, the Taiwan Strait crises of the mid-1990s, the 9/11 attacks, the global financial crisis of 2008, and the rise of Xi Jinping in 2012, Washington repeatedly returned to the same consensus approach. This current juncture, however, feels different, in part because the costs of being wrong about China's future are now substantially larger than in previous decades. The combination of China's increasing power and Beijing's propensity to wield it in a manner that is out of step with global norms suggests that a true China reckoning has arrived.

Some objections to our essay have centered on fears that rethinking U.S. China policy will necessarily lead to another Cold War. We did not call for the United States to contain China as it once contained the Soviet Union; in fact, we explicitly ruled out trying to isolate or weaken China as a sensible U.S. aim. That some commentators view containment as the default alternative to the traditional policy is itself a testament both to the urgent need for new ideas and to the paucity of strategic options in the current debate.

Furthermore, reexamining U.S. China policy does not require one to endorse Trump's foreign policies. There are commendable elements of the Trump administration's approach to Asia (even if much of it remains inchoate or incomplete), but an "America first" attitude to trade, alliances, human rights, and diplomacy runs the risk, as we wrote, of being "confrontational without being competitive." Analysts at home and

abroad should take care to separate a much-needed debate on U.S. China policy from critiques of Trump.

We share the views of Wang Jisi and Joseph Nye that the foundations of American power are strong. The United States boasts top-notch universities, innovative companies, favorable demographic trends, strong alliances, and plentiful energy resources, all of which provide a sound basis to protect and advance U.S. values and interests. We further agree that Washington should address endemic political dysfunction, fiscal irresponsibility, and income inequality at home, which threaten the United States' future at least as much as any foreign power does.

Our objective in writing "The China Reckoning" was to interrogate the old consensus and spark a debate about the assumptions that have guided U.S. China policy, not to propose specific prescriptions. Analysts and policymakers need to refocus their lenses and grapple with new realities. We hope that our essay and these responses will mark a meaningful step in that direction. 🌐

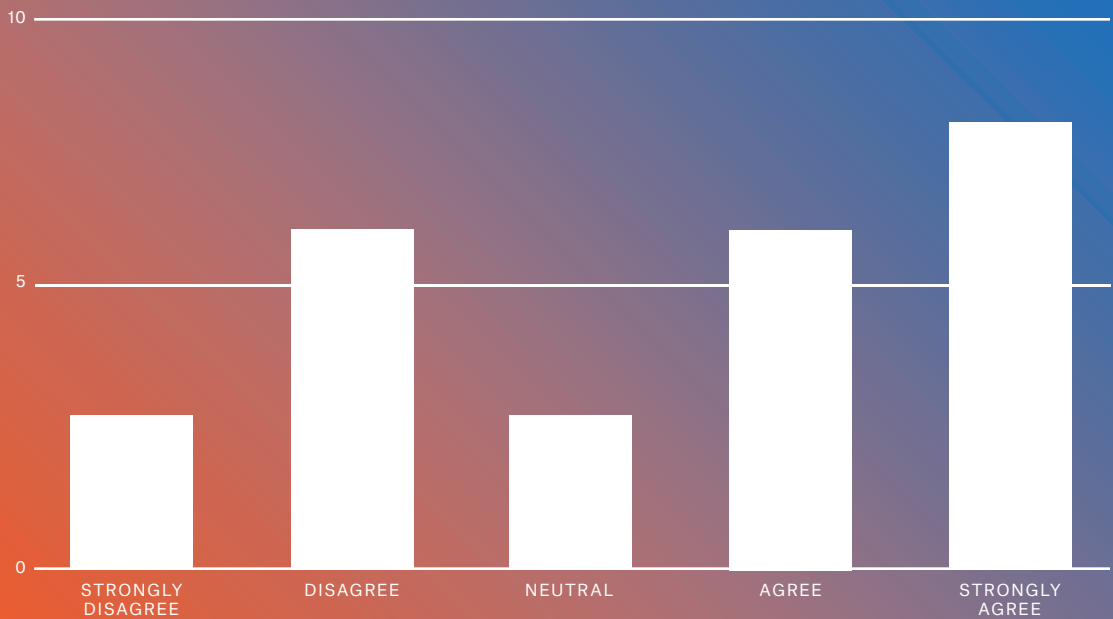
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**DISAGREE, CONFIDENCE LEVEL 10**

### Jytte Klausen

Lawrence A. Wien Professor of International Cooperation, Brandeis University

“U.S. counterterrorism policy looks like a game of whack-a-mole, but globalized jihadist terrorism poses a significant strategic threat to U.S. interests, to the international state system, and to the economic and social security of millions of people.”



**STRONGLY AGREE, CONFIDENCE LEVEL 8**

### Thomas Wright

Director of the Center on the United States and Europe and Senior Fellow in the Project on International Order and Strategy, Brookings Institution

“The U.S. focus on counterterrorism has come at the expense of policy toward major powers, particularly Russia and China. There has been a modest doctrinal shift recently, but there is still a very long way to go.”

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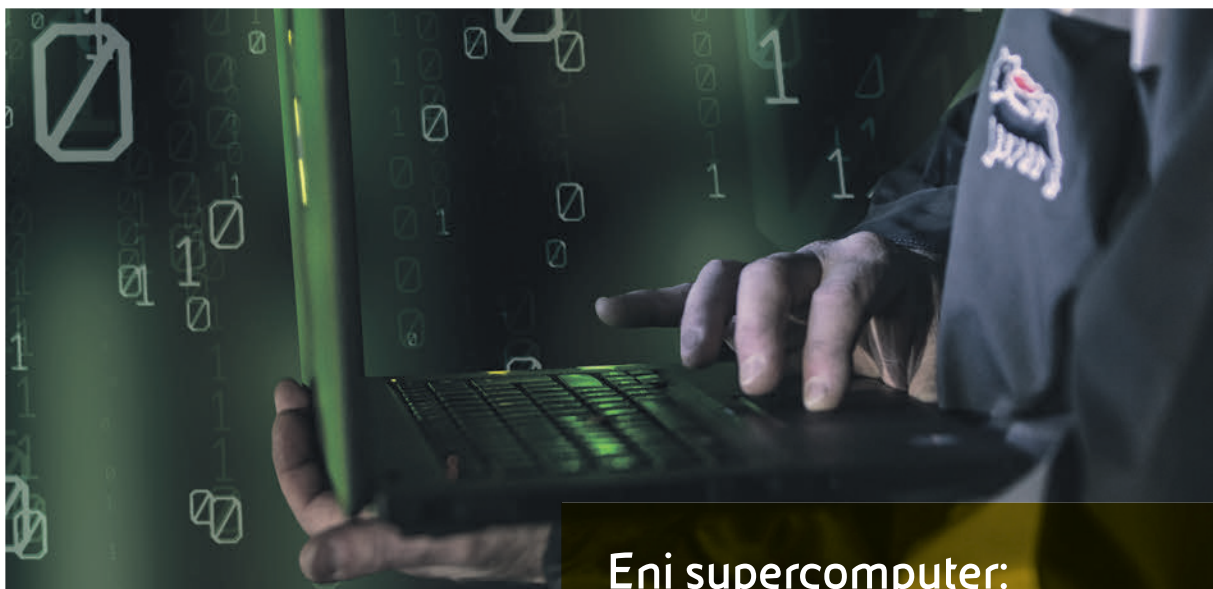
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