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NOVEMBER/DECEMBER 2015

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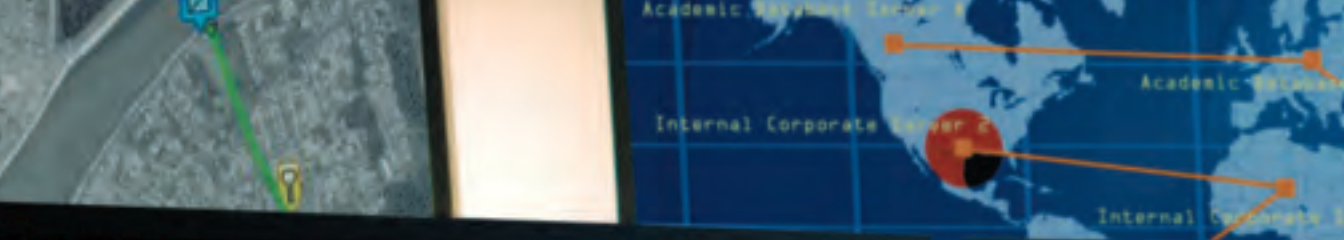


The Post-American Middle East

FOREIGN AFFAIRS

NOVEMBER/DECEMBER 2015 • VOLUME 94 • NUMBER 6 • THE POST-AMERICAN MIDDLE EAST

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```
user.localnet.net
status : UNKNOWN
login : PENDING
password : *****
tracetime : 450 s
files on host : 32

Downloading mactemp.log
[73%] 480 Mb / 670 Mb
trace in progress
4 channel wide
```

```
/usr/local/src/umlinter
[13] root.x
Machfile patchlevel.h
/usr/local/src/umlinter
/usr/local/bin/
/usr/local/src [13] la/
/usr/local/bin/umlinter*
*****
INITIALIZED
*****
Welcome to Nano Research

enter username
and password

username: jmsal2speech
password: *****

all done

disk available : 12
disk size : 870 Mb
session time : 400 s
software version 4.1b
use default settings Y/n
N
proceed
```



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CLEAR

Academic Research Server 1

Internal Corporate Tender 2

```
/var/ftp/pub/ftp/pub/other  
[S] ypub.ia  
Makelle patchLevel.3  
/var/ftp/pub/ftp/pub/other  
/var/ftp/pub/ftp/pub/  
/var/ftp/pub/ftp/pub/1000.0a/  
/var/ftp/pub/ftp/pub/other*  
*****  
*****
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CONTRIBUTORS

Few Americans have witnessed as much of Iraq's recent history as **ALI KHEDERY**, the longest-continuously-serving U.S. official in Baghdad. From 2003 to 2010, Khedery helped craft a series of historic negotiations, including the drafting of the Iraqi constitution and the formation of several Iraqi governments. Now in the private sector, in "Iraq in Pieces" (page 33), he takes stock of Iraq's recent disintegration and proposes self-determination as the best hope for stability.



ANAND MENON is a professor at King's College London, where he directs the UK in a Changing Europe initiative, which aims to improve the quality of public debate about the United Kingdom and the European Union. Menon, who is also an associate fellow at Chatham House, has advised U.S. diplomats and members of the British House of Lords on European policy. In "Littler England" (page 93), he argues that the United Kingdom is turning its back on international engagement, to its detriment.



A professor at American University, **LISA LEFF** studies the history of French Jews. Her most recent book, *The Archive Thief*, tells the story of the historian Zosa Szajkowski, who smuggled thousands of documents from France to the United States in a controversial attempt to relocate France's Jewish cultural heritage during and after World War II. In "How to Be a Jew in France" (page 132), she explores the lessons of Léon Blum, France's first Jewish prime minister, for a country that is home to rising anti-Semitism today.



After graduating from Yale at the age of 20, **RICHARD POSNER** went on to head the *Harvard Law Review*, clerk for U.S. Supreme Court Justice William Brennan, Jr., and become one of the most prolific legal scholars of the past half century, writing more than 40 books and 300 articles on subjects ranging from national security law to the ethics of plagiarism. Now a judge of the U.S. Court of Appeals for the Seventh Circuit and a senior lecturer at the University of Chicago Law School, Posner considers the relationship between foreign laws and the U.S. legal system in "The Law of the Lands" (page 138).



THE POST-AMERICAN MIDDLE EAST

After generations of authoritarian stagnation punctuated by moments of domestic repression and interstate war, in recent years, the Middle East has begun to move. The rise of radical Islamism, the invasion of Iraq and its chaotic aftermath, the uprisings of the Arab Spring and their bloody issue, and now a sustained drop in oil prices and successful negotiations with Iran—together these have opened up what could be an unsettling new era for all involved.

What are the contours of this new Middle East? Will Washington continue to pull back from actively managing the region, or will it develop an appetite for renewed intervention? And how will recent developments reshuffle alignments and allegiances? These are the questions this package tries to answer, delving deep into the current turmoil and its implications for U.S. policy.

To start, Steven Simon and Jonathan Stevenson argue that the U.S. shift to an “offshore balancing” approach, shunning ground operations and state building in the region, has been driven by a sensible recognition that Washington has dramatically reduced scope for successful intervention these days. But Daniel Byman says that counterterrorism from a distance is not enough and that renewed attempts at state building are necessary.


Michael Mandelbaum thinks that in order to deter Tehran from going nuclear, the Iran deal should be supplemented by an explicit threat of U.S. military action in response to significant cheating, and Cyrus Amir-Mokri and Hamid Biglari

explain the economic policy changes the Islamic Republic needs to enact in order to reap lasting benefits from the lifting of international sanctions.

Ali Khedery reports on the ongoing disintegration of Iraq, arguing that decentralization presents the least bad alternative for the country’s future, and Stephen Walt and Jared Cohen offer strategies for dealing with the Islamic State on the ground and in cyberspace, respectively. And Ilan Goldenberg and Melissa Dalton, Michael Wahid Hanna, and Natan Sachs trace the contours of the new dynamics between the United States and the Gulf Cooperation Council, Egypt, and Israel, respectively.

The old Middle East has been seriously shaken; where it persists or has been restored, such as in Saudi Arabia and Egypt, it limps on without confidence or permanence. The new Middle East remains a work in progress; from Iraq and Syria to Libya and Yemen, nobody knows how things will look when the dust settles. And whether, after the nuclear deal kicks in, Iran will choose conflict, integration, or a mixture of the two remains a mystery. Stay tuned.

—*Gideon Rose, Editor*



*The long period of American primacy
in the Middle East is ending.*
—Steven Simon and Jonathan Stevenson

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The End of Pax Americana

Why Washington's Middle East Pullback Makes Sense

Steven Simon and Jonathan Stevenson

The Obama administration has clearly pulled back from the United States' recent interventionism in the Middle East, notwithstanding the rise of the Islamic State (also known as ISIS) and the U.S.-led air war against it. Critics pin the change on the administration's aversion to U.S. activism in the region, its unwillingness to engage in major combat operations, or President Barack Obama's alleged ideological preference for diminished global engagement. But the reality is that Washington's post-9/11 interventions in the region—especially the one in Iraq—were anomalous and shaped false perceptions of a “new normal” of American intervention, both at home and in the region. The administration's unwillingness to use ground forces in Iraq or Syria constitutes not so much a

STEVEN SIMON is a Visiting Lecturer at Dartmouth College and served as Senior Director for Middle Eastern and North African Affairs at the White House from 2011 through 2012.

JONATHAN STEVENSON is Professor of Strategic Studies at the U.S. Naval War College and served as Director for Political-Military Affairs for the Middle East and North Africa on the U.S. National Security Council staff from 2011 to 2013.

withdrawal as a correction—an attempt to restore the stability that had endured for several decades thanks to American restraint, not American aggressiveness.

It's possible to argue that pulling back is less a choice than a necessity. Some realist observers claim that in a time of economic uncertainty and cuts to the U.S. military budget, an expansive U.S. policy in the region has simply become too costly. According to that view, the United States, like the United Kingdom before it, is the victim of its own “imperial overstretch.” Others argue that U.S. policy initiatives, especially the recent negotiations with Iran over its nuclear program, have distanced Washington from its traditional Middle Eastern allies; in other words, the United States isn't pulling back so much as pushing away.

In actuality, however, the main driver of the U.S. pullback is not what's happening in Washington but what's happening in the region. Political and economic developments in the Middle East have reduced the opportunities for effective American intervention to a vanishing point, and policymakers in Washington have been recognizing that and acting accordingly. Given this, the moderate U.S. pullback should be not reversed but rather continued, at least in the absence of a significant threat to core U.S. interests.

BACK TO NORMAL

Between World War II and the 9/11 attacks, the United States was the quintessential status quo power in the Middle East, undertaking military intervention in the region only in exceptional circumstances. Direct U.S. military involvement was nonexistent, minimal, or indirect in the 1948 Arab-Israeli war, the 1956 Suez crisis, the Six-Day War in 1967, the Yom

Kippur War in 1973, and the Iran-Iraq War in the 1980s. The 1982–84 U.S. peacekeeping mission in Lebanon was a notorious failure and gave rise to the “overwhelming force” doctrine, which precluded subsequent U.S. interventions until Saddam Hussein’s extraordinarily reckless invasion of Kuwait forced Washington’s hand in 1990.

Washington didn’t need a forward-leaning policy because U.S. interests largely coincided with those of its strategic allies and partners in the region and could be served through economic and diplomatic relations combined with a modest military presence. The United States and the Gulf Arab states shared a paramount need to maintain stable oil supplies and prices and, more broadly, political stability. Since the Iranian Revolution in 1979, the United States, Israel, and the Gulf Arab states have had the mutual objective of containing Iran. Beginning with the Camp David accords in 1978, American, Egyptian, and Israeli interests converged, and their trilateral relationship was reinforced by substantial U.S. aid to Egypt and Israel alike. And even after 9/11, the United States, Israel, and the Gulf Arab states had shared priorities in their fights against terrorism.

Over the past decade, however, several factors largely unrelated to Washington’s own policy agenda have weakened the bases for these alliances and partnerships. First, the advent of hydraulic fracturing has dramatically reduced direct U.S. dependence on Gulf oil and diminished the strategic value and priority of the U.S. relationship with Saudi Arabia and the smaller Gulf Arab states: indeed, the United States will soon overtake Saudi Arabia as the world’s largest producer of crude oil and will need to import less

fossil fuel. Although Gulf producers will keep determining the world price of oil and U.S. companies will continue to have a stake in the Gulf’s wells, the United States will enjoy greater policy discretion and flexibility.

The spread and intensification of jihadism have also weakened the strategic links between the United States and its regional partners. A decade ago, a combination of American pressure and the shock of large-scale al Qaeda attacks inside Saudi Arabia convinced the Saudis and their neighbors to clamp down on jihadist activities within their own borders. Yet today, the Gulf Arab states have subordinated the suppression of jihadism to the goal of overthrowing Syrian President Bashar al-Assad and hobbling his patrons in Iran. They are doing this by backing Sunni extremist rebels in Syria despite Washington’s exhortations to stop and Saudi Arabia’s own desire to avoid a post-Assad Syria ruled by radicals. The United States’ regional partners see themselves as less and less answerable to Washington, and Washington feels less obligated to protect the interests of those partners, which seem increasingly parochial and remote from American interests and values. In addition, widespread Islamic radicalization has driven the emergence of a genuine pan-Islamic identity that complicates Western involvement in the Middle East. Consider, for example, the unwillingness of many moderate Sunni Syrian opponents of Assad to accept European or U.S. help, which they believe will disqualify them in the eyes of Islamists.

Meanwhile, from the United States’ standpoint, the Middle East has become a highly dubious place to invest owing to systemic political and economic

dysfunction. The region features little water, sparse agriculture, and a massive oversupply of labor. Of the Middle Eastern countries that still function, most run large fiscal and external deficits, maintain huge and inefficient civil service payrolls, and heavily subsidize fuel and other necessities for their populations; lower oil revenues will probably limit the Gulf states' ability to finance those creaky mechanisms. Active conflicts in many Middle Eastern states have displaced large proportions of their populations and deprived their young people of educational opportunities and hope for the future. These conditions have produced either abject despair or, what is more ominous, political and religious radicalization. The effort to remake the Middle East as an incubator of liberal democracy that would pacify young Muslims failed even when the United States had plenty of cash to throw at the project and more reasons for optimism about its prospects, in the years immediately following the 9/11 attacks.

Finally, groups within Middle Eastern societies that were once reliable bastions of pro-Western sentiment—such as national militaries, oil-industry elites, and secular technocrats—have generally seen their influence wane. And in instances where traditional pro-Western elements have retained power, their interests and policies now increasingly diverge from American ones. The Egyptian military, for example, served for decades as a pillar of the U.S.-Egyptian relationship. Thanks to the coup it launched in 2013 that placed the former army general Abdel Fattah el-Sisi at the top of a new authoritarian regime, the military now exerts more control than ever in Egypt. But this hardly augurs well for Washington: if past is prologue, the military's brutal suppression

of the Muslim Brotherhood will almost certainly lead to an increase in jihadist violence and thus expose the United States to the very blowback that its assistance to Egypt is intended to prevent. Hopes in the 1950s and 1960s for the ascendance of a secular, technocratic, Western-oriented Arab elite that would bring their societies with them have long since faded.

POWERFUL BUT POWERLESS

At the same time that the salience of the Middle East to U.S. policy is waning and the interests of the United States and its traditional partners in the Middle East are diverging, the potential for American military power to effect major change in the region is also diminishing. The decentralization of al Qaeda and the emergence of ISIS, a jihadist expeditionary force and quasi state, have increased the asymmetries between U.S. military capabilities and the most urgent threats facing the region. As U.S.-occupied Iraq slid toward civil war in 2006, the Pentagon moved toward improving U.S. counterinsurgency doctrine and practice, revamping the military's structure to emphasize irregular warfare and special operations. But liberal and accountable democratic governments find it difficult to marshal either the staying power or the savagery that is usually required to suppress an unruly and committed indigenous group—especially a region-wide social movement such as ISIS, which does not recognize physical or political boundaries. This is particularly true when outside powers have no local partners with substantial bureaucratic cohesion or popular legitimacy. The United States still has the resources and resilience to sustain wars against modern nationalist states that would end with clear victors



Don't look back: U.S. soldiers leaving Iraq, December 2011

and enforceable outcomes. But Americans have learned the hard way that a transnational clash of ethnicities turbocharged by religious narratives is vastly harder to navigate, let alone manipulate.

A U.S.-led military operation against ISIS, for instance, would no doubt produce impressive and gratifying battlefield victories. But the aftermath of the conflict would drive home the ultimate futility of the project. Solidifying any tactical gains would require political will backed by the support of the American public; a large cadre of deployable civilian experts in reconstruction and stabilization; deep knowledge of the society for whose fate a victorious United States would take responsibility; and, most problematic, a sustained military force to provide security for populations and infrastructure. Even if all those conditions were present, Washington would struggle to find dependable and dedicated local constituents or clients, or indeed allies, to assist. If this sounds familiar, it is because it is the same list of things that Washington

wasn't able to put together the last two times it launched major military interventions in the Middle East, with the invasion of Iraq in 2003 and the NATO air campaign against Libya in 2011. Put simply, the United States would likely lose another war in the Middle East for all the same reasons it lost the last two.

Even a less intensive, counterterrorism-based approach to ISIS, which would involve steady drone strikes and periodic commando operations, would carry grave risks. Collateral damage from U.S. drone attacks, for example, has made it harder for the Pakistani government to extend deeper cooperation to the United States. Five years ago, U.S. military officials took great pride in special operations raids in Afghanistan that resulted in the death or capture of high-value Taliban operatives. But the civilian casualties the raids produced undermined strategic goals by enraging locals and driving them back into the Taliban's orbit.

For these reasons, U.S. policymakers should entertain serious doubts about

taking ownership of any of the Middle East's ongoing conflicts. Precisely those kinds of doubts explain and justify the Obama administration's unwillingness to intervene more forcefully in Syria. For a period in 2012 and early 2013, the administration considered a full range of options for Syria, including U.S.-enforced no-fly and buffer zones, regime change by force (facilitated by far more substantial American and allied military assistance to anti-Assad rebels), and limited retaliatory air strikes against the regime in response to its use of chemical weapons. But the growing involvement of Iran's Islamic Revolutionary Guard Corps and the Lebanese Shiite militia Hezbollah in defending Assad would have meant an unabashed U.S. proxy war with Iran that could have escalated and spilled over into the rest of region. That would have made it impossible to carry on fruitful talks with Tehran about curtailing its nuclear program and would have forced the United States to surpass Iran's high levels of commitment and investment in the conflict. In addition, a U.S.-led intervention would have enjoyed very little international backing: China and Russia would have vetoed any UN resolution authorizing it, just as they had vetoed far less muscular resolutions, and the Arab League and NATO would not have endorsed it. And major Western military action would likely have intensified the spread of jihadism in Syria, as it had elsewhere.

KEEP CALM AND CARRY ON

The United States' primary interest in the Middle East is regional stability. For now at least, constraints on U.S. power and the complex, interdependent nature of U.S. interests in the region—as well as

the likelihood of sustained U.S.-Chinese rivalry that will inevitably divert U.S. strategic attention to the Asia-Pacific region—suggest that the best Middle East policy for Washington would be something closer to what international relations theorists call “offshore balancing”: refraining from engagement in overseas military operations and forgoing quasi-imperial nation building to focus instead on selectively using its considerable leverage to exert influence and protect U.S. interests. Washington needs to husband U.S. power in the Middle East, unless a genuine existential threat to its regional allies arises, which is unlikely. This course will require Washington to avoid any further projection of U.S. military power in the region—for example, a large-scale deployment of combat ground troops to fight ISIS.

Critics of U.S. restraint argue that in the absence of strongly asserted U.S. power, Iran or other U.S. nemeses will be emboldened—that restraint will lead to war. But U.S. adversaries will likely judge Washington's resolve on the basis of conditions as they appear in the moment those adversaries are seriously considering aggressive actions, irrespective of conditions that existed years or months before. As long as the limits of U.S. restraint are clearly enunciated and Washington makes plain that its alliance with Israel remains undiminished, Iran will be loath to confront Israel or act much more aggressively in Iraq, Syria, Yemen, or elsewhere in the region for fear of triggering a decisive American response that could scupper the nuclear deal and revive the painful sanctions that drove Tehran to the bargaining table in the first place. In any case, the question of whether saber rattling will

provoke or deter a potential adversary can never be answered with complete confidence, since decision-makers often misjudge the perceptions and temperament of their rivals.

Whether rapprochement is a promising paradigm for U.S.-Iranian relations remains to be seen. Iran clearly seeks to exert its influence wherever it can, but it's far from clear that it can dominate the region. Iranian influence in Iraq was aided by the vacuum created by the U.S. invasion but stems more broadly from the demographic and political primacy of Iraq's Shiites and is thus unavoidable. As long as Baghdad remains dependent on the United States for countering ISIS, Washington should retain sufficient leverage to moderate Iraqi politics and limit Iran's sway. Iranian support for the Houthi rebels in Yemen and for dissident Shiites in Bahrain is more opportunistic than strategic and therefore unlikely to permanently shift the balance of power in either place. Tehran's meddling in the Israeli-Palestinian conflict doesn't rise to the level of a strategic challenge: the Palestinian militant group Hamas has not been able to translate Iranian largess into a serious advantage over Israel, let alone Egypt and the Palestinian Authority, all of which oppose Hamas. Iran's footholds in Lebanon and Syria go back decades, but even though its proxies in both places have steadily increased their commitment to defend the Assad regime, they have been unable to avert Syria's *de facto* partition. Even if Iran chooses to make Syria its Vietnam, the best it could probably manage against an externally supported anti-Assad opposition would be to consolidate the status quo while sharing the meager rewards with Moscow. Syria, then, would be a springboard for

Iranian mischief but hardly a platform for controlling the region. In short, even with the nuclear deal in place, Iran won't be able to do much more now—and possibly even less—than it was able to do in the past.

The nuclear deal has produced a genuine split between the Americans and the Israelis, who believe that the deal's terms are too lenient and won't prevent the Iranians from developing a nuclear weapon. But the divide is unlikely to have dire practical consequences. Washington has an obligation to maintain its unique relationship with Israel and has a strategic interest in preserving bilateral links with the Israeli military, which is by far the region's most powerful fighting force. The nuclear deal with Iran also upset the Gulf Arab states. But Washington's global economic responsibilities and its substantial counterterrorist interests still require the United States to safeguard its strategic relationship with those countries, particularly Saudi Arabia. And the Gulf Arab states retain a stronger cultural connection with the United States than with any other major power: Gulf elites send their children to American universities as opposed to Chinese, Russian, or European ones.

The Israelis and the Gulf Arabs need not panic: prudence dictates a serviceable regional U.S. military presence to prevent ISIS from expanding further (into Jordan, for example) and to deter Iranian breaches of the nuclear deal and respond to any destabilizing Iranian moves, such as a major ground intervention in Iraq. The American military footprint in the region should not change. At least one U.S. carrier battle group should remain assigned to the Arabian Sea. The structure and personnel strength of U.S. military bases in the Middle East should stay

the same. The air campaign against ISIS should continue, and American troops will still need to be deployed occasionally on a selective basis to quell terrorist threats or even respond in a limited way to large-scale atrocities or environmental disasters. But a resolute policy of restraint requires that any major expeditionary military ground intervention on the part of the United States in the Middle East be avoided and that regional partners be encouraged to take on more responsibility for their own security.

AIM LOWER, SCORE HIGHER

In addition to affirming its pullback from the military interventionism of the post-9/11 era, Washington needs to recalibrate its diplomatic priorities. The aftermath of the Arab revolts of 2011—especially those in Egypt, Libya, and Syria—demonstrated that most Middle Eastern societies are not ready to take significant steps toward democracy, and so American attempts to promote further political liberalization in the region should be more subdued. U.S. officials should also recognize that a lasting peace between Israel and the Palestinians is highly unlikely to take shape in the medium term. The United States' dogged determination to accomplish that objective, even in the least propitious circumstances, has created a moral hazard. Successive Israeli governments have been able to thwart Washington's peacemaking efforts with near impunity, confident that the Americans would continue to try no matter what. In turn, the United States' inability to facilitate an agreement has contributed to perceptions of Washington as a declining power—even as some U.S. allies in the Gulf see U.S. pressure on Israel as another example of U.S. faithlessness as an ally.

The United States should always support the goals of democratization and Israeli-Palestinian peace. But in the medium term, rather than unrealistically clinging to those aims, Washington should try to capitalize on the Iran nuclear deal to improve relations with Tehran. If the implementation of the deal gets off to a relatively smooth start, Washington should probe Tehran's flexibility in other areas with an eye to fostering a kind of *modus vivendi* between the Iranians and the Saudis—something that looks very unlikely now, as it has for years. One way to do so would be to bring Iran and other governments together in an effort to end the Syrian civil war through a political agreement. The emerging recognition among the major players—the United States, Russia, Iran, and the Gulf Arab states—is that, although ISIS' dream of a border-busting caliphate remains out of the group's reach, the ongoing conflict in Syria risks dangerously empowering ISIS and accelerating the propagation of its extremist ideology.

But each player has also come to realize that its preferred method of solving the Syrian crisis is probably unworkable. For the United States and its Gulf partners, supporting forcible regime change by Syrian rebels who are increasingly infiltrated or co-opted by ISIS appears counterproductive as well as operationally dubious. At the same time, after more than four years of a military stalemate, it is clear that Iran's ongoing support for Assad and Russia's recent intensification of its aid to the regime can merely help maintain the status quo but cannot decisively swing conditions in Assad's favor. Both Tehran and Moscow seem to understand that regardless of their support, Assad's regime is weaker

than ever and it will probably prove impossible to reconstitute a unitary Syria ruled exclusively by the regime. For mainly these reasons, both Iran and Russia have recently shown more interest in exploring a negotiated settlement. Although Russia's protestations that it is not wedded to Assad are disingenuous, Moscow has supported the UN Security Council's investigation of the regime's apparent use of indiscriminate barrel bombs filled with poisonous chlorine gas and has backed the Security Council's August 2015 statement reinvigorating the quest for a political transition in Syria. Tehran, with Hezbollah's support, has been pushing a peace plan involving a national unity government and a revised constitution, although one under which Assad or his regime would remain in power at least in the short term.

A realistic mechanism for taking advantage of these tenuously converging interests has not materialized. But the Iran nuclear deal has demonstrated the potential of diplomacy to ameliorate regional crises. In addition to countering the spread of jihadism, a U.S.-brokered agreement to end the Syrian civil war would mitigate and eventually end the world's most pressing humanitarian crisis and restore much of the American prestige that has waned in the region. Effective and inclusive conflict resolution on Syria would also validate the rapprochement with Iran and might help convince the Israelis of the efficacy of the United States' new approach.

Washington should leverage the new diplomatic bonds that the nuclear negotiations forged among the major powers—and, in particular, between U.S. and Iranian officials—to reinvigorate multinational talks on Syria's transition. An

initial step might be to reconvene the Geneva II conference, which foundered in February 2014, gathering the original parties and adding Iran to the mix. Russia's insistence that Assad's departure cannot be a precondition to political talks should not be a deal breaker and in fact could be an enticement for Iran to participate, which U.S. Secretary of State John Kerry might now be able to facilitate through a direct appeal to Iranian Foreign Minister Mohammad Javad Zarif. The Gulf Arab states' cautious endorsement of the nuclear agreement and Saudi Arabia's participation in trilateral talks with the United States and Russia on Syria in early August suggest that the Gulf Arabs are growing more comfortable with diplomacy as a means of easing strategic tensions with Iran. On account of their heightened perception of the ISIS threat, Qatar, Saudi Arabia, and Turkey might now drop their insistence that Assad depart prior to negotiations.

The hardest part, of course, will be arriving at plausible transitional arrangements. One possibility would be to create a power-sharing body with executive authority that could marginalize ISIS and Jabhat al-Nusra, the Syria-based militant group affiliated with al Qaeda, as implicitly contemplated in the August UN Security Council statement. Another would be to partition the country to some degree and establish a confederacy of sorts to replace central rule from Damascus. Tactical cease-fires reached between the regime and moderate opposition forces could serve as the building blocks for those kinds of broader political arrangements and might also allow the parties to focus on fighting the jihadist factions, which represent a common enemy.

MATURE WITHDRAWAL

The long period of American primacy in the Middle East is ending. Although the Iraq war damaged Washington's credibility and empowered U.S. adversaries, by the time the United States invaded Iraq, the region was already becoming less malleable all on its own. The United States should not and cannot withdraw in a literal sense, but it should continue to pull back, both to service strategic priorities elsewhere and in recognition of its dwindling influence. Neither the United States nor its regional partners want to see Iran with nuclear weapons or substantially increased regional influence. And none of the main players in the region wants to see a quantum leap in the power of ISIS or other Salafi jihadist organizations. But because the United States' leverage has diminished, it must concentrate on forging regional stability. That would be a wiser approach than pushing for improbable political liberalization and a resolution to the Israeli-Palestinian conflict, as the Obama administration has done, or trying to transform the region through the use of force, a strategy that the Bush administration relied on with woeful results.

In particular, Washington must acknowledge that reducing its military role will mean that its allies will exercise greater independence in their own military decisions. In turn, U.S. allies need to understand just how much support Washington is willing to provide before they launch risky military adventures, such as Saudi Arabia's recent strikes against the Houthi rebels in Yemen. Washington and its partners need better bilateral and multilateral communications and planning. Washington will need to be clearer about what might prompt it to

intervene militarily and what level of force it would use, and it will need to initiate more detailed joint planning for the full range of its possible responses.

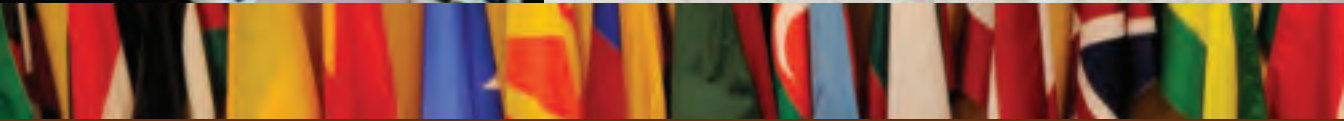
Israel still favors confronting Iran instead of smoothing relations, and Washington will have to strictly police the nuclear deal to convince the Israelis of its effectiveness. But as ISIS has risen, the Gulf Arab states and Turkey have warmed a bit to the United States' approach to Iran and to Washington's position that containing the spread of jihadism is now more important than achieving regime change in Syria.

For Washington to successfully commit itself to a constructive pullback from the Middle East, it will need to make its best efforts to avoid directly impeding the priorities of its regional allies and partners—and it should demand that its friends in the region do the same. That will require focused diplomacy supported by clear articulations of Washington's commitment to its core interests. Washington should stress, in particular, that the Iran nuclear deal will actually ensure, rather than threaten, sustained U.S. diplomatic engagement in the region. Instead of reversing course, Washington needs to embrace the idea of establishing a healthier equilibrium in U.S.–Middle Eastern relations, one that involves a lighter management role for the United States. The military-centric interventionism of the past 14 years was an aberration from a longer history of American restraint; it must not harden into a new long-term norm. 🌐



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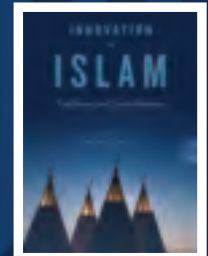
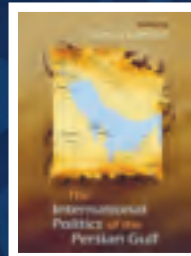
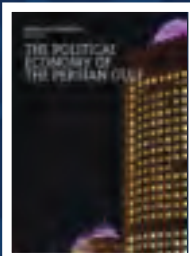
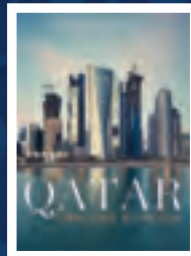
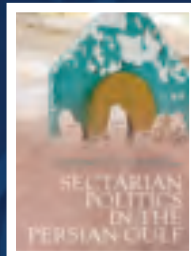
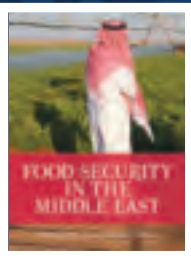
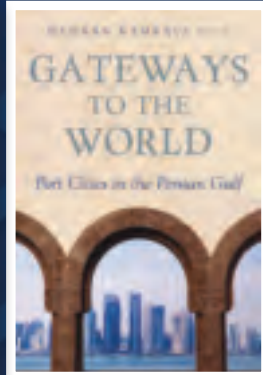
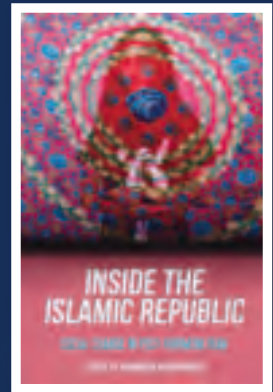
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Beyond Counterterrorism

Washington Needs a Real Middle East Policy

Daniel Byman

When the Obama administration looks at the Middle East, it does so through the lens of counterterrorism. A systematic emphasis on the subject has underscored not just the administration's relentless pursuit of al Qaeda and its new focus on the self-proclaimed Islamic State (or ISIS) but also a wider swath of its foreign policy, from its drone campaign in northwestern Pakistan to its maintenance of the detention facility in Guantánamo Bay, Cuba.

Building on the post-9/11 efforts of the Bush administration, U.S. President Barack Obama has established a national security machine adept at identifying and disrupting terrorist networks. Much of the U.S. strategy is based on an intelligence campaign that involves partnering with countries around the world to gather information on suspected top terrorists. In cases in which the U.S. government cannot arrest terrorists, it kills them in drone strikes or through other direct actions.

DANIEL BYMAN is a Professor at Georgetown University's Edmund A. Walsh School of Foreign Service and a Senior Fellow and Research Director at the Center for Middle East Policy at the Brookings Institution. He is the author of *Al Qaeda, the Islamic State, and the Global Jihadist Movement: What Everyone Needs to Know*. Follow him on Twitter @dbyman.

The U.S. counterterrorist effort has been particularly successful against the so-called al Qaeda core. Relying on intelligence reports, the United States has targeted al Qaeda cells and networks around the globe, arresting or killing key leaders and making it difficult for the group to coordinate its far-flung followers. Confounding doomsayers, there has been no repeat of 9/11—or anything close to it.

Counterterrorism not only explains where Obama has been aggressive; it also explains the limits of where he acts. Obama withdrew forces from Iraq in 2011, for example, and initially resisted intervening in Syria. In his second term, he has not significantly increased the U.S. role in Libya or Yemen, even as the violence has mounted and allies, such as Saudi Arabia, have begun to doubt the United States' commitment to the region. In 2014, when the United States bombed Iraq and Syria, it did so to fight the Islamic State, not the Syrian leader Bashar al-Assad.

Counterterrorism is not the only U.S. priority in the Middle East, but it ranks as the most important, explaining most interventions and noninterventions. Even when Washington deprioritizes terrorism in order to pursue something else, terrorism is invoked; the Iran nuclear deal, for example, controversially set aside Iran's support for terrorism yet was defended in part as a way to keep nuclear weapons out of the hands of terrorists.

The administration's strategy has a political logic. The American people, generally skeptical of intervention abroad and particularly skeptical of intervention in the Middle East, consistently make exceptions for efforts to fight terrorists, whom they see as existential threats to

the United States. By limiting the U.S. role in the region to counterterrorism, U.S. leaders can avoid costly occupations and wars and concentrate on other critical regions, such as Asia. By keeping the U.S. footprint light, officials hope terrorist groups will turn their guns on one another and on local regimes, reducing the threat to the U.S. homeland. Counterterrorism is therefore likely to drive U.S. policy in the Middle East even after Obama leaves office.

But despite some notable successes, an overwhelming focus on counterterrorism has led the United States to miss the broader regional trends undermining U.S. interests in the Middle East. Terrorist networks are dangerous not just because they might attack the United States but also because they destabilize already fragile states and create the breeding ground for ever more radical groups. By fixating on counterterrorism, the United States overlooks opportunities to prevent or mitigate civil wars and regional conflicts—steps that would address the problem at its core. And it antagonizes allies and distorts the public perception of U.S. strengths and vulnerabilities.

The United States should move beyond its standard counterterrorist repertoire and embrace a broader set of strategies. Energetic diplomacy could lessen the tensions that lead states to support violent groups. Investment in conflict-resolution programs could reduce the scale and scope of the civil wars on which jihadist groups feed. Building up the defense and governance capabilities of states such as Iraq and Yemen could help them fight jihadists, either alone or with U.S. assistance. And even when the United States is unable to

solve deeper problems, it can at least reduce or contain violence in the region.

YOU SAY “TERRORIST,” I SAY . . .

The “terrorist” label came into vogue in the late 1960s and 1970s, when the term was used to refer to groups, such as the Popular Front for the Liberation of Palestine, that hijacked airplanes, took hostages, and otherwise used terror as the primary instrument for achieving their goals. Today, however, the label is insufficient to describe most of the jihadist groups in the Middle East, which rely on tactics that go beyond terrorism. Hamas and Hezbollah have long battled Israel in more conventional ways, launching rockets and ordering commando-style raids, with Hezbollah fighting the Israeli military with something approaching a modern army. Al Qaeda affiliates, such as al Qaeda in the Arabian Peninsula (AQAP), are embroiled in bitter civil wars in which they employ a mix of guerrilla tactics and conventional military operations. And the Islamic State even uses tanks and massed formations.

Many of these groups also govern, running hospitals and schools, fighting crime, and picking up trash. Hamas is the de facto government of Gaza; Hezbollah controls much of Lebanon. The territorial control of al Qaeda’s regional affiliates varies: AQAP’s power is growing as Yemen’s government collapses, and the political influence of al Qaeda in the Islamic Maghreb has waxed and waned with the strength of governments in the Sahel. The Islamic State, for its part, has carved out parts of Iraq and Syria where it enforces its twisted vision of law and order, issues its own currency, and provides its own social services.



If it bleeds, it leads: announcing bin Laden's death, Kabul, May 2011

These groups tend to view terrorism not as an end in itself but as part of a broader strategy of war. Rebel groups consistently rely on tactics associated with terrorism: they attack civilians, force humanitarian workers to flee, provoke ethnic or sectarian backlash, and destroy confidence in governance. Some groups, the Islamic State in particular, also use terrorism to spread their war into neighboring countries and attract new recruits.

Of the groups of most concern to the United States, al Qaeda, in its use of terrorism, is the most stereotypical. The organization, now led by Ayman al-Zawahiri, prioritizes terrorism as a way to attack the so-called far enemy—the United States and the West—and to undermine what it considers apostate governments in the Middle East. It has urged its affiliates to carry on this war

abroad, but only one, AQAP, has aggressively done so, albeit with limited success. In contrast to the other leading groups, al Qaeda does not directly control territory or govern, instead establishing itself in places where local allies provide sanctuary, such as the Federally Administered Tribal Areas in Pakistan. Yet even al Qaeda is not just a terrorist organization; in fact, it spends much of its limited budget attempting to support its affiliates and other groups engaged in guerrilla wars in the region.

The “terrorist” label thus ignores how terrorist groups operate. It is not terrorism on its own that is most dangerous; the real threat comes from terrorist groups that transition into insurgencies or quasi states. Even if such groups fail to achieve their ultimate goals, they can still plunge already weak states into chaos. Consider Libya and Yemen, where Ansar

al-Sharia and AQAP, among others, helped undermine confidence in the government and fomented domestic strife that eventually became full-on wars.

The U.S. approach to counterterrorism also suffers from several logical fallacies. Crudely put, it assumes that because all terrorists are bad guys, all bad guys must be terrorists—never mind that even though Hitler, Stalin, and Mao killed tens of millions of people, calling them terrorists doesn't offer much insight. The U.S. approach also assumes that because al Qaeda embraces terrorism, all the groups linked to al Qaeda are best labeled terrorists, too, even when some affiliates behave more like insurgents than jihadists. And it assumes that if a group employs terrorist tactics, everything the group does should be labeled terrorism, even if the other actions include more traditional military operations or even governance.

Such fallacies are particularly pronounced in analyses of the Islamic State, which, owing to its stomach-churning tactics and historical ties to al Qaeda, automatically gets classified as a terrorist organization. As the scholar Audrey Kurth Cronin wrote in these pages this past spring, the “terrorist” label is dangerously misleading, making it more difficult to understand the group and determine the best ways to defeat it. “The counterterrorism and counterinsurgency strategies that greatly diminished the threat from al Qaeda will not work against ISIS,” she writes, and yet Washington has not adapted its response to reflect “the true nature of the threat.”

SAME BUT DIFFERENT

The United States has a range of interests in the Middle East. They include

securing the free flow of oil to global markets, protecting Israel, and preventing nuclear proliferation. In addition, the United States seeks to prevent anti-American terrorism, particularly as it threatens U.S. territory. In practice, many of these interests depend on the security and stability of U.S. allies. If allies become unstable, whether as a result of internal strife or some other conflict, oil production will be disrupted and terrorist groups can more easily proliferate. If hostile regimes seize power, they might seek nuclear weapons, hijack oil supplies, threaten Israel, or otherwise undermine core U.S. interests.

In formulating policy in the Middle East, Washington needs to recognize that not all terrorist groups threaten the United States and that those that do threaten it pose threats of varying degrees and kinds. Some groups, such as al Qaeda and, to a lesser degree, AQAP, seek to attack the United States directly, and if their capabilities grow, they will do so. Other groups are plausibly anti-American but are more immediately concerned with securing regional dominance. The Islamic State and most al Qaeda affiliates detest everything American, yet they are more focused on the day-to-day demands of civil war. Although these groups often call for “lone wolf” attacks against the West, so far their leaders have devoted little effort and few resources to carrying out more sustained or direct attacks.

Hamas and Hezbollah act much in the same way. Neither has any love for the United States, and both should be seen as U.S. enemies. But Hamas has never deliberately turned its guns on an American, although it has killed Americans when conducting terrorist attacks

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Jerusalem: Delusions of Division

Nadav Shragai

Dividing Jerusalem and subtracting its Arab neighborhoods is likely to cause much worse security problems and hamstringing the work of Israeli security forces in thwarting Palestinian terrorist attacks. Moreover, over the course of 48 years numerous patterns of Jewish-Arab cooperation have emerged in the city. Dissolving those patterns of unity would clearly damage the existing urban fabric.

The Gaza War 2014: The War Israel Did Not Want and the Disaster It Averted

Hirsh Goodman and Dore Gold, editors

This study shows how Israel clearly acted out of self-defense and preempted a terrorist massacre inside its heartland, principally through a Hamas network of sophisticated attack tunnels. Had Hamas accepted the Egyptian ceasefire proposal of July 15, as did Israel, Palestinian wartime fatalities would have numbered less than 200 instead of more than 2,100. Thus, Hamas was fully responsible for more than 1,800 Palestinian deaths.



Israel's Critical Requirements for Defensible Borders: The Foundation for a Secure Peace — Updated Edition

Lt.-Gen. (ret.) Moshe Yaalon, Maj.-Gen. (res.) Uzi Dayan, Maj.-Gen. (res.) Yaakov Amidror, Maj.-Gen. (res.) Aharon Ze'evi Farkash, Brig.-Gen. (res.) Yossi Kuperwasser, Brig.-Gen. (res.) Udi Dekel, Amb. Dore Gold, Dan Diker

President Obama has declared that "the borders of Israel and Palestine should be based on the 1967 lines with mutually agreed swaps, so that secure and recognized borders are established for both states." But what are Israeli requirements for "secure" borders? This updated study presents a comprehensive assessment of Israel's critical requirements for defensible borders.

Israel's Rights as a Nation-State in International Diplomacy

Amb. Alan Baker (ed.)

A concerted campaign is being waged against Israel to question its very legitimacy in virtually every aspect of its historical, political, and cultural life, with the aim of undermining the very foundations of Israel's existence. This book explains clearly why the Jewish people deserve a state of their own and refutes all the major claims against Israel's rights.



in Israel. And Hezbollah has not tried to conduct international terrorism against the United States for many years. The primary threat Hezbollah poses is as a guerrilla force should Iran and the United States clash in places such as Iraq or Syria.

A focus on counterterrorism thus inflates the terrorist threat, skewing U.S. public debate on matters of national security. Since 9/11, there have been fewer terrorist attacks on U.S. soil than there were in the 1970s, a period now considered one of relative quiet. The 2012 attack on the U.S. diplomatic facility in Benghazi, which resulted in the death of Christopher Stevens, the U.S. ambassador to Libya, and three other Americans, also has many pre-9/11 precedents, several of which were far bloodier. But neither of these facts appears to have registered with the American public. The Benghazi attack has received more attention than U.S. policy in Syria, where the current conflict has killed well over 200,000 people and destabilized whole swaths of the Middle East. In the public eye, both events were obscured by the 2013 Boston Marathon bombing, which killed three people in the blast. And to look at polls of U.S. public opinion, one would think the Islamic State had waged a massive and successful terrorist campaign on U.S. soil. It has not even tried.

By fixating on the anti-American aspects of groups such as Hamas and the Islamic State, policymakers miss that the biggest threat these organizations pose is not to the United States itself but to broader U.S. interests in the Middle East. Libya's oil production has plunged as a result of its civil war. Hamas' on-again, off-again rocket attacks

on Israel have sparked three wars since 2008. The Islamic State has brought the smoldering civil war in Iraq back to a full blaze, and the violence in Syria has worsened sectarian tension in countries as far away as Pakistan and Yemen. The strongest terrorist groups threaten U.S. allies such as Israel and Jordan. Their attacks undermine governance, foster instability, and incite civil war. At times, their actions catalyze conflicts between key regional players, as has happened in Syria.

In the long term, democracy might reduce the appeal and capabilities of terrorists. But in the short term, in its effort to fight terrorists, the United States may be strengthening the least democratic parts of undemocratic regimes: their security services. The same services that disrupt terrorist plots are often also involved in repressing legitimate political dissent. No surprise, then, that after 9/11, nearly every state in the region—and others, including China and Russia—began referring to their enemies as terrorists to gain U.S. support.

WITH FRIENDS LIKE THESE

Too often, U.S. counterterrorist efforts are counterproductive, pitting the United States against its allies in the Middle East. Regional allies tend to interpret U.S. actions through the lens of their own regional rivalries and domestic politics rather than through the lens of anti-U.S. terrorism. Thus, U.S. support for Kurdish forces in Syria, meant to weaken the Islamic State, alarms Turkey, which fears that its Kurds might renew their separatist push.

U.S. allies are particularly concerned about how Washington treats the Muslim

Brotherhood. In Egypt, Washington accepted that the group had rejected violence and was taking part in the democratic process. Yet regional allies saw the group as subversive. Saudi Arabia and the United Arab Emirates backed an anti-Brotherhood counter-revolution in Egypt and have declared the group a terrorist organization. They see U.S. calls for Egypt to ease its crackdown on the Muslim Brotherhood as naive and hostile. Meanwhile, as the new Egyptian government has pursued its crackdown, some Brotherhood members have threatened violence—making Egypt’s decision to treat the group as a terrorist organization a self-fulfilling prophecy.

The focus on counterterrorism also ignores that some U.S. allies are as much a part of the problem as the key to the solution. Pakistan, for example, cooperates with the United States on counterterrorist efforts yet also aids terrorist groups such as the Afghan Taliban and Lashkar-e-Taiba. And without deeper reforms, counterterrorist measures cannot address one cause of terrorism: public discontent with poor governance and authoritarianism. As Obama has observed, the United States’ Sunni allies face an internal threat from “dissatisfaction inside their own countries.” Middle Eastern governments, with the exceptions of Israel and (more shakily) Tunisia, are typically undemocratic. Terrorism grows out of public discontent, yet U.S. allies resent pressure from Washington for them to reform.

Sometimes, U.S. counterterrorist efforts end up exacerbating tensions within unstable states. This is particularly true in countries where the ostensible government is really just a faction

in a civil war, and where U.S. support for the government necessarily involves taking a side. Libya, for instance, is split between one faction controlling its east and another controlling its west, and each is itself divided into separate groups. When the United States aids the Libyan “government” against terrorism, it is really taking sides in a civil war.

The United States could avoid this problem by intervening before civil wars break out. Jihadist groups, such as those in Syria and Yemen, emerge from protracted civil strife and exploit weak governance. Over time, they embrace al Qaeda or the Islamic State or otherwise put themselves on the counter-terrorist radar. Only at that point does the United States think to intervene, but by then the challenge is far greater: a civil war is already under way and the group already strong.

U.S. counterterrorist efforts work well against a group such as the al Qaeda core, which controls no territory and limits its involvement in the politics of its host country. Its small size means that the United States can have a devastating impact by arresting or killing key leaders and employing targeted strikes. But these methods do not work so well against larger groups engaged in civil wars, where the numbers are larger and the dynamics more difficult to shape with precise tools. The approach is particularly problematic for Hamas and Hezbollah, which have de facto diplomatic representation, run schools and hospitals, and have conventional military forces and capabilities that go well beyond what U.S. counterterrorist strategy is designed to handle. And because these two groups govern territory, destroying or weakening them

might create a vacuum that even more radical groups might fill. Today, for example, Hezbollah is helping prevent the Islamic State from expanding into Lebanon, and Hamas is fighting jihadist groups in Gaza. And conflict resolution is not typically part of the counterterrorist tool kit, even though such programs might reduce the probability of civil wars in the first place.

A BIGGER TOOL KIT

The Middle East is too complex for any single paradigm. Fighting terrorism requires not just preventing the next 9/11 but also navigating civil wars, stopping conflicts before they break out, containing the ones that do, and building state capacity. Widening the policy aperture will be difficult, but it will advance a broader set of U.S. objectives beyond counterterrorism.

Even if one rejects U.S. involvement in the Middle East beyond preventing attacks on the U.S. homeland, properly fighting terrorism requires methods that transcend the current U.S. counterterrorist strategy. Drone strikes and arresting key leaders can work for smaller and more traditional groups, but for most of the jihadist groups plaguing the Middle East, they are insufficient.

Aggressive diplomacy will be necessary to mitigate conflict in the region. Pakistan supports jihadist groups in part because they aid its objectives in Afghanistan and against India. AQAP expanded its territorial base in Yemen in part because Saudi Arabia has intervened in the country to fight AQAP's Houthi foes. Resolving conflicts between states makes it more likely that governments will turn on

radicals in their own countries—a far more effective approach than drone strikes in the long term.

It will be vital for the United States to identify countries that might be vulnerable to domestic conflict but that are relatively stable for now, a category that includes Jordan and Tunisia, for example. After a civil war breaks out, supplying aid becomes tremendously expensive and difficult; it is far easier and more cost effective to provide aid in advance of crises. Preventive action could stop jihadist groups from feasting on civil wars between Muslims and non-Muslims and on sectarian struggles within Islam.

Building the long-term security capacity of states in the Middle East will be vital to preventing terrorism. Yet U.S. programs devoted to that task are poorly resourced and unfocused, often designed more to reassure allies than to encourage real reform. The U.S. State Department and other civilian agencies have never embraced state building as a core mission, and the political will for state-building measures usually arrives too late. In places such as Nigeria and Yemen, poor governance and state weakness were evident before the emergence of jihadist-linked conflict, but the programs that might have stopped their descent into massive civil wars were not well funded and never received high-level attention.

State building goes beyond helping a country improve the technical proficiency of its security forces. It requires helping it reform its political institutions. Functioning political institutions help countries moderate predatory elites, bolster legitimacy, and weather shocks that might otherwise produce violence. In the absence of substantive

political reform, state-building efforts will likely fail. Consider Iraq, where years of massive U.S. technical assistance went to waste because a polarized political system quickly corrupted the senior military leadership and then the military as a whole.

The goal of state building should be not democracy promotion but conflict resolution. Before institutions are fully developed, efforts to hold elections may backfire, polarizing the public. Even successful elections may simply yield power to a government too weak to contain violence. The United States and its allies should seek to cut deals between moderates within warring parties to isolate radicals and otherwise subdue the threat of terrorism. In Egypt today, for example, the United States should encourage the government to work with moderate Islamists rather than treat them as extremists, driving them underground and into the arms of radicals.

State building should be seen as a long-term enterprise that may take years to work. The United States cannot hope to completely change the local dynamics, and it will likely be blamed if its efforts fail. But the costs are justified if the United States is able to make states less vulnerable to civil war and terrorism.

If the United States wants to stop the Islamic State, it must realize that the drone strikes and other tools that have effectively repressed al Qaeda will not work; instead, more traditional military means will be necessary. In most cases, intervening directly will be too costly. At times, the United States will want to work with local forces, providing air strikes and other support. Most of the effort, however, will involve

training and advising. The United States should develop a set of general principles and procedures for vetting local allies and maintaining relationships with regional allies, reducing the need for ad hoc interventions.

Sometimes, terrorism cannot be stopped, only managed. In these cases, a containment policy is necessary. The Middle East suffers from a “bad neighborhood” problem, with national dynamics often spilling over borders. Syria’s neighbors, for example, need help accommodating refugees and should be provided with security assistance so that they can manage any spillover from the Syrian civil war.

Although the United States’ record on solving broader problems in the Middle East leaves little room for optimism, its record elsewhere is encouraging: in places as diverse as Colombia, Indonesia, and the Philippines, the United States has successfully built up the capacity of its allies, enabling them to regain power, negotiate from a position of strength, and, of course, fight terrorism. Taking these tactics to the Middle East offers the best chance for lasting progress. 🌍

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How to Prevent an Iranian Bomb

The Case for Deterrence

Michael Mandelbaum

The Joint Comprehensive Plan of Action (JCPOA), reached by Iran, six other countries, and the European Union in Vienna in July, has sparked a heated political debate in the United States. Under the terms of the agreement, Iran has agreed to accept some temporary limits on its nuclear program in return for the lifting of the economic sanctions the international community imposed in response to that program. The Obama administration, a chief negotiator of the accord, argues that the deal will freeze and in some ways set back Iran's march toward nuclear weapons while opening up the possibility of improving relations between the United States and the Islamic Republic, which have been bitterly hostile ever since the 1979 Iranian Revolution. The administration further contends that the agreement includes robust provisions for the international inspection of Iran's nuclear facilities that will discourage and, if necessary, detect any Iranian cheating, triggering stiff penalties in response.

Critics of the deal, by contrast, argue that it permits Iran to remain very close

to obtaining a bomb, that its provisions for verifying Iranian compliance are weak, and that the lifting of the sanctions will give Iranian leaders a massive windfall that they will use to support threatening behavior by Tehran, such as sponsoring global terrorism, propping up the Syrian dictator Bashar al-Assad, and backing Hezbollah in its conflict with Israel (a country that the Iranian regime has repeatedly promised to destroy).

The American political conflict came to a head in September, when Congress had the chance to register its disapproval of the accord—although the president had enough support among Democrats to prevent a vote on such a resolution. Despite the conflict, however, both the deal's supporters and its critics agreed that the United States should prevent Iran from getting a bomb. This raises the question of how to do so—whether without the deal, after the deal expires, or if the Iranians decide to cheat. Stopping Iranian nuclear proliferation in all three situations will require Washington to update and adapt its Cold War policy of deterrence, making Tehran understand clearly in advance that the United States is determined to prevent, by force if necessary, Iranian nuclearization.

A CREDIBLE THREAT

The English political philosopher Thomas Hobbes noted in *Leviathan* that “covenants, without the sword, are but words.” Any agreement requires a mechanism for enforcing it, and the Iranian agreement does include such a mechanism: in theory, if Iran violates the agreement's terms, the economic sanctions that the accord removes will “snap back” into place. By itself, however, this provision is unlikely to prevent

MICHAEL MANDELBAUM is Christian A. Herter Professor of American Foreign Policy at the Johns Hopkins School of Advanced International Studies and the author of the forthcoming book *Mission Failure: America and the World in the Post-Cold War Era*.

Iranian cheating. The procedures for reimposing the sanctions are complicated and unreliable; even if imposed, the renewed sanctions would not cancel contracts already signed; and even as the sanctions have been in place, Iran's progress toward a bomb has continued. To keep nuclear weapons out of Tehran's hands will thus require something stronger—namely, a credible threat by the United States to respond to significant cheating by using force to destroy Iran's nuclear infrastructure.

The term for an effort to prevent something by threatening forceful punishment in response is “deterrence.” It is hardly a novel policy for Washington: deterring a Soviet attack on the United States and its allies was central to the American conduct of the Cold War. Deterring Iran's acquisition of nuclear weapons now and in the future will have some similarities to that earlier task, but one difference is obvious: Cold War deterrence was aimed at preventing the use of the adversary's arsenal, including nuclear weapons, while in the case of Iran, deterrence would be designed to prevent the acquisition of those weapons. With the arguable exception of Saddam Hussein's Iraq, the United States has not previously threatened war for this purpose and has in fact allowed a number of other countries to go nuclear, including the Soviet Union, China, Israel, India, Pakistan, and North Korea. Does the Iranian case differ from previous ones in ways that justify threatening force to keep Iran out of the nuclear club?

It does. An Iranian bomb would be more dangerous, and stopping it is more feasible. The Soviet Union and China were continent-sized countries that

crossed the nuclear threshold before the U.S. military had the capacity for precision air strikes that could destroy nuclear infrastructure with minimal collateral damage. Israel and India, like the United Kingdom and France before them, were friendly democracies whose possession of nuclear armaments did not threaten American interests. Pakistan is occasionally friendly, is a putative democracy, and crossed the nuclear threshold in direct response to India's having done so. The United States is hardly comfortable with the Pakistani nuclear arsenal, but the greatest danger it poses is the possibility that after a domestic upheaval, it could fall into the hands of religious extremists—precisely the kind of people who control Iran now.

North Korea presents the closest parallel. In the early 1990s, the Clinton administration was ready to go to war to stop Pyongyang's nuclear weapons program, before signing an agreement that the administration said would guarantee that the communist regime would dismantle its nuclear program. North Korea continued its nuclear efforts, however, and eventually succeeded in testing a nuclear weapon during the presidency of George W. Bush. Since then, North Korea has continued to work on miniaturizing its bombs and improving its missiles, presumably with the ultimate aim of being able to threaten attacks on North America. It is worth noting that in 2006, two experienced national security officials wrote in *The Washington Post* that if Pyongyang were ever to achieve such a capability, Washington should launch a military strike to destroy it. One of the authors was William Perry, who served as secretary of defense in the Clinton



Special delivery: aboard the USS Nimitz off the Arabian Peninsula, September 2013

administration; the other was Ashton Carter, who holds that position today.

Bad as the North Korean bomb is, an Iranian one would be even worse. For in the case of North Korea, a long-standing policy of deterrence was already in place before it acquired nuclear weapons, with the United States maintaining a strong peacetime military presence on the Korean Peninsula after the end of the Korean War in 1953. For this reason, in the years since Pyongyang got the bomb, its neighbors have not felt an urgent need to acquire nuclear armaments of their own—something that would be likely in the case of Iranian proliferation.

Nor would the Iranian case benefit from the conditions that helped stabilize the nuclear standoff between the United States and the Soviet Union. A Middle

East with multiple nuclear-armed states, all having small and relatively insecure arsenals, would be dangerously unstable. In a crisis, each country would have a powerful incentive to launch a nuclear attack in order to avoid losing its nuclear arsenal to a first strike by one of its neighbors. Accordingly, the chances of a nuclear war in the region would skyrocket. Such a war would likely kill millions of people and could deal a devastating blow to the global economy by interrupting the flow of crucial supplies of oil from the region.

But if an Iranian bomb would be even worse than a North Korean bomb, preventing its emergence would be easier. A U.S. military strike against North Korea would probably trigger a devastating war on the Korean Peninsula, one in which the South would suffer

greatly. (South Korea's capital, Seoul, is located within reach of North Korean artillery.) This is one of the reasons the South Korean government has strongly opposed any such strike, and the United States has felt compelled, so far, to honor South Korea's wishes. In the Middle East, by contrast, the countries that would most likely bear the brunt of Iranian retaliation for a U.S. counter-proliferation strike—Saudi Arabia and Israel, in particular—have made it clear that, although they are hardly eager for war with Iran, they would not stand in the way of such a strike.

A LIMITED AIM

Deterring Iran's acquisition of nuclear weapons by promising to prevent it with military action, if necessary, is justified, feasible, and indeed crucial to protect vital U.S. interests. To be effective, a policy of deterrence will require clarity and credibility, with the Iranian regime knowing just what acts will trigger retaliation and having good reason to believe that Washington will follow through on its threats.

During the Cold War, the United States was successful in deterring a Soviet attack on its European allies but not in preventing a broader range of communist initiatives. In 1954, for example, the Eisenhower administration announced a policy of massive retaliation designed to deter communist provocations, including costly conventional wars like the recent one in Korea, by promising an overpowering response. But the doctrine lacked the credibility needed to be effective, and a decade later, the United States found itself embroiled in another, similar war in Vietnam.

In the case of Iran, the aim of deterrence would be specific and limited: preventing Iran's acquisition of nuclear weapons. Still, a policy of deterrence would have to cope with two difficulties. One is the likelihood of Iranian "salami tactics"—small violations of the JCPOA that gradually bring the Islamic Republic closer to a bomb without any single infraction seeming dangerous enough to trigger a severe response. The other is the potential difficulty of detecting such violations. The Soviet Union could hardly have concealed a cross-border attack on Western Europe, but Iran is all too likely to try to develop the technology needed for nuclear weapons clandestinely (the United States believes it has an extensive history of doing so), and the loopholes in the agreement's inspection provisions suggest that keeping track of all of Iran's bomb-related activities will be difficult.

As for credibility—that is, persuading the target that force really will be used in the event of a violation—this posed a major challenge to the United States during the Cold War. It was certainly credible that Washington would retaliate for a direct Soviet attack on North America, but the United States also sought to deter an attack on allies thousands of miles away, even though in that case, retaliation would have risked provoking a Soviet strike on the American homeland. Even some American allies, such as French President Charles de Gaulle, expressed skepticism that the United States would go to war to defend Europe. The American government therefore went to considerable lengths to ensure that North America and Western Europe were "coupled" in both Soviet and Western European

eyes, repeatedly expressing its commitment to defend Europe and stationing both troops and nuclear weapons there to trigger U.S. involvement in any European conflict.

In some ways, credibly threatening to carry out a strike against Iran now would be easier. Iran may have duplicated, dispersed, and hidden the various parts of its nuclear program, and Russia may sell Tehran advanced air defense systems, but the U.S. military has or can develop the tactics and munitions necessary to cause enough damage to lengthen the time Iran would need to build a bomb by years, even without the use of any ground troops. The Iranians might retaliate against Saudi Arabia or Israel (whether directly or through their Lebanese proxy, Hezbollah), or attack American military forces, or sponsor acts of anti-American terrorism. But such responses could do only limited damage and would risk further punishment.

The problems with deterring Iran's acquisition of nuclear weapons are not practical but rather political and psychological. Having watched American leaders tolerate steady progress toward an Iranian bomb over the years, and then observed the Obama administration's avid pursuit of a negotiated agreement on their nuclear program, Iran's ruling clerics may well doubt that Washington would actually follow through on a threat to punish Iranian cheating. U.S. President Barack Obama initially embraced the long-standing American position that Iran should not be permitted to have the capacity to enrich uranium on a large scale, then abandoned it. He backed away from his promise that the Syrian regime would suffer serious consequences if it used chemical weapons. He made it



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the core argument in favor of the JCPOA that the alternative to it is war, implying that American military action against Iran is a dreadful prospect that must be avoided at all costs. Moreover, neither he nor his predecessor responded to Iran's meddling in Iraq over the past decade, even though Tehran's support for Shiite militias there helped kill hundreds of U.S. troops. The mullahs in Tehran may well consider the United States, particularly during this presidency, to be a serial bluffer.

DOUBT NOT

All of this suggests that in order to keep Iran from going nuclear, the JCPOA needs to be supplemented by an explicit, credible threat of military action. To be credible, such a threat must be publicly articulated and resolutely communicated. The Obama administration should declare such a policy itself, as should future administrations, and Congress should enshrine such a policy in formal resolutions passed with robust bipartisan support. The administration should reinforce the credibility of its promise by increasing the deployment of U.S. naval and air forces in the Persian Gulf region and stepping up the scope and frequency of military exercises there in conjunction with its allies. As in Europe during the Cold War, the goal of U.S. policy should be to eliminate all doubts, on all sides, that the United States will uphold its commitments.

The debate about the Iran nuclear deal has become politically polarized, but a policy of deterrence should not be controversial, since all participants in the debate have endorsed the goal of preventing an Iranian bomb. In addition, a robust policy of deterrence

would help address some of the shortcomings of the JCPOA without sacrificing or undermining its useful elements. And since the deterrence policy could and should be open ended, it would help ease worries about the provisions of the accord that expire after ten or 15 years. As during the Cold War, the policy should end only when it becomes obsolete—that is, when Iran no longer poses a threat to the international community. Should the Islamic Republic evolve or fall, eliminating the need for vigilant concern about its capabilities and intentions, the United States could revisit the policy. Until then, deterrence is the policy to adopt. 🌐

A Windfall for Iran?

The End of Sanctions and the Iranian Economy

*Cyrus Amir-Mokri and
Hamid Biglari*

Over the past few years, the nuclear issue has dominated news about Iran. The landmark deal recently agreed to between Iran and the United States and other world powers sets out arrangements for handling that issue, but it leaves open many other questions about Iran's future course. One of the most fundamental questions is what path Iran will follow after the sanctions have been lifted: Will it open itself up to the world, fulfilling the country's economic potential, or will the country's influential conservative elite thwart global engagement? Iran's choice will have profound geopolitical implications and will shape the country's role in the world over the coming decades.

Conventional wisdom holds that the Iranian government will get a huge immediate economic windfall from the deal, thanks to the release of about \$100 billion in frozen assets, and then continue to benefit as the end of the sanctions opens the floodgates to foreign investment. But

CYRUS AMIR-MOKRI is a Partner at Skadden, Arps, Slate, Meagher & Flom. From 2011 to 2014, he served as U.S. Treasury Assistant Secretary for Financial Institutions.

HAMID BIGLARI is a Managing Partner at TGG Group. He was previously Vice Chair and Head of Emerging Markets at Citigroup.

the windfall from unfrozen assets will not be as significant as expected. Iran's preexisting financial obligations will likely reduce the amount of usable liquid assets to a figure closer to \$50 billion. And given that Iran will need to keep a reasonable amount of that money in foreign reserves, the amount available for Iran's immediate use will likely be closer to \$25 billion—not a trivial sum, but far less than Iran needs given that the infrastructure investment levels required to rebuild Iran's economy are estimated to be close to \$1 trillion over the next decade.

Foreign investment will therefore be crucial for Iran, the last major economy not to have integrated into the global economy. Indeed, Iran is ripe for economic transformation. Unlike most countries rich in natural resources, Iran has a host of additional advantages, including a diversified economy, a trade surplus, and a well-educated urban population. Foreign investment will allow Iran to capitalize on these strengths.

But the end of the sanctions alone will not be enough to attract investors. Although lifting the sanctions will remove a substantial impediment to Iran's economic recovery, it will not automatically create the legal and regulatory framework necessary for sustained investment. Iran's lackluster attempts at market liberalization and its undistinguished record on issues such as corruption and intellectual property rights will continue to give pause to global investors. And even when foreign companies are willing to invest, powerful conservative forces within the Iranian governing elite are likely to cast doubts on their motives, hindering true engagement.

If Iran genuinely wants to attract investment, it will need to implement a broad spectrum of reforms, including strengthening property rights, transferring state-owned assets to the private sector, and granting independence to its central bank. Only then can Iran reap the full economic benefit of the nuclear deal.

UNREALIZED POTENTIAL

Iran is the only country in the world blessed with massive amounts of both oil and gas; it boasts the world's fourth-largest proven oil reserves and the world's second-largest proven natural gas reserves. For that reason, many analyses of Iran's economic potential focus solely on energy. But Iran's economic advantages are numerous and varied. With a GDP of approximately \$1.4 trillion (converted to international dollars using purchasing power parity rates), or roughly 1.5 percent of global GDP, Iran has the 18th-largest economy in the world, between Turkey and Australia, according to the International Monetary Fund's April 2015 *World Economic Outlook*. Its GDP per capita, roughly \$17,000, places it ahead of Brazil and China, even after its stagnant growth in recent years. And its debt-to-GDP ratio is around 12 percent, among the lowest in the world.

Moreover, despite the large size of Iran's energy resources, its economy is relatively diverse: roughly 50 percent services, 41 percent industry, and nine percent agriculture. Oil and gas likely account for less than one-fifth of Iran's GDP, according to unofficial estimates. In 2011, before the sanctions, Iran was the world's 13th-largest manufacturer of automobiles, producing 1.65 million cars annually, more than the United

Kingdom. Since 2013, in part because of such diversity, Iran has enjoyed a relatively sustained annual trade surplus of about \$35 billion from automotive production, chemicals, mining and minerals, utilities, and telecommunications.

But the most promising indicator of Iran's economic potential is its human capital. Iran has a population of 80 million, comparable to Germany and Turkey. About 64 percent of Iranians are below the age of 35. The population is 73 percent urban, a percentage similar to those of most industrialized countries.

And that urban population is well educated. Iran's literacy rate is 87 percent overall and 98 percent for those between the ages of 15 and 24. Of the roughly 4.4 million students enrolled in universities, 60 percent were women as of the 2012–13 school year, and some 44 percent are majoring in one of the STEM fields (science, technology, engineering, and mathematics). After Russia and the United States, Iran is the world's fifth-largest producer of graduates in engineering (reliable statistics for China and India are not available, but it is likely that they occupy slots one and two)—although the education they receive in Iran is not always of the highest quality. Still, some 7.5 million Iranians, or about 13.3 percent of the country's working-age population, have completed a university-level education, making Iran the most educated country in the Middle East. For the sake of comparison, Mexico's university graduates make up 12.5 percent of its working-age population; Brazil's, 11.7 percent; and Indonesia's, 6.9 percent.

But Iran cannot take full advantage of these strengths without foreign investment. Currently, the stock of



Mullah moola: counting bank notes in Tehran, August 2015

foreign investment in Iran is estimated at \$43 billion, which makes Iran the 58th-largest holder of foreign investment in the world. In light of the extensive international sanctions, this is a surprisingly large amount. In terms of relative potential, however, the investment is small, particularly when compared with that of a peer country such as Turkey, which has received around \$209 billion in foreign investment, making it the 26th-largest holder of foreign investment in the world. Indeed, current foreign direct investment in Iran falls significantly short of Tehran's stated goal of attracting close to \$1 trillion over the next five to ten years.

The need for foreign investment is hard to dispute. Iran's young demographics and high unemployment levels, coupled with inflation in consumer prices of 17 percent in 2014 (down from 39 percent in 2013), indicate that its domestic savings rates will likely be too low to sustain

sufficient domestic investment. And state investment is a poor alternative, as the Iranian government has tended to allocate capital inefficiently. The potential impact of foreign investment in Iran is therefore enormous.

WARNING SIGNS

But attracting foreign capital may prove difficult. Investors will be wary of Iran's lackluster attempts at market liberalization, and those who decide to invest will have to overcome a deep strain within Iranian political thought that is hostile to the very idea of foreign engagement.

Although Iran has attempted to transition to a market-based economy, its efforts have largely failed. Iran nationalized much of its economy in the wake of the 1979 Iranian Revolution. But after an eight-year war with Iraq, leaders such as Iran's fourth president, Ali Akbar Hashemi Rafsanjani, sought

to rebuild the economy through privatization. In 2004, Iran's Expediency Council, which advises Iran's supreme leader, Ayatollah Ali Khamenei, began advocating for greater private ownership of enterprises, a proposal the Iranian parliament ratified the following year. Under the new law, many state-owned enterprises were permitted to privatize up to 80 percent of their shares.

But this was privatization in name only. Of the shares that were privatized, roughly half were distributed by Iranian President Mahmoud Ahmadinejad to underprivileged segments of the population through a program known as "Justice Shares." Instead of making the economy more efficient, this program has had the opposite effect, as the new shareholders have no meaningful business experience to help them manage or supervise the companies.

The remaining half of the shares were transferred to three types of quasi-governmental bodies: revolutionary and religious foundations, military and paramilitary organizations, and state-run pension funds. Although nominally private, these institutions are closely connected to the Iranian state; former government officials often serve in supervisory or management positions.

Thus, the net impact of privatization has been to transfer ownership of state-owned assets to entities directly or indirectly associated with the state, but with reduced transparency and accountability. Privatization has brought neither a cadre of skilled management nor better corporate governance; unsurprisingly, most of Iran's privatized companies are believed to be unprofitable.

Investors may also balk at Iran's many troubling economic indicators.

For one, Iran performs poorly in international ratings of the economic and legal institutions necessary for development and growth. On the World Bank's 2015 Ease of Doing Business Index, for example, Iran ranked 130th out of 189 countries—not prohibitively low, considering that Brazil and India were 120th and 142nd, respectively, but far from optimal.

Iran is also a poor protector of intellectual property rights. According to a 2013 worldwide ranking of property rights regimes by the U.S.-based advocacy group Property Rights Alliance, Iran ranked 111th out of 131 countries. In comparison, Brazil, China, and India were all in the top 60.

Iran fares just as badly in corruption rankings. Iran ranked 136th out of 174 countries on Transparency International's 2014 Corruption Perceptions Index, a standing comparable to Russia's and Nigeria's.

Finally, the shortcomings in Iran's institutions and business culture are also evidenced by the World Economic Forum's 2014–15 Global Competitiveness Index, where, overall, Iran ranked 83rd out of 144 countries. Iran fares particularly poorly in the areas of business sophistication, financial-market development, institutions, and labor-market efficiency.

All these weaknesses will give foreign investors pause, even once sanctions no longer prevent them from doing business in Iran. And even if investors decide to bet on Iran, a different obstacle might stand in their way: Iran's conservative elite, which harbors a deeply ingrained ideological opposition to the idea of foreign involvement in and influence on Iran. Iran's conservatives have fostered a narrative of the country's history

centered on the idea that foreign powers have always tried—and will always try—to dismember Iran and to keep it militarily and economically weak and dependent. Although there are many dimensions to this narrative, a large one focuses on several historical episodes of apparent economic exploitation or political meddling at the hands of Western powers.

Consider two concessions that the Iranian government granted to European businesspeople in the late nineteenth and early twentieth centuries. In 1872, Iran's monarch, Naser al-Din Shah, faced with a dire need for funds to support the central government, granted a concession to Paul Julius von Reuter, the founder of the news agency Reuters, giving him development rights over the country's factories, mills, natural resources, roads, telegraphs, and other public works, in exchange for a fixed sum payable for five years and a profit-sharing arrangement for 20 years. The deal met significant domestic opposition and was revoked a year or so later, but the story remains an infamous example within Iran of unworthy monarchs ceding the country's wealth to foreigners.

Although the Reuter deal never gained traction, another concession, granted to the English businessman William Knox D'Arcy in 1901, proved in many ways to define twentieth-century Iran. Already wealthy from mining exploits in Australia, D'Arcy secured a concession from Iran's monarch, Mozaffar ad-Din Shah, for the right to explore for oil. The arrangement was to last 60 years, and it covered all of Iran save for five provinces in the north. In exchange, D'Arcy promised to give Iran 20,000 pounds plus 20,000 pounds in stock and 16 percent of his annual

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profits. D'Arcy at last struck oil in May 1908 and, a year later, founded the Anglo-Persian Oil Company, subsequently known as British Petroleum. The company's operations in Iran were a source of domestic resentment and ire throughout the twentieth century, until Iran nationalized the company in 1951, canceling the concession and expropriating the company's assets.

Finally, the overthrow in 1953 of Iranian Prime Minister Mohammad Mosaddeq, a plot orchestrated by the United Kingdom and the United States, convinced many Iranians that whenever foreign powers become dissatisfied with how Iran is being managed, they simply replace the offending leadership with one that will readily implement their designs.

These encounters with foreign powers and capitalism created the prism through which the revolutionaries of 1979 viewed the economy. They argued that because foreign powers and capitalists could not be trusted, all major industries would be under state control. Any grant to private enterprise risked Iran's independence, territorial integrity, and national prosperity. The scope of private enterprise was constrained, and it was consigned to serve the needs of the nation. And when it came time to relax state ownership, various constraints on foreign ownership persisted.

The economic calculus is indisputable: without foreign investment, Iran's domestic economy simply doesn't have the wherewithal to meet the aspirations of a well-educated, young population. But the burden of history weighs heavily on the minds of conservatives in the leadership who see such investment as a slippery slope leading back to an era of dependency and economic exploitation.

HOW TO WIN FRIENDS

Yet there is still cause for optimism. In deciding where to put their capital, investors take a country's starting position as a given and look for the potential for dramatic gains. In this respect, Iran looks promising. If even a few of its economy's massive sources of inefficiency were removed, Iran could see immediate and substantial growth, becoming a premium investment destination. With greater economic opportunities at home, its brain drain may stop or even reverse, allowing Iran to leverage its human capital. And if Iran is able to sustain growth beyond a decade, the country's young people might find themselves in a position to provide domestic support for the country's investment needs as they grow into adulthood.

If Iran wants to reap these benefits, however, it will need to foster an environment conducive to foreign investment. First and foremost, investment capital will need to be protected by laws that encourage certainty and stability in free markets. At a minimum, such laws should secure physical and intellectual property rights, enforce contracts, reform the bankruptcy regime, encourage strong corporate governance, and require transparent financial reporting based on internationally recognized accounting standards.

Without such laws, troublesome obstacles will continue to stymie investors who may wish to participate in Iran's privatizations or invest in the Tehran Stock Exchange. Not only will investors have to figure out the complex and opaque web of partial state ownership in companies, but they will also have difficulty accepting Iran's unsophisticated corporate governance rules. Investors

will demand risk premiums to compensate for the lack of transparency, effectively taxing the Iranian economy.

Corruption is also a significant challenge for Iran. Of course, there is no emerging market in which corruption is not a significant issue, and even advanced markets are susceptible to graft. On balance, however, countries with stronger legal regimes have lower levels of corruption and better business environments. If investors see that addressing corruption is a priority for the Iranian government, they will be more likely to invest, even if some level of corruption remains inevitable.

Investment capital also needs to be supported by a stable and credible banking system. The Ahmadinejad administration (2005–13) eroded the integrity of Iran's banks. It imposed savings and lending rates that compromised the ability of banks to generate adequate spreads, and it directed state-owned banks to lend to state-owned enterprises, which led to a glut of nonperforming loans. At the same time, many banks started to engage in speculative activities, such as real estate and private equity investment, for which they were poorly equipped. And a shadow banking system emerged outside of regulatory oversight, often a harbinger of financial instability. Investors will be hesitant to invest in an economy with a closed financial system that misallocates and misprices capital. Iran's banks will need to be able to operate without government direction but with suitable regulatory oversight to promote sound risk management.

Aside from Iran's oil and gas reserves, which will surely stay firmly under state control, most state-owned assets will need to be genuinely transferred to the private sector. As postcommunist

countries all over the world have learned, transferring state-owned enterprises to government insiders under the guise of privatization does not yield corporate dynamism or efficiency. To achieve such gains, the Iranian government needs to hire independent experts to evaluate the performance of all companies that are majority-owned by the state and all quasi-state entities and then transfer majority ownership of underperforming entities to individuals or groups with no connection to the state. And once those entities have been truly privatized, Tehran will need to avoid the temptation to influence their corporate management—since governments that meddle in recently privatized companies do not attract investment or foster stable growth.

Iran will need to reassure investors that the return on their capital will not be negatively offset by currency depreciations or price inflation, and those investors will look for a strong and independent central bank to mitigate these risks. But the Central Bank of Iran is not truly independent. A central bank cannot pursue price stability while financing its government's budget deficits, as Iran's is made to do. It was not until Turkey gave full operational independence to its central bank in 2001, for example, that it was able to restore financial stability and attract foreign capital. In part due to that decision, Turkey's inflation level fell from 30 percent in 2002 to eight percent in 2005, and its GDP growth increased from six percent to eight percent. If Iran follows Turkey's example, it will give investors significantly more confidence.

Finally, Iran would benefit from encouraging its diaspora community to invest back home. Iranians living abroad share a cultural connection to Iran,

making them more willing to take on risk; other investors will then be more likely to follow their lead. Moreover, diaspora communities can introduce invaluable global networks of business, research, and technology to their countries of origin, thus accelerating their development. India's experience and success in this regard is noteworthy, and one way Iran could follow India's lead would be to issue identification cards to people of Iranian origin that would allow them to travel to and invest in Iran without a visa or dual citizenship—and without fear that Iran would refuse to acknowledge their non-Iranian citizenship and the rights and protections that entails. Such an act, by itself, would be a powerful signal and could attract large amounts of capital.

BEFORE IT'S TOO LATE

Iran missed the golden era of globalization, from 1998 to 2007, during which foreign investment poured into the emerging economies. Today, all emerging economies must compete aggressively for their share of the available pool of capital. Within the next few decades, as the advanced economies age, the amount of investment capital may be substantially lower and the cost of investing substantially higher. Having missed one era, Iran must race against the clock before another runs out.

As Iran opens up, investment capital will initially trickle in slowly. Investors will dip their toes into the water on the basis of hard facts, an analysis of long-term comparative advantage, and evidence of policy shifts toward free markets. They will look for pragmatism over dogma, openness over isolation, and long-term foundation building over short-term cosmetic fixes.

Economic reform is never easy. Opposition can coalesce quickly and add resistance to the already formidable obstacles to growth and efficiency. It is difficult to know exactly what the broader implications of reform will be for Iranian politics and society. If Iran wants to reap the economic benefits of sanctions relief, however, reformers must persuade those skeptical of free markets and foreign investment that reform can be a win-win opportunity, allowing for national wealth creation. If the Iranian leadership wants to reap the benefits of membership in the global economy, it will have to encourage its people—elites and ordinary Iranians alike—to accept that the world has changed and that outdated narratives of foreign meddling and exploitation should not hinder pragmatic decisions about the country's economic future.

Iranian elites must also overcome their fear that market liberalization entails a decrease in state authority. In fact, successful transitions to free markets require not a weak government but a strong one able to preserve the rule of law and the market stability necessary for reform. The state's power is not diminished; rather, the state simply reorients its role in the economy from dominant actor to guarantor of free markets.

Walter Wriston, the legendary former CEO and chair of Citicorp, famously said, "Capital goes where it's welcome and stays where it's well treated." If welcomed, the first wave of foreign direct investment in Iran will originate from those with a considerable appetite for risk and deep pockets. If they choose to deploy their capital, they will demand a high return for taking that risk. If their capital is well treated, more will follow. If not, there are plenty of other places it can go. 🌐

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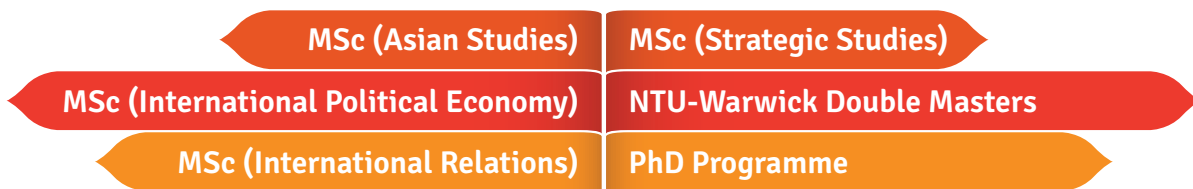
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Iraq in Pieces

Breaking Up to Stay Together

Ali Khedery

American leaders contemplating Iraq have made a habit of substituting unpleasant realities with rosy assessments based on questionable assumptions. In 1991, after the Gulf War, the George H. W. Bush administration hoped that Iraqis would rise up against Saddam Hussein and encouraged them to do so, only to abandon them to the Republican Guard. In 1998, President Bill Clinton signed the Iraq Liberation Act, officially embracing regime change and transferring millions of dollars to an Iranian-backed convicted embezzler, Ahmed Chalabi. In 2003, the George W. Bush administration assumed that toppling Saddam would lead to stability rather than chaos when the U.S. military “shocked and awed” its way to Baghdad. In 2005, as the country descended into violence, Vice President Dick Cheney insisted that the insurgency was in its “last throes.”

In 2010, still flushed with the success of Bush’s “surge,” Vice President Joe Biden forecast that President Barack Obama’s Iraq policy was “going to be one of the great achievements of this administration,” lauding Iraqis for using “the

political process, rather than guns, to settle their differences.” And in 2012, even as Iraqi Prime Minister Nouri al-Maliki was running an increasingly authoritarian and dysfunctional regime, the administration continued its happy talk. “Many predicted that the violence would return and Iraq would slide back toward sectarian war,” said Antony Blinken, then Biden’s national security adviser. “Those predictions proved wrong.”

Today, of course, the Iraqi army has all but collapsed, despite some \$25 billion in U.S. assistance. Shiite militants who have sworn allegiance to Iran’s supreme leader operate with impunity. And the Islamic State (or ISIS) dominates more than a third of Iraq and half of Syria. Obama’s successor will thus certainly earn the distinction of becoming the fifth consecutive president to bomb Iraq.

Still, the next resident of the White House can choose to avoid the mistakes of his or her predecessors by refusing to unconditionally empower corrupt and divisive Iraqi leaders in the hope that they will somehow create a stable, prosperous country. If Iraq continues on its current downward spiral, as is virtually certain, Washington should accept the fractious reality on the ground, abandon its fixation with artificial borders, and start allowing the various parts of Iraq and Syria to embark on the journey to self-determination. That process would no doubt be rocky and even bloody, but at this point, it represents the best chance of containing the sectarian violence and protecting the remainder of the Middle East from still further chaos.

ALI KHEDERY is Chair and CEO of Dragoman Partners. From 2003 to 2010, he was a special assistant to five U.S. ambassadors in Iraq and a senior adviser to three chiefs of U.S. Central Command. Follow him on Twitter @akhedery.

DECLINE AND FALL

Since the founding of modern Iraq in 1920, the country has rarely witnessed

extended peace and stability. Under the Ottoman Empire, the sultans ruled the territory as three separate *vilayat*, or provinces, with governors independently administering Mosul in the north, Baghdad in the center, and Basra in the south. After the Allied victory in World War I and the collapse of the Ottoman Empire, however, the Treaty of Sèvres created new and artificial borders to divide the spoils. France assumed a mandate over the Levant, and the British were determined to carve out a sphere of influence in oil-rich Mesopotamia, installing a descendant of the Prophet Muhammad, Faisal bin al-Hussein, as Iraq's first monarch in 1921.

By 1932, however, King Faisal I had already concluded that Iraq made little sense as a nation:

With my heart filled with sadness, I have to say that it is my belief that there is no Iraqi people inside Iraq. There are only diverse groups with no national sentiments. They are filled with superstitious and false religious traditions with no common grounds between them. They easily accept rumors and are prone to chaos, prepared always to revolt against any government.

Those words would prove prophetic, and in 1958, his grandson, Faisal II, was murdered in a coup d'état along with the royal family. Three revolutions and counterrevolutions followed before the Arab Socialist Baath Party took power in 1968, with Saddam seizing total control in 1979.

Once the center of regional politics, science, culture, and commerce, Iraq regressed on every front under Saddam. In the 1980s, his Anfal campaign exter-

minated tens of thousands of Kurds, and his disastrous war with Iran left hundreds of thousands dead and millions displaced. His equally catastrophic incursion into Kuwait in 1990 led to a lost war, the ruthless suppression of Kurdish and Shiite rebellions, a dozen years of devastating sanctions, and some \$130 billion in debt. Not even Saddam's core constituency of Sunnis was immune from frequent pogroms; countless relatives of Saddam, party officials, generals, and tribal chieftains were liquidated over the years. These decades of misrule caused a majority of Iraqis—not just Kurds and Shiites but also exiled Islamists and secular Sunnis—to reject Baghdad's rule.

The post-Saddam Iraq that emerged after the 2003 U.S. invasion was supposed to be different. Having failed to unearth weapons of mass destruction, the United States expended an extraordinary amount of resources to compensate for the error and pursue pluralism, stability, prosperity, democracy, and good governance. Some 4,500 U.S. soldiers were killed and 32,000 wounded, not to mention the trillions of dollars in direct and indirect costs and the millions of dead or displaced Iraqis. Yet the intervention ultimately failed, because it empowered a new set of elites who drew their legitimacy almost purely from divisive ethno-sectarian agendas rather than from visions of truth, reconciliation, the rule of law, and national unity.

Shortly after the invasion, Machiavellian politicians pressed U.S. officials to disband the Iraqi army as they hijacked the U.S.-instituted De-Baathification Commission and used it to extort or purge their secular political opponents,



Enemy of my enemy: an Iraqi Shiite fighter near Fallujah, July 2015

Sunni and Shiite alike. Hundreds of thousands were left permanently unemployed, embittered, and primed to seek violent retribution against the new order.

In the mountainous north, Kurdish leaders sought to consolidate the considerable gains they had achieved through self-governance following the introduction of a no-fly zone in 1991. After a vicious civil war in the mid-1990s, they established the semiautonomous Kurdistan Region, securing peace and attracting foreign investment. Once Saddam was gone, they maintained control of key positions in Baghdad under a new ethno-sectarian quota system as a hedge against further repression.

In the south, the Shiite Islamist parties that had battled Saddam's secular Baath Party for decades, often with Iran's covert support, emerged victorious and sought to compensate for past repression. They asserted their will as the majority by defying the Baath's taboos and

establishing numerous official religious holidays, cementing their brand of religious values in the national school curriculum, and placing members of the armed wings of their religious political parties on government payrolls. In the halls of power in Baghdad, the word of Grand Ayatollah Ali al-Sistani, the highest authority in Shiite Islam, reigned supreme.

Iraq's minority Sunnis, the nation's ruling elite for centuries, found themselves in disarray. To correct perceived injustices, they eventually settled on a strategy of boycotting democracy in favor of insurgency and terrorism. Hopelessly divided and lacking leadership and vision, Sunni Arabs often fell into the trap of battling the U.S. military occupation and the surging influence of their historical arch-nemesis, Shiite Persian Iran, by striking a deal with the devil: al Qaeda.

So began an endless cycle of killing among militant radicals of all stripes,

from remnants of the Baath Party to al Qaeda in Iraq to the Iranian-backed Shiite militias. With each religiously charged atrocity, the Iraqi national identity grew weaker, and the millennia-old senses of self—tribal, ethnic, and religious—grew stronger.

Of all the main forces, perhaps the single most corrosive was Maliki, a duplicitous and divisive politician who served as prime minister beginning in 2006. After he lost the 2010 elections, he managed to stay in office through a power-sharing deal backed by Washington and Tehran, only to consolidate his authority further by retaining personal control of the interior, defense, and intelligence ministries, among other important bodies. With Obama distracted by the global economic meltdown and advised by top aides that Maliki was a nationalist rather than a sectarian, the prime minister secured nearly unconditional Iranian and U.S. backing and purged professional officers in favor of incompetent loyalists. He intentionally pitted organs of the state and his hard-line Shiite Islamist constituency against all manner of opponents: Shiite secularists, Sunni Islamists, Sunni secularists, Kurds, and even rival Shiite Islamists.

Although Maliki achieved many successes during his first term, which coincided with Bush's surge, his second, from 2010 to 2014, was catastrophic. Violence rose from the post-2003 lows to new heights. Entire divisions of the Iraqi army melted away in the face of vastly smaller forces, leaving billions of dollars' worth of vehicles, weapons, and ammunition behind for use by terrorists. The entirety of Iraq's Sunni heartland fell to the Islamic State.

Baghdad's relations with Iraqi Kurdistan and the Sunni provinces collapsed, and the central government lost control over more than half its territory. The Iranian-backed Shiite militias that Maliki had once crushed rebounded so ferociously in the face of the Islamic State's assaults that they now likely outnumber the official Iraqi security forces. Most damning, both the Islamic State and the Shiite militias now wield advanced U.S. military hardware as they commit atrocities throughout Iraq.

Across much of the Middle East today, a sad truth prevails: decades of bad governance have caused richly diverse societies to fracture along ethno-sectarian lines. In Iraq, it is now evident that Shiite Islamists will not accept secular-nationalist rule by Sunnis or Shiites and that neither camp will accept rule by Sunni Islamists, especially the radical version espoused by the Islamic State. The relatively secular Kurds, meanwhile, are unwilling to live under Arab rule of any sort. In short, these powerful groups' visions of life, religion, and politics are fundamentally incompatible. As for the minority Christian, Shabak, Yazidi, Sabeen Mandaean, and Jewish communities that once numbered in the millions and occupied Mesopotamia for millennia, they have faced the Hobbesian fate of violent death or permanent displacement.

FROM BAD TO WORSE

Despite some tactical gains, such as the liberation of Tikrit, the strategic situation has only gotten worse since Prime Minister Haider al-Abadi succeeded Maliki in September 2014. Over the past year, the Islamic State has enhanced its position, even in the face of coalition bombing campaigns chronicled on Twitter

by top U.S. officials, who, echoing General William Westmoreland during the Vietnam War, cite body counts and the number of air strikes as metrics for success. Mosul was taken by the Islamic State in June 2014; today, few are talking about liberating it anytime soon, and the terrorists have thrust forward to capture Ramadi, the capital of Iraq's Anbar Province. The barbarians that Obama dismissed as the "JV team" are now a few dozen miles from the gates of Baghdad, as they expand their reach in Syria and establish franchises across Africa and Asia. Earlier this year, when I asked one of Iraq's deputy premiers how Baghdad looked, he shrugged and said, "How should I know? I can't leave the Green Zone."

The collapse of the Iraqi security forces and the rise of the Shiite militias have weakened Baghdad's already feeble grip on the country and empowered Tehran, since the militias have sworn allegiance to Iran's supreme leader and are directed by Iran's Islamic Revolutionary Guard Corps. U.S. military commanders have rightly voiced alarm over the growing strength and popularity of these terrorist groups, which are responsible for bombing U.S. and allied embassies and killing and maiming thousands of Iraqi, U.S., and coalition troops. Every time the militias thrust into Sunni enclaves, they carry out new atrocities and displace more people, inevitably enhancing the Islamic State's appeal. Every time the Islamic State bombs innocent Shiite civilians, the Shiite militias grow stronger, and the Iraqi government grows weaker.

Compounding Baghdad's nightmare has been the plunge in oil prices, which has left Abadi's government with a budget

deficit in the tens of billions of dollars, a limited ability to borrow on the international capital markets, and the prospect of looming stagflation. Youth unemployment has stayed chronically high. This past summer, with temperatures rising well above 120 degrees Fahrenheit and households having no more than a few hours of water and electricity per day, the seething population was primed to explode.

And that is precisely what happened. In July, tens of thousands of largely peaceful and secular protesters filled public squares across Baghdad and the provincial capitals of southern Iraq, decrying sectarianism, corruption, the lack of jobs, and nonexistent government services. Angrier protesters burned in effigy leading national politicians, namely Maliki, who was now one of Iraq's three vice presidents yet still wielding power behind the scenes in a bid to undermine Abadi. Government offices in Maliki's hometown were sacked, and crowds threatened violent action against the Basra-based international oil companies, Iraq's only economic lifelines.

After Abadi announced limited reforms, Sistani, sensing mass unrest and a budding threat from rival clerics in Iran, instructed Abadi through his representatives' weekly sermons to "be more daring and courageous." In response, Abadi announced a series of major reforms, including the abolishment of the offices of the three deputy premiers and the three vice presidents, along with 11 of 33 cabinet posts. To overcome paralysis and hold officials accountable, Abadi promised to eliminate the ethno-sectarian quota system in the government and prosecute dozens of top civilian and uniformed leaders for

corruption and dereliction of their duties in the face of the Islamic State's assault.

In a rare show of unity, parliament unanimously adopted the measures on August 11. Mass rallies erupted in Baghdad, with protesters chanting, "We are all Abadi." But Maliki and the other two vice presidents refused to step down, insisting that their positions were constitutionally mandated. And so the paralysis in Baghdad continued.

A week after the reforms were approved, Sistani issued a direct and dire warning. Iraq's politicians had not served the people, and their misdeeds had enabled the rise of the Islamic State, he argued. "If true reform is not realized," he said, Iraq could be dragged into "partition and the like, God forbid."

So began the most recent chapter of the centuries-long intra-Shiite rivalry, as Sistani and Abadi battled Iranian Supreme Leader Ayatollah Ali Khamenei and his favored proxies in Iraq, namely, Maliki and the militia commanders, for control of Mesopotamia.

Although little noticed or understood in the West, and in a reminder that no major ethno-sectarian group can ever be monolithic, Shiite Arab and Shiite Persian rivalries have persisted for centuries, pitting Iraq's Najaf seminary against Iran's Qom establishment. At the time of this writing, Najaf's Sistani is discreetly blasting Iran's leading militia in Iraq, Kataib Hezbollah, for its alleged involvement in kidnapping 18 Turkish civilians and for its threat to target the U.S. ambassador to Iraq. Undeterred, Tehran is attempting to consolidate its gains over Arabia, where, as the former Iranian intelligence minister Ali Younesi declared in March, "Iran has become an empire . . . and its current capital is Baghdad."

Given the hellish combination of regional proxy wars and conflict between Iraq's Sunnis and Shiites and between its Arabs and Kurds—and within each group as well—the most dangerous era of modern Iraqi history may have only just begun.

It is hard to see how members of the feckless national political elite, who built their reputations by sowing ethno-sectarian hatreds, can satisfy impatient protesters in the coming months. Following decades of misrule under Saddam and Maliki, there is little reason to believe that a critical mass of pluralistic Iraqi nationalists remains to salvage the Iraqi national identity. The divisions now run too deep. As Massoud Barzani, president of the Kurdistan Region, once put it to me, "The Shia fear past repression, the Sunnis fear future repression, and we Kurds fear both."

Nor is there much reason to believe that Iraq can rid itself of the corruption that is ingrained in the very DNA of the post-2003 order. Sunnis and Shiites, Arabs and Kurds, secularists and Islamists—whatever their disagreements, all have been united not by God but by greed. The insatiable lust for power and money evidenced by virtually every national leader I met during my more than 2,100 days of U.S. government service in Iraq still leaves me dazed: a Kurdish official's \$2 million Bugatti Veyron parked along several other supercars at his beachfront villa abroad, the private airplanes of a secretive Sunni financier with several cabinet members in his pocket, a junior Shiite Islamist official's \$150,000 Breguet wristwatch to complement his \$5,000 monthly salary from the office of the prime minister. These are the small fish.

As one friend, a tireless but beleaguered Iraqi civil servant, put it to me early during the war, “Under Saddam Hussein, our ministers dreamt of stealing millions. If Saddam caught them, they were immediately executed. Only Saddam and his sons dared steal en masse. These people you Americans have brought to rule us—they’re stealing billions.” My friend earns about \$500 per month, an average wage. Years after we visited the White House together, his home was accidentally bombed by U.S. aircraft, wiping out his family’s life savings. The Pentagon offered him no apology or reparations. His fiancée was then shot in the head by a passing foreign security convoy; she suffered permanent brain damage and paralysis. The son of a Sunni father and a Shiite mother, like millions of Iraqis of mixed descent, he fears kidnapping and murder by both the Sunnis of the Islamic State and the Shiites of the Iranian-backed death squads.

A SEPARATE PEACE

There is no question now that George W. Bush waged a poorly conceived and poorly executed war. There is also no question now that Obama precipitously and irresponsibly disengaged from Iraq after backing a divisive leader in Maliki. Washington’s Iraq policy failures have transcended administrations and parties. But the next president has a chance to do better.

In an ideal world, Abadi would survive the looming assassination and coup attempts, and the current Iraqi government would not only remain intact through 2017 but also become functional. Baghdad would mend the country’s ethno-sectarian divisions,

slash corruption by prosecuting and jailing top officials (starting with senior judicial and cabinet figures), and reverse the advances of the Islamic State and the Shiite militias. If this somehow happens, Washington should reward Iraq’s leaders by continuing the Bush-Obama strategy of diplomatically backing a strong central government while providing military and counterterrorism assistance strictly conditioned on further reforms.

It is far more likely, however, that Iraq will continue its current slide and its government will keep failing to fulfill its basic obligations to deliver security and services. In that case, the next U.S. president should act decisively to prevent Iraq from degenerating into a second Syria, a zombie state terrorizing its citizens, exporting millions of refugees, and incubating jihad. This would mean openly encouraging confederal decentralization across Iraq and Syria—devolving powers from Baghdad and Damascus to the provinces while maintaining the two countries’ territorial integrity. In extreme circumstances, Washington might resort to embracing Balkan-style partition and a new regional political order.

Such a policy would represent a sharp departure for the U.S. national security establishment, which, among other things, has difficulty adapting to the unforeseen and dealing with nontraditional actors. Yet precisely because Washington’s traditional authoritarian counterparts have failed so spectacularly, it is nonstate actors that now dominate the Middle East. As a result, across the region, millions of youth have become disillusioned and radicalized, and extremists have exploited power vacuums to wage transnational jihad.

As it acknowledges the realities festering on the ground today, the United States will have to adopt an overarching strategy for the Middle East, one that goes far beyond Obama's counterterrorism-focused approach. In Iraq and Syria, artificial borders have been erased, and the governments in Baghdad and Damascus have lost legitimacy in the eyes of millions of citizens. Because Washington can no longer deal with these governments as the exclusive representatives of their people, it will have to work with the world's other great powers and the Middle East's regional powers—Iran, Israel, Egypt, Turkey, and the Arab monarchies—to define new spheres of influence.

This process will be neither quick nor easy and will involve hundreds of delicate maneuvers. To begin with, however, the United States should work through the UN Security Council to launch a Middle East *détente* initiative that brings everyone to the table, much as Clinton convened various stakeholders in the Dayton peace talks to end the Bosnian war. Although it is not without risk, the strategy will rest on embracing the universal right to self-determination guaranteed by the UN Charter.

To that end, global and regional powers should agree on a new political order, try to broker cease-fires, deploy peacekeepers, and, as administrative and security conditions permit, allow every district in Iraq and Syria to conduct cascades of UN-monitored referendums. Although Iran may play a spoiler role and seek to preserve its ability to attack Israel by securing its land bridge across Iraq, Syria, and Lebanon, it can eventually be neutralized by unanimous global pressure, as the recent nuclear deal

demonstrated. Some Sunni powers will surely deploy their own dirty tricks in an attempt to predetermine outcomes; global powers must make it clear that there will be zero tolerance for such behavior and, more important, that they are prepared to inflict tangible pain if bad acts continue. They must also make it explicit that the civilized world is now at war with radical militant Islamists and that state sponsorship of these terrorists, whether Sunni or Shiite, will no longer be tolerated.

Under the present conditions, one can imagine that the Syrians would vote for rump Alawite, Christian, and Druze enclaves along the Mediterranean coast, one or more Sunni Arab governments across the heartland (which would rise up against the Islamic State in an Iraq-style "tribal awakening" should the appropriate campaign plan be adopted), and a semiautonomous Kurdish region in the north. The first would fall under the spheres of influence of Iran and Russia, while the latter two would fall under the Turkish, Arab, and Western spheres. No longer caught in the clutches of a genocidal dictator, Syria's diverse and industrious population could begin to rebuild, just as the war-ravaged citizens of Germany, Japan, and Korea once did. To cement truth and reconciliation, the Security Council will have to guarantee mass amnesty, or, should the stakeholders agree, the International Criminal Court will need to start indicting perpetrators of war crimes from all factions in a bid to deter further bloodletting.

In neighboring Iraq, a nearly identical pattern has already emerged on the ground. The Shiite provinces would likely choose to form anywhere between one and nine regions; oil-rich Basra,

for instance, has been threatening self-rule for a decade in the face of Baghdad's failure to deliver security and services. The Sunni provinces would form between one and three regions and cleanse their territories of the Islamic State through a reinvigorated and internationally supported "tribal awakening." And Iraqi Kurdistan would no doubt continue down the path toward economic self-sufficiency, leveraging the opportunity to export oil and gas to Turkey and the European Union. Special independent status could be granted to the diverse and geopolitically sensitive provinces of Baghdad, Diyala, and Kirkuk (à la the District of Columbia), in a last ditch effort at maintaining their pluralism. Unlike in Syria, in Iraq, many of these processes are already permitted by the constitution.

As Iraqi Kurdistan demonstrated during the 1990s, transitions to self-determination are often attended by regional interference, warlordism, corruption, cronyism, and internecine conflict. Nonetheless, as that case has also shown, with time—and with constant international rewards for good behavior and sanctions for bad behavior—self-determination always produces better results than authoritarianism. Were Saddam still terrorizing the Kurds today, a Kurdish insurgency would be raging stronger than ever. Instead, autonomous rule in Kurdistan, albeit far from perfect, has contributed to relative security and the development of basic infrastructure and economic opportunity. This should serve as a model for the rest of Iraq and Syria.

Indeed, those eager to destroy the Islamic State at any cost should

remember that al Qaeda in Iraq was defeated not by the U.S. military and intelligence services, the Kurdish Pesh Merga, or Iranian proxies but by Sunni Arab Iraqis, who led the fight with international support. Likewise, al Qaeda in Iraq's supercharged successor, the Islamic State, can never be defeated by air strikes or foreign boots on the ground alone. The Islamic State's root cause—poor governance—is indigenous. Thus its root solution—good governance—must also be indigenous. Only local actors can break the vicious cycle of poverty, disenchantment, radicalization, and extremism and spark a virtuous cycle that offers security, jobs, education, moderation, dignity, and, most critically, hope that tomorrow will be better than today.

Barring a miracle, managed decentralization across Iraq and Syria may soon be the only viable path ahead. The next U.S. president could choose to respond to the inevitable crises there by following an ideological course, as his or her predecessors did, or attempt to manage them actively yet rationally. With or without Washington, a new reality is dawning on Mesopotamia. 🌍

ISIS as Revolutionary State

New Twist on an Old Story

Stephen M. Walt

To many who have witnessed its brutal tactics and religious extremism, the Islamic State, or ISIS, seems uniquely baffling and unusually dangerous. According to its leaders' own statements, the group wants to eliminate infidels, impose sharia worldwide, and hasten the return of the Prophet. The Islamic State's foot soldiers have pursued these goals with astonishing cruelty. Yet unlike the original al Qaeda, which showed little interest in controlling territory, the Islamic State has also sought to build the rudiments of a genuine state in the territory it controls. It has established clear lines of authority, tax and educational systems, and a sophisticated propaganda operation. It may call itself a "caliphate" and reject the current state-based international system, but a territorial state is what its leaders are running. As Jürgen Todenhöfer, a German journalist who visited territory in Iraq and Syria controlled by the Islamic State, said in 2014, "We have to understand that ISIS is a country now."

STEPHEN M. WALT is Robert and Renée Belfer Professor of International Affairs at the Harvard Kennedy School. Follow him on Twitter @stephenWalt.

Yet the Islamic State is hardly the first extremist movement to combine violent tendencies, grandiose ambitions, and territorial control. Its religious dimension notwithstanding, the group is just the latest in a long line of state-building revolutionaries, strikingly similar in many ways to the regimes that emerged during the French, Russian, Chinese, Cuban, Cambodian, and Iranian revolutions. These movements were as hostile to prevailing international norms as the Islamic State is, and they also used ruthless violence to eliminate or intimidate rivals and demonstrate their power to a wider world.

The earlier episodes are reassuring when contemplating the Islamic State today. They show that revolutions pose serious dangers only when they involve great powers, since only great powers have proved capable of spreading their revolutionary principles. The Islamic State will never come close to being a great power, and although it has attracted some sympathizers abroad, just as earlier revolutions did, its ideology is too parochial and its power too limited to spark similar takeovers outside Iraq and Syria.

History also teaches that outside efforts to topple a revolutionary state often backfire, by strengthening hard-liners and providing additional opportunities for expansion. Today, U.S. efforts to "degrade and ultimately destroy" the Islamic State, as the Obama administration has characterized U.S. policy, could enhance its prestige, reinforce its narrative of Western hostility to Islam, and bolster its claim to be Islam's staunchest defender. A better response would rely on local actors to patiently contain the group, with the United States staying far in the background. This approach

requires seeing the Islamic State for what it is: a small and underresourced revolutionary movement too weak to pose a significant security threat, except to the unfortunate people under its control.

WHEN EXTREMISTS TAKE POWER

Revolutions replace an existing state with a new one based on different political principles. These upheavals are usually led by a vanguard party or rebel group, such as the Bolsheviks in Russia, the Communist Party in China, the Khmer Rouge in Cambodia, or Ayatollah Ruhollah Khomeini and his followers in Iran. Sometimes, a revolutionary movement overthrows the regime on its own; other times, it exploits a power vacuum after the old order has collapsed for other reasons.

Because revolutions are violent struggles conducted in the face of enormous obstacles, their leaders need abundant luck to topple a regime and consolidate control afterward. They must also convince their supporters to run grave risks and overcome the natural inclination to let others fight and die for the cause. Revolutionary movements typically use a combination of inducement, intimidation, and indoctrination to enforce obedience and encourage sacrifices, just as the Islamic State is doing now. In particular, they purvey ideologies designed to justify extreme methods and convince their followers that their sacrifices will bear fruit. The specific content of these beliefs varies, but their purpose is always to persuade supporters that replacing the existing order is essential and that their efforts are destined to succeed. Typically, revolutionary ideologies do this in three main ways.

First, revolutionary organizations portray their opponents as evil, hostile, and incapable of reform. Compromise is therefore impossible, which means the old order must be uprooted and replaced. The revolutionaries in eighteenth-century France saw Europe's monarchies as irredeemably corrupt and unjust, a view that justified radical measures at home and made war with the rest of Europe nearly inevitable. Vladimir Lenin and the Bolsheviks insisted that only a thoroughgoing revolution could eliminate capitalism's inherent evils, and Mao Zedong told his followers, "The imperialists will never lay down their butcher knives." Khomeini thought likewise about the shah, instructing his followers to "squeeze his neck until he is strangled."

The Islamic State is no different. Its leaders and ideologues portray the West as innately hostile and existing Arab and Muslim governments as heretical entities contrary to Islam's true nature. Compromise with such infidels and apostates makes no sense; they must be eliminated and replaced by leaders following what the Islamic State regards as true Islamic principles.

Second, revolutionary organizations preach that victory is inevitable, provided supporters remain obedient and steadfast. Lenin argued that capitalism was doomed by its own contradictions, and Mao described imperialists as "paper tigers," both thereby reassuring their followers that the revolution would eventually triumph. The Islamic State's current leader, Abu Bakr al-Baghdadi, offered a similarly upbeat assessment in November 2014, telling his audience, "Your state is well and in the best of conditions. Its advance will not cease."

Third, leaders of revolutionary movements usually see their model as universally applicable. Once victorious, they promise their followers, the revolution will liberate millions, create a more perfect world, or fulfill some divinely ordained plan. French radicals in the 1790s called for a “crusade for universal liberty,” and Marxist-Leninists believed that world revolution would produce a classless, stateless commonwealth of peace. Similarly, Khomeini and his followers saw the revolution in Iran as the first step toward the abolition of the “un-Islamic” nation-state system and the establishment of a global Islamic community.

In the same way, the Islamic State’s leaders believe that their fundamentalist message applies to the entire Muslim world and beyond. In July 2014, for example, Baghdadi declared that the Islamic State would one day unite “the Caucasian, Indian, Chinese, Shami [Syrian], Iraqi, Yemeni, Egyptian, Maghribi [North African], American, French, German, and Australian.” The Islamic State uses social media to spread its message abroad and is quick to claim credit for faraway violent acts. This claim to universal applicability forms a key part of the group’s appeal to foreigners and is one reason other governments view the group with such alarm.

REVOLUTION AND WAR

Outsiders rightly worry that a revolutionary state might try to expand. Revolutionary leaders usually believe that it is their duty to export their movement and that doing so is also the best way to keep it alive—an idea captured in the Islamic State’s slogan “lasting and expanding” (*baqiya wa*

tatamaddad). Not surprisingly, then, the neighbors of revolutionary states typically consider preventive measures to weaken or overthrow the new regime. The result is a spiral of suspicion and an increased danger of war.

Conflicts between revolutionary regimes and other states are exacerbated further by a paradoxical combination of insecurity and overconfidence on both sides. New revolutionary leaders know that their position is tenuous and that opponents may seek to crush them before they can consolidate power. At the same time, their unlikely success, along with their optimistic worldview, leads them to believe that they can beat the odds and overcome far more powerful opponents. Among nearby states, the same problem often occurs in reverse: they are usually alarmed by the new state’s extreme goals yet confident they can get rid of it before it consolidates power.

Part of the problem is that revolutions create great uncertainty, which in turn fosters miscalculation. For one thing, outsiders often have little direct contact with the new regime, so they cannot gauge its true intentions and level of resolve or clearly communicate their own redlines. Few outsiders have met with the Islamic State’s top leaders, for example, so it remains mysterious what they really believe and how resolute they will prove to be.

Judging a revolutionary state’s fighting capacity can also be difficult, especially if it rests on radically different social foundations. Austria and Prussia thought the revolution in France had left it vulnerable to military defeat; instead, nationalist fervor and the mass conscription of able-bodied men—the infamous *levée en masse*—soon made



Watch the throne: Abu Bakr al-Baghdadi in Mosul, July 2014

France the strongest power in Europe. In Iraq, Saddam Hussein mistakenly believed that the fall of the shah had left Iran open to attack, but when his forces invaded the country in 1980, the clerical regime mobilized new sources of military power, such as the Revolutionary Guard, and turned the tide of battle in Iran's favor.

It is also impossible to know for certain whether a revolution will be contagious, but there is usually some reason to fear it might be. Revolutionary states' ambitions inevitably strike sympathetic chords abroad and convince some number of foreign sympathizers to flock to their banner. Antimonarchical elements from all over Europe swarmed to Paris in the 1790s, and Westerners such as the Harvard-educated social activist John Reed journeyed to Russia following the Bolshevik Revolution. Such reverberations reinforce fears of contagion: Europeans from London to

Moscow worried that the revolution in France might topple thrones across Europe, just as Europeans and Americans obsessed about the spread of Bolshevism after 1917 and otherwise sensible people succumbed to McCarthyism in the 1950s.

To make matters even more confusing, revolutions also generate a flood of refugees fleeing the new regime. Eager to persuade foreign powers to help them return home, exiles typically offer lurid accounts of the new state's crimes (which may well be true) while suggesting the new regime can be easily defeated. French, Russian, Chinese, Cuban, Iranian, and Nicaraguan exiles made such claims to convince foreign powers to intervene in their home countries, but governments who took their advice usually came to regret it.

Ironically, the uncertainties that accompany most revolutions can sometimes help the new state survive. Because foreign powers cannot know for sure

how powerful or appealing the revolution will be, they cannot easily determine which is the greater threat: the revolution itself or the possibility that other rivals will take advantage of the resulting chaos to improve their own positions. The revolution in France survived in part because its monarchical foes were suspicious of one another and initially more interested in making territorial gains than in restoring Louis XVI to the throne. Similarly, divisions among the major powers and uncertainty about the Bolsheviks' long-term intentions impeded a coordinated response to the revolution in Russia and helped Lenin and his followers retain power after 1917.

Yet contrary to revolutionaries' hopes and their adversaries' fears, the aftermath of most revolutions is neither a rapidly spreading revolutionary cascade nor a swift counterrevolutionary coup. The more typical result is a protracted struggle between the new regime and its various antagonists, which ends when the revolutionary government is removed from power, as the Sandinistas were in Nicaragua, or when the state moderates its revolutionary aims, as the Soviet Union, communist China, and revolutionary Iran eventually chose to do.

These complex dynamics are all evident with the Islamic State today. Its leaders regard the outside world as hostile and heretical, believe their opponents are doomed to collapse, and see their successes as the beginning of an irresistible transnational uprising that will sweep away existing states. The group has proved surprisingly capable at providing security and basic services in its territory, spreading its message online, and fighting on the

ground against weak opponents. Its ability to attract thousands of foreign fighters, meanwhile, has raised concerns about the group's broader appeal and its potential to inspire violent attacks in other countries. Testimony from refugees fleeing the Islamic State's territory has amplified these fears and reinforced opponents' urge to destroy the new state before it grows stronger.

At the same time, just as with past revolutionary movements, efforts to defeat the Islamic State have been undermined by opponents' conflicting priorities. Both the United States and Iran want to see the end of the Islamic State, but neither country wants to help the other gain influence in Iraq. Turkey also views the group as a threat, but it loathes the Assad regime in Syria and opposes any actions that might strengthen Kurdish nationalism. Saudi Arabia, for its part, sees the Islamic State's fundamentalist ideology as a challenge to its own legitimacy, but it fears Iranian and Shiite influence as much, if not more. As a result, none of these countries has made defeating the Islamic State its top priority.

Its penchant for violence and use of sexual slavery notwithstanding, there is little that is novel about the Islamic State. Its basic character and impact are strikingly similar to those of earlier revolutionary states. We have seen this movie many times before. But how does it end?

THE REVOLUTION WILL NOT SPREAD

Revolutions can spread through one of two ways. Powerful revolutionary states rely on conquest: in the 1790s, France waged war against monarchies across Europe, and after World War II, the



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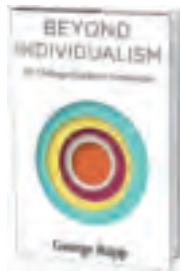
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Soviet Union took over eastern Europe. Weaker revolutionary states, however, can hope only to provide an inspirational example. North Korea under the Kim family, Cuba under Fidel Castro, Ethiopia under the so-called Derg, Cambodia under the Khmer Rouge, Nicaragua under the Sandinistas—all lacked the raw power necessary to spread their model by force.

So does the Islamic State. The Soviet Union could impose communism on eastern Europe thanks to the mighty Red Army, whereas the Islamic State has perhaps 30,000 reliable troops, according to U.S. military intelligence, and no power-projection capabilities. Although alarmists warn that the Islamic State now controls a swath of land larger than the United Kingdom, most of it is empty desert. Its territory produces between \$4 billion and \$8 billion worth of goods and services annually, putting the Islamic State's GDP on a par with that of Barbados. Its annual revenues amount to a mere \$500 million or so—about one-tenth the annual budget of Harvard University—and they are shrinking. The Islamic State is nowhere close to being a great power, and given its small population and underdeveloped economy, it will never become one.

Still, might the Islamic State overwhelm weaker neighbors, such as Jordan, Iraqi Kurdistan, the rest of Syria, or even parts of Saudi Arabia? This is highly unlikely, for the Islamic State has faced growing resistance whenever it has tried to move outside the ungoverned Sunni areas in which it arose. And were the Islamic State to expand significantly, the result would be more vigorous and coordinated resistance

from its more powerful neighbors. The Islamic State has already triggered stepped-up efforts to contain it, most notably Turkey's recent decision to seal its southern border, create a buffer zone in northern Syria, and allow U.S. aircraft to use the Incirlik Air Base for bombing missions in Iraq and Syria. One can say with confidence that the group will never conquer a substantial portion of the Middle East, let alone any areas beyond it.

Nor will the Islamic State spread via contagion. Overturning even a weak government is difficult, and revolutionary movements succeed only on rare occasions. It took two world wars to bring the Marxists to power in Russia and China, and the Islamic State succeeded only because the stars aligned: the United States foolishly invaded Iraq, Iraqi Prime Minister Nouri al-Maliki governed in a particularly divisive manner, and Syria fell into civil war. Absent equally fortuitous events, the Islamic State will have a tough time replicating its rise elsewhere.

Spreading a revolution via contagion also requires a level of resources that only great powers possess. The Soviet Union was powerful enough to subsidize the Communist International and support client states around the world, but medium-sized revolutionary powers are not so fortunate. Iran has backed a number of proxies over the past 30-plus years, but it has yet to create a single successful clone. The Islamic State is far weaker than Iran, and any foreign subsidiaries it inspires will have to rely on their own resources to succeed.

Moreover, a successful revolution serves as a wake-up call for nearby states, prompting them to take steps to prevent

a repeat performance on home soil. European powers contained the threat of Bolshevism domestically after 1917 by suppressing suspected revolutionaries and addressing the concerns of the working class, and the United States helped do the same thing in Europe and Asia after World War II by establishing the Marshall Plan and providing security through NATO and its alliances in Asia. Iran, the Gulf monarchies, and other Muslim governments are already working to contain the Islamic State's influence by restricting its intake of foreign fighters, interrupting its financing, and encouraging local religious authorities to challenge its religious claims. Muslim communities in Europe and elsewhere are busy countering its poisonous message, as well.

Despite these efforts, some individuals will still succumb to the Islamic State's allure, but even 100,000 foreign recruits would not be enough to shift the balance of power in its favor. Only a tiny fraction of the world's billion-plus Muslims are interested in submitting to the group's brutal discipline, and many who rush to join it today will become disillusioned and eager to leave or end up isolated in a landlocked country and unable to cause trouble elsewhere.

To be sure, some foreign fighters have already returned home and carried out terrorist acts, and foreigners inspired by the Islamic State's propaganda have staged "lone wolf" attacks in several countries. Such incidents will not disappear, but they will be too few and too small in scope to topple a government. According to *The New York Times*, since September 2014, groups or individuals claiming some connection to the Islamic State have killed roughly 600 people

outside Iraq and Syria—a total dwarfed by the 14,000-plus people murdered in the United States in that same period. All these deaths are regrettable, but violence on a comparatively modest scale will not expand the Islamic State's sway.

The Islamic State's ideology will also limit its ability to grow. Although the group's leaders believe that their vision of a new caliphate is irresistible, it is unlikely to capture enough hearts and minds. The ideals of liberty and equality embodied in the American and French Revolutions resonated around the world, and communism's vision of a classless utopia appealed to millions of impoverished workers and peasants. By contrast, the Islamic State's puritanical message and violent methods do not travel well, and its blueprint for an ever-expanding caliphate clashes with powerful national, sectarian, and tribal identities throughout the Middle East. Using Twitter, YouTube, or Instagram won't make its core message more palatable to most Muslims, especially after the novelty wears off and potential recruits learn what life in the Islamic State is really like. In any case, a version of Islam that is anathema to the vast majority of Muslims will certainly not gain a following among non-Muslims. If one were trying to invent a revolutionary credo devoid of universal appeal, it would be hard to beat the Islamic State's harsh and narrow worldview.

Finally, should an Islamic State-like movement manage to gain power outside Iraq and Syria—as could conceivably occur in the chaos of Libya—that group's leaders would follow their own interests rather than slavishly obey Baghdadi's commands. Outsiders often see radical

groups as monolithic—especially if they take the revolutionaries’ own rhetoric too seriously—but such movements are notoriously prone to infighting. Deep schisms divided Girondins and Jacobins, Bolsheviks and Mensheviks, Stalinists and Trotskyites, and Khrushchev and Mao. The Islamic State’s tendency to treat minor disagreements as acts of heresy punishable by death makes such disputes inevitable. Indeed, it has already led to serious quarrels with al Qaeda and other extremist groups.

Critics might find this assessment too sanguine. They might contend that neighboring states are more fragile than commonly thought and that the Islamic State’s example might shake the foundations of the House of Saud, Jordan’s Hashemite Kingdom, or Egypt’s military dictatorship. Given the fragility of the Middle Eastern order and the widespread discontent that sparked the Arab Spring, could the Islamic State be an exception to the rule that revolutions rarely spread?

Perhaps, but this worst-case scenario is highly unlikely. If it were easy for radicals to topple foreign governments, it would happen far more often. Existing governments do not have to be especially capable to ward off revolutions, and the Islamic State’s potential targets have money, organized security forces, support from influential religious authorities, and sympathetic foreign backers. For all these reasons, the Islamic State’s emergence does not herald the beginning of a revolutionary tidal wave.

THE WAITING GAME

Just because the Islamic State’s long-term goal is doomed to fail, however, doesn’t mean that eliminating the group

will be easy. In fact, history suggests that trying to destroy it with military force could easily backfire. Foreign intervention by Austria and Prussia radicalized the French Revolution, and Iraq’s invasion of Iran in 1980 allowed Khomeini and his followers to purge moderate elements in the Islamic Republic. Lenin, Stalin, and Mao used foreign threats to mobilize support and consolidate power, and both the Russian and the Chinese Revolutions survived several attempts to undo them. Likewise, aggressive efforts to destroy the Islamic State could help it survive, especially if the United States takes the leading role.

That leaves patient containment as the best policy. Over time, the movement may collapse from its own excesses and internal divisions. That outcome would be preferable, of course, but it is not guaranteed. Fortunately, history suggests that if the Islamic State survives, it will become a more normal state over time. Revolutionaries can fantasize about transforming the world while out of power, but to survive over the long term, they must learn to compromise their ideals and moderate their behavior, even if they do not wholly abandon their original principles. Leon Trotsky’s dreams of “world revolution” gave way to Stalin’s “socialism in one country,” and Mao’s radical policies at home were accompanied by a risk-averse policy toward other states. Revolutionary Iran has followed a similar trajectory and conducted its foreign policy in a mostly prudent and calculating manner. Eventually, the rest of the world, even the United States, came to terms with these revolutionary states.

Normalization does not occur automatically, of course, and revolutionary

states do not tame their behavior unless other states teach them that relentless extremism is costly and counterproductive. This means the Islamic State must be contained for the foreseeable future, until it moderates its revolutionary aims or even abandons them entirely. Containment worked against the Soviet Union, and a similar approach has limited Iran's influence for more than three decades.

To succeed, a policy of containment must prevent the Islamic State from conquering other countries and imposing its radical vision on them. Because the Islamic State is weak and its core message is so corrosive, preventing further expansion should not be beyond the capacity of the frontline countries with the most at stake, with only modest help from the United States. The Kurds, Iraq's Shiites, Iran, Turkey, Jordan, the Gulf monarchies, and Israel are not going to stand by and watch the Islamic State grow, and any minor victories it does obtain will encourage its neighbors to balance against it more vigorously.

Washington should provide intelligence, weapons, and military training to aid such efforts, but it should keep its role as small as possible and make it crystal clear that stopping the Islamic State is largely up to local forces. It follows that U.S. airpower should be used solely to prevent the Islamic State from expanding; trying to bomb it into submission will inevitably kill innocent civilians, strengthen anti-American sentiment, and bolster the Islamic State's popularity.

Regional actors will no doubt try to pass the buck and get Americans to do their fighting for them. U.S. leaders should reject such ploys politely but firmly and pass the buck right back.

The Islamic State is not an existential threat to the United States, to Middle Eastern energy supplies, to Israel, or to any other vital U.S. interest, so U.S. military forces have no business being sent into harm's way to fight it.

Successfully containing the Islamic State also requires Middle Eastern countries to do more to insulate themselves against its revolutionary message. Governments can reduce the risk of contagion by undertaking energetic counterterrorist efforts—tracking and arresting potential sympathizers, drying up financial support, and so on—and by tackling the corruption that makes the Islamic State look like an attractive alternative. Respected Muslim authorities in neighboring countries should remind their coreligionists that Islamic civilization was at its height not when it was most dogmatic or intolerant but when it was most inclusive. To undercut the Islamic State's local support, Washington should continue to press the Shiite-dominated government in Baghdad to adopt more inclusive policies toward Sunnis.

The United States should encourage these efforts in private and support them in public, while resisting its normal tendency to tell local governments how to run their own countries. Recent U.S. efforts to steer local politics in the Middle East have been a series of embarrassing failures, and U.S. leaders should be modest in offering advice today. Washington can also encourage its European allies to better integrate their own Muslim minorities, but that task is ultimately up to them, too.

Indeed, U.S. policymakers should keep in mind that the more involved the United States gets in containing the

Islamic State, the more it will reinforce the Islamic State's propaganda about Western crusaders and their supposedly heretical Muslim allies. At the sectarian level, were the United States to undertake another costly effort to rebuild Iraq's security forces, it would appear complicit in the anti-Sunni policies that helped make the Islamic State popular, thus encouraging Sunnis in Iraq and eastern Syria to remain loyal to the group.

A U.S.-led campaign against the Islamic State also risks heightening its appeal: if the world's mightiest country keeps insisting that the group is a grave threat, then its claim to be the most faithful defender of Islam will gain credence. Instead of hyping the threat and reinforcing the Islamic State's own propaganda, it would be far better for U.S. policymakers to treat the group as a minor problem that deserves only modest attention.

Taking the lead against the Islamic State would also encourage free-riding by local powers with far more at stake. The best defense against Islamic extremism is improved governance throughout the Middle East, but that difficult process will not even begin if local governments believe Washington will protect them no matter what. The more the United States does, the less incentive local actors will have to get their own houses in order.

In short, containing the Islamic State is more likely to succeed if the United States declines to do the heavy lifting. This hands-off approach requires American leaders to remain cool in the face of beheadings, terrorist attacks, the destruction of antiquities, and other provocations. Such discipline is not easy to maintain in the era of partisan politics and

24-hour cable news, and it runs counter to the interventionist instincts of much of the U.S. foreign policy establishment.

But not every foreign tragedy is a threat to U.S. interests, and not every problem needs to be solved by American power. The United States blundered badly when it responded to 9/11 by invading Iraq—precisely the sort of error Osama bin Laden had hoped it would make—and the Islamic State would no doubt welcome another misguided U.S. intervention in the Middle East. It would be worse than a crime to make the same mistake again. 🌐

Digital Counterinsurgency

How to Marginalize the Islamic State Online

Jared Cohen

The Islamic State, or ISIS, is the first terrorist group to hold both physical and digital territory: in addition to the swaths of land it controls in Iraq and Syria, it dominates pockets of the Internet with relative impunity. But it will hardly be the last. Although there are still some fringe terrorist groups in the western Sahel or other rural areas that do not supplement their violence digitally, it is only a matter of time before they also go online. In fact, the next prominent terrorist organization will be more likely to have extensive digital operations than control physical ground.

Although the military battle against the Islamic State is undeniably a top priority, the importance of the digital front should not be underestimated. The group has relied extensively on the Internet to market its poisonous ideology and recruit would-be terrorists. According to the International Centre for the Study of Radicalisation and Political Violence, the territory controlled by the Islamic State now ranks as the place with the highest number of foreign

fighters since Afghanistan in the 1980s, with recent estimates putting the total number of foreign recruits at around 20,000, nearly 4,000 of whom hail from Western countries. Many of these recruits made initial contact with the Islamic State and its ideology via the Internet. Other followers, meanwhile, are inspired by the group's online propaganda to carry out terrorist attacks without traveling to the Middle East.

The Islamic State also relies on the digital sphere to wage psychological warfare, which directly contributes to its physical success. For example, before the group captured the Iraqi city of Mosul in June 2014, it rolled out an extensive online campaign with text, images, and videos that threatened the city's residents with unparalleled death and destruction. Such intimidation makes it easier to bring populations under the Islamic State's control and reduces the likelihood of a local revolt.

Foiling the Islamic State's efforts on the Internet will thus make the group less successful on the battlefield. To date, however, most digital efforts against the Islamic State have been too limited, focusing on specific tactics, such as creating counternarratives to extremism, in lieu of generating a comprehensive strategy. Instead of resorting to a single tool, opponents should treat this fight as they would a military confrontation: by waging a broad-scale counterinsurgency.

KNOW YOUR ENEMY

The first step of this digital war is to understand the enemy. Most analyses of the Islamic State's online footprint focus on social media. In a Brookings Institution report, J. M. Berger and Jonathon Morgan estimated that in late

JARED COHEN is Director of Google Ideas and Adviser to the Executive Chair of Alphabet Inc. He is an Adjunct Senior Fellow at the Council on Foreign Relations.

2014, 46,000 Twitter accounts openly supported the group. Back then, strategies for fighting the Islamic State online centered on simply removing such accounts.

Social media platforms are just the tip of the iceberg, however. The Islamic State's marketing tools run the gamut from popular public platforms to private chat rooms to encrypted messaging systems such as WhatsApp, Kik, Wickr, Zello, and Telegram. At the other end of the spectrum, digital media production houses such as the Al-Furqaan Foundation and the Al-Hayat Media Center—presumably funded by and answering to the Islamic State's central leadership—churn out professional-grade videos and advertisements.

Yet understanding the full extent of the Islamic State's marketing efforts without knowing who is behind them is not an actionable insight; it is like understanding how much land the group controls without knowing what kinds of fighters occupy it and how they hold it. An effective counterinsurgency requires comprehending the Islamic State's hierarchy. Unlike al Qaeda, which comprises a loose cluster of isolated cells, the Islamic State resembles something akin to a corporation. On the ground in Iraq and Syria, a highly educated leadership sets its ideological agenda, a managerial layer implements this ideology, and a large rank and file contributes fighters, recruiters, videographers, jihadist wives, and people with every other necessary skill. This hierarchy is replicated online, where the Islamic State operates as a pyramid consisting of four types of digital fighters.

At the top sits the Islamic State's central command for digital operations,

which gives orders and provides resources for disseminating content. Although its numbers are small, its operations are highly organized. According to Berger, for example, the origins of most of the Islamic State's marketing material on Twitter can be traced to a small set of accounts with strict privacy settings and few followers. By distributing their messages to a limited network outside the public eye, these accounts can avoid being flagged for terms-of-service violations. But the content they issue eventually trickles down to the second tier of the pyramid: the Islamic State's digital rank and file.

This type of fighter may or may not operate offline as well. He and his ilk run digital accounts that are connected to the central command and disseminate material through guerrilla-marketing tactics. In June 2014, for example, Islamic State supporters hijacked trending hashtags related to the World Cup to flood soccer fans with propaganda. Because they operate on the frontline of the digital battlefield, these fighters often find their accounts suspended for terms-of-service violations, and they may therefore keep backup accounts. And to make each new account appear more influential than it really is, they purchase fake followers from social media marketing firms; just \$10 can boost one's follower count by tens of thousands.

Then there are the vast numbers of radical sympathizers across the globe, who constitute the Islamic State's third type of digital fighter. Unlike the rank and file, they do not belong to the Islamic State's official army, take direct orders from its leadership, or reside in Iraq or Syria. But once drawn into the Islamic State's echo chamber by the

rank and file, they spend their time helping the group disseminate its radical message and convert people to its cause. These are often the people who identify and engage potential recruits on an individual level, developing online relationships strong enough to result in physical travel. In June, for example, *The New York Times* documented how a radical Islamist in the United Kingdom met a young woman from Washington State online and convinced her to consider heading to Syria.

Although joining the Islamic State's operations in Iraq and Syria may be illegal, spreading extremism online is not. These fighters are masters at taking advantage of their right to free speech, and their strength lies both in their numbers and in their willingness to mimic the Islamic State's official line without having to receive direct orders from its leadership.

The Islamic State's fourth type of digital fighter is nonhuman: the tens of thousands of fake accounts that automate the dissemination of its content and multiply its message. On Twitter, for example, so-called Twitter bots automatically flood the digital space with retweets of terrorist messages; countless online tutorials explain how to write these relatively simple programs. In comment sections on Facebook, YouTube, and other sites, such automated accounts can monopolize the conversation with extremist propaganda and marginalize moderate voices. This programmable army ensures that whatever content the Islamic State's digital central command issues will make its way across as many screens as possible.

RECAPTURING DIGITAL TERRITORY

Much of the debate over how to combat the Islamic State on the ground has been binary, split between those proposing containment and those insisting on its defeat. The best strategy for fighting it online, however, is something else: marginalization. The result would be something similar to what has happened to the Revolutionary Armed Forces of Colombia, or FARC, the narcoterrorist group that grabbed headlines throughout the 1990s for its high-profile kidnappings and savage guerrilla warfare. Today, the group has been neither disbanded nor entirely defeated, but its ranks have largely been driven into the jungle.

Along the same lines, the Islamic State will be neutered as a digital threat when its online presence becomes barely noticeable. The group would find it either too risky or tactically impossible to commandeer control of social media platforms and public chat rooms, and its digital content would be hard to discover. Incapable of growing its online ranks, it would see its ratio of digital fighters to human fighters fall to one to one. It would be forced to operate primarily on the so-called dark Web, the part of the Internet not indexed by mainstream search engines and accessible to only the most knowledgeable users.

Compelling terrorist organizations to operate in secret does make plots more difficult to intercept, but in the case of the Islamic State, that is a tradeoff worth making. Every day, the group's message reaches millions of people, some of whom become proponents of the Islamic State or even fighters for its cause. Preventing it from dominating digital territory would help stanch the replenishment of its physical ranks, reduce its impact on



Fangirls: two women charged with plotting ISIS-inspired attacks in New York, April 2015

the public psyche, and destroy its most fundamental means of communication.

It will take a broad coalition to marginalize the Islamic State online: from governments and companies to nonprofits and international organizations. First, they should separate the human-run accounts on social networks from the automated ones. Next, they should zero in on the Islamic State's digital central command, identifying and suspending the specific accounts responsible for setting strategy and giving orders to the rest of its online army. When that is done, digital society at large should push the remaining rank and file into the digital equivalent of a remote cave.

The suspension of accounts needs to be targeted—more like kill-or-capture

raids than strategic bombing campaigns. Blanket suspensions covering any accounts that violate terms of service could not guarantee that the leadership will be affected. In fact, as Berger and Morgan's research highlighted, the Islamic State has learned to protect its digital leadership from suspension by keeping its activities hidden behind strict privacy settings.

This is not to downplay the importance of banning users who break the rules and distribute terrorist content. Technology companies have become skilled at doing just that. In 2014, the British Counter Terrorism Internet Referral Unit, a service run by London's Metropolitan Police, worked closely with such companies as Google, Facebook, and Twitter to flag more than 46,000

pieces of violent or hateful content for removal. That same year, YouTube took down approximately 14 million videos. In April 2015, Twitter announced that it had suspended 10,000 accounts linked to the Islamic State on a single day. Such efforts are valuable in that they provide a cleaner digital environment for millions of users. But they would be doubly so if the leadership that orders terrorist content to be distributed were also eliminated.

That, in turn, will require mapping the Islamic State's network of accounts. One way law enforcement could make inroads into this digital network is by covertly infiltrating the Islamic State's real-world network. This technique has already achieved some success. In April, the FBI arrested two young women accused of plotting attacks in New York City after a two-year investigation that had relied extensively on their social media activity for evidence. Law enforcement should scale such efforts to focus on the digital domain and target the Islamic State's digital leadership, suspending the accounts of its members and arresting them in certain cases.

Once the Islamic State's online leadership has been separated from the rank and file, the rank and file will become significantly less coordinated and therefore less effective. The next step would be to reduce the group's level of online activity overall, so that it is forced into the margins of digital society. During this phase, the danger is that online, the Islamic State might splinter into less coordinated but more aggressive rogue groups. With a higher tolerance for risk, these groups might undertake "doxing" of opponents of the Islamic State, whereby the private

information (such as the address and social security number) of a target is revealed, or "distributed denial-of-service attacks," which can take down an entire website.

To mitigate this threat, the digital fighters' activities need to be diverted away from extremism altogether. This is where counternarratives against violent extremism can come in. Over the last two years, several notable efforts have been launched, including video series produced by the Arab Center for Scientific Research and Humane Studies and the Institute for Strategic Dialogue. To be effective, these campaigns need to reflect the diversity of the group's ranks: professional jihadist fighters, former Iraqi soldiers, deeply religious Islamic scholars, young men in search of adventure, local residents joining out of fear or ambition. Moderate religious messages may work for the pious recruit, but not for the lonely British teenager who was promised multiple wives and a sense of belonging in Syria. He might be better served by something more similar to suicide-prevention and anti-bullying campaigns.

For maximum effect, these campaigns should be carefully targeted. An antiextremist video viewed by 50,000 of the right kinds of people will have a greater impact than one seen by 50 million random viewers. Consider *Abdullah-X*, a cartoon series marketed through a YouTube campaign funded by the European Union. Its pilot episode was promoted using targeted advertising oriented toward those interested in extremist Islam. Eighty percent of the YouTube users who watched it found it through targeted ads rather than through unrelated searches.

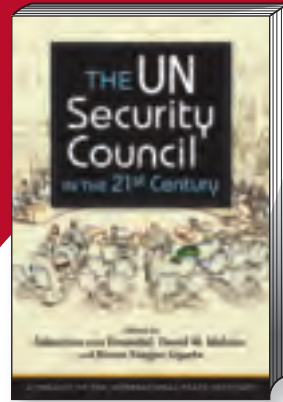
Given the diversity of the Islamic State's digital rank and file, however, betting on counternarratives alone would be too risky. To combat extremists who have already made up their minds, the coalition should target their willingness to operate in the open. Al Qaeda has taken pains to keep its digital operations secret and works under the cover of passwords, encryption, and rigid privacy settings. These tactics have made the group notoriously difficult to track, but they have also kept its digital footprint miniscule. Likewise, the Islamic State's rank and file should be forced to adopt similar behavior.

Achieving this will require creativity. For example, governments should consider working with the news media to aggressively publicize arrests that result from covert infiltration of the Islamic State's online network. If any new account with which a digital soldier interacts carries the risk of being that of an undercover agent, it becomes exponentially more hazardous to recruit new members. Law enforcement could also create visual presentations showing how police investigations of digital extremists' accounts can lead to arrests, thereby telling the cautionary tale that a single mistake can cause the downfall of a digital soldier and his entire social network.

Within the next few years, new high-tech tools may become available to help governments marginalize digital rank-and-file terrorists. One is machine learning. Just as online advertisers can target ads to users with a particular set of interests, law enforcement could use algorithmic analysis to identify, map, and deactivate the accounts of terrorist supporters. Assisted by machine

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learning, such campaigns could battle the Islamic State online with newfound precision and reach a scale that would not be possible with a manual approach.

It is worth noting that just like a physical counterinsurgency, a digital counterinsurgency is more likely to succeed when bolstered by the participation of local communities. All the online platforms the Islamic State uses have forum moderators, the equivalent of tribal leaders and sheiks. The technology companies that own these platforms have no interest in seeing their environments flooded with fake accounts and violent messages. They should therefore give these moderators the tools and training to keep their communities safe from extremist messaging. Here again, machine learning could someday help, by automatically identifying terrorist messages and either highlighting them for moderators or blocking them on their behalf.

ACCESS DENIED

At first glance, the Islamic State can look hopelessly dominant online, with its persistent army of propaganda peddlers and automated trolls. In fact, however, the group is at a distinct disadvantage when it comes to resources and numbers. The vast majority of Internet users disagree with its message, and the platforms that its fighters use belong to companies that oppose its ideology.

There is no doubt that undertaking a digital counterinsurgency campaign represents uncharted territory. But the costs of failure are low, for unlike in a real-world counterinsurgency, those who fight digitally face no risk of injury or death. That is yet another factor making the Islamic State particularly vulnerable online, since it means that

the group's opponents can apply and discard new ways of fighting terrorism quickly to hone their strategy.

The benefits of digitally marginalizing the Islamic State, meanwhile, are manifold. Not only would neutering the group online improve the lives of millions of users who would no longer be as likely to encounter the group's propaganda; it would also make the group's real-world defeat more imminent. As the Islamic State's digital platforms, communication methods, and soldiers became less accessible, the group would find it harder to coordinate its physical attacks and replenish its ranks. And those fighting it online would gain valuable experience for when the time came to fight the next global terrorist group trying to win the Internet. 🌐

Bridging the Gulf

How to Fix U.S. Relations With the GCC

*Ilan Goldenberg and
Melissa G. Dalton*

The events of the past five years have put an intense strain on the relationship between the United States and its traditional partners in the Arab world, particularly the countries that belong to the Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. As popular revolts have flared up across the Middle East, civil wars have broken out, and the regional order has become increasingly vulnerable, leaders in Washington and in Arab capitals have often had starkly different reactions. Meanwhile, most of the GCC countries have watched nervously—and sometimes angrily—as the United States has negotiated with their bitter rival, Iran, over an agreement to limit the Iranian nuclear program.

In August, a few weeks after the nuclear deal was sealed, the Gulf countries publicly indicated their support for the agreement. But GCC leaders remain

deeply suspicious of Iran and worry that by ending the sanctions regime that has held back Iran's economy, the agreement will enrich Iran and embolden its leaders. At the same time, Arab leaders harbor serious doubts about Washington's commitment to the region. So in exchange for accepting the Iran deal without too much fuss, the GCC states have demanded additional political and security assurances from the United States.

Washington's inclination will be to signal its commitment by lavishing on the GCC countries increased military aid in the form of weapons, technology, and training. Such largess will be necessary but not sufficient to close the gap that has opened up between the United States and the GCC states. The violence and disorder wracking Iraq, Syria, and Yemen; the genuine threat of Iranian meddling; and unrest in Egypt and elsewhere in the region will continue to test U.S.-GCC ties and will require a more sophisticated form of diplomacy from both sides.

Going forward, Washington and the Arab governments will continue to have significantly different priorities when it comes to regional strategy, but there is enough overlap to maintain their partnership, so long as each side is prepared to respect the other's core concerns, especially when it comes to dealing with Iran. Both sides will have to be flexible. A coordinated approach can lead to a more stable Middle East in which Iranian influence will be held in check. But if the United States and its GCC partners diverge further, the end result will be an even messier region where Iran's position will be strengthened.

ILAN GOLDENBERG is a Senior Fellow and Director of the Middle East Security Program at the Center for a New American Security. Follow him on Twitter @ilangoldenberg.

MELISSA G. DALTON is a Fellow at the Center for Strategic and International Studies and Chief of Staff of its International Security Program. Follow her on Twitter @natsecdalton.

RECKLESS OR FECKLESS?

The U.S. invasion of Iraq in 2003 unleashed a wave of disorder in the Middle East, which was significantly accelerated by the Arab revolts of 2011. The resulting upheaval has been characterized by two major trends: the collapse or near collapse of the old Arab republics (Egypt, Iraq, Libya, Syria, and Yemen) and increasing competition between Shiite-led Iran and the Sunni Arab monarchies of the Gulf. Both these trends feed off and reinforce the sectarian tensions that plague the entire Middle East. The recent difficulties in the U.S.-GCC relationship are largely tied to differences in how each side perceives these developments and what each side believes is the best way to respond.

In their initial reactions to the collapse of the Arab republics, the GCC countries and the United States both sought stability, but in different ways. Fearing violence and chaos on their borders and putting little stock in the efficacy of liberal institutions, the Gulf states focused from the start on supporting potential allies inside these suddenly unstable political vacuums. Meanwhile, the United States, influenced both by its commitment to democratic values and by the luxury of not facing immediate threats to its survival, argued that long-term structural changes in Middle Eastern economies, institutions, and governance represented the only path to long-term stability.

Nowhere was this gap in viewpoints more apparent than in Egypt. The United States saw the fall of Egyptian President Hosni Mubarak in 2011 as a historic opportunity. The following year, Washington made it clear that despite ideological differences

with Egypt's Islamists, the United States was willing to work with a democratically elected Egyptian government led by the Muslim Brotherhood's Mohamed Morsi. In 2013, when Morsi was forced out of office in a military coup led by General Abdel Fattah el-Sisi, Washington initially hesitated to engage with Sisi's government, putting the brakes on some forms of U.S. aid to Egypt. In contrast, most of the GCC countries—especially Saudi Arabia and the United Arab Emirates, but with the exception of Qatar—viewed Mubarak's fall as a catastrophe, refused to engage with Morsi's government, and rushed to pump billions of dollars into the Egyptian economy after Sisi's takeover.

Syria offers another stark contrast. The United States and its allies in the Gulf share a desire for a credible armed opposition to take on the regime of Syrian President Bashar al-Assad. But they disagree on the wisdom of supporting the existing armed groups that have been fighting Assad's forces for the past four years. The Gulf states have provided funds and weapons to Syrian opposition collectives such as Jaish al-Fatah, or Army of Conquest, which have had some success in fighting the regime but include factions linked to al Qaeda. Washington worries that funding and arming such groups could lead to blowback, should the fighters decide someday to turn on the United States or its partners. So the Americans have instead sought out heavily vetted moderate resistance forces to equip and train, an effort that by September had managed to keep only a handful of fighters on the battlefield, according to General Lloyd Austin, the commander of U.S. Central Command. The divergent approaches have produced bitterness on both sides:

Washington sees the Gulf countries as reckless, and the Gulf countries see Washington as feckless.

The disagreement over how to intervene in Syria—and also in Iraq and Yemen, two other Arab republics riven by civil strife—has been sharpened by Iran’s role in all three conflicts. In each place, the Iranians have supplied money, weapons, and fighters to forces opposed by the United States and the Gulf countries: the Assad regime in Syria, the Houthi rebels in Yemen, and extremist Shiite militias in Iraq. But Washington and Arab governments don’t agree about the nature or importance of Iran’s involvement. Many of the Gulf states, especially Saudi Arabia, believe that Iranian intervention has itself driven these conflicts: they see Iran’s support for its proxies as the primary cause of the violence, not as an effect of the political instability in all three places. The United States, on the other hand, views Iran as an unhelpful actor but thinks its involvement, especially in Yemen, is opportunistic rather than the root of the problems.

These divergent views have led to starkly different policies. In Syria, Iran’s support for Assad is a major reason why the GCC states have prioritized toppling the regime over combating the Islamic State (also known as ISIS), the Sunni jihadist group that has seized territory and sown terror in Syria and across the border in Iraq. The United States has precisely the opposite view: ISIS poses a threat to the U.S. homeland and thus takes priority over ousting Assad, even though Assad’s survival benefits Iran.

In Yemen, the GCC countries view the Houthi rebels as Iranian agents and believe their advances would have been

impossible without Iranian support. The United States doesn’t share that assessment, seeing Iranian involvement as less significant and hardly determinative.

Finally, in Iraq, the United States has spent years trying to persuade the GCC countries to accept the legitimacy (or at least the reality) of a Shiite-dominated central government and to further integrate Iraq into the Arab world. Washington has even used the Iraqi government as a go-between with Iran in the fight against ISIS, an enemy that the GCC states and Iran share. But for years, the Gulf states have watched with dismay as the central government in Baghdad has marginalized Iraq’s Sunni minority despite U.S. pressure to integrate the Sunnis into the country’s social and political fabric. Moreover, the Gulf states see Iraq’s Shiite leadership as beholden to its Iranian patrons. Such views have led the Gulf states to keep their distance from Baghdad and to refrain from fully supporting U.S. strategy in Iraq.

UNEASY PARTNERS

Differing threat perceptions are hardly the only source of tension between the United States and its Arab partners. A number of other issues, many with deep historical roots, pose obstacles to U.S.-GCC cooperation. First, although the United States has encouraged the GCC countries to strengthen their collective-security capabilities for the past 20 years, those efforts have been mostly in vain: each GCC country still prefers dealing directly and individually with the United States instead of cooperating with the rest of the group’s members. Part of the problem is that the smaller GCC countries are perennially uneasy

with Saudi Arabia's power—and in return, the Saudis resent Qatar's and the United Arab Emirates' increasing independence and assertiveness.

A second challenge involves the U.S. commitment to Israel, a country with which the Arab states of the GCC maintain no official relations. When considering the sale or export of military hardware or services to any country in the Middle East, the United States is committed by law to make sure that the sale will not adversely affect Israel's "qualitative military edge" in the region. To assuage the GCC countries' concerns about the Iran nuclear deal, Washington is willing to increase its direct security assistance to the Gulf states. But Israel often adopts the narrowest, most conservative view possible of what could reduce its advantage and might object to the kinds of military assistance that the GCC countries will request, even if Israel and the GCC share a common interest in countering Iran. All new major U.S. arms sales require congressional approval, and it is unlikely that Congress would support such measures over Israeli objections.

Finally, even when U.S. relations with the GCC states are relatively smooth, they present some level of long-term risk for Washington. The GCC states are led by authoritarian regimes that suppress dissent and sometimes commit human rights abuses; they do not always make for the most savory partners. In 2011, the GCC responded to popular protests in Bahrain by deploying its Peninsula Shield Force, with troops from Saudi Arabia and the United Arab Emirates, to help the Bahraini authorities quash the demonstrations. Later that year, an independent commission established by Bahrain to investigate

the government's response to the uprising found that internal security forces used "systematic" and "deliberate" excessive force, including torture and forced confessions, against protesters.

This violence unfolded not far from the port in Bahrain that hosts the Fifth Fleet of the U.S. Navy, perhaps the most visible symbol of U.S.-GCC security cooperation. Such optics were not exactly helpful for the United States, which sees itself as the world's most enthusiastic promoter of liberal democracy. What happened in Bahrain also highlights the risk that U.S. partners in the Gulf might use weapons and ammunition manufactured in the United States against unarmed civilians in attempts to suppress legitimate political opposition.

Of course, the increased economic and political participation that many Arab populations demand would not necessarily lead to stability or security, at least in the short term; nor would such changes necessarily serve U.S. interests. But if Washington appeared complicit in the repression of popular movements, it would tarnish the United States' image globally—and if those movements ultimately succeeded in upending and replacing established regimes, then the United States would have little credibility and leverage with the new governments.

TEHRAN TILT?

Hovering over the new threats in the region and the old constraints on U.S.-GCC relations is a widely held fear in the Arab states of the Gulf that Washington is slowly withdrawing from the region as part of a broader retrenchment, leaving the GCC states to fend for themselves.



The king and I: Saudi King Salman and Obama in Washington, D.C., September 2015

For decades, the United States has sold billions of dollars' worth of weapons systems to its Gulf partners. Nevertheless, the armies of the Gulf states have not developed into capable fighting forces, as GCC regimes have geared their security forces more toward protecting themselves and maintaining domestic stability and have relied on the United States to deter or deal with any threat to the regional order. But after more than a decade of war, the American public has little appetite for more adventures in the Middle East, and U.S. policymakers and defense officials would like to see the GCC states take more responsibility for their own defense. The GCC bitterly views this as a fundamental change in the relationship, akin to a betrayal.

Such feelings are heightened by a belief among many Gulf elites that the nuclear deal with Iran is merely the first step in a broader plan to reach a détente with the Islamic Republic and create a new balance of power in the region at the expense of Arab interests. Washington's decision to prioritize the nuclear file over Iran's regional meddling feeds this concern. U.S. policymakers have responded to such complaints by insisting that they have no intention of pursuing any broader accommodation with Iran and by talking tough when discussing the Islamic Republic. Gulf states view this rhetoric as hollow if not backed up by action.

Arab fears of a future U.S. tilt toward Tehran are unfounded, but, combined

with the new uncertainties in the Middle East, they have influenced the Gulf states' strategic calculations and increased their willingness to take independent action. In 2014, for example, the United Arab Emirates projected its power more than 3,000 miles beyond its borders, launching air strikes against Islamist militias in Libya in support of more moderate tribal forces who are vying for influence in post-Qaddafi Libya. The Gulf countries are not only more willing to use force on their own; they are also reshaping their alliances with Arab states elsewhere, such as Egypt, Jordan, and Morocco: at its March 2015 summit, the Arab League announced that it would create a unified command for a joint military force. (To date, little progress has been made on that project.)

Washington might welcome this shift toward more autonomy on the part of its Gulf partners, which will reduce the burden that being the region's policeman places on the United States. But more Arab autonomy also means less U.S. influence and an increased possibility of negative outcomes from Washington's point of view. Consider the air war and blockade that the Saudis launched in March to combat the Houthi rebels across the border in Yemen. The Saudis continue to receive U.S. intelligence and logistical support. But as the campaign has dragged on, Washington has grown alarmed at the results. The Saudi-led coalition, which also includes the majority of the other GCC states, has been accused of using cluster munitions in civilian areas, and the widespread destruction of Yemen's already limited infrastructure is deepening the country's humanitarian

crisis. The UN estimates that the violence has taken the lives of almost 2,000 Yemeni civilians and injured more than 4,100 others.

The violence has had the effect of strengthening radical forces: al Qaeda in the Arabian Peninsula, the terrorist group's affiliate in Yemen, has expanded its reach and now controls a number of places that tribal or government forces had previously held. Meanwhile, the GCC's insistence on casting the conflict in Yemen in sectarian terms—portraying the Houthis as little more than Shiite stooges of Iran—will make it far more difficult for Washington to help resolve the tribal and factional disputes that U.S. officials believe are actually behind the fighting.

WE CAN WORK IT OUT

In spite of all the complications and obstacles that recent years have presented, the U.S.-GCC relationship can still be salvaged and even strengthened. Closer defense ties must be part of the solution, but merely pouring U.S. military resources into the Gulf states will not suffice. Instead, both sides must increase their cooperation on areas where they agree and also be willing to make some concessions on issues that are important to the other side. Both sides will have to work closely on training credible, reliable Sunni forces in Iraq and Syria that can take on both ISIS and the Assad regime. The United States will have to demonstrate its willingness to counter Iranian surrogates and proxies throughout the region, even as it begins implementing the nuclear deal with Iran. And in exchange, the GCC states will have to prove that they are willing to lower the temperature of

their rivalry with Iran and to even contemplate diplomatic engagement with the Islamic Republic.

Closer cooperation and mutual flexibility will not preclude the United States from monitoring human rights violations in the GCC states and reminding its Gulf Arab partners that the surest path to long-term stability is gradual reform. The United States and the GCC can work together even as they continue to disagree on fundamental questions about the stability and soundness of democratic and authoritarian models.

In Syria, the United States should shift its objectives, focusing more on trying to create the military and political conditions that could lead to a negotiated end to the civil war rather than exclusively combating ISIS. That would mean ramping up the lackluster U.S. efforts to train vetted Syrian opposition forces by supporting qualified fighters regardless of whether they prefer to fight ISIS, Assad, or both. Meanwhile, the GCC needs to stop aiding extremist groups and instead shift its support to U.S.-trained fighters and other moderate anti-Assad factions, such as Kurdish fighters in northeastern Syria and the Southern Front, an opposition collective affiliated with the Free Syrian Army.

In Iraq, the United States and the GCC states should step up their support for Sunni tribal forces, coordinating with Baghdad but also working directly with the forces to fund and expedite their training. Washington should also send additional military advisers to Iraq to assist with the training. Initially, Sunni tribal forces should be trained to protect civilians and deter further ISIS incursions into Iraqi territory. Over time, they could push ISIS out of Iraq's

cities, coordinating their moves to take advantage of air strikes carried out by the U.S.-led anti-ISIS coalition.

The GCC countries should also help Washington press Baghdad to adopt an inclusive but decentralized approach to governing Iraq, one that would assure the country's Sunnis that they have a stake and a say in Iraq's future. In the years since the fall of Saddam Hussein, the GCC states have declined to expand their diplomatic, economic, and military ties to Iraq. The GCC should make clear to Baghdad that if it pursues a more inclusive agenda, Iraq will no longer be frozen out of the Arab regional order.

These efforts in Iraq and Syria would benefit from broader U.S.-GCC strategic engagement and military cooperation. This would include new U.S. arms sales to the Gulf, but heavy weaponry is not what the GCC states need, since the majority of the threats facing them are unconventional. What's needed instead is more intelligence sharing and more joint counterterrorist training exercises aimed at improving U.S.-GCC cooperation in combating both Sunni extremists and Iran's militant proxies. The United States and the GCC countries should also consider creating a joint headquarters for their respective special operations forces. Finally, the two sides need to improve their communication with each other: regular multilateral meetings to address the region's conflicts would help Washington and its Gulf Arab partners arrive at a consensus about when and how to use force in the region and would reduce the likelihood of unilateral military action by either side.

For the United States and the GCC to improve their cooperation, they will

have to reestablish the trust that has deteriorated in recent years. Both sides will need to be flexible and must recognize the other's core concerns, especially when it comes to Iran. For its part, the United States should join its GCC partners in a more aggressive and coordinated effort to push back against Iranian influence in the region. Washington should launch a high-level strategic dialogue with the Gulf states about how to combat Iran's proxies with more interdiction of Iranian arms shipments, additional joint covert actions targeting Iranian proxies, and greater intelligence sharing aimed at Iran.

For their part, the Gulf states will need to ratchet down their open feuding with Iran by reducing the amount of inflammatory anti-Shiite rhetoric that flows from their state-sponsored media outlets and by drawing to a close their ill-considered military campaign in Yemen, which has caused a humanitarian crisis there but has had little effect on Iran. Moreover, because Iran is able to exploit the political grievances of repressed Shiites in the Gulf countries, the GCC states must undertake gradual reforms to increase political inclusivity—which would also have the effect of enhancing their internal security.

Finally, even as the United States and the GCC push back against Iran's proxies, they should seek to engage with Iran on areas of mutual interest. The United States and the GCC should support a multilateral diplomatic push for a political settlement that would address the many sources of instability in the region. Any regionwide talks would have to address Syria, where Washington and the Gulf states will

need Iran (and Assad's other main ally, Russia) to pressure Assad to step down as part of a deal to end the civil war. Handling Yemen may be easier because the conflict there is a lower priority for the Iranians, and so they would likely be willing to make greater concessions to the Saudis.

This diplomatic approach is unlikely to yield immediate solutions, but over time, the only way to end the multiple civil wars that are afflicting the Middle East is through a negotiated agreement that includes all the main actors. To get what they want out of such a process, the United States and the GCC countries will need to maintain a unified front; to do so, they need to start mending fences. 🌐

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Getting Over Egypt

Time to Rethink Relations

Michael Wahid Hanna

For decades, the partnership between Egypt and the United States was a linchpin of the American role in the Middle East. Today, it is a mere vestige of a bygone era. There are no longer any compelling reasons for Washington to sustain especially close ties with Cairo. What was once a powerfully symbolic alliance with clear advantages for both sides has become a nakedly transactional relationship—and one that benefits the Egyptians more than the Americans. The time has come for both sides to recognize that reality and for the United States to fundamentally alter its approach to Egypt: downgrading the priority it places on the relationship, reducing the level of economic and military support it offers Cairo, and more closely tying the aid it does deliver to political, military, and economic reforms that would make Egypt a more credible partner.

The contemporary U.S.-Egyptian relationship began in the aftermath of the 1973 Arab-Israeli war and was shaped by the logic of the Cold War, with Egypt switching from the Soviet to the American camp in return for various kinds of

support. During the quarter century since the end of the Cold War, other factors, such as cooperation in the Middle East peace process and the struggle against jihadist terrorism, provided new rationales for continuing the partnership. But at this point, after a popular uprising followed by an authoritarian relapse in Cairo, and with the peace process moribund and jihadism now a chronic condition, the U.S.-Egyptian relationship has become an anachronism that distorts American policy in the region.

This is not to say that the United States gets nothing out of the relationship. U.S. naval ships enjoy fast-track access to the Suez Canal (albeit with the payment of a hefty premium), and Egypt allows American military aircraft to fly over Egyptian airspace, both of which help Washington project power in the Middle East and manage its military deployments. Egypt also provides some diplomatic support for American regional policies and remains a potentially valuable partner in the fight against the self-proclaimed Islamic State (also known as ISIS), to which militants in neighboring Libya and in Egypt's Sinai Peninsula have pledged allegiance. But such benefits do not justify the attention and resources that Washington lavishes on Egypt, which is scheduled to receive \$1.3 billion in military aid and up to \$150 million in economic assistance from the United States this year, making Egypt the second-largest recipient of American largess. And even if Washington cut back its aid, Cairo would have plenty of reasons to continue its cooperation.

To be sure, the United States would profit greatly from close ties with a strong, prosperous Egypt that had a representative government and a capable military—a country that could act as an anchor for

MICHAEL WAHID HANNA is a Senior Fellow at the Century Foundation and an Adjunct Senior Fellow at the Center on Law and Security at New York University School of Law. Follow him on Twitter @mwhanna1.

regional security and counterterrorist efforts, help contain Iran, and live up to its historical role as a leader of and model for the Arab world. But such an Egypt does not exist today and seems unlikely to emerge anytime soon. In the two years since leading a military coup, Egyptian President Abdel Fattah el-Sisi has given little reason to hope that he can sustainably grow the country's economy or improve basic services and security. Meanwhile, he has cracked down on almost all forms of dissent and opposition. The Sisi regime has simply not provided a credible road map for Egypt's future.

When Sisi removed Egypt's first democratically elected president, Mohamed Morsi, from office in July 2013, U.S. President Barack Obama refused to label the act a military coup, in part because that would have required, under U.S. law, immediately cutting off aid to Cairo. Still, in an interview with CNN the following month, Obama conceded that the relationship could not "return to business as usual." But for the most part, it has. Although Obama has ended Egypt's ability to obtain military hardware on credit and has placed new limits on how Egypt can spend the U.S. aid it receives, the United States will continue to supply Egypt with \$1.3 billion every year for the foreseeable future, with very few strings attached. Last August, U.S. Secretary of State John Kerry traveled to Cairo to take part in the first "strategic dialogue" that American officials have held with their Egyptian counterparts since 2009, announcing that the United States would soon resume joint military exercises with Egypt, which Obama suspended in 2013. As Kerry arrived, the U.S. embassy in Cairo publicly hailed the delivery of eight American-made F-16s to Egypt's air force.

This tacit resumption of the pre-coup relationship has done little to enhance regional security, give the United States additional leverage, or curb Sisi's autocratic tendencies. Meanwhile, it has implicated the United States in Egypt's repression of Islamists, secular activists, and journalists who have dared to challenge or even merely criticize Sisi. And Washington has seen its relative influence in Cairo diminish even further, as wealthy Gulf states have flooded Egypt with an estimated \$30 billion in various forms of economic assistance since Sisi took power.

The United States must sometimes make bargains with authoritarian regimes. And as extremist forces foment disorder and chaos in the Middle East, it might seem reasonable to mend fences with traditional allies in the region. However, for such compromises to be worth it, the strategic benefits must outweigh the costs, and Washington's resumed embrace of Cairo does not pass that test. Continuing with the current policy would be a triumph of hope over experience. The United States should instead change course, scaling back the scope of its relationship with Egypt and reducing the exaggerated attention the country receives while placing stricter conditions on U.S. aid. Washington hardly needs to cut Cairo loose, but the United States should stop coddling it.

THE THRILL IS GONE

The 1973 Arab-Israeli war and the Arab oil embargo of Israel's supporters that followed marked the beginning of a historic realignment of both the state system in the Middle East and Arab relations with the United States. That realignment was completed with the signing of the Camp David accords



There will be blood: a Morsi supporter injured by Egyptian riot police in Cairo, July 2013

in 1978 and a peace treaty between Egypt and Israel the following year. U.S. President Jimmy Carter's pledges of sustained American economic and military aid to Egypt were a key factor in persuading Egyptian President Anwar al-Sadat to make peace with Israel. The deal was a diplomatic masterstroke. It pulled Egypt into the U.S. orbit, eliminated the possibility of another large-scale conventional Arab-Israeli war (and thus the risk of great-power conflict in the region), and created a more stable and sustainable backdrop for international oil markets—and, by extension, the global economy.

For the duration of the Cold War and during its immediate aftermath, U.S.-Egyptian security cooperation and coordination flourished, reaching a peak when Egypt participated in the multinational effort to liberate Kuwait after Iraq invaded in 1990. And with the advent of renewed Arab-Israeli

peace efforts in the early 1990s, the U.S.-Egyptian relationship became even more valuable to Washington, as Egypt emerged as the Arab state most fully engaged in the process.

Meanwhile, at home, the authoritarian regime led by Sadat and then, after Sadat's 1981 assassination, his successor, Hosni Mubarak, entrenched itself. Over time, human rights advocates and Egyptian dissidents called for Washington to use its leverage to press Mubarak for reforms. But as the threat of jihadist terrorism grew, especially in the aftermath of the 9/11 attacks, U.S. officials decided not to push too hard, which could risk diminishing Egypt's cooperation on counterterrorism.

Then came the Arab uprisings, during which Mubarak was ousted in the wake of a broad-based popular mobilization. In 2012, a government dominated by the Muslim Brotherhood came to power through democratic elections, only to catastrophically overreach. That government,

led by Morsi, ultimately fell to a putsch mounted by the military and the country's still powerful authoritarian security establishment—a coup that was supported by mass demonstrations against Morsi's rule and aided in no small part by the Muslim Brotherhood's intransigence in the face of public opposition to its agenda.

The result of all the turmoil, both in Egypt and the region at large, has been a far more organic alignment of Egyptian and Israeli interests than anything American diplomatic bribery could achieve. Indeed, some Egyptian and Israeli leaders boast that their relations with each other are now stronger than their ties to the United States. That might be hyperbole, but it is clear that U.S. aid is no longer the glue that binds the Egyptian-Israeli relationship, and it pales beside the amounts given to Cairo by the worried monarchies of the Gulf.

Egypt has an interest in pursuing counterterrorism for its own reasons, moreover, not simply out of a desire to curry favor with the United States, and its military is no longer a major factor in security issues beyond its borders. In short, the regional landscape has been transformed, and Egypt has been left behind. Despite its large population and historical importance, Egypt is no longer an influential regional player. Instead, it is a problem to be managed.

STICKS AND STONES

Even in the heyday of U.S.-Egyptian cooperation, the two countries did not see eye to eye on many issues. But the current gap between their worldviews and priorities is larger than at any time in the past.

Perhaps the most visceral expression of this phenomenon is the way in which

anti-Americanism—always latent in Egyptian society, media, and politics—has exploded beyond its traditional boundaries to become a core feature of political discourse and official propaganda in Egypt. Throughout the Mubarak years, anti-Americanism was a common staple of regime-affiliated media. Such official and officially encouraged rhetoric served to inoculate the regime against a broad array of criticisms of its close relations with the Americans, particularly during the Bush-era “war on terror,” when the U.S.-led invasion of Iraq, the CIA's use of torture, Washington's indefinite detention of terrorist suspects in Guantánamo Bay, Cuba, and the United States' unwavering support for Israel deepened public antipathy to the United States. Criticism of the United States was pointed but stayed within clear boundaries.

During Sisi's time in power, however, a categorically different kind of anti-Americanism—vitriolic, paranoid, and warped by conspiracy theories—has come to dominate Egyptian media. State-backed media outlets have published scurrilous, bizarre stories alleging extensive U.S. financial and diplomatic support for Sisi's Islamist opponents—not only the Muslim Brotherhood but even ISIS.

Not only does Sisi's regime tolerate such conspiracy theories, but elements of the security establishment even promote them as part of an attempt to sell Egypt as a regional bulwark against Washington's supposed goal of dividing and dominating the Arab world. Earlier this year, Vice Admiral Mohab Mamish, the former commander of the Egyptian navy and the current head of the Suez Canal Authority, told the Egyptian newspaper *Al-Masry Al-Youm* that during the 2011

uprising that toppled Mubarak, the Egyptian military thwarted a potential U.S. military intervention. Two U.S. frigates “were besieged by the navy and were forced to withdraw from [Egypt’s] territorial waters,” Mamish claimed. “It was important to show the Americans that the Egyptian military was highly diligent and prepared to deter any intervention,” he explained.

Incendiary rhetoric such as this is particularly rankling given that many Egyptian military leaders, including Sisi himself, have received training at U.S. military institutions as participants in a program designed to increase the professionalism of the armed forces of American allies and partners. Yet this extensive, decades-long effort has not produced the hoped-for doctrinal or structural shifts within the Egyptian armed forces nor increased the competence of Egypt’s military leadership. As a result, there is not much close cooperation, confidence, or trust between the two militaries. This gap is so large now that the United States has made no effort to include Egypt in an operational role in the U.S.-led anti-ISIS military campaign, despite the obvious need for Arab military partners.

Indeed, when it comes to fighting Islamist extremists, even some members of the U.S. defense establishment have come to see Egypt’s repressive tactics as counterproductive, since they tend to further radicalize militants and undermine international efforts to curb militancy in the region. The United States remains concerned about the real and serious terrorist threats Egypt faces, including the risk that formerly non-violent Islamist groups, such as the Muslim Brotherhood, which renounced

its historical use of violence decades ago, could reverse course or splinter, with breakaway factions turning to terrorism and antistate violence. But the Sisi regime has demonstrated a dangerous inability or unwillingness to differentiate between Islamist actors, lumping together the hitherto generally nonviolent members of the Muslim Brotherhood with the brutal extremists of ISIS. The mainstreaming of regressive and sectarian ideologies such as the Brotherhood’s would hardly serve U.S. interests. But the United States rightly sees Sisi’s forceful repression of all opposition as a destabilizing factor for the region and a boost to the radicalizing efforts of militants.

MANAGEABLE RISKS

Although the acrimony and strains in the U.S.-Egyptian relationship are on full display, U.S. officials are understandably wary of making dramatic changes to long-standing U.S. policies in the Arab world, particularly at a moment of regional disorder and instability. Many in Washington share well-founded concerns about the potential destabilizing effect of political violence in Egypt; some even worry about the more remote possibility of state failure. But such fears are built on overestimations of Washington’s impact on Egyptian politics. Egyptian leaders have consistently rejected U.S. advice throughout the post-Mubarak period, and a restructuring of bilateral ties is unlikely to have a significant effect on Egypt’s internal stability.

Some proponents of maintaining the status quo argue that a U.S. shift away from Egypt would further alienate influential American allies in the Arab world, many of which are dispirited by Washington’s limited engagement in the

Syrian civil war and troubled by the Obama administration's push for the Iranian nuclear deal. This is a legitimate concern, but the fallout could be contained in much the same way that the United States assuaged Arab allies uneasy about the nuclear deal with Iran: by increasing direct U.S. security cooperation with Arab states.

Other advocates for continuing on the present path claim that Sisi is a different kind of Egyptian leader, more willing to confront the problem of Islamist extremism and more focused on the need for real economic reform. They point to his calls for a "religious revolution" to combat extremism within Islam and were encouraged when Sisi remarked that it is "inconceivable that the thought that [Egyptians] hold most sacred should cause the entire nation to be a source of anxiety, danger, killing, and destruction for the rest of the world." Those words were notable, but they served mostly to highlight Egypt's tragedy: the country and the region as a whole are in desperate need of alternatives to the regressive and sectarian vision of most of the Arab world's Islamists. But by yoking the call for reform to repression, authoritarianism, and hyper-nationalism, Sisi is merely repeating the mistakes of his predecessors, stoking the very radicalism he seeks to eliminate. As for the economy, the highest priority for the regime, Sisi lacks credible plans for development that would create equitable growth.

The most powerful arguments against restructuring the relationship are based on the fear that a spurned Egypt would stop cooperating with the U.S. military and thus stymie Washington's ability to project power in the region. According to multiple U.S. officials, in recent years,

when Cairo has sought to express its displeasure with Washington, it has delayed granting permission for U.S. aircraft to fly over Egyptian airspace, temporarily complicating American military planning and logistics. In light of the ongoing and open-ended U.S. campaign against ISIS, such delays have panicked Pentagon planners, who are accustomed to preferential treatment. But although Sisi's regime might be willing to occasionally push back against U.S. demands for access, Egypt can't afford to be too aggressive, since doing so angers not just the Americans but also the Gulf states that have become Egypt's main patrons—and that are counting on U.S. military power to not only protect the region from ISIS but also serve as their overall security guarantor. The governments of Saudi Arabia and the United Arab Emirates will not sit idly by if Egypt drags its feet on U.S. requests for logistical support and endangers the mechanisms that ensure Gulf security, and Sisi cannot afford to unduly antagonize them; as Sisi himself has stated, the security of the Gulf states is an "integral part of Egyptian national security."

TIME FOR A CHANGE

For the United States, military aid to Egypt has long been understood as the central pillar of a broad and close relationship with the Arab world's most populous nation—a means of leverage and a source of influence over not only the Egyptian military but also the broader contours of Egyptian political life. But in reality, U.S. aid has not been successful in producing a professionalized and effective Egyptian military. Nor has it encouraged Egyptian leaders to share Washington's worldview or

strategic priorities. And it certainly has not had a particularly positive effect on the country's political trajectory: foreign military funding has proved wholly ineffective in pushing Egypt toward democratic reform.

In the future, therefore, American aid should be tightly focused on assisting the modernization and professionalization of the Egyptian military and should be made wholly contingent on evidence that Egypt takes those matters seriously. In March, the Obama administration announced that Egypt's future purchases of U.S. military hardware must be specifically tied to counterterrorism, protecting Egypt's borders, combating militants in the Sinai, or maritime security. But it remains unclear how the United States will determine whether any prospective purchase meets the new criteria.

Washington should make it perfectly clear that its military aid is not connected to a push for Egypt to embrace political reforms, much less democratize. Targeting the aid more narrowly and focusing it on clear and relatively modest goals will allow Washington to significantly reduce the overall amount of military financing it provides to Cairo. The level of aid should accurately reflect the current importance of the bilateral relationship, which now ranks far below U.S. relations with Jordan, Saudi Arabia, and the United Arab Emirates. Lowering the total annual amount from \$1.3 billion to around \$500 million would express U.S. displeasure with the status quo while adequately serving the near-term security needs of the United States, continuing to signal an American commitment to Egypt, and conferring a certain level of political status on the Egyptian government and military.

Such a reduction would not threaten the training and technology transfers the Egyptian military values, nor would it harm intelligence and counterterrorism cooperation between the two countries, which would continue on the basis of mutual necessity. To cushion the blow to U.S. arms manufacturers that such a change would entail, the United States should consider diverting future military assistance to more reliable allies, such as Jordan; or to partners that need help far more urgently than Egypt, such as Iraq; or to states in the region that are transitioning to democracy more successfully, such as Tunisia.

But the United States should leave open the possibility that aid to Egypt could be restored to previous levels if Egypt undertakes serious political liberalization, begins credible efforts at inclusive and sustainable economic change, and initiates a program of genuine military modernization. Such reforms would justify a strategic U.S.-Egyptian relationship and enhance regional security and could serve as the foundation for a stable, democratic, pluralistic, and prosperous Egypt that would provide the Arab world with a much-needed alternative to its failed political models.

It is hard to imagine Egypt taking any of those steps in the foreseeable future. In the meantime, if Washington decides to proceed with an outdated approach to Cairo, the result will be constant tension, friction, and frustration, as both sides' expectations go unfulfilled. "Business as usual" will do nothing to alter Egypt's negative trajectory and will further bind the United States to an unreliable partner. 🌐

Why Israel Waits

Anti-Solutionism as a Strategy

Natan Sachs

Israeli national security strategy can seem baffling. Many observers in the United States and Europe, for example, wonder how Israeli Prime Minister Benjamin Netanyahu could have warned for years that Iran's nuclear program posed an existential threat to Israel yet has balked at the international community's attempts to defang it. By raising concerns about the nuclear deal between Iran and five great powers without offering a convincing alternative, Netanyahu has appeared to oppose any solution at all. Instead, as Philip Hammond, the British foreign secretary, said in July, Netanyahu is acting as though he would prefer a "permanent state of standoff" with Tehran.

Nor do Israeli leaders seem to have a clear answer in mind for how to solve the country's conflict with the Palestinians. The country faces nearly universal opprobrium for its occupation of the West Bank and the looming possibility that it will have to sacrifice either its democracy or its Jewish demographic majority should it not pursue territorial partition with the Palestinians. Yet few in the Israeli government offer realistic strategies for ending the conflict. Netanyahu himself has gone back and forth, declaring his support for a two-

state solution in theory, indicating that he does not believe one can emerge in the foreseeable future, and offering no alternative solution in its place.

What lies behind the absence of a constructive Israeli national security agenda, however, is neither illogic nor confusion but rather a belief that there are currently no solutions to the challenges the country faces and that seeking quick fixes to intractable problems is dangerously naive. Kicking problems down the road until some indefinite future point at which they can be tackled more successfully therefore does not reflect a lack of Israeli strategy; rather, it defines Israeli strategy. This strategy is at times wrong, but it is not absurd.

Israel's strategic conservatism—the notion that it can be better to bide one's time and manage conflicts rather than rush to try to solve them before the conditions are ripe—is not inherently bad and has in fact served Israel well in some cases. In others, as in the conflict with the Palestinians, it has damaged the country's prospects. Whether or not this strategy is effective, U.S. policymakers need to grapple with it as they make their own decisions about how to address the problems in the Middle East.

PLAYING IT SAFE

At his core, Netanyahu is not so much hawkish as conservative: determined to avoid revolutions, wary of the unintended consequences of grand policy designs, and resolved to stand firm in the face of adversity. He is deeply pessimistic about change and believes that Israel, a small country in a volatile region, has a minuscule margin for error. Despite what many progressive Europeans think, such a worldview does not

NATAN SACHS is a Fellow at the Brookings Institution's Center for Middle East Policy and the author of the forthcoming book *Does Israel Have a Plan?* Follow him on Twitter @natansachs.

constitute warmongering. Nor, as some Obama administration officials have suggested, does it constitute weakness or cowardice, even though Netanyahu's rhetoric relies heavily on fear. Instead, at its best, it is a view of leadership as stewardship rather than transformation, one in which potential losses loom far larger than potential gains.

Applied to the Palestinian case, this worldview is best articulated not by Netanyahu but by Israeli Defense Minister Moshe Yaalon. In his 2008 book, *Derekh aruka ktzara* (A Longer Shorter Way), Yaalon decried what he termed "solutionism" and "nowism"—the idea that "Israeli society wants a solution, and it wants it now!" Such impatience, he argued, cannot accommodate chronic problems or open-ended conflicts; rather, it demands neat solutions, no matter the cost. For Yaalon and others in Israel, solutionism is perhaps best embodied by the can-do pragmatism of the American foreign policy ideal, which they believe assumes that any problem can be solved through sufficient will and enterprise.

Yaalon finds solutionism dangerous, since it feeds the belief among Israel's enemies that Israel can be worn down through gradual concessions and prevents them from recognizing that Israel cannot be defeated. Today's impasse, he believes, stems not from a lack of political ingenuity or will but from a Palestinian refusal to accept the essence of Zionism, which is that Jews have a right to a state of their own in the land of Israel. Only when that is no longer in question, he and Netanyahu believe, can a negotiated settlement emerge, and there is no reason to believe that will happen anytime soon.

This strategic pessimism is reflected in the vagueness of Israeli leaders'

descriptions of an eventual solution to the conflict. Netanyahu has expressed hope for some version of a two-state solution, but Yaalon and many others in the Likud Party reject it outright. Naftali Bennett, a senior cabinet minister who heads the right-wing religious party the Jewish Home, is particularly illustrative. At a June 2013 gathering organized by the Yesha Council, Israel's main settler body, he described the medical dilemma of a friend from his military days who had a piece of shrapnel lodged near his backside. Operate to remove it, and the procedure could paralyze him; live with it, and he could continue to walk, although not without pain. He argued that Israel was in the same situation with regard to the Palestinians and that it should learn to accept the unpleasantness of the current state of affairs rather than risk catastrophe in trying to resolve the conflict.

A similar logic defines Israel's policy toward Iran. In recordings leaked to an Israeli television outlet in August, former Israeli Defense Minister Ehud Barak was heard discussing details of a debate within Israel's inner security cabinet about a possible military strike on Iran's nuclear facilities. Three times, Barak said, he, Netanyahu, and then Foreign Minister Avigdor Lieberman argued in favor of a strike, only to be blocked by other Israeli leaders (including Yaalon). Unwilling to pursue either a military strike (which would provide only a short-term remedy) or a realistic negotiated settlement, the government has opted for the perpetuation of the status quo—a policy of mobilizing forces to deter Tehran in an open-ended confrontation. U.S. President Barack Obama may have challenged the nuclear deal's opponents to propose a better solution,

but for Netanyahu, such a solution was never the point.

Under the Netanyahu-Yaalon approach, Israel's relations with both the Palestinians and Iran are likely to remain unresolved until the distant future; they will remain managed stalemates that persist until there is some sort of fundamental shift in the landscape, such as a generational change in attitudes or a regional upheaval.

THE EVOLUTION OF ISRAELI SKEPTICISM

This worldview is far from unusual in Israel. On the Palestinian issue, in fact, Yaalon is an exemplar of middle-of-the-road Israelis, who genuinely hoped that the peace process of the 1990s would succeed and were deeply disillusioned by its failure.

Yaalon grew up in a left-leaning home and initially supported the Oslo Accords, the agreements between Israel and the Palestine Liberation Organization, starting in 1993, that aimed to pave the way to a final-status deal between the two sides. As the chief of Israeli military intelligence in the years that followed, however, he came to reassess Palestinian intentions. He observed frequent calls for violent resistance by Palestinian leaders, denials that Jews could self-identify as a nation or that they have a historic connection to the Holy Land, and the failure of the Palestinian leader Yasir Arafat to crack down on terrorism in the run-up to the Hamas-led bombings of early 1996.

Over time, the Israeli public echoed Yaalon's loss of confidence in the peace process. Many Israelis grew disillusioned with Arafat after watching his actions during the negotiations at Camp David in 2000 and especially during the second intifada that followed. Barak, then prime

minister, had made more concessions in the negotiations than most Israelis had expected, only to be rebuffed by Arafat and answered with a violent uprising. "The picture that is emerging, is that there is apparently no partner for peace," Barak said in October 2000, and many of his compatriots agreed.

During this period, Israel started to try to solve its regional problems unilaterally. Israel withdrew its forces from southern Lebanon in 2000 and then evacuated all settlements and troops from the Gaza Strip in 2005. But when attacks against Israel continued to emerge from both areas, the Israeli public grew disenchanted with unilateralism as well.

The years since have not been kind to Israeli optimism about any of the Middle East's problems. Multiple rounds of negotiations between Israeli leaders and Arafat's successor, Mahmoud Abbas, have failed to bring peace. Countries bordering Israel have erupted in political turmoil and horrific violence in the wake of the Arab Spring. And behind the rocket fire, kidnappings, and perennial flare-ups that have defined their more immediate anxieties, many Israelis have seen Iran's hand: both in Hezbollah, which straddles the line between a Lebanese political party and an Iranian proxy militia, and in Hamas, a Sunni Islamist militia that has at times received Iranian support.

With Israel having failed to achieve normalcy through negotiations, unilateral withdrawals, or brute force, most Israelis have concluded that normalcy is not theirs to be had. They need to brace themselves for a long fight and avoid the temptations of grand plans. They will not be fooled again. Indeed, in a poll conducted by the Israel Democracy Institute and Tel Aviv



The long view: Netanyahu near the Egyptian-Israeli border, January 2010

University in August, 67 percent of Israeli respondents said that they did not believe that negotiations between Israel and the Palestinians would produce peace in the near future, even if most of them supported such negotiations.

In the absence of viable long-term remedies for the conflict with the Palestinians, some observers have developed half-baked alternatives. These run the gamut from one-state proposals with full citizenship for Palestinians (usually excluding those in the Gaza Strip) to condominiums of various kinds and even to a single state without full democracy. Even the Israeli leadership disagrees on the ends that ought to be sought with the Palestinians. Netanyahu has supported a two-state solution, at least in principle; Yaalon has rejected one; and Bennett has called for Israel to annex most of the West Bank, although he has also acknowledged that this is unlikely to be realized in the near future. Israel's leaders agree

only on the short-term means to pursue in the absence of a long-term strategy: to maintain what appears to be the status quo even as the ground is actually slowly shifting beneath their feet.

This short-term consensus also holds with respect to Iran. Although there have been sharp disagreements within the Israeli establishment over the wisdom of a unilateral military strike against Tehran's nuclear facilities, and some disagreements on the nuclear deal, few Israeli policymakers see a solution to the problem besides organic, homegrown regime change. Netanyahu's strategy by default has therefore been conflict management, the postponement of decisions, and deterrence. That this approach fits his worldview perfectly is no coincidence.

WHERE ANTI-SOLUTIONISM FAILS

A conservative approach can be wise at times, and Netanyahu's caution has served Israel well on some fronts. So

far, he has generally done a good job managing Israel's borders with Egypt and Syria, for example, mostly staying out of the turmoil in both those countries while protecting core Israeli interests. But on balance, Netanyahu's strategic conservatism has damaged Israel's international standing and restricted its room for maneuver.

Whether or not the Iran nuclear deal succeeds, there is little doubt that Netanyahu's stance has isolated Israel internationally, strained its alliance with the United States, and strengthened critics' view of Israel as rejectionist. Indeed, Netanyahu's conditions for an acceptable deal with Iran were so stringent that they seemed to preclude any agreement at all, despite his claims to the contrary.

On the Palestinian issue, too, Netanyahu and Yaalon have set their policy standards so high as to block realistic progress. Their demand that the Palestinians accept the idea of Israel as a nation-state makes sense in the context of reconciliation between the two parties, especially in light of the Palestinians' demand for the right of return for refugees and their descendants. Yet if a practical peace is ever to be achieved, Israeli and Palestinian leaders will need to accept that their demands will be only partially met. A full right of return for Palestinians, for example, will simply not be possible under any realistic settlement, and even those Palestinians who accept the existence of Israel are not likely to forget their dismay at its creation. Conditioning peace with the Palestinians on their acceptance of Zionism's basic principle is therefore not only a stretch; it also confuses perfect conflict resolution for

achievable peace—which tends to be ugly, practical, and unsatisfying. In this sense, Netanyahu's anti-solutionism reflects just as much naiveté as the solutionism he and Yaalon have decried.

Properly applied, moreover, strategic conservatism should keep a country's long-term options open. In the case of Israel, that would entail maintaining the possibility of a future Israeli-Palestinian partition, an objective that Netanyahu has claimed to support.

Yet Israel's current approach is gradually ruling out this long-term objective. Yaalon and Bennett vigorously support settlement construction in the West Bank. Netanyahu has also advanced settlement construction, although often on a more limited scale. If the conflict lasts for decades, as Yaalon has suggested it must, such settlement construction will render Netanyahu's stated goal of partition increasingly impossible. This logic is not lost on right-wing Israelis, many of whom support settlement construction precisely to eliminate the future possibility of a two-state solution.

Netanyahu's muddled settlement policy reflects an attempt to accommodate both international pressure and the demands of his right flank. Yet his dance between progressives abroad and the right wing at home has convinced neither of his commitment. As in the immediate aftermath of the Iran deal, Netanyahu has failed both to persuade his critics of his sincerity and to effect change. Instead, he has cast himself as a rejectionist.

A cautious strategic approach, finally, makes sense only when the passage of time works in one's favor. Time is indeed on Israel's side with respect to many of its traditional Arab adversaries, which are so mired in internal conflict that they

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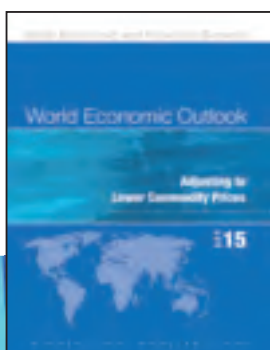
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currently pose no conventional threat to Israel and are unlikely to anytime soon. Israel also has a dynamic economy and a robust nuclear security blanket.

With respect to the long-standing Israeli-Palestinian conflict, however, time is decidedly not on the side of either Israel or the Palestinians. To begin with, Israel's control over many aspects of Palestinian affairs has created widespread anger and disgust toward Israel abroad, with increasingly harsh consequences for its international standing and its relations with the United States. More important, Palestinian politics and society are unstable. As time passes and the prospects of a peaceful resolution to the conflict recede, the political fortunes of those Palestinians who advocate compromise in negotiations with Israel will wane, and those of Hamas and other militant groups pushing for violent conflict will ascend.

Israel's open-ended control over millions of noncitizen Palestinians, meanwhile, has strained the country's otherwise robust democracy. The festering conflict and the country's lack of defined, recognized borders have encouraged extreme nationalism and divided Israelis. Indeed, Israel's continued control over Palestinian affairs has strengthened chauvinistic, racist, and violent tendencies on the fringes of the Israeli right.

Israel's strategic anxiety understandably derives from the Jewish people's long history of persecution. Yet the overly cautious policies that anxiety has produced in recent years are an unfortunate departure from the can-do spirit that has historically characterized Israel. Indeed, twentieth-century Zionism was at once wildly idealistic in its goals and pragmatic in its execution, transforming

Jewish history rather than succumbing to it. Israel's current leaders should likewise seek to proactively shape their country's future, even if the outcome falls short of the ideal.

WHAT WASHINGTON CAN DO

In some ways, Obama shares Netanyahu and Yaalon's measured approach to the Middle East. With respect to Iran's nuclear program and the Israeli-Palestinian conflict, however, U.S. and Israeli policymakers diverge dramatically. On both issues, Netanyahu has hoped for greater conservatism from Washington, which has instead sought bold moves toward resolution. Since neither party's basic philosophy is likely to change much in the near future, it makes sense for both Washington and Jerusalem to recognize their basic differences—on which confrontation is hardly productive—and focus on identifying and actively addressing those areas where their divisions harm both countries' long-term interests.

Iran's nuclear program is the place to begin. Although it is possible that the lifting of the sanctions will create a more cooperative Iran, it is at least as probable that the regime's nature and goals will remain grimly familiar. Should this be the case, the United States and other world powers will need to work hard to ensure that Iran complies with the nuclear deal for many years to come.

Netanyahu's rhetorical opposition to the Iran deal has so far distracted from what is most needed in practice: a joint U.S.-Israeli strategy that deters Iran from violating the terms of the deal and sets the stage for a successful nonproliferation plan for after the deal's elements expire. First, the United States should make clear that it is willing to bear the diplomatic

costs of calling Iran out on even small infractions, because failing to do so would cause the deal to lose force over time. Next, Israel and the United States should better coordinate their monitoring of Iran's compliance, which could help prevent an unintended blowup of the deal, for which either country could be blamed.

Finally, in its public messaging about the costs of violating the deal, Israel should stop undermining the United States. At present, the credibility of the American claim that Iran will face punishment for violations of the deal is the single most important asset that Israel and the United States have; Netanyahu and Obama should both cultivate it deliberately. Netanyahu has repeatedly said that Iran will be able to break the deal and get away with it; he should change his tune, making clear that he believes such violations will come at a serious cost, levied by the United States. Obama and the next U.S. president should likewise make sure U.S. threats are taken seriously.

On the Palestinian issue, meanwhile, the United States should resist the temptation—still present in some circles in the Obama administration—to try to push the parties toward a comprehensive solution in the near term, because such a settlement is currently unobtainable. This is not because a realistic two-state solution aimed at conflict resolution rather than reconciliation is fundamentally impossible, as Yaalon has argued, but because the current set of Israeli and Palestinian leaders, and the current environment in the Middle East, is ill suited for the negotiation of one. Instead, the United States should focus on distinguishing between those short-term Israeli and

Palestinian policies that will prejudice a future deal and those that will not. As it does so, it should pressure both sides to make choices that will keep options open in the long run.

With this in mind, the United States should change two major tenets of its current policy. First, Washington should promote interim steps between Israel and the Palestinians well short of a final-status agreement. The Obama administration has been loath to push for such steps, including Israeli withdrawals of settlers or troops from parts of "Area C," the large portion of the West Bank that is under full Israeli administration. This reluctance stems in part from the understandable fear among the Palestinians, which Washington is sensitive to, that temporary agreements could become permanent, lessening the pressure on Israel without bringing fundamental change. And although the Netanyahu government has been open to some provisional steps, such as the easing of restrictions on Palestinian economic development in the West Bank, it has resisted settler and troop withdrawals, citing the perceived failure of Israel's unilateral retreats from southern Lebanon and Gaza.

Many Israelis indeed believe that unilateral withdrawal was tried in Gaza and failed. But Israel's 2005 withdrawal was made up of two components, each of which should be considered separately: the withdrawal of Jewish settlements from the heart of a highly populated Palestinian territory and the withdrawal of all Israeli security forces from the area. The uprooting of the settlements was no easy matter—whole communities were forcibly removed and their homes and buildings razed, causing a deep rift

within Israeli society—but it was also a strategic success; today, Israel does not need to protect a small number of settlers in a crowded and hostile area. The military aspect of the Gaza disengagement, however, was far less successful. In the vacuum it produced, Hamas came to power, Israel instituted a blockade, and Israelis and Palestinians alike have found themselves in a cycle of conflict that has devastated the Gaza Strip and routinely sends Israeli civilians to bomb shelters.

The main lesson from the Gaza disengagement, then, is not that redrawing temporary borders between Israeli and Palestinian populations is inherently dangerous but that unilateral military withdrawal is a mistake. Indeed, some Israeli leaders in the center and on the center-left have proposed that Israel withdraw some of its settlers from the West Bank while maintaining the Israeli military's freedom of action there. Although it is unlikely to be pursued anytime soon, this policy should eventually make a comeback, in light of the lessons learned in Gaza.

The second big shift Washington should make is to match its words with its policies on settlement construction. The contradictions of Netanyahu's wait-and-see approach to the settlements must be tackled head-on; left alone, additional settlement construction will lessen the possibility of any future partition.

In 2009, the Obama administration demanded a blanket freeze on the construction of settlements, including any expansion of those that would remain in Israel in any future agreement. That proved untenable in the long run, because it rallied the Israeli public behind Netanyahu and against the Obama administration. Although the United States has

effectively abandoned this position, it has not publicly articulated one to replace it. To fill the gap, Washington should develop a policy that distinguishes between settlements that seriously degrade the possibility of a future partition and those that do not. It should vigorously object to construction in the former—particularly in and around East Jerusalem, where settlement construction prejudices the outcome of a future agreement the most—and tacitly accept it in the latter. And the United States should push for a more stringent definition of the boundaries of Israel's more benign settlement blocs, based on limits developed in U.S. mediation efforts in recent years rather than on Israeli interpretation. Although such an approach would be difficult for Israeli and Palestinian leaders to accept, it would offer each a tangible political gain: tacitly legitimized construction in limited areas for the Israelis and an effective freeze on construction in zones that actually count in the long term for the Palestinians.

There is also much that Israel's leaders could do toward similar ends—from ceding partial authority over certain areas to allow for greater geographic contiguity among Palestinian enclaves to financially incentivizing the gradual return of Israeli settlers from their most remote outposts. Those steps might be unlikely in the immediate term, but they offer a way to help forestall a far worse future.

CLEARING A PATH TO PEACE

The Palestinians, for their part, can do much to keep open the possibility of a future agreement. To start, they should take greater responsibility for their own political mess by constructing a unity government for the West Bank and the

Gaza Strip, one that is willing to forswear violence and accept the possibility of peace with Israel.

That will be difficult: many Palestinian groups, Hamas chief among them, are opposed to peace, and Israel has often objected to proposed Palestinian unity governments that have included Hamas for just this reason. But the possibility of a future agreement will necessitate a single Palestinian government committed to peace, whether or not every constituent party belonging to it is similarly inclined. And it will require a Palestinian government that can effectively control its entire territory and all Palestinian forces. To advance this objective, Abbas should assume responsibility for the border crossings into and out of the Gaza Strip, something he has refused to do since the end of the conflict between Hamas and Israel in 2014. By committing Palestinian Authority personnel to facilitating movement across the border between Gaza and Israel, Abbas could ease Gaza's dire economic situation and help forestall future fighting between Hamas and Israel.

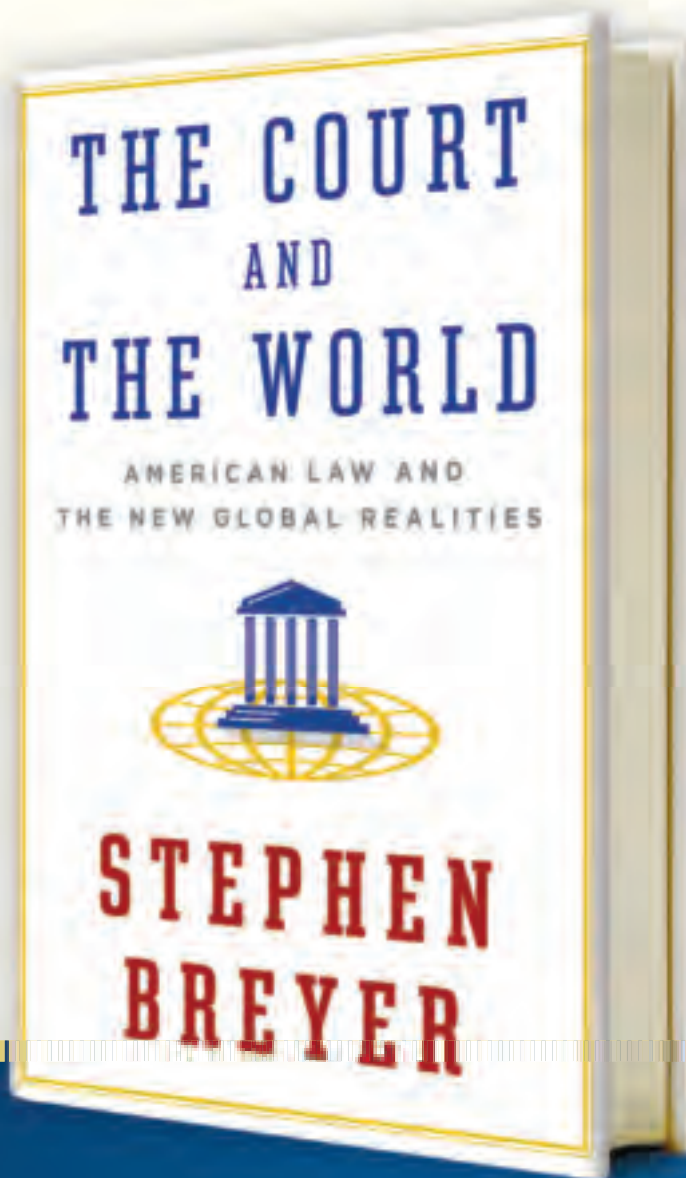
Next, the Palestinians will need to return to institution building, particularly in the security sector, which must be strengthened in anticipation of Abbas' departure from office, when the risk of violence will be highest. When that time comes, the Palestinian Authority should uphold its ongoing security cooperation with Israel, which is unpopular among the Palestinian people but crucial for their well-being. Such cooperation is also important for the possibility of long-term conflict resolution, because it helps diminish the fear and distrust that come from active conflict and that are central to the current diplomatic impasse.

In the absence of a final-status agreement in the near or medium term, banishing anti-Israeli and anti-Palestinian incitement from public rhetoric will also become more important. During negotiations for peace in previous years, Israel's demands for a halt to such talk among the Palestinians often seemed like a play for time. But today, with so much time likely to pass before peace is reached, calls for violence from either side can have a pernicious effect well beyond their apparent scope by encouraging terrorist attacks against both Israelis and Palestinians.

Israeli and Palestinian leaders are unlikely to take serious interim steps toward peace in the near term. Yet the conflict has had many ups and downs over the years, and there will be opportunities for creative policy before long. And because a full resolution is not likely soon, it is all the more important in the meantime that Israel, the Palestinians, and the United States devise coherent policies that are at once realistic about the immediate future and consistently committed to longer-term objectives.

Israel's anti-solutionism is not absurd, especially in the context of the country's current geopolitical situation. Yet Israeli leaders can nevertheless be blind to the long-term effects of their actions, and there is much that could be done to improve them. For the Israeli-Palestinian issue, as for many others, it is in the pragmatic middle ground between cynicism and idealism that the best policies can be found. 🌍

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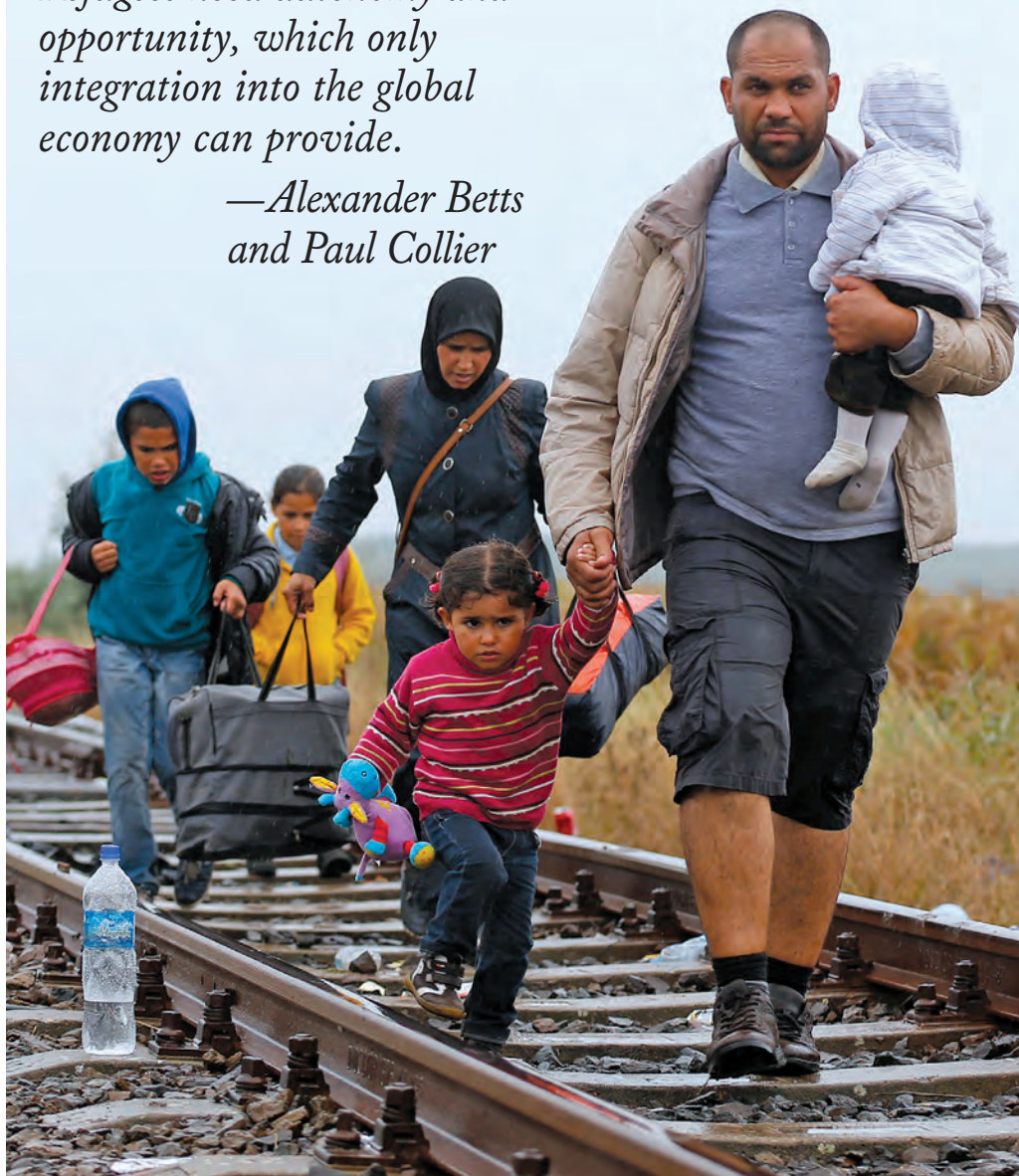
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ESSAYS

Refugees need autonomy and opportunity, which only integration into the global economy can provide.

—Alexander Betts and Paul Collier



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Help Refugees Help Themselves

Let Displaced Syrians Join the Labor Market

Alexander Betts and Paul Collier

There are now some 60 million displaced people around the world, more than at any time since World War II. The Syrian crisis alone, which has created the largest refugee shock of the era, has displaced some ten million people, around four million of them across international borders. In recent months, Western attention has focused almost exclusively on the flood of these refugees to Europe. Yet most of the Syrian refugees have been taken in not by Western countries but by Syria's neighboring states: Jordan, Lebanon, and Turkey, whose capacity has been overwhelmed. Lebanon, with a population of around four million and a territory smaller than Maryland, is hosting over a million Syrian refugees. Young people are over-represented in the refugee population, so that more than half of the school-aged children in Lebanon are now Syrian.

International policy toward the Syrian refugee crisis is both antiquated and fueled by panic. It is premised on the same logic that has characterized refugee policy since the 1950s: donors write checks to support humanitarian relief, and countries that receive refugees are expected to house and care for them, often in camps. The panic comes from Europe, where debate has focused on how to fairly distribute hundreds of thousands of new arrivals, from both Syria and elsewhere, across the European Union and how to prevent asylum seekers from

ALEXANDER BETTS is Leopold Muller Professor of Refugee and Forced Migration Studies and Director of the Refugee Studies Centre at the University of Oxford. He is the author of *Survival Migration: Failed Governance and the Crisis of Displacement*. Follow him on Twitter @alexander_betts.

PAUL COLLIER is Professor of Economics and Public Policy at the Blavatnik School of Government at the University of Oxford. He is the author of *Exodus: How Migration Is Changing Our World*.

attempting the perilous journey across the Mediterranean or through the western Balkans.

This boats-and-camps approach misses the core of the problem. As European countries struggle with what to do about the influx of people displaced by violence in the Middle East who have arrived in Europe in recent months, they should work harder to address the refugee crisis closer to its main source: Syria. Indeed, only around four percent of displaced Syrians have attempted to reach Europe; around 60 percent of the displaced, or more than six million people, remain in Syria, many unwillingly—because since 2014, Jordan and Lebanon have effectively kept their borders closed. Of those refugees who have left Syria, a large majority have gone not to refugee camps or to Europe but to Amman, Beirut, and other Middle Eastern cities to work, often illegally and for low pay. Some 83 percent of Jordan's refugees live in cities—around 170,000 in Amman alone. Their situation is clearly unsustainable: without access to international or state assistance, children grow up without education and families deplete their savings. The fate of the refugees who stay in the camps is similarly unfortunate: there, displaced Syrians languish under extreme dependency. Lacking access to work, teenage girls are sometimes lured into prostitution, and teenage boys are lured back to Syria to join armed gangs.

To avoid such outcomes, donor states and international organizations such as the UN have urged the governments of Jordan, Lebanon, and Turkey to permanently integrate Syrian refugees into their societies. But leaders in those countries are deeply resistant to that idea, because they perceive refugees as a threat to domestic employment and a drain on stretched budgets. Nor are Syrian refugees easily incorporated into the fragile ethnic and sectarian balances that are crucial for maintaining stability in all three countries.

The need for a fresh approach to the crisis is obvious. To properly care for the displaced, policymakers must first understand the concerns of the states that host them. An effective refugee policy should improve the lives of the refugees in the short term and the prospects of the region in the long term, and it should also serve the economic and security interests of the host states.

Jordan offers one place to begin. There, a reconsidered refugee policy would integrate displaced Syrians into specially created economic zones, offering Syrian refugees employment and autonomy, incubating businesses in preparation for the eventual end of the civil

war in Syria, and aiding Jordan's aspirations for industrial development. Such an approach would align the interests of a host state with the needs of refugees and might prove broadly applicable to refugee crises elsewhere.

THE ZONAL DEVELOPMENT MODEL

The Syrian refugee crisis has been an economic and security nightmare for Jordan. The government estimates that more than one million Syrian refugees have arrived in Jordan (the UN Refugee Agency estimates a smaller refugee population, of around 630,000), and officials fear that large concentrations of Syrians in urban areas will destabilize the country, flooding domestic labor markets and pushing Jordanians out of their jobs. Even without the refugee crisis, Jordan faces significant economic obstacles. The country's leaders have long hoped to make the difficult transition to a manufacturing economy. At present, however, Jordan cannot compete with low-income countries for cheap labor, nor can it compete with advanced economies on technology and innovation. And crucially, it lacks clusters of firms collectively reaping the benefits of economies of scale: the common pools of skilled labor, supply chains, and buyers that come with the geographic concentration of firms. To industrialize, then, Jordan needs a small number of major businesses and a large number of skilled laborers to relocate to manufacturing clusters.

The refugee crisis offers Jordan the chance to make this transition. Refugee camps and some urban areas could be reconceived as industrial incubator zones, where displaced Syrians could gain access to education, training, and the right to work. The international community could encourage, through financial incentives and trade concessions, two types of businesses to set up operations in these zones: international firms that would employ both Syrian refugees and Jordanian nationals in defined proportions and Syrian firms unable to operate in their country of origin, which might be permitted to employ exclusively refugees. Should there be peace in Syria, these firms could relocate. But they would not need to stop operating in Jordan. In helping Syrian refugees gain employment and mobility, such a policy would thus help Jordan achieve a central national goal. And it would do so while addressing Jordanian concerns about domestic employment. Syrians would not be in competition with Jordanians for existing jobs: their presence would be jobs-generating.



No direction home: Syrians in Jordan's Zaatari refugee camp, January 2013

Syrian refugees and businesses are ideally suited to participate in such an initiative. Many displaced Syrians already have industrial skills. Many are well educated. And almost all share a common language with their Jordanian hosts. A number of international firms that used to do business in Syria—including Royal Dutch Shell and KFC—are no longer able to operate there; neither can many Syrian companies, of course. With the proper incentives, such businesses might choose to relocate to Jordan, where they could employ the displaced. What is more, the broad recognition of the devastation of the Syrian civil war gives Amman the leverage it would need to push Western governments to provide these incentives.

The European Union, which has been embarrassed by its failed response to the migrant crises in the Balkans and the Mediterranean, could recover some reputational ground by backing such a scheme. Like the United States, it has a strong stake in the promotion of regional stability. By offering trade concessions, subsidies, and other incentives to firms operating in Jordanian development zones, participating countries could encourage businesses that are already donating labor and

supplies to refugee agencies, such as Ikea and Hewlett-Packard, to take the additional step of employing the displaced; other international and Syrian firms could follow. To be sure, Jordan's domestic politics present some obstacles: Amman, for example, currently places significant restrictions on refugees' right to work. But as key ministries recognize the economic and security benefits of so-called zonal development, perhaps through the successful implementation of pilot programs, those barriers could dissolve.

Fortuitously, Jordan has already established several special economic zones (SEZs) in the same areas that are now inundated with refugees. There is a huge and nearly empty industrial zone in the eastern Mafraq Governorate, around ten miles from the Zaatari refugee camp, the largest one in Jordan. Amman has already spent some \$140 million

When it comes to refugee policy, compassion and enlightened self-interest are not mutually exclusive.

to connect this zone, called the King Hussein Bin Talal Development Area (KHBTDA), to national road and power networks. Although the KHBTDA has the capacity to employ 100,000 people, it now employs only around 10,000, for lack of both local labor and Jordanian businesses willing to set up shop there.

The KHBTDA could employ every worker in the Zaatari camp and still be only half full. It would be an ideal place to launch a development-based approach to the Syrian refugee crisis. Jordanian authorities could also establish SEZs in cities that would employ both refugees and Jordanians, perhaps in defined proportions.

SEZs have developed a poor reputation among human rights activists, who fear that they enable the exploitation of low-wage workers. Yet there is no reason why the development of such zones cannot be consistent with ethical labor practices. Properly managed, SEZs should take advantage of economies of scale, not people. Indeed, the employment of refugees in such zones should not be coercive: it should be premised on the evident desire of most refugees for autonomy, and it should provide legal opportunities for employment.

Such a policy would have the additional benefit of qualifying Jordan for a far greater amount of international assistance than it currently receives. By incubating a Syrian economy in exile, Amman could not only tap into resources designated by aid and development organizations for humanitarian relief, as it does now, but also

gain access to assistance designated for peacemaking and postconflict reconstruction in fragile states. The United Kingdom alone has committed 30 percent of its aid budget, or around \$5.2 billion, to development efforts in fragile states; those funds, and those of other wealthy governments invested in the humanitarian relief of fragile countries, could become a resource for Jordan.

In pursuing a development-based approach to the Syrian refugee crisis, Amman could not fairly be accused of cynically exploiting a tragedy. Jordan has an unparalleled record of helping refugees, from Armenians and Circassians to Iraqis and Palestinians, and it is now aiding a massive number of Syrians with little international assistance. When it comes to refugee policy, compassion and enlightened self-interest are not mutually exclusive. Eventually, Lebanon and Turkey—which, like Jordan, are struggling to house a large number of Syrian refugees and to integrate them into their economies—might follow Jordan's example. In the meantime, both states would benefit from the reduction in refugee arrivals that would follow from Jordan's establishment of attractive destinations for displaced Syrians.

AN ECONOMY IN EXILE

The brutality of the Syrian civil war has fueled a sense that the conflict will drag on indefinitely. But all wars end, and it is actually not difficult to imagine a scenario in which parts of Syria revert to peace in the next few years. Syrian President Bashar al-Assad's forces have suffered massive casualties relative to his regime's base of support. Syria's ability to pay for the war has deteriorated as its tax base has shrunk, and the country has heavily depleted its foreign exchange reserves. At some point, the leaders of the Syrian ruling establishment will recognize that Assad has become a liability. They will have to choose between jettisoning him and facing total defeat; in all likelihood, they will rid themselves of Assad and push for a negotiated end to the war.

But even once peace arrives, it will likely be insecure. If disempowered Syrians can access employment and educational opportunities in exile, they will be more likely to return to their country equipped to contribute to its postconflict recovery. And they will be less likely to fall victim to the lure of militant organizations that recruit from among the disempowered. By building legitimate sources of opportunity, then, a development-based approach to the refugees in Jordan could help pave the way for a more stable postwar Syria.

Incubating a postconflict economy even prior to peace, moreover, could jump-start Syria's future recovery. It could put pressure on the Assad regime, since providing a safe haven for Syrian firms and jobs for Syrian workers would encourage businesses to leave Syria, further undermining Damascus' tax base. And it could provide a visible incentive for peace: across the border, a Syrian economy in exile would be waiting to return.

Although such a refugee policy might advance the restoration of peace in Syria, its broader benefits do not depend on an end to the conflict. Even if Syria's civil war continues for many years, Syrian refugees would have far better lives in an augmented Jordanian economy than as illegal workers or as "boat people" arriving on European shores. And with stable jobs, they would be less likely to return to Syria to fight in the country's civil war—a dangerous choice that many refugees, faced with dependency and poverty in exile, have already made.

STRESS TESTED

Setting up SEZs to employ refugees would be a dramatically different approach from the dominant model of housing them in camps, but it would not be without precedent. A number of states have successfully employed refugees in the service of economic development, to the benefit of both the displaced and the societies hosting them. In Greece during the 1920s, for instance, the League of Nations High Commissioner for Refugees worked with the International Labor Organization to integrate nearly 1.5 million Greek refugees who had fled Turkey for their ethnic homeland. With loans and assistance from the League of Nations, the Greek government employed the refugee population in the economic transformation of underdeveloped areas of the country. The effects on the Greek economy were dramatic: with international support, primitive farming practices were replaced with modern ones, and agricultural output quickly rose.

Similar schemes were employed in sub-Saharan Africa in the 1960s, when many states faced an influx of refugees displaced by anticolonial struggles and Cold War proxy conflicts. In western Uganda, for example, Oxfam supported the development of the Kyangwali settlement, drawing on Rwandan refugees to support agricultural growth in a previously underdeveloped region. Neighboring countries, such as Burundi and Congo, followed Uganda's lead. The benefits of these

projects were twofold: refugees improved the lot of their host countries and integrated themselves into local economies.

Such approaches were also pursued in Central America around the end of the Cold War. In Mexico's then underdeveloped Yucatán Peninsula, for instance, the International Conference on Central American Refugees employed displaced Guatemalan refugees in agricultural projects, contributing to the region's development and improving the refugees' capacities for self-reliance in anticipation of an eventual return to their country of origin.

These examples all involved agricultural, rather than industrial, development. Nevertheless, they illustrate the potential of refugees, given international support, to contribute to the economic development of their host states, to improve the prospects for long-term regional stability, and to augment their own livelihoods. Zonal development is a flexible approach that can be adapted to a variety of situations. Jordan is not Mexico, but there is no reason why refugees could not work to improve a manufacturing sector rather than an agricultural one.

A CHALLENGE AND AN OPPORTUNITY

The current international approach to refugees dates from the early 1950s, when European nations attempted to shelter and relocate millions of people who had been displaced by the Holocaust and World War II. Now, as then, host states are expected to welcome the displaced so long as they receive funding and symbolic commitment from wealthy nations. This system is based on the idea that when the traditional relationship between a state and its citizens breaks down, either an alternative state or the international community is expected to act as a temporary surrogate.

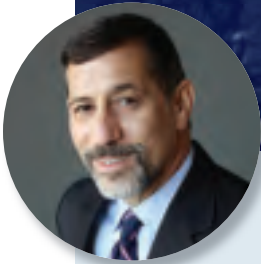
But in the face of a massive volume of displaced people, the international cooperation on which this system is premised has broken down. The Middle East is hardly the only place where the system has failed. Elsewhere around the world, the collapse is also visible: from Myanmar (or Burma) and Bangladesh, where hundreds of thousands of displaced Rohingya refugees languish, to Nauru and Papua New Guinea, which house some 1,600 refugees from Afghanistan, Eritrea, Iraq, and other fragile states whom Australia has refused to accept, to Hungary, which this past summer built a razor-wire fence to keep out refugees on their way to western Europe.

The collapse of the traditional relationship between states and refugees calls for a new policy, one that is financially sustainable and that reconciles the interests of host states with the needs of the displaced. That, in turn, will require the integration of refugees into labor markets. To be sure, economic integration is not a substitute for state protection. But governmental attention, on its own, is insufficient. Refugees need autonomy and opportunity, which only integration into the global economy can provide. Development zones can provide this autonomy, because they can be purpose-built for refugees, and because the jobs they provide can be relocated to postconflict societies in peacetime.

Some 54 percent of the world's refugees have lived in exile for more than five years, often without freedom of movement or the right to work. For such refugees, the average length of exile is around 17 years. These long-term displaced are expected to wait for a so-called durable solution, by which some state, whether their own or another, can reintegrate them into peaceful society. As a result, their lives are put on hold. This need not be the case. By understanding refugees as not only a humanitarian challenge but also a development opportunity, states could do much to sustainably improve the lives of the dispossessed. To suggest that the displaced could contribute to the cost of their own care is not harsh: refugees are already voting with their feet for self-reliance.

Today's refugee policy is a failed vestige of the postwar international system. If the refugee problem had dwindled, this anachronism would not matter. But instead it has exploded, so that states and refugees are under greater pressure than ever before. Allowing Syrian refugees to participate in the market could catalyze the reform of global refugee policy and improve the lives of millions. 🌍

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The United Kingdom's Retreat From Global Leadership

Anand Menon

In the last year, some 39,000 migrants, mostly from North Africa, tried to make their way to the United Kingdom from the French port of Calais by boarding trucks and trains crossing the English Channel. In response, the British government attempted to secure the entrance to the tunnel in Calais, dispatching two and a half miles of security fencing that had been used for the 2012 Olympics and the 2014 NATO summit.

The United Kingdom's improvised response to the migrant crisis, with recycled fences substituting for a coherent immigration policy, is emblematic of its increasingly parochial approach to the world beyond its shores. The Conservative government of Prime Minister David Cameron appears to lack a clear vision of the country's place on the global stage. The United Kingdom, a nuclear power and permanent member of the UN Security Council, now seems intent not on engaging with the outside world but on insulating itself from it. The United Kingdom does not merely lack a grand strategy. It lacks any kind of clearly defined foreign policy at all, beyond a narrow trade agenda.

Historically, the United Kingdom has been an active player in world politics. After the loss of its empire, the country was a founding and engaged member of the institutions of the postwar Western order. British governments have led the way in pressing for, and undertaking, humanitarian interventions from Sierra Leone to Kosovo. And the United Kingdom's relationship with the United States has been a great asset to both sides since World War II.

Recently, however, factors including fatigue following the wars in Afghanistan and Iraq, a recession, and a prime minister with little

ANAND MENON is Professor of European Politics and Foreign Affairs at King's College London. Follow him on Twitter @anandmenon1.

apparent interest in foreign affairs have conspired to render the British increasingly insular. The British diplomatic corps and military have seen their capabilities slashed amid harsh austerity measures. In its limited contribution to the campaign against the self-proclaimed Islamic State (also known as ISIS), in its mercantilist approach to China, and in its inability to formulate a real strategy to respond to Russia's aggression in Ukraine, the United Kingdom has prioritized narrow economic interests to the detriment of broader considerations of international security.

With a national referendum on the United Kingdom's EU membership likely to be held in 2016, debates about the country's place in the world will come into sharper focus. What exactly is the United Kingdom capable of achieving when acting alone? Should London work with partners to compensate for declining national capabilities? Do international organizations increase or constrain the power and influence of their member states?

The answers the United Kingdom provides to these questions will shape its engagement with international politics in the years to come. A vote in favor of a British exit would embroil London and Brussels in months of bitter argument, heightening already disturbingly high levels of European parochialism. It would weaken not only the United Kingdom but also the EU, deprived of its most globally engaged and militarily powerful member state.

TIGHTENED PURSE STRINGS

Budget cuts are the most visible sign of the United Kingdom's retreat. The budget of the Foreign Office has been cut by 20 percent since 2010, and the ministry has been told to prepare for further reductions of 25 to 40 percent. The armed forces have also been downsized, with the army alone expected to shrink from 102,000 soldiers in 2010 to 82,000 by 2020. The former head of the Royal Navy has spoken of "uncomfortable similarities" between the United Kingdom's defenses now and those in the early 1930s.

So much have British capabilities declined that during NATO's 2011 mission in Libya, the United Kingdom was painfully dependent on U.S. support to fight a third-rate military. In the current campaign against the Islamic State, a shortage of already antiquated Tornado ground attack jets has kept the British contribution to the air strikes limited, with only eight aircraft being deployed. And the United Kingdom's decision to scrap its Nimrod maritime surveillance aircraft

in 2010 has left the country vulnerable to the incursion of Russian submarines in the Irish Sea.

The penchant for disengagement has not been confined to the executive branch. In 2013, the British Parliament voted against intervention in Syria, presaging a more cautious approach to military intervention in general. Public opinion seems equally allergic to foreign entanglements. A 2015 Pew poll found that less than half of the British public favors using force to defend the territory of a NATO ally that falls victim to armed aggression. It was hardly inaccurate for the foreign secretary, Philip Hammond, to declare, in the run-up to the 2015 election, that “there are no votes in defense.” Meanwhile, the opposition Labour Party has elected a leader, Jeremy Corbyn, who is opposed to all military intervention unless explicit UN approval is secured, who has compared atrocities committed by the Islamic State to U.S. actions in Fallujah, and who has called for British withdrawal from NATO.

FOLLOW THE MONEY

As British policymakers have lost interest in engaging with the outside world, they have embraced a shortsighted conception of economic interests. The Foreign Office has had its ambitions lowered, with its main role now to promote trade as part of the government’s so-called prosperity agenda.

This narrow focus can be seen most clearly in China, where the British government has pursued political appeasement for economic gain. In July, the United Kingdom initially refused to grant a visa to the Chinese dissident artist Ai Weiwei, which many saw as an attempt to curry favor with Chinese President Xi Jinping before his visit to London in October. Although most parts of the Foreign Office have faced severe cuts in staff, the British embassy in Beijing has become bloated with commercial employees.

Observers could be forgiven for thinking that the notion that China may pose a geopolitical challenge has not occurred to the British foreign policy establishment. On his recent trip to Indonesia, Malaysia, Singapore, and Vietnam, Cameron said next to nothing about the security concerns troubling that region, but he did oversee the signing of several trade deals.

Such mercantilist priorities are also shaping British foreign policy in the Persian Gulf, where, for instance, the pursuit of lucrative arms contracts with Bahrain has come to supersede strategic considerations of

regional stability or the promotion of democracy. A similar myopia defines the British response to Russia. Almost a decade since the former Russian spy Alexander Litvinenko was murdered in London, most likely by Russian agents, there is still no sign of a coherent British approach to Russian aggression beyond the occasional firm word. The United Kingdom has been content to leave it up to France and Germany to lead the European diplomatic response to the Ukrainian crisis. And Russian oligarchs seeking property in London continue to receive a warm welcome, despite their support for Russian President Vladimir Putin.

What is so confounding about London's narrow mercantilism is that even if economic prosperity were the chief objective of foreign policy, the current approach would still be shortsighted. Profitable trade depends on the preservation of a stable and rule-bound international system, which both the Islamic State and Putin seek to revise. China may be a large and enticing market, but geopolitical rivalry in Asia represents a real threat to global prosperity. An emphasis on trade policy alone will do nothing to address major challenges to the international order, including piracy off the coast of Africa, the Islamic State's attempts to throw the economies of the Middle East and North Africa into turmoil, and the massive flow of migrants across the Mediterranean. No European state—indeed, no state at all—can hope to confront these challenges alone. For a country with limited means, dealing with problems of this scale requires collective action.

IN OR OUT?

Yet precisely when international cooperation is needed most, a new political argument threatens to weaken the United Kingdom's ability to collaborate: the debate over whether the country should leave the EU. Cameron has promised a referendum on EU membership by the end of 2017, and it appears likely that one will take place in 2016. The United Kingdom—like all EU members—continues to pursue its own foreign policy alongside those formulated for the EU as a whole in Brussels. If, however, it votes to leave the union, it will weaken its global influence and further jeopardize the stability of the international order.

For some proponents of a British exit from the EU, or "Brexit," withdrawal forms part of a broader strategy of retrenchment. Twenty-four of the 30 Conservative members of Parliament who voted against intervention in Syria also defied their own party to vote in favor of a referendum on EU membership in October 2011.

For other Euroskeptics, however, a British exit offers a way of reinforcing the United Kingdom's global heft. Nigel Farage, the leader of the right-wing UK Independence Party, has held out the vision of the United Kingdom outside the EU as a "thriving, energetic, global hub."

The clunky, bureaucratic EU, these Euroskeptics argue, lacks the agility to pursue the kind of nimble foreign policy that a globalized world increasingly demands. Besides, they point out, the economic benefits of continued membership are small. Almost 60 percent of British exports currently go to countries outside the EU, so it makes little sense for so much of the British economy to be bound by the EU's strict regulations. And for those worried about geopolitical challenges, a United Kingdom that left the EU would still have its security guaranteed by its membership in NATO.

Many of the criticisms of the EU as a forum for foreign policy collaboration are accurate. More than 20 years of trying to create what the EU terms a "common foreign and security policy" has led to countless summits, declarations, targets, and rhetoric, but precious little in the way of substantive policies. There is little meaningful European defense collaboration, nor is there a robust common policy toward China. And when it comes to confronting insecurity in its own backyard—whether to the south or the east—the EU has strategies aplenty but few effective policies.

Yet the Euroskeptics are wrong to ascribe all the blame for these failings to the much-maligned bureaucrats in Brussels. A lot of the fault lies with the member states themselves, who have refused to commit themselves wholeheartedly to a multilateral European foreign policy. But since the capabilities of even large EU members, such as the United Kingdom, are declining, they have little choice but to invest in an imperfect institution.

Only the EU possesses structures to foster cooperation on everything from trade policy to sanctions to the defense industry. In a complex world, economic and security problems are intricately intertwined, and only a comprehensive approach to them has any chance of success. A more genuine commitment to such multilateralism from key member states, such as the United Kingdom, is essential to ensure that institutional inadequacies in Brussels are successfully addressed and overcome.

FORTRESS BRITAIN?

Buried within some of the Euroskeptics' criticisms of EU membership lies a paradox about British power. On the one hand, advocates

of Brexit argue that London is too weak to wield sufficient influence in Brussels. They contend that the EU's excessive regulation and internal empire building—epitomized by its drive toward “an ever-closer union”—are long-term trends that the United Kingdom can do little or nothing to stymie. On the other hand, the skeptics maintain that the United Kingdom is so inherently powerful that free from the shackles of the EU, it would suddenly enjoy enough global heft to negotiate trade deals effectively with the likes of China.

The evidence suggests that, at least when it comes to China, London has limited influence. In May 2012, during his first term, Cameron met with the Dalai Lama, provoking Chinese criticism, before changing course and voicing opposition to Tibetan independence the following year. Yet neither move engendered any perceptible change in Chinese policy. Nor is there any credible evidence that London's pandering to Beijing was the reason China invested



twice as much in the United Kingdom between 2012 and 2014 as it had in the previous seven years.

Even if the United Kingdom were able to strike an advantageous trade deal with China by leaving the EU, it would be forgoing far more important benefits of EU membership. For one thing, trade is not merely about trade. The Transatlantic Trade and Investment Partnership, currently under negotiation between Brussels and Washington, could provide significant economic benefits (primarily from the removal of nontariff barriers, as tariffs between the United States and Europe are already low). Yet its implications are geopolitical as much as economic. The deal is as much

about underlining the solidarity of the nations of the Western Hemisphere in the face of common political challenges as it is about eking out marginal gains from opening trade still further.

And this solidarity is crucial in today's unstable world. The United Kingdom cannot defend its interests alone. Many proponents of Brexit argue that international collaboration should occur with the United States rather than through the EU. Yet it's not clear that U.S. policymakers are interested in working with an insular United Kingdom adrift from the EU. British timidity feeds U.S. disenchantment with the United Kingdom by contributing to the perception that the country is disengaging not only from Europe but also from the wider world and that it is willing to sacrifice geopolitical principles in the name of prosperity. The United Kingdom's absence from the Minsk talks over the crisis in Ukraine and from unstable regions such as the Sahel—precisely where the United States is looking to Europeans to pick up the slack as it pivots toward Asia—reinforces such doubts across the Atlantic.

These days, Washington is longing for its allies to take on a greater share of the burden of maintaining security in



their own backyards. Moreover, and in stark contrast to earlier periods, Washington has increasingly come to believe that for the Europeans to be able to maintain security, they will need to work together within the EU. No longer does Europe stand in opposition to the transatlantic relationship; it now represents one of its building blocks. The route to a more effective NATO runs through central Brussels. It is precisely by using EU structures that Europeans can best facilitate the military collaboration that is required to strengthen the transatlantic alliance.

A MORE PERFECT UNION

It is difficult to exaggerate the difference the United Kingdom could make if it decided to throw itself wholeheartedly into the work of building collective foreign and security policies. On the rare occasions when London opts for such engagement—as it has with the EU’s mission to combat piracy off the coast of Africa, for example—collective action proves enormously effective. But when it remains diffident about taking the lead in the EU, it not only weakens the EU but also creates a self-fulfilling prophecy: by contributing to the EU’s ineffectiveness, British reluctance to provide leadership serves only to strengthen the arguments for Brexit.

As one of Europe’s strongest military powers, the United Kingdom is well placed to lead. It was Tony Blair’s government that finally allowed the EU, tentatively, to begin to formulate its own defense policies. And it was subsequent British diffidence that contributed to those policies’ increasing ineffectiveness. By taking the lead when it comes to collaboration over weapons programs, by engaging fully in discussions over how to implement European military interventions, and by actively helping shape the union’s foreign policies, London could arguably do more than any of its partners to reinforce Europe’s international influence.

Uncertainty about the United Kingdom’s place in the world is hardly a new phenomenon. In 1962, former U.S. Secretary of State Dean Acheson declared, “Great Britain has lost an empire and has not yet found a role.” Today, the United Kingdom exhibits an even greater reluctance to engage in international affairs. The upcoming referendum will determine whether the country’s retreat will continue unchecked. Yet whether it wishes to or not, the United Kingdom cannot detach itself entirely from events in eastern Europe, the Middle East, or Asia. Collective European action, of precisely the kind the EU was designed to foster, represents the only viable alternative. 🌐



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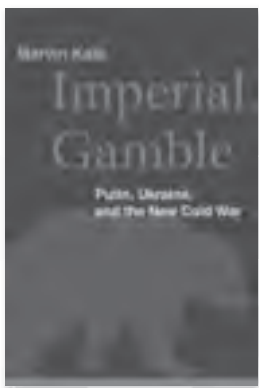
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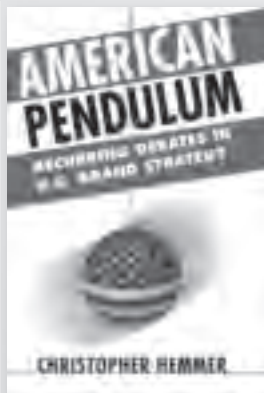
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Rank Has Its Privileges

How International Ratings Dumb Down Global Governance

Alexander Cooley and Jack Snyder

When the Berlin-based group Transparency International released its annual ranking of international corruption levels in December 2014, China's Ministry of Foreign Affairs responded with a blistering statement. Chinese authorities were upset that their country had sunk from 80th to 100th place on the watchdog's influential Corruption Perceptions Index, even though Beijing was pursuing a high-profile anticorruption campaign. "As a fairly influential international organization," a Chinese Foreign Ministry spokesperson said, "Transparency International should seriously examine the objectiveness and impartiality of its Corruption Perceptions Index."

This wasn't the first time Beijing had dismissed the results of an international ranking. A year earlier, it had called for the elimination of the World Bank's annual Ease of Doing Business Index, in which China had similarly underperformed, citing what Chinese officials described as flawed methodologies and assumptions.

China's anger reveals just how powerful such ratings have become. Today's ratings, produced by nongovernmental organizations and international agencies alike, score governments on nearly every aspect of a state: democracy, corruption, environmental degradation, friendliness to business, the likelihood of state collapse, the security of nuclear materials, and much more. The ratings' customers are equally diverse. Government officials and activists refer to these indexes as measures of

ALEXANDER COOLEY is Director of the Harriman Institute at Columbia University and Professor of Political Science at Barnard College. Follow him on Twitter @CooleyOnEurasia.

JACK SNYDER is Robert and Renée Belfer Professor of International Relations in the Department of Political Science and at the Saltzman Institute of War and Peace Studies at Columbia University.

They are the co-editors of *Ranking the World: Grading States as a Tool of Global Governance*.

state performance, and international organizations and domestic bureaucracies use them as comparative benchmarks. Scholars and analysts use them to compare countries, and journalists routinely cite them as authoritative in their stories.

In theory, grading and comparing states should help the public hold governments accountable. In practice, however, ratings are fraught with unexamined assumptions and unintended consequences, limiting their value as tools for improved governance. They often oversimplify complex public policy issues, obscure policy tradeoffs, and invite manipulation by states eager to improve their reputations without undertaking real reform. Without a clearer understanding of these limitations, the ratings craze threatens to dumb down global governance practices and lower the quality of public debate rather than encourage better policy.

MIRROR, MIRROR, ON THE WALL

Since the early twentieth century, credit-rating agencies, such as Moody's and Standard & Poor's, have assigned scores to states based on evaluations of their sovereign debts. And some governance ratings, such as the measures of democracy produced by Freedom House and the Polity data series, first publicly appeared in the 1970s. But it wasn't until recent decades that the ratings craze began. Indeed, over two-thirds of the ratings currently in existence were founded after 2001. By our count, there are now some 95 such indexes that receive global media mention.

Why the frenzy? In part, it's the natural extension of an emerging culture of performance evaluation and accountability. Consumers have long used ratings, scorecards, and benchmarks to make decisions, from which university to attend to which hotel to book, and now the same methodology is being applied to governance, as citizens are encouraged to become discerning policy "consumers." All types of global organizations and liberal advocacy groups, meanwhile, have discovered that producing ratings can further their political and organizational goals. Many indexes are produced by groups that are advocates for the same causes they judge, and these reformers see the measures as powerful tools for shaming slackers and norm violators—and useful for standing out in the increasingly crowded field of global governance. The rise of ratings also owes to advances in computing and the availability of data. By compiling and processing open-source information,



even small groups can generate indexes without conducting original research, such as labor-intensive surveys.

Ratings can indeed work as designed, pressuring states to improve governance. By comparing states with their rivals and peers, the measures exert social pressure for improved policy. The International Budget Partnership's Open Budget Index, for instance, convenes regional conferences marking the publication of its biennial review of

budget transparency to encourage finance ministers from neighboring countries to compare one another's performance. And the European Council on Foreign Relations attracted urgent responses to its 2012 European Foreign Policy Scorecard when it added the labels "leaders" and "slackers" to its scores on states' adherence to EU decision-making procedures and commitments: representatives of some EU states listed as "slackers," for instance, called the council to dispute the results.

States care even more about ratings that have financial consequences. As the eurozone crisis deepened, for instance, national and EU officials lashed out at international credit-rating agencies for downgrading the sovereign credit rating of some EU states, including Greece and Portugal. Georgia and Rwanda have used their "most improved" awards on the World Bank's Ease of Doing Business Index as centerpieces of campaigns to attract investment and to bolster domestic support for their governments.

Some ratings play a direct role in public and corporate policy. International banking and financial standards, such as the Basel

The ratings craze threatens to dumb down global governance and lower the quality of public debate.

Accords, for instance, have long used credit ratings to measure risk and capital reserves. U.S. federal and state regulations bar some pension funds from buying low-rated investments. Indexes that measure the fragility of states are now used by international organizations and state agencies to assess risks for

humanitarian emergencies and to help allocate development assistance. Corporations have incorporated governance ratings into their due diligence procedures to avoid transacting with governments at a high risk for corruption or money laundering. The Millennium Challenge Corporation, a pioneering U.S. foreign aid program, relies on up to 20 third-party indicators, including indexes produced by Freedom House and the Heritage Foundation, to assess whether candidate states have reached "good governance" thresholds that unlock American assistance.

As ratings have grown in influence, states have begun to practice what might be called "ratings diplomacy," whereby they dispatch delegations to learn how the ratings are created and directly lobby rating organizations for better scores. Although some of this lobbying is formal and institutionalized, such as the many delegations hosted

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by the World Bank's Doing Business division, much of it is ad hoc and informal. The Heritage Foundation, for example, reported that it received a visit from Bahrain's finance minister during the country's 2011 crackdown on antigovernment protests in Manama; Bahrain, which had been highly rated on the foundation's Index of Economic Freedom, wanted to assure the think tank that it would maintain its economic commitments despite its political troubles. And after their ratings were included in the Millennium Challenge Corporation's indicators, organizations such as Freedom House and the Heritage Foundation reported a sharp increase in the number of national delegations that visited them to discuss and dispute their scores.

RATINGS RUN AMOK

Ratings are meant to diagnose policy ills and bring about improvements. All too often, however, they produce unintended consequences that hinder analysis and worsen policy outcomes. The problem usually derives from consumers' fixation on parsimony, on a single number that reveals, for instance, whether a country is free, whether a government adheres to the rule of law, or whether an investment is safe. But the lack of complexity comes at a cost. Too often, oversimplified ratings bury crucial assumptions and hide value judgments about the policies and states they describe.

For example, the World Health Organization's ranking of national health-care systems, which was discontinued following its inaugural release in 2000, assigned "equity of access" the same weight as "responsiveness," despite the deliberate choice by different states, such as France and the United States, to prioritize these occasionally conflicting goals differently. Rather than investigate the reasons behind these varying priorities and their public policy consequences, the WHO made the arbitrary choice to weigh them equally, itself a value-laden move.

Arbitrary simplifications such as these not only hide value judgments. They can also produce mystifying variations in the outcomes they describe. Groups that produce ratings often evaluate complex concepts such as democracy or media freedom by adding together loosely related components that can vary independently. Democracy, for instance, can mean strong civil liberties, regular turnover in office, separation of powers, or high voter turnout, attributes to which democrats may attach different intensities of preference. Such values should be measured and reported separately, not lumped together into a single score.

Indeed, some governments have already contested the results of this kind of simplification. In April 2013, for instance, officials in Kyrgyzstan objected when Freedom House rated the country's media "not free," as it had the year before, for reasons including the shuttering of many of the country's Uzbek-language newspapers, radio stations, and television channels in the wake of ethnic violence. Kyrgyz officials argued that broader trends in the country were going in the other direction, with a wave of online media outlets flourishing after the ouster of the country's autocratic president in 2010.

State fragility indexes, such as *Foreign Policy* and the Fund for Peace's prominent Fragile States Index, similarly mix together a jumble of variables. Some of these components measure state policies, such as commitment to economic reform, whereas others judge state capacities,

Governments can game the system by taking small actions to improve their scores instead of reforming their underlying behavior.

such as the quality of infrastructure. Still others present social statistics that governments have little to do with, such as demographic trends. Even when an index focuses on a state's actions, it can conflate disparate objectives. When assessing corruption, for example, sometimes the point is to evaluate an outcome (corruption got worse), sometimes it

is to evaluate a public policy (raising police salaries failed to reduce corruption), and sometimes it is to hold some authority accountable (the justice ministry refused to investigate corruption). But composite measures fail to specify who or what is responsible for the state of affairs they describe.

Finally, ratings of individual countries often ignore the international actors and networks that enable local misbehavior. Transparency International's Corruption Perceptions Index, for instance, spotlights domestic bribery but downplays the transnational banking links that abet large-scale corruption. In this sense, China's ranking reveals little about the Western companies that facilitate graft, the offshore financial vehicles (many in Western jurisdictions) that conceal illicit transactions, the overseas real estate holdings where Chinese officials store their money, or the investor residency and citizenship policies that allow corrupt officials to flee to Western countries.

International raters are no doubt aware of these complexities. But rather than ground their evaluations in nuanced theories of conditional

and interactive effects, they often take a shortcut: they assume that the outcomes of interest to them represent syndromes in which all good things (or all bad things) go together. Of course, that is not the case, as the many components of a single score can easily undercut one another and because external variables often play hidden roles. The various criteria that produce a country's media freedom rating, for instance, can move in opposite directions without affecting that state's final score—say, when increases in the availability of information motivate leaders to crack down on free expression in response.

Such simplifications cannot be solved by carefully weighting the components that produce ratings, since factors such as repression of speech and the availability of political information are interactive, rather than additive, variables, meaning that they can dampen or multiply the overall effect. So what's needed is not a single metric of state behavior but a better understanding of the interactions that produce the outcomes being studied.

THUMBS ON THE SCALES

The more that ratings are used to allocate resources and inform global governance, the more incentives governments have to game the system, taking small actions to change their scores instead of reforming their underlying behavior. Some have already done so. Georgia, one of the “most improved” countries on the World Bank's Ease of Doing Business Index, manipulated the relevant indicators by creating cross-ministerial working groups to rapidly pass laws and promulgate administrative rules. As a result, the country rose from 112th place in 2006 to 37th place in 2007. But Georgia's reforms failed to address some major inefficiencies—for example, the country's suboptimal tax auditing procedures.

Its “most improved” status gave Georgia plenty to flaunt, but the evidence suggests that the change was more cosmetic than structural: Georgia's spectacular and much-publicized improvement on the Ease of Doing Business Index was not matched by similar improvements on comparable indexes, such as the World Economic Forum's Global Competitiveness Index, nor did it produce a sustained increase in foreign investment. Similar leaps by Rwanda in 2010 and Azerbaijan in 2009 were likewise the results of limited legislative acts rather than substantive regulatory reform. These states gamed the system, but the ranking organization allowed the system to be gamed in the first place.

Indeed, opportunism on the part of states is not the only problem. Rating organizations can be blamed, too. Most of them have political motivations, and because they serve as judges, sources of policy advice, advocates, and self-promoters, they have conflicting interests. Advocacy organizations, for example, often attempt to mobilize activists and browbeat the noncompliant by judging their subjects against an aspirational ideal—a certain standard, say, of state investment in education. Although rating countries against an ideal can gratify activists, the practice can alienate the states it is intended to help by casting them as irredeemably backward.

This can be counterproductive. Ratings detract from their informational and advocacy roles when they assign disparaging labels that prompt government officials to challenge them and the organization that produced them rather than engage in substantive dialogue about the underlying issues. Authoritarians would rather pick a fight with a Western-backed organization such as Freedom House than publicly defend a dismal civil liberties record. Rating organizations make it too easy for them to do so. International media outlets, which tend to rapidly reproduce and disseminate sensationalist ratings without questioning their validity, contribute to this problem.

For ratings to become effective policy tools, they should be based on proven causal relationships and clearly stated assumptions, not ideal standards. Thus, aggregate ratings should be replaced with indexes focused on a narrower set of subjects, such as the performance of specific institutions. Some organizations have already moved in this direction. In 2011, for example, the anticorruption watchdog Global Integrity dropped its annual corruption index to concentrate instead on the evaluation of anticorruption bodies in a limited number of countries. Likewise, in 2013, an independent review panel at the World Bank recommended that the aggregate state rankings in the Ease of Doing Business Index be eliminated in favor of data reflecting each country's performance on specific indicators—a recommendation that unfortunately went unheeded.

With greater nuance, ratings could become useful policy tools for governments instead of battlefronts in public diplomacy campaigns. Those who peddle in slick ratings are doing a disservice to the very causes they wish to promote. If advocates want indexes to actually help diagnose and cure states' ills, they will need to sharpen their ratings' analytic precision and tone down their shock value. 🌐

MOROCCO

PIONEERING ECONOMIC GROWTH



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A Model for Growth and Development

The Kingdom of Morocco is undergoing a process of long-term change. Easily the most stable and dynamic economy in the region, Morocco is reshaping itself as a regional leader and gateway to Africa. Its industries are developing rapidly, driving growth and bringing the country closer to becoming a developed economy.

Pulling free from successive shocks of the global financial crisis, the Arab Spring protests, and sluggish growth in the Morocco's main export markets in Europe, Morocco today looks not only revived, but stronger and better positioned to exploit its strategic advantages in the global economy. As King Mohammed VI remarked last year on the fifteenth anniversary of his accession to the throne, known as Throne Day, "growth rates have increased significantly thanks to the adoption of ambitious sectoral plans."

Morocco has managed to steer clear of the issues affecting its Arab neighbors and has maintained growth through even the most difficult years. When the World Economic Forum released the Global Competitiveness Report earlier this year, it confirmed Morocco as the most competitive economy in North Africa and the fourth most competitive in the entire African continent. "I think everyone now recognizes that Morocco is a stable country. It is also a secure and a democratic country," says Prime Minister Abdelilah Benkirane.

Last year, Morocco's economy grew by an estimated 2.6 percent, despite poor harvests and persistently low demand from its main export markets in Europe. Prospects for 2015 are better still. Driven by record harvests and significant growth in non-agricultural sectors, including automotive, aeronautics, and textiles, growth is gaining speed and is expected to rise to a healthy 5 percent. This rate of growth looks



King Mohammed VI of Morocco

sustainable for the years ahead and could be higher still, if further reform is implemented. Morocco's trade deficit decreased in the first half of 2015 to \$7.8 billion, from \$10.2 billion in 2014. Lower oil prices had a role to play, but so too did a strong 6.4 percent increase in exports, totaling \$11.22 billion.

Morocco's government, first elected in 2011 after the introduction of constitutional changes strengthening the role of the parliament, is determined to continue development on this upward trend. "I think we are opening ourselves today to a future in which Morocco will be among the developed countries," says Benkirane.

The government plans to capitalize on the country's strategic location and the access it enjoys to both European and African markets. It has put in place development strategies for each of Morocco's key sectors, including industry, energy, infrastructure, health, and education. "Morocco now has a set of programs and national strategies aimed at growth. Many things are being done today, so that tomorrow Morocco will be competitive in attracting investment and facilitating the work of companies," explains Benkirane.

According to the Prime Minister, in 2014 the automotive sector surpassed phosphate for the first time as Morocco's top foreign-exchange earner, a clear sign of things to come. Investments in manufacturing and assembly from companies such as Renault, Bombardier and Sumitomi Electric Wiring

Systems mark a significant change in Morocco's economic orientation.

Morocco is becoming increasingly attractive for international companies seeking to relocate, be it in manufacturing, offshoring, or high-tech sectors. Taking this a step further, the government aims to turn Morocco into a regional industrial hub. A seven-year Industrial Acceleration Plan, launched in 2014, presents a comprehensive strategy to accelerate development of the industrial sector and grow the contribution of manufacturing to Moroccan gross domestic product from a current 14 percent to 23 percent by 2020.



Abdelilah Benkirane, Prime Minister of Morocco

A model built on reforms

Morocco's recent success and economic growth can be credited to shrewd business planning, but also to a distinctly Moroccan model of development that insists on making growth more inclusive. King Mohammed VI underlined the importance of tying growth to human development during his speech at Throne Day earlier this year. "Setting up institutions, no matter how important they may be, is not an end in itself. By the same token, economic growth can only be significant if it contributes to improving people's quality of life."

Since ascending to the throne in 1999, King Mohammed VI has pushed for and sanctioned wide-ranging economic and political reforms aimed at fighting poverty and inequality and promoting economic development, including through the dedicated Hassan II Fund for Economic and Social Development. Morocco's government under Prime Minister Abdelilah Benkirane follows a similar agenda. Faced with unemployment, in particular youth unemployment, low productivity, and corruption, the government has committed to a program of structural reforms to improve the business environment, living conditions, and social and spatial cohesion.

"For the past four years our actions have been based on three axes," explains Benkirane. "We first had to restore the macroeconomic balances since we felt those balances were strangling our budget, we had to simplify the administrative procedures in order to facilitate the work of every enterprise, and we had to restore the economic balance in the Moroccan society,

since there were segments of society below decent living standards."

A wide agenda of reforms is now set to change almost every part of civic life in Morocco. "There are reforms on many levels, for example the justice reform, civil society reform, public finance reform, decentralization reform, media reform, and gender reform after the successful reform of the family code," says Mustapha Khalfi, Minister of Communication and Spokesperson for the Government. "These reforms represent the reform agenda and explain why Morocco has succeeded in becoming the most stable country in North Africa."

International institutions look at these efforts favorably. Last year the International Monetary Fund approved a \$5 billion credit line, under an arrangement known as the Precautionary and Liquidity Line. Valid over a two-year period, the arrangement allows Morocco's government to pursue its reform agenda, while protecting it from external shocks. Equally, the International Bank for Reconstruction and Development increased lending to Morocco from \$600 million a year to \$1 billion a year over a four-year period. As part of the World Bank's Country Partnership Strategy, the lending program supports Moroccan efforts at improving economic competitiveness, quality of public services, governance, and social protection.

One of the most anxiously anticipated and eventually successful reforms is the subsidy reform. Starting in 2014, the government has begun removing subsidies on fuel products that were draining public budgets, but were not aiding the most vulnerable members of society. Most such consumer subsidies will now be eliminated by the end of 2017, freeing the budget for other purposes. An evaluation by the World Bank characterized the subsidy reforms as "perhaps the most rational reforms undertaken in the Middle East and North Africa region in recent years."

Khalfi underlines that, "Subsidy reforms have had a huge impact in reducing the budget deficit from 7 percent in 2012 to 4.3 percent in 2014. This allows the government to spend more in fighting poverty, in making the necessary investments to provide electricity, public health services, housing, and education for the poor, and to support the private sector [in] creating jobs."

Similar positive effects are now expected from pension system and justice system reforms, as well as from regional devolution. Corruption is being tackled decisively. In the past two years more than 18,000 cases of corruption have been presented to the courts. A reform of the educational system is also under way. A new education project, launched by the government last year under the name of "Vision 2030" aims to raise the general level of education and to better prepare students for the future job market. 🌍

The World at Morocco's Doorstep

Since gaining independence in 1956, Morocco has pursued an open market policy. It has been a member of the World Trade Organization since 1987 and has concluded a series of free trade agreements over the past two decades. The largest of these agreements, concluded with the United States, has been in force since 2005.

"Any free trade agreement can be critical at the beginning, but we now see a lot of benefits from our agreement with the U.S.," says M'Barka Abouaida, Minister Delegate to the Minister of Foreign Affairs. "More and more Moroccan companies are exporting to the U.S. and this is very important because it helps us become more competitive by developing our production capacity and the quality of our products."

Europe, visible just across the narrow strait of Gibraltar, remains Morocco's most important trading partner by far. Trade with the countries of the European Union (EU) amounted to a total of more than \$32 billion in 2014. Historic links tie Morocco to the developed markets of Europe, especially France and Spain, while proximity to the European mainland offers obvious economic opportunities. Morocco is aligned with the EU via an advanced association agreement, while deeper integration with the EU's internal market is currently in the making as part of a Deep and Comprehensive Free Trade Agreement that will eventually lead to an opening of markets for services, investment, and public procurement.

At the same time, relations with other regions are gaining importance. This includes the Gulf region, which is making significant investments in Morocco, and Asia, particularly China and Japan. "There is a special focus on Asia for the next two to three years to increase relationships at the political and economic level. There is lot of potential to be present in Asia and for Asia to be present in Morocco," confirms Abouaida. To attract more Asian companies, the government is prepared to make specific arrangements. "We are discussing the possibility of having an Asian logistical zone in Morocco, in order to re-export Asian products from Asia to Morocco and through Morocco to the rest of Africa," says Abouaida.

These prospects point to Morocco's emerging role in Africa. The country maintains close relations with nations across the continent, building on what Prime Minister Benkirane terms "a very old and special relationship with Africa." Morocco's trade with sub-Saharan Africa is developing rapidly and jumped 13 percent in 2014 alone. Regional integration in North Africa could pay similar dividends, if successful. "We believe that there is a huge potential to work with other countries in the north of Africa. Every year we

are losing between 1 and 2 percent of regional GDP because of the lack of this regional integration. It is important to look at North Africa as a future market that we have to prepare," says Abouaida.

Investment opportunities abound

Morocco's expanding international engagement is reflected by a rise in foreign direct investment (FDI). Whereas in the 1990s Morocco attracted an average of \$500 million of FDI annually, in recent years it has attracted an average of \$3 billion.

The 2015 Africa Attractiveness Index, produced by consulting firm Ernst & Young, ranked Morocco the third largest recipient of FDI in Africa. Foreign investments in Morocco rose to \$1.32 billion in the first half of 2015, compared to \$1.1 billion during the same period last year, representing a 19.6 percent increase.

Investors are attracted by the country's stability, the availability of skilled labor at comparatively lower wages, the proximity to European and African markets, and the access to other markets via the country's free trade agreements. Morocco's improving business environment, a direct result of its reform efforts, has also made it easier for investors to enter the market. In the World Bank's 2015 Doing Business report, Morocco jumped to 71st out of 189 economies, a significant improvement over the 2012 report that put Morocco in 94th.

Investments are made across sectors, from industry, tourism, energy, and infrastructure, to financial services, technology, and telecommunications, including investments from international heavyweights such as Renault, Dell, Bombardier, Delphi, GDF Suez, and Acciona. The government-led Moroccan Investment Development Agency (AMDI) is instrumental in attracting and directing investments. "We know exactly what we want in each and every activity sector," remarks Hamid Benelafdil, General Director of AMDI. "The best example is the industrial sector where ecosystems have developed and we know in each ecosystem what we must look for in a foreign investor.

Traditionally, Morocco attracts the most investment from France and Spain, but the government is now pushing to diversify its sources of FDI. "We want to diversify FDI to come from other continents, such as Asia and America, to reduce volatility in foreign direct investment and to benefit from the know-how and expertise that exist in those regions," states Benelafdil. Interest these days exists from around the globe, Benelafdil emphasizes. "There is interest from countries that were not interested in Morocco before:

China, Russia and Brazil. This means that today Morocco is on the world map of investors.”

Gateway to Africa

What adds to Morocco’s attractiveness as an investment destination is that the country is a gateway to the fast-growing African continent. “Africa today is as China was twenty years ago. The potential for economic growth is extraordinary,” notes Benelafdil. “Morocco has an entrepreneurial advantage. It has already experimented with Africa and knows Africa very well.”

Moroccan companies are already present in more than twenty-five African countries through major investments, subsidiaries, and businesses in a large variety of sectors, including banking and insurance, the pharmaceutical industry, telecommunications, real estate, and the cement and mining industry. Furthermore, Casablanca Airport serves as a hub for Royal Air Maroc flights to any destination in Africa. “We are a country that gives international companies the opportunity to discover Africa, to invest in Africa while enjoying the legal and the physical infrastructure of Morocco,” says Benelafdil.

Morocco’s legitimacy in the eyes of African nations rests on the country’s commitment to genuine cooperation between partners. “Our priority for the last ten years has been to develop this ‘South-South Cooperation’ and give it real substance,” remarks Minister Delegate Abouaida. “We are trying to help as much as we can by transferring our know-how in different sectors, such as finance, agriculture, telecommunications, electrification, social housing, education and others.”

Diplomatic relations with countries in Africa build on links that have existed for centuries and are supported by modern connections. As Benelafdil points out, “an asset that is often overlooked is that many African students come to Morocco for higher education. It is the African elite that come to study in Morocco. This is where relationships are created but also a natural link with Morocco.”

It is this privileged relationship with the African continent that gives Morocco additional value in the eyes of international investors, opening the door to three-way cooperation projects. “We are trying to develop and to promote what we call the ‘Triangular Cooperation’,” explains Abouaida. “The idea is to work at the triangular level, which means for Morocco, African countries, and other countries from Europe, the Gulf region, the Middle East, the U.S., and Asia to come together and see what we can do together in Africa.”

South provinces: A regional hub

In support of development and domestic cohesion, the King has long favored decentralization and

regionalization. “Since we recovered the Sahara, for every single dirham of revenue from the Sahara, the state invests seven dirhams in the region,” he stated during last year’s anniversary of the Green March. “This is echoed by Prime Minister Benkirane, who says that “we want to progressively allocate \$1 billion to disadvantaged regions.” The region represents 59 percent of Moroccan territory, but includes some of the world’s driest deserts.

Between 2004 and 2010, a total of \$1 billion has been invested in economic and social projects, bringing the region’s indicators for education, health, and poverty reduction above the national average.

When Spain relinquished colonial rule of the southern provinces in 1975, the region was virtually without infrastructure. Today, the three regions of Guelmim, Laâyoune and Dakhla count a total of eight large hospitals and more than 150 local health centers and dispensaries, reaching also into rural areas. There are more than five hundred schools catering to nearly 200,000 students and literacy rates have risen above the national average. The rate of completed secondary school education stands at 81 percent, compared to 64 percent nationally. Living conditions have also improved dramatically. More than 95 percent of the population now has access to drinking water and poverty rates have dropped significantly. Laâyoune and Dakhla, the region’s largest cities, have some of the lowest poverty rates in the whole of Morocco.

A ‘New Development Model for the Kingdom’s Southern Provinces’, backed by the King and presented by the Economic, Social and Environmental Council (ESEC) in 2013, points to the region’s great potential for growth. The plan distinguishes between two phases of development; a first phase devoted to optimizing existing potentials and promoting growth opportunities, and a second phase to establishing a high added-value processing sector, a knowledge-based economy, and the inclusive use of natural resources.

This is supported by strong transport connections. The Moroccan state has invested nearly \$500 million in the construction and improvement of six fully operational ports, in Laâyoune, Dakhla, Sidi Ifni, Tan Tan, Tarfaya, and Boujdour. And it has invested another \$300 million in growing the road network from 70 to almost 4,000 kilometers in the regions of Laâyoune and Dakhla.

The declared aim of the new development model is “to double the region’s GDP over the next 10-year period and to create more than 120,000 new jobs.” Implementation of the new model holds the promise of turning the southern provinces into a dynamic hub between the Maghreb and sub-Saharan Africa. 



Tanger-Med Port

Infrastructure, Transport, and Logistics: Reaching out to the World

Morocco enjoys a strategic position at the crossroads of Europe, Africa, the Maghreb region, and the Arab world. It is situated on the world's second busiest shipping lane, linking Asia to Europe and North America. Thanks to its unique geography the country has become a major transport hub for travelers and trade, offering modern infrastructure such as the Tanger-Med port, highways, rail and air links, and logistics zones.

Some of the world's most important maritime trade routes lie off the Kingdom's coast, so it is not surprising that 98 percent of all foreign trade is transported by sea. Minister of Infrastructure, Transport and Logistics, Aziz Rabbah, notes that "national port traffic is expected to triple by 2030, requiring new port infrastructure, such as the development of Tanger-Med 2, which will be fully operational in 2017."

The new port will have a capacity of 5.2 million twenty equivalent feet (TEU) containers. This figure, combined with the 3.2 million capacity of the original Tanger-Med port gives a total capacity of 8.2 million TEUs, making it one of the largest ports in Africa. Najlaa Diouri, General Manager of the Tanger-Med Port Authority, says "today we are connected to twenty-three African countries and 40 percent of our trade is containers to the countries of West Africa."

Morocco is also planning longer and better roads to link the country's interior with the coast and to drive development in the Kingdom's southern regions. "By the end of 2015 we will have almost 1,800 kilometers of highway, but the long-term goal is to build two thousand kilometers more, to El Ayoun and the Sahara regions, thereby connecting the center and the south of the country," comments Rabbah.

A planned highway between the coastal town of El Jadida and the port of Safi will boost the Dokkala-Abda region and support expansion of the port of Safi. The highway, which currently extends from Casablanca to El Jadida, will cost between \$400 million and \$480 million and will be financed by the Arab Fund for Economic and Social Development and the European Investment Bank.

In addition, a 173 kilometer highway joining the towns of Beni Mellal and Berecheid will accelerate economic development of the interior by providing direct links to Casablanca and its port and surrounding logistics centers.

Morocco's national railway operator ONCF is also playing its part in developing the country, intending to lay 1,500 kilometers of high speed lines in the next three decades. Aziz Rabbah comments "we will complete high speed links between the economic centers of Tangiers and Casablanca, but we want to extend it to Marrakech or up to Agadir and even connect Rabat and Fez."

The new line will be the fastest in Africa, boasting a top speed of 320 kilometers per hour and shrinking the travel time between Casablanca and Tangier from five hours and forty-five minutes to two hours and ten minutes. The anticipated cost of \$2 billion will be financed through a combination of public funds (\$580 million), foreign loans (\$1.35 billion), and donations from Saudi Arabia, the United Arab Emirates, and Kuwait (\$84 million).

A regional train link is also being constructed to run from the port city of Mohammedia to Casablanca's Mohammed V international airport, which is being expanded to meet the standards of a growing international and regional transport hub.

Marrakech, Morocco's premier tourist attraction, will receive a second airport to help deal with the increase in passengers, which is expected to reach 14.37 million in 2030. Minister Rabbah states, "We want to go further with PPPs (public private partnerships) and provide opportunities to the private sector to utilize and manage infrastructures, like road, airports, ports, and rail."

The country's smaller airports have also been upgraded, including Dakhla. "We created an international airport at Dakhla in order to attract foreign tourists to the region and develop the south of Morocco," adds Mustapha Khalfi, Minister of Communication and Spokesperson for the Government. Ever greater connectivity facilitates Morocco's integration in the global economy. 

Renault Tanger

Morocco's New Industrial Ecosystems

Following its recent industrial transformation, which focused on value-added export industries, Morocco is now a magnet for foreign investors. Thanks to a strategy that has strengthened six designated industries and smoothed the way for some impressive new funding, the Kingdom is fast becoming one of Africa's leading countries for foreign direct investment.

This strategy, based on the National Pact for Industrial Emergence (PNEI), was launched in 2008 with the aim of boosting the aeronautics, agro-industry, automotive, offshoring, pharmaceuticals, and textile sectors, thereby increasing exports and modernizing local industries. By 2015 the PNEI aimed to add more than \$5 billion in private investment to the country's GDP and contribute an additional \$1 billion to the export volume. The PNEI has also been successful in attracting foreign investors, including firms like Bombardier and Renault.

Building on the success of the PNEI, a new Industrial Acceleration Plan (PAI) was launched last year, to run from 2014 to 2020. This will lead to the creation of half a million jobs and increase industry's contribution to gross domestic product from 14 percent to 23 percent.

"In less than one year, since the PAI was launched in April 2014, we have created 238,000 jobs in the country's industrial sector," observes Moulay Hafid Elalamy, Minister of Industry, Trade and New Technologies. "These jobs are with international companies from America, Europe and the Arab world. Recently, China has also developed a presence and invested in Morocco."

Chinese operators now view Morocco as a sub-contractor because Morocco's labor cost is cheaper than theirs. With the cost of energy also rising in China, investors are looking for new countries to host

their manufacturing projects. As Elalamy points out that "the minimum wage in Morocco is \$300, so we are beginning to see investments that used to go to Asia now coming to Morocco."

The Asian giant's involvement includes a \$150 million investment by the Shandong Shangang Group for the construction of a steel transformation plant in the Tanger Free Zone. In addition, Shanghai Electric plans to invest more than \$2 billion in solar power projects.

The situation in the Kingdom is now highly advantageous for foreign investors. According to Elalamy, these investors "can invest 100 percent and have entire ownership of companies in Morocco. They can also take out of the country 100 percent of the dividends and all their gains when they sell their company. So there is total freedom regarding movement of finances."

The PAI strategy also provides for the creation of an Industrial Development Fund (FDI), a public investment fund awarded with \$2.2 billion by the government, and supports transitioning the informal sector into the formal economy via a range of incentives and tax measures. It also emphasizes the importance of training workers, which will enable the country to better meet the requirements of foreign companies.

An additional incentive has been the creation of free trade and sectoral production zones to attract major foreign manufacturers. There are four free trade zones in Kenitra, Nouacer, Tanger, and Oujda, benefitting from 0 percent tax rate for the first five years of operation, followed by an 8.75 percent tax rate over a twenty-year period.

Heavy industry in Morocco has experienced difficulties because of the oversupply of Chinese, European, and other industries. However, the future of the country's growing electronics industry looks

brighter following the emergence of subcontractors responsible for the design, development, and purchase of raw materials and components outsourcing their operations to Morocco.

The country is also expanding exports from the textile and leather industry by targeting “ready to wear” fashion, jeans, and sportswear, as well as niche products such as lingerie, home textiles, and footwear.

Another success story is the Kingdom’s pharmaceutical industry, which is the second largest in Africa, with strong potential for growth spurred by rising demand both at home and in North and West Africa. This potential is proven by French pharmaceutical company Sanofi, which intends to open a \$20 million plant in Casablanca, supplying both the domestic and export markets.

The new PAI strategy is based on the implementation of an efficient “ecosystems” approach, integrating value chains and building relationships between big firms and SMEs. “We have reorganized the industrial sector in the form of an ecosystem, as it creates synergy and growth,” Elalamy states.

Aeronautics: Sky is the limit

Canadian aerospace company Bombardier, a leading manufacturer of both business and commercial aircrafts, is an excellent illustration of successful integration into the local business ecosystem. Elalamy explains that “following its arrival in Morocco, Bombardier now has 137 companies providing equipment for it, and for all the aircraft manufacturers of the world. These include Eaton, a leading manufacturer of all hydraulic components for aircraft and Alcoa, who supply bolts for aviation.”

Construction of Bombardier’s 14,000 square meters permanent facility, completed in Casablanca in September 2013, is a major endorsement of Morocco’s growing aerospace industry. Stephen Orr, Vice President of Quality and Safety Office of Bombardier Aerospace, reports that “Morocco offers a very politically stable environment together with an enthusiastic pool of talented young people who are very well educated. The government also provides strong support systems and it is close to Europe.”

Another example of success is MATIS Aerospace, a joint venture of Labinal Power Systems and Boeing, which specializes in systems for the interconnection of electrical networks for the aerospace industry. Over the next four years MATIS Aerospace will produce electrical harnesses for Boeing 737, 777, and 787 aircrafts, as well as the Dassault Falcon 5X business jet, creating 400 new jobs.

This ecosystem approach is also encouraged by the investors. “Our plan for Morocco is to invest up

to \$200 million by 2020 and create 850 jobs,” says Stephen Orr. “We are committed to work very closely with the local government and in doing so, also be a catalyst for the development of the local supply chain here in Morocco.”

Automotive sector drives development


The creation of new ecosystems also applies to other industries, including the automotive sector, which has attracted investments from companies such as Renault, Peugeot, and Ford. The sector has experienced significant growth in the last five years, particularly following the 2012 opening of Renault’s state-of-the-art production plant in Tangier, which this year will produce 230,000 cars.

Paul Carvalho, General Director of Renault Group in Morocco, recounts, “at Renault we asked ourselves, are we going to find the skills, the government support and the infrastructure that would enable us to succeed? But, you can see what has been done in terms of infrastructure, such as highways and railways.” As far as the future is concerned, Carvalho continues, “this factory and the vehicles it produces are ideally placed both to supply the European market and to meet the needs of the African market, which will develop in the coming years.”

It has been shown that a single job created in the car industry leads to six more direct jobs for suppliers and others, as well as four more indirect jobs. This means one job in the car industry creates ten more jobs in total, which has a huge impact. “I have often heard people say that making a car is a technical thing, but we also have doctors, restaurants, security, computers, and communication systems. We have almost all professions within the car industry, so it is a real driver for economic and social development,” says Carvalho.

PSA Peugeot Citroen has also revealed plans to build a \$630 million Moroccan factory, as it seeks to reduce both production costs and its reliance on European markets. The site near the coastal city of Kenitra will begin assembling small and subcompact models for Africa and the Middle East by 2019.

The company expects the plant to source 60 percent of components locally, eventually climbing to 80 percent as the supply chain develops. The aim is to have a 4,500-strong workforce once the factory reaches its 200,000 vehicle capacity. An initial annual production capacity of 90,000 vehicles is expected to rise to 200,000 as sales begin to take off.

According to Elalamy, “Morocco is currently a world player of reasonable size and, with a projection in the next five years to reach one million vehicles, we will become a leader in this field.” 



Phosphate: Morocco's Earthly Riches

Morocco's soil is rich in minerals, most famously in phosphate rock, sometimes referred to as Morocco's "white gold." Phosphate and its derivatives, phosphoric acid and phosphate fertilizer, are used around the world in agriculture and also industry. Morocco holds about 85 percent of the world's remaining phosphate reserves.

The Office Chérifien des Phosphates (OCP), a state-owned company, has exploited and marketed the country's phosphate reserves since its founding in 1920. "In a few years we will celebrate a century of experience in phosphates," remarks Abdelkader Aamara, Minister of Energy, Mines, Water, and the Environment. "We have used this experience to cover the full value chain in the production of phosphates." Over time, OCP has grown into the world's leading exporter of phosphate, holding a global 30 percent market share in all forms of phosphate. In 2013, OCP extracted more than 26 million tons of phosphate rock and produced 4.4 million tons of phosphoric acid and 4.8 million tons of phosphate fertilizers.


With the global need for agricultural products set to double between 2000 and 2050, the production of fertilizers becomes ever more important. OCP is determined to further strengthen its market position, as Mostafa Terrab, Chairman and Chief Executive Officer of OCP, explains. "Internationally, OCP is strengthening its anchor position in global phosphate markets and is responding to rising global demand by undertaking a major capital investment and industrial development program." The program is expected to double the company's annual capacity, by expanding existing operations, opening new mines and improving downstream activities. "The investment of almost \$20 billion will allow Morocco to reach a 40 percent share of the world market in crude phosphates, a 40 percent share of the world market in phosphoric acid and a 40 percent share of the world market in fertilizers," underlines Aamara.

OCP maintains offices around the globe to service

worldwide demand, but some of the biggest growth markets for OCP are now found in Africa, where the usage of fertilizers has been traditionally low. But as many African nations make new efforts to boost agricultural production, the demand for fertilizers is set to multiply. "A few years ago, we exported 50,000 tons of fertilizer in Africa," explains Aamara. "Now we have reached 400,000 tons and our goal is to export 2 million tons of fertilizer."

With annual revenues of almost \$5 billion and more than 20,000 employees worldwide, OCP is the largest corporate employer in Morocco. Its domestic impact is significant and not limited to commercial interests. "We contribute to the wealth and well-being of Morocco, not only by our exports, but by our close collaboration, as a socially responsible company, with small holder farmers, small and medium-sized enterprises, and the local communities that surround our operations," explains Terrab. OCP's mining activities in the southern region, where about 1 percent of the world's known phosphate reserves are located, have a particular impact on local communities. Mining company Phosboucraâ, part of OCP, is the region's largest employer with a local workforce of 2,300 employees. Phosboucraâ reinvests all net profits in the region to help boost local economic development.

Aside from phosphate, the government is also planning to expand mining for minerals such as silver, gold, iron, zinc, lead, copper, cobalt, and barite. An upcoming reform of the mining code is expected to boost interest and private investment in the sector and thereby significantly increase the contribution of non-phosphate minerals to the Moroccan economy.

"I hope that in the coming years we will increase our turnover three-fold and double the number of jobs," says Aamara. "This is a sector that currently employs nearly 15,000 people. In the coming years it will certainly reach 30,000, creating added value, especially in remote areas of the Kingdom which are far from the economic and trade routes." 

Generating Wealth on Land and at Sea

Morocco's strong economic growth this year is partly due to a rise in agricultural output. Favorable rainfall has brought Morocco a record harvest of eleven million tons of cereal. The impact that harvests have on national growth underlines the significance of agriculture in Morocco's economy. Agriculture and agro-industry contribute a total of 19 percent to the gross domestic product (GDP) and employ more than four million people. In rural areas, the sector accounts for more than 70 percent of all jobs.

Morocco's agricultural sector is the largest in the region. A temperate climate allows Morocco to cultivate a rich variety of foods, enough to meet domestic demand and still contribute about 12 percent to national exports. Top export items include fresh and processed fruits and vegetables, olive oil, spices, and nuts.

To boost the sector's profitability and make employment in the sector more sustainable, the government launched a strategic development plan in 2008, known as the "Green Morocco Plan." More than \$5.5 billion has been invested in the sector since, focusing on modernization, increase of productivity, sustainability, and the uptake of high-revenue crops. By 2020, the plan is expected to raise the contribution of agriculture to GDP to \$18 billion, to create an additional 1.15 million jobs, and to triple the income of nearly three million people in rural areas.

A separate development plan, the "Halieutis Plan," targets the fisheries sector. Morocco currently lands more than one million tons of fish annually, making it the largest producer and exporter of fish in Africa. The country is blessed with more than 2,000 miles of coastline and access to both the Mediterranean Sea and the Atlantic Ocean. The plan calls to increase fish landings to 1.6 million tons and raise the value of seafood exports to more than \$3.1 billion by 2020, largely by modernizing the various sectors of the fishing industry

and improving competitiveness and performance.

Morocco's southern provinces in particular stand to benefit from investment in the sector. Many jobs in the region depend on fishery. Some of the most valuable landings are made in the south, which has attracted significant private investment. The COPELIT Group, an early pioneer of the region's fish industry, is active in fishing, sorting, processing, canning and freezing of fish, and the production of fish meal and fish oil. The group owns several companies in the cities of Laayoune and Dakhla and sells to clients across the globe. "Having created more than 1,500 direct jobs so far, the COPELIT Group is the leading private investor in the south of the Kingdom," comments Mohamed El Ghazlani, Director of COPELIT Dakhla. "It is a real engine for stable and sustainable employment." Indeed, with the growth of the fishing hubs of Laayoune and Dakhla, the fishing industry is now driving development in Morocco's south. 🌊

Argan Oil: The success of a high-value product

Produced from the fruits of the endemic argan tree, argan oil was traditionally made for domestic use. Today, argan oil is recognized globally as a gourmet food item and ingredient in high-end personal care products. Moroccan women cooperatives first took argan oil to international markets. Fatima Amehri, President of the Union of Women's Cooperatives for the Production and Commercialization of Argan Oil, recounts that "between 1999 and 2004 there was not much interest in this product. Our revenue was \$20,000 per year. But in 2005, we started exporting ten tons for use in cosmetics." The success was such that large multinational companies began setting up in the sector in 2012, raising exports to more than 2,500 tons now. The government intends to triple this output by 2020.





Energy and Environment: Renewables Lead the Way

At present, Morocco exports neither oil nor gas, but it has 900,000 square kilometers of unexplored sedimentary basins, so the possibility of finding hydrocarbons reserves remains. Until recently, 90 percent of the country's energy needs were imported, but the nation is addressing this challenge by successfully developing local energy sources. As Abdelkader Aamara, Minister of Energy, Mines, Water and the Environment points out, "the country has a very large potential in solar energy, enjoying 3,000 hours of sunshine per year, as well as having enormous potential in wind power."

In the coming years, Morocco will fulfill its commitment to renewable energy by developing three main programs: a 2,000 megawatt (MW) solar program, a wind power program of at least 2,000 MW, and a 2,000 MW hydropower program. Aamara observes that, "This could provide the nation with 42 percent of its electricity production from renewable resources by 2020, an unprecedented figure at the regional level."


The Noor Solar Power Complex in Ouarzazate in southern-central Morocco, with a projected total capacity of 500 MW of electricity, constitutes the first building-block in the national solar energy program. "The first plant Noor-I of 160 MW will be in operation in 2015," announces Dayae Oudghiri, Member of the Board of Directors of the Moroccan Solar Energy Agency (MASEN). "The other two plants, Noor-II and Noor-III, which use technology to produce energy even when there is no sunshine, will be in operation in 2017." MASEN's investment also has significant impact on the Ouarzazate region through local employment and an action plan for local development with the aim of creating road infrastructure, providing drinking water, and introducing waste disposal management for the surrounding area.

The Tarfaya Wind Farm in south-western Morocco is an equally impressive development. Operational since

December 2014, it is the biggest wind farm in Africa, with 131 turbines and a combined installed capacity of more than 300 MW. The project is a fifty-fifty joint venture between the French energy company, ENGIE, and the Moroccan energy company, Nareva. "The wind farm is estimated to reduce Morocco's CO2 emissions by 900,000 tons per year and save more than \$190 million of imported oil," adds Mohamed Sebti, Director General of Tarfaya Energy Company (TAREC).

In order to further reduce its dependency on imported hydrocarbons, Morocco also emphasizes the massive introduction of natural gas as part of its energy strategy. Currently, the country only uses natural gas in small quantities, but this will change over the next five years when it will install infrastructure for liquefied natural gas (LNG). Aamara points out, "this is a large project because there will be also a port with LNG dock and a pipeline of 400 kilometers with combined cycle power plants of around 3,000 MW that will cost \$4.5 billion and will be totally financed by the private sector."

The investment will enable natural gas use to increase to five billion cubic meters per year. While its main purpose will be to meet domestic electricity demand, the government has ambitions to develop ample local capacity for industry needs. As the country has lifted state subsidies on fuel, diesel, and gasoline, manufacturers are looking for other more profitable alternatives.

While Morocco is taking measures to meet growing demand for both primary energy and electricity, this very demand is the successful result of consistent efforts to achieve universal electrification throughout Morocco. As Aamara explains, "today, 99 percent of the Moroccan population is connected to the grid. This is an achievement since back in the 1990s this figure stood at 18 percent. We have made a significant effort that cost about \$2.7 billion in investments." 

Paving the Way for a Digital Economy

Morocco's information and communication technologies (ICT) sector is moving toward deeper integration in the global knowledge economy. The strategic plan "Digital Morocco 2013" makes information technology a cornerstone of the economy and a driver for human development, turning the country into a regional technology hub. Morocco's regionally competitive infrastructure and talented multilingual workforce has enabled it to lead the way in outsourcing and offshoring.

Global consultancy firm McKinsey & Company reported that in 2013 the Moroccan ICT sector achieved export revenues of \$1 billion and was ranked, based on private and public investment levels, the best in Africa for business process outsourcing. This success has been facilitated by the establishment of dedicated technology parks, which operate under offshore status, and by exporting companies benefitting from a variety of tax incentives. "The country is determined to continue its efforts to accelerate structural and sectorial reforms aimed at improving the economy, business climate and governance," comments Mohamed Boussaid, Minister of Economy and Finance.

Morocco's best known offshoring project, the Casanearshore Park in Casablanca, is home to one hundred businesses, including blue-chip companies such as Dell and Accenture. Its development was the result

of a \$341 million dollar investment by MEDZSourcing, a government partner that also operates the Fez, Oujda, and Rabat technology parks. In July 2013, IBM created a service center with four hundred employees at Casanearshore to serve Moroccan and other African markets. As part of a government agreement, IBM will collaborate with Moroccan academic institutions in growing technologies such as cloud computing, big data, system integration, and outsourcing.

In a separate initiative, the Moroccan Digital Fund, set up by the state-owned Deposit and Management Fund and the country's three biggest commercial banks, gives technical and financial assistance to local technology firms and has a value of around \$10 million. After its launch, it invested in a range of startups, including Netpeas, a cybersecurity firm, Greendizer, an online invoicing platform, and e-commerce platforms Soukaffaires and Mydeal.

One of the Kingdom's digital success stories is Involys SA, a company that provides software and information technology services. Bachir Rachid, Chief Executive Officer of Involys and a Member of the Board of the General Confederation of Moroccan Enterprises, says "the country's digital strategy promotes computerization across small and medium enterprises to increase productivity, supporting local actors to develop IT markets and build greater potential for sector exports." 

Banking and Finance: Empowering Development

The Moroccan economy proved resilient in the global financial crisis of 2008, thanks to a carefully regulated banking sector. "Morocco has aligned the institutional, legislative, and regulatory framework governing the sector with international best practices," notes Minister Boussaid. "This has allowed the Moroccan financial sector to reach a level of development that puts it at the forefront in the region."


One of the country's largest commercial banks, Banque Marocaine du Commerce Extérieur (BMCE Bank), aims to play a major role in furthering Morocco's economic growth and in expanding Africa's banking sector. It now has a presence in 23 countries. Currently, 65 percent of Moroccans have access to banking services, compared to an average of 10 percent on the African continent (not including South Africa). M'fadel El Halissi, Chief Executive Officer of BMCE Bank Enterprise, says "individual entrepreneurs must be supported in terms of funding. Therefore, last year we put in place a dedicated fund called the 'Support Fund for Small and Medium-sized Businesses.'"

While developed countries are experiencing an economic slowdown, Africa stands out as a major source of global growth. Casablanca Finance City (CFC) is a financial center based in the former Anfa airport. Its

objective is to act as a conduit for foreign investment. "CFC was designed as a regional financial hub, promoting reconciliation between the capital markets of different African countries, thereby channeling funding and foreign investment to the continent," says Boussaid.

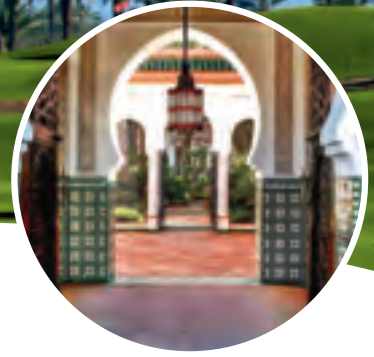
Said Ibrahim, Chief Executive Officer of CFC, explains "our purpose is to act as a business and financial platform for facilitating the development of twenty-eight countries in North, West, and Central Africa, by acting as the region's premier gateway to international investors." To achieve this, CFC has created an all-encompassing ecosystem for financial companies, professional services providers, and regional or international headquarters of multinationals.

Following meticulous evaluation, the African Development Bank has established its Africa50 fund in Casablanca Finance City, which will focus on accelerating infrastructure development on the continent. The initial equity investment will be \$3 billion, which will later be raised to \$10 billion.

Companies setting up in the CFC value Morocco's vantage point. "If you want to set up a financial hub, you need some prerequisites, such as stability, regulation, infrastructure, and connectivity," says Ibrahim. "Morocco offers all these prerequisites". 



Golf Amelkis- Marrakech



Vision 2020: Shaping Morocco's Future in Tourism

Morocco's varied and contrasting landscapes, including 3,500 kilometers of Atlantic and Mediterranean coastline, the Atlas Mountains, the Sahara desert, as well as a rich and unique cultural heritage, make it a must-see destination – a mere two and a half hour flight from Europe's major cities. Not surprisingly the country attracts ten million tourists annually, contributing 7 percent to gross domestic product and acting as a driving force for economic, social, and cultural development.

Over the last two decades the Kingdom has adopted a tourism strategy firmly focused on developing the infrastructure that has made it a benchmark for sustainable development throughout the Mediterranean region. The "Vision 2020" strategy, officially announced in Marrakech in 2010, positions Morocco as a major sustainable tourism destination. Endowed with significant funding from the Moroccan Fund for Tourism Development (FMDT), the objective of Vision 2020 is to make Morocco one of the top twenty destinations around the world.

"The target is to double the numbers in the tourism sector; we would like to reach eighteen million tourists by 2020," explains Lahcen Haddad, Minister of Tourism. "In addition, we want domestic tourism to become a significant part of Moroccan tourism; it is at 28 percent now and we would like it to reach 40 percent by 2020".

Ecotourism is one of the more prominent segments in this regard, but medical tourism has also grown in recent years, as has the meetings, incentives, conferences, and events sector. Sports tourism is also expected to increase, particularly golf, and several ports are planned or undergoing expansion in order to attract more cruise ships. Currently 450,000 cruise ship tourists arrive each year, a figure that has grown by an average of 9 percent per year since 2004. The government is willing to make a significant investment to support tourism development. "We would like to invest \$15 billion in infrastructure in Morocco," states Haddad.

The Moroccan government also wishes to invest in emerging destinations like Fes and Meknes and also in the South of Morocco in the Dakhla region, in the

Moroccan Sahara. Dakhla has in recent years become a center for fans of windsurfing and kitesurfing, as well as nature lovers visiting the Gulf of Cintra and the Banc d'Arguin, a UNESCO World Heritage Site. In 2013, the Desert Resort in Dakhla was launched. It focuses on ecotourism and represents an investment of \$99 million from the Al Shafi investment group. Those seeking a more luxurious seaside break should head to Agadir and the Taghazout Resort, a new \$995 million development situated along five kilometres of beach boasting five-star hotels, golf courses, and health spas.

Marrakech, Morocco's cultural jewel, was named the world's number one tourist destination in 2015 by travel website TripAdvisor. Its magical souks, gardens, and palaces, together with first-class golf and leisure facilities draw visitors from around the globe. "Now Marrakech wants to position itself as the world leader for meetings and events," says Hamid Bentahar, Vice President of Accor Luxury and Upscale Brands and Chief Executive Officer of the Regional Council of Tourism. Meanwhile, the city of Ouarzazate in south-central Morocco is an ideal base for exploring the region's mountains and gorges. Known as "the door of the desert," it has been a center for film-making since the 1950s and recently featured in the blockbuster TV series Game of Thrones.

Growth in Morocco, far from make-believe, now extends to almost all sectors. The country no longer depends on just a few key industries to support economic development and strong investor interest continues creating opportunities. Ever more competitive at the global level, Morocco is poised to complete its transition into a developed economy. 🌍

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Delusions of Grand Strategy

The Problem With Washington's Planning Obsession

David M. Edelstein and Ronald R. Krebs

In February 2015, when U.S. President Barack Obama released his second and final National Security Strategy—a formal outline of the administration's foreign policy—it was met with the usual fanfare. Critics and defenders debated its principles and priorities. Prospective presidential candidates piggybacked off the release to highlight their own security agendas, hoping to score political points and broadcast their resolve. Others were simply relieved that the president, who often seemed allergic to explaining his grand strategy, had given voice to one.

The periodic production of a national security strategy has been an American ritual since 1986, when the Goldwater-Nichols Act required the president to submit an annual report to Congress. In theory, strategizing is supposed to make the country safer. As officials debate competing strategies, the poorest policy options should fall by the wayside. The public debate following the final document's release should bring democratic transparency to a discussion of the country's strategic priorities and how they are to be pursued. The production of an explicit strategy is meant to hold leaders accountable to the citizenry at large and to signal Washington's

DAVID M. EDELSTEIN is Associate Professor in the Edmund A. Walsh School of Foreign Service, the Center for Security Studies, and the Department of Government at Georgetown University.

RONALD R. KREBS is Beverly and Richard Fink Professor in the Liberal Arts and Associate Professor in the Department of Political Science at the University of Minnesota. He is the author of *Narrative and the Making of US National Security*.

global intentions to allies and adversaries, alleviating the uncertainty that bedevils international politics.

Since 1986, critics have suggested numerous procedural tweaks to encourage real creativity in U.S. strategic planning. But the problem lies not in the design of the process but in Washington's misplaced faith in strategizing. Indeed, strategizing turns out to have few benefits. The most powerful voices tend to dominate the discussion, regardless of the merits of their ideas. It is nearly impossible for the public to hold leaders accountable for poor strategic choices. And worst of all, the ritual itself is dangerous, launching a search for threats that scares both officials and the public and results in self-fulfilling prophecies of conflict. Rather than laying the foundation for national security, in other words, the strategizing ritual contributes to an overwhelming sense of insecurity. The country would be better off without it.

THE ILLUSION OF STRATEGY

It makes sense to put stock in strategy if the state has consistent preferences, if it can assess the costs and benefits of alternative courses of action (and make decisions more or less rationally), and if it has the capacity to follow through on its strategic choices. But none of this is possible, and thus strategy is an illusion, as the scholar Richard Betts has powerfully argued. In the complex and highly uncertain world of international politics, it is all but impossible to identify the ideal strategy ahead of time. The United States lacks full knowledge about the threats it confronts, in part because adversaries act deceptively and in part because their interests change over time. As a result, the consequences of foreign policy are consistently unpredictable.

Psychological blinders, moreover, make strategizing still more difficult. People suffer from all sorts of cognitive limitations that hinder decision-making—in particular, a tendency to rationalize. Instead of acting on the basis of our beliefs, we revise our beliefs to make sense of our improvisations. We avoid identifying priorities and the tradeoffs among them. Moreover, states are not unitary actors, and bureaucratic battles impede strategic planning and consistency. These shortcomings were highlighted in a 2010 report by an independent panel that Congress had tasked with evaluating the Pentagon's Quadrennial Defense Review, which is charged with assessing the threat environment and rebalancing the Pentagon's "strategies, capabilities, and forces



Strategy: President George W. Bush with his foreign policy advisers, September 2001

to address today's conflicts and tomorrow's threats." The panel concluded, "Instead of unconstrained, long term analysis by planners who were encouraged to challenge preexisting thinking, the QDRs became explanations and justifications, often with marginal changes, of established decisions and plans."

Finally, even if a strategy could be consistently implemented, there are no clear metrics to assess the costs and benefits of a particular course of action, even in retrospect. Strategic outcomes that appear poorly calculated to one analyst may seem sensible to another with different goals and ambitions. In addition, strategies that offer short-term rewards may sometimes prove unwise over a longer period.

This is not to say that U.S. foreign policy simply shifts with the winds. Indeed, the United States has acted as a liberal hegemon, more or less coherently, ever since World War II. But this is less the product of a formal grand strategy than the result of enduring structural features of the international and domestic landscape: the United States' material preponderance, the powerful corporate interests that profit from global integration, the dominance of core liberal tenets in American political culture. To detect actual strategy in the U.S. government's diverse initiatives over the decades is to confuse cause with after-the-fact rationalization and requires sweeping aside countless deviations from that supposedly carefully charted course.

*The strategizing ritual
contributes to an
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insecurity.*

Even if strategy is flawed, however, few politicians and analysts seem prepared to dispense with the process of strategizing. Yet its supposed virtues are also illusory. Its defenders argue that institutionalized debates about strategy help weed out the worst policy options. Yet this assumes the existence of an open marketplace of ideas, in which

all strategic options compete on a level playing field. In reality, the playing field is skewed, dominated by powerful, mainstream voices. Meanwhile, publics often demand not just reasoned arguments but also narratives that make sense of confusing and often unsettling global events. Policy options that do

not fit neatly into an established story are treated as beyond the pale, rarely heard and easily dismissed. As a result, the strategizing ritual yields thin deliberation, paving the way for poor policy. Consider the 2002 National Security Strategy, which provided the rationale for the subsequent Iraq war. The dominant post-9/11 narrative silenced leading Democrats, who might have vocally opposed the war, and the administration was thus permitted to pursue the invasion—in retrospect, a strategic mistake of the first order.

A second defense of strategizing maintains that the public articulation of strategy holds leaders accountable for their decisions. In foreign policy, the argument runs, there is rarely a parallel to a financial bottom line; formal strategy documents help by laying out the criteria for evaluating leaders' performance in foreign policy. Even so, accountability remains the exception, not the rule. Politicians take credit for successes that are not theirs and evade responsibility for mistakes that are. Ronald Reagan, the "Teflon president," was particularly adept at this. Despite the various scandals that surrounded his presidency, including the Iran-contra affair, his popularity remained high. Indeed, foreign policy rarely brings down a president. Strategically skilled presidents have been turned out of office (George H. W. Bush, for example, just under two years after his triumph in the first Gulf War), and strategically unsuccessful ones have found their way back to the White House (as did George W. Bush, in 2004, after Iraq had already started to slip into chaos). When leaders are held accountable, moreover, it is for outputs, not inputs: they are punished when a policy fails, even if the reasoning



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behind the policy was sound, and rewarded when something works, even if it was a reckless gamble that should never have been tried.

Strategizing is supposed to provide a way beyond all of this, forcing an administration to show the thought processes behind its choices and helping the public apportion credit and blame appropriately. But formal strategy documents are typically vague on their metrics for failure and success. This is partly for good reason: international politics is turbulent and unpredictable, and so strategy must be flexible. But presidents also shy away from making firm commitments, which run the risk of alienating interests inside and outside government and would give ordinary citizens too much ammunition to hold them accountable. Consequently, the National Security Strategy typically lays out a laundry list of threats and challenges so long and varied that leaders can always point to some success or deflect some blame after the fact. Obama's latest National Security Strategy, for example, highlights threats from weapons of mass destruction, violent extremism, terrorism, fragile states, civil wars, corruption, economic recession, and many others. Obama cannot fail because neither he nor anyone else could truly succeed.

A final argument in favor of strategizing is that it makes U.S. interests clear to allies and adversaries, reducing uncertainty in global affairs and boosting international stability. But credibility cannot be gained merely by issuing a public document, let alone one that carries few concrete proposals or repercussions. And when foreign officials do take published strategy seriously, they read in their own biases, refracting and distorting the intended message.

Consider the Obama administration's "pivot" to Asia. As Kurt Campbell, then the assistant secretary of state for East Asian and Pacific affairs, explained in 2012, the pivot was founded on two premises: that "in the twenty-first century, the lion's share of the history of the world will be written in the Asia-Pacific region" and that "every country in Asia wants a better relationship with China." But in China, the pivot was seen as the beginnings of containment. Beijing's latest official military strategy makes thinly veiled references to "new threats from hegemonism, power politics, and neo-interventionism" and places U.S. "rebalancing" in a broader narrative of encirclement by hostile regional competitors. A strategy intended to make the region safer has thus had the opposite result.

THE EVIL OF BANALITY

Strategizing is more than just unhelpful; it is also dangerous. The ritual of crafting strategy encourages participants to spin a narrative that magnifies the scope of the national interest and exaggerates global threats. The aggressive policies adopted in reaction to the perceived threats make them real: when states seek to defend themselves, they threaten others, prompting a response and touching off a dangerous game of escalation—a classic security dilemma. Strategizing turns possible threats into all-too-real ones.

For a number of reasons, strategizing gives hawks the upper hand. Human brains are hard-wired to reduce cognitive dissonance and preserve self-esteem. People are unlikely to participate in strategic reviews that result in merely an affirmation of the status quo, since that would suggest that the process was unnecessary—and so, too, their participation in it. Officials have strong incentives to depict the world as full of threats, moreover, because that justifies ever-larger budgets and validates their organizations' values and missions. And strategizing gives participants incentives to focus on the possible rather than the probable, as the political costs of failing to identify a threat are greater than those of wrongly identifying one. Presidents seek legacies associated with a positive agenda of accomplishment; they would rather not be remembered solely for avoiding poor outcomes. One need only recall the ridicule Obama received for his rule, reportedly a saltier version of "Don't do stupid stuff."

The result is that even when the nation's external security environment is extraordinarily benign, strategists make it seem anything but. In the early 1990s, for example, the United States was the world's leading military and economic power. The Soviet Union, its great ideological and material competitor, had collapsed. With the object of U.S. defense spending now gone, many hailed the prospect of a so-called peace dividend. But U.S. President Bill Clinton's first strategy document, released in 1994, acknowledged the end of the communist threat before declaring, "The dangers we face today are more diverse." If ever there was a time for U.S. retrenchment, it was immediately following the end of the Cold War. Not so fast, said Clinton: "Never has American leadership been more essential—to navigate the shoals of the world's new dangers and to capitalize on its opportunities." To enter the world of the National Security Strategy is to enter a world always at risk.

In an anarchic world with weak global governance, the sources of potential harm are infinite, and a hegemon such as the United States will be constantly tempted to act to diminish those threats. Strategizing is supposed to make citizens feel safe, confident that their leaders have everything under control. Instead, as pundits lay out catastrophic scenarios and as officials warn of wide-ranging menaces, everyone emerges more anxious—and more tempted to use the United States' immense power to alleviate that anxiety.

Strategizing is thus counterproductive. It does not make Americans feel more secure; just the opposite. And the cost of this collective anxiety goes beyond therapy bills. It inclines the U.S. government to ill-considered action, at home and abroad. It leads Washington to sacrifice civil liberties, impose costly domestic security measures, and offer commitments to allies that it cannot easily reverse. It encourages American leaders to respond aggressively to threats before the evidence is in, bringing those threats to fruition.

THE VIRTUES OF PRAGMATISM

Instead of obsessing over strategy, Washington should adopt a more pragmatic approach to questions of policy. This would involve four main elements.

The first is narrative pluralism. When a single narrative dominates policy debates, only a limited range of options can be considered. At the height of the Cold War consensus, for example, legitimate voices hewed to anticommunist axioms, which prevented Washington from seizing opportunities to fracture the communist bloc and negotiate a stable arrangement with the Soviet Union. Now, with the United States relatively secure and the future of the global order up in the air, there should be room for differing views over national security; there is no excuse for enforced homogeneity. Narrative pluralism facilitates flexibility, which runs counter to the impulse to strategize. It is also often unpopular. Uncomfortable with narrative disorder, people clamor for their leaders to make sense of the world around them. If presidents fail to do so, they are pilloried as “unstrategic.” The challenge for leaders today is to satisfy the public's demand for narrative order without overly narrowing the scope of debate.

Second, pragmatism involves focusing on specific challenges in lieu of searching for an overarching foreign policy doctrine. Doctrines force leaders to act for the sake of seeming consistent, even when it would

be wiser not to. Even offhand comments at press conferences somehow become ironclad promises, or so Obama and his critics believed when it came to Syrian chemical weapons use, and the pressures mount all the more with officially endorsed doctrines. A pragmatic approach would consider threats on their own terms rather than as part of a larger strategic worldview. And it would sustain a more restrained foreign policy that avoids the distraction of peripheral interventions.

Third, a pragmatic approach would replace the ritual of periodic strategizing with more regular venues for officials to articulate the logic behind policy. Although national security sometimes requires secrecy, there are limits to what democratically elected governments should withhold from citizens. Citizens have the right to demand that their leaders explain their foreign policy priorities and initiatives and that their representatives in Congress, rather than engage in political grandstanding, ask hard questions of and demand real answers from the executive branch. An aggressive press, alongside strong freedom-of-information legislation, is an essential bulwark of democracy. But the periodic publication of a formal national security strategy—and the many related documents released down the bureaucratic ladder—does not provide meaningful transparency. In its current form, strategizing is little more than political spectacle.

Finally, pragmatism calls for a more experimental approach to foreign policy. Creativity emerges only from an organizational and political environment that eschews rigid strategy and tolerates failure. Successful organizations adapt fluidly to changing circumstances, create cultures that permit experimentation, and learn from their errors. The first rule of foreign policy should remain “Do no harm,” but much international harm can come from playing it safe. The United States must cultivate a bureaucratic and political climate that is forgiving of small failures. Only in that atmosphere can the country’s foreign-policy makers go after the big wins—and leave strategizing behind. 🌐

High Hopes for Hydrogen

Fuel Cells and the Future of Energy

Matthew M. Mench

The appeal of hydrogen fuel cells has long been obvious. Because these devices use electrochemical reactions to generate electricity from hydrogen, emitting only heat and water in the process, they offer a particularly green source of power, especially for vehicles. What has not been so obvious, however, is how to make hydrogen fuel cells practical. In 2009, Steven Chu, then the U.S. secretary of energy, told an interviewer that in order for hydrogen fuel-cell transportation to work, “four miracles” needed to happen. First, scientists had to find an efficient and low-cost way to produce hydrogen. Second, they had to develop a safe, high-density method of storing hydrogen in automobiles. Third, an infrastructure for distributing hydrogen had to be built so that fuel-cell vehicles would have ample refueling options. Fourth, researchers had to improve the capacity of the fuel-cell systems themselves, which were not as durable, powerful, and low cost as the internal combustion engine. Chu concluded that achieving all four big breakthroughs would be unlikely. “Saints only need three miracles,” he added.

Accordingly, the U.S. Department of Energy dramatically cut funding for fuel cells, reducing its support for various programs to nearly a third of previous levels. For the rest of Chu’s tenure, the department awarded nearly no new grants to develop the technology at universities, national labs, or private companies. Although the department’s total expenditures on fuel cells and hydrogen had always amounted to a small fraction of overall global investment in the sector, the change in posture sent a deeply pessimistic signal worldwide.

MATTHEW M. MENCH is Robert M. Condra Chair of Excellence Professor and head of the Department of Mechanical, Aerospace, and Biomedical Engineering at the University of Tennessee, Knoxville.

Producing hydrogen now costs less and emits less carbon than ever before.

Immediately after Chu's comments made the rounds, the hydrogen community issued a defense, contending that major progress had been made. But the damage was done. The press picked up on the Obama administration's snub, and positive articles about hydrogen fuel cells virtually disappeared. Universities stopped hiring faculty in an area perceived to be dying, top students fled to other subjects, and programs at national labs were forced to reconfigure their efforts. Established scientists saw an abrupt decrease in funding opportunities for hydrogen and refocused their research on other technologies. The overall effect was a drastic shrinking of the human-resource pipeline feeding hydrogen and fuel-cell research.

All of this was not necessarily a bad thing: new technologies come along all the time, pushing aside older ones that are no longer bound for the market. In the case of hydrogen fuel cells, however, scientists really had made big breakthroughs, and the technology was finally in the process of hitting the market. Rather than redirecting limited resources to more realistic technologies, the U.S. government's policy arguably amounted to pulling the rug out from under hydrogen and fuel-cell research and development in the United States and handing over leadership in the sector to other countries. Patents are perhaps the best indicator of how much practical progress a technology is making, and even as the U.S. government decreased its support for research into hydrogen fuel cells (and increased its support for other clean energy technologies), the number of U.S. patents related to fuel cells continued to dwarf those of other energy technologies, with the exception of solar power.

At the same time, however, more of those patents went to Asian entities. In 2012, Japan surpassed the United States as the top grantee of U.S. fuel-cell patents, with South Korea in third place. And that same year, with global players making progress on commercialization, Chu had a little-known change of heart. "Now the economics are looking good," he said. "The carbon footprint looks much better." What seems to have taken Chu by surprise was the newfound abundance of U.S. natural gas, which can now be processed economically into hydrogen, and the lack of anticipated progress on batteries, a technology in which the U.S. Department of Energy had invested heavily.

Chu's about-face had little practical effect, however, given that he left office in 2013. Even though the Department of Energy has recently reinstated some of its support for hydrogen fuel-cell research, it is funding that research at significantly lower levels than it once did. And so at the same time as the sector has lost one of its biggest sources of support, it has seen a major leap forward in terms of practical application.

DO YOU BELIEVE IN MIRACLES?

Each of the four miracles Chu mentioned in 2009—involving the production, storage, distribution, and actual conversion of hydrogen—is starting to materialize. Producing hydrogen now costs less and emits less carbon than ever before. In part, that is the result of the United States' newfound abundance of natural gas, the source of most of the hydrogen produced. But it is also the result of technological improvements in the process of “reforming” natural gas into hydrogen. It now costs around as much to produce a gallon of gasoline as it does to produce the energy-equivalent amount of hydrogen with natural gas. Meanwhile, another method of producing hydrogen—electrolysis, which uses electricity to split water into hydrogen and oxygen—has seen major cost reductions as well. What makes electrolysis particularly attractive is that when powered by renewable sources such as wind and solar power, it directly emits zero carbon.

Hydrogen storage has also improved. Prototypes used to feature bulky containers that were retrofitted into vehicles designed for conventional engines. But the latest tanks save space by being better integrated into the design of a car and by safely storing hydrogen at a higher pressure, leaving more room for passengers and their belongings. This new generation of containers allows a car powered by hydrogen fuel cells to travel as many miles on a single tank as a gasoline vehicle can and take about the same amount of time to refuel. That gives hydrogen fuel-cell cars a major advantage over their main electric rival, battery-powered vehicles, which have a limited range and take hours to recharge.

The obstacles to distribution are beginning to fall away, too. True, with relatively few dedicated pipelines in existence, hydrogen has yet to show up at the vast majority of gas stations. But there are promising work-arounds. Most of the developed world does have good natural gas distribution infrastructure, which could feed smaller reactors that produce hydrogen. Hydrogen could also be produced on-site through electrolysis. Both natural gas infrastructure and electrolysis production

can allow fueling stations to start operating in the short run, without having to wait decades for a massive network of hydrogen pipelines to be built. Already, stations using one or the other distribution method are being installed around the world, primarily in Europe, Japan, and South Korea.

Finally, over the past decade, fuel cells themselves have become more efficient, durable, and inexpensive. The advancements owe in part to a Department of Energy program that, before funding was slashed, set clear milestones and proved extremely successful in moving the technology forward. As a result, estimates of what it would cost to mass-produce fuel-cell systems have decreased tremendously, from \$124 per kilowatt of capacity in 2006 to \$55 per kilowatt in 2014. The durability of these systems has improved dramatically as well, and they now meet the expectations of customers used to conventional automobiles.

READY FOR THE MARKET

All this progress has not remained bottled up in the lab: some hydrogen fuel-cell technology is now proving competitive in real-world applications. Pessimists used to joke that fuel cells were always two years away from making their way to the market. That adage no longer holds true. Worldwide, sales of fuel-cell units are growing every year, with the number of megawatts of capacity shipped more than doubling from 2009 to 2013.

Many of these end up in vehicles, which are already rolling off the production line. Hyundai has debuted a fuel-cell version of its Tucson crossover utility vehicle in certain parts of Asia, Europe, and the United States that have fueling stations. A three-year lease costs \$499 a month with \$2,999 down and comes with free hydrogen. Later this year, Toyota is expected to introduce the Mirai, with a price tag of \$57,500. Other major automakers are following suit and have announced plans to introduce additional models in the near future. Today, every single major car manufacturer has some sort of fuel-cell development program or partnership in the works. To support the vehicles coming off the assembly line, in California, Asia, and Europe, new on-site fueling stations are under construction, along with expanded fueling networks. Fuel cells can even be found on ships. Since 2002, the navies of Germany and South Korea have launched submarines that are powered by a combination of diesel and fuel cells. Japan, Russia, and the United States are pursuing similar programs.



It's a gas: a hydrogen fuel-cell vehicle at a fueling station in California, June 2014

Although transportation is perhaps the most glamorous application for fuel cells, they are making inroads into a variety of other markets as well. In large part, that's because the fuel-cell advancements in the automotive sector translate well into other markets. Of all the possible uses for fuel cells, putting them in cars entails the most challenging design requirements. Automotive fuel cells need to be small, high-powered, inexpensive, functional in all environments, and able to handle varying load demands. In addition, fuel-cell cars have to beat out some very tough competition: not just the gasoline vehicles that have dominated transportation for more than a century but also the hybrid and electric ones that are gaining market share.

One of the biggest growth areas for hydrogen has been stationary electricity generation. Fuel cells are rapidly establishing a foothold in this market, acting as a source of backup power or allowing consumers to unplug from the grid entirely. The early adopters are in Asia, where turnkey systems generating anywhere from fractions of a kilowatt to hundreds of kilowatts have been in use for years. Home-based fuel cells that generate around one kilowatt of power have taken off in Japan, where the average household's electrical load is far smaller than that in the United States.

Fuel cells could even solve one of the electrical grid's biggest problems: the lack of storage capacity. Without a way to store energy,

utilities need to build their facilities for peak demand rather than average demand. So, for example, they construct costly power plants that get turned on only during the hottest days of the summer. The growth of renewable energy has only made things worse, because the hours when these intermittent sources generate power often do not match the hours when consumers use it most. Storage alleviates the problem.

Hydrogen may offer one of the cleanest, most efficient, and most versatile ways of storing energy. Once it is created through electrolysis, hydrogen can be stored and then used to generate electricity on demand later via a fuel cell, used to fill up fuel-cell cars, or sent elsewhere through pipelines. Recent advances in electrolysis have made this energy-storage option more attractive, but there are dozens of competing methods of storing electricity—from giant batteries to compressed air to water pumped uphill—and no clear winner has emerged.

GETTING THERE

Although commercially available hydrogen fuel cells are no longer a thing of the future, they do have a long way to go before gaining widespread adoption. Safety ranks as one of the most important challenges. Hydrogen is highly flammable and can even spontaneously ignite when exposed to just a small amount of air. A variety of industries, including food processing, steel production, and aerospace, have long used hydrogen safely. But the existing industrial safety regulations that cover its transportation, storage, and use are not yet adequate to deal with all the anticipated applications related to fuel cells. Revising those regulations is a time-consuming process that will have to involve a number of different stakeholders—government agencies, manufacturers, trade groups, and so on.

Another major barrier standing in the way of fuel cells is continually improving competition. It is almost certain that transportation will someday rely on electricity in lieu of fossil fuels and that large-scale energy-storage systems will feature in the electrical grid. But there are many promising technologies that could fill those needs. For now, hybrid and electric vehicles are simply further ahead than fuel-cell vehicles when it comes to commercial viability, and so fuel cells may have to wait their turn. The U.S. natural gas boom has also made fuel cells less attractive than other sources of energy. Although the boom has reduced the cost of hydrogen production, it has also cut the cost

of conventional power sources by a commensurate amount. Until hydrogen gains a cost advantage—through market forces, taxes, or incentives—it will have difficulty gaining market share.

Then there is infrastructure. Although the technology for safe hydrogen fueling stations already exists, there simply aren't enough of those stations yet for fuel-cell vehicles to expand their geographic reach. Some countries, including Germany, Japan, and South Korea, have plans to build more, but these are still in their infancy. The main obstacle is not cost, although government help will be needed. Most experts agree that in the long run, the lowest-cost method of distributing hydrogen will be a dedicated network of pipelines similar to the one in place for natural gas, or even a network that makes use of the existing natural gas pipelines, which would feed natural gas to endpoints where hydrogen would be produced on-site. There are also real questions about who will sell hydrogen and where the pipelines will go. In many countries, the chief problem is acquiring the land rights for building pipelines, and so they will probably be built along highways, where the government already owns the land.

Whether these challenges can be overcome depends on the cost of conventional energy, the development of battery and hybrid technology, and the political willingness to make the required regulatory changes and invest in the needed infrastructure. If the conditions are favorable, then an exciting future is on the horizon: a world in which energy is at last produced, stored, and distributed in a cost-effective manner and with greatly reduced carbon emissions. Surely, hydrogen fuel cells will not meet society's every need anytime soon, but they will gain a real foothold.

Such a future will come courtesy of the advancements made over the past decade, many of them in American labs. Yet even though the United States remains a major player, it no longer dictates the global agenda. Asian and European governments and fuel-cell manufacturers have in large part ignored U.S. budgetary priorities and forged ahead on their own. One can debate whether all of Chu's four miracles have truly occurred. But what is clear now is that entities outside the United States will be the ones most likely to profit from them. 🌐

Food and the Transformation of Africa

Getting Smallholders Connected

Kofi Annan and Sam Dryden

African agriculture has long been a symbol of the continent's poverty. Officials considered the hundreds of millions of African smallholder farmers too backward to thrive; the future would arrive not by investing in them but rather by bypassing them. But all that is changing.

In recent years, African agricultural policies have been haphazard and inconsistent. Some countries have neglected smallholders in favor of commercial farmers. Others have given them attention but focused narrowly on increasing their productivity. African farms' harvests are indeed much smaller than harvests elsewhere, so increasing productivity is important. But agriculture is about more than yields. A vast food system spreads beyond farm and table to touch almost every aspect of life in every society. Making that system in Africa as robust as possible will not merely prevent starvation. It will also fight poverty, disease, and malnutrition; create businesses and jobs; and boost the continent's economies and improve its trade balances.

Food systems cannot be created quickly out of whole cloth. They tend to evolve incrementally over time. But in digital technology, today's African leaders have a powerful tool they can deploy to help clear away the primary obstacle to progress: the profound isolation of the vast majority of smallholder farmers. Until now, it has been very hard to get information to or from smallholders, preventing their efficient integration into the broader economy. But mobile communications can shatter this isolation and enable the creation of a new food sys-

KOFI ANNAN was UN Secretary-General from 1997 to 2006.

SAM DRYDEN is a Senior Fellow at Imperial College London and was Director of Agricultural Development in the Global Development Program at the Bill & Melinda Gates Foundation.

tem suited to contemporary needs. If farsighted leaders seize this opportunity, they can transform African agriculture from a symbol of poverty and backwardness into a powerful engine of economic and social development.

FIVE PRINCIPLES

The new African food system should be built around the idea that agriculture is about more than producing calories; it is about changing society. Its five components should be valuing the smallholder farmer, empowering women, focusing on the quality as well as the quantity of food, creating a thriving rural economy, and protecting the environment.

Neither of us is sentimental about small farms, but we recognize the need to be practical. More than 80 percent of African agricultural production comes from smallholders. Any rational food system for Africa must put its smallholders first. Over the years, many African governments have tried to bypass the existing agricultural sector by investing in large-scale commercial farms, on the theory that they would be more efficient. But allocating large blocks of land to foreign investors, reserving water for industrial-sized operations, and concentrating research and development on a few cash crops doesn't help most farmers. It also hasn't generated enough produce to feed the continent's rapidly growing urban areas, which is why food imports are going through the roof—and why city dwellers are spending more than they should on food.

In fact, Africa's smallholders are more than capable of feeding the continent—so long as they boost their yields by using the latest agronomic practices in combination with appropriately adapted seeds and fertilizer. Most have not adopted these improvements, however, because they don't know about them, or can't get to a place where they can buy them, or can't afford them. The infrastructure to link most smallholders to markets simply doesn't exist, which means that many farmers have little incentive to increase their productivity in order to generate surpluses to sell. Enabling smallholder farmers to grow more food and sell it in formal markets for a fair price would change life for almost every poor person in Africa.

The keys to fixing this problem are supplying smallholders with appropriate seeds and fertilizer, providing education and training, and ensuring easy access to markets and larger economic networks. Mobile technology can help on all these fronts. Cell phones and digital vid-

eos, for example, can revolutionize education and training. Digital Green, an organization that broadcasts videos of farmers conducting training sessions in local languages, is the next generation of farmer extension programs. Because farmers tend to trust their peers more than outside experts, Digital Green's model has led farmers to adopt better methods at very high rates. The organization expanded from India into Ethiopia and is exploring pilot programs in Ghana, Mozambique, and Tanzania.

Women, meanwhile, provide the majority of the labor on African farms, but on average, they are less productive than men—13 to 25 percent less productive, according to a report published last year by

Only now is the true impact of malnutrition on poor countries beginning to be understood.

the World Bank and the ONE Campaign. The reasons for this are complicated, ranging from sex discrimination in extension programs to cultural norms that can make it difficult for women to hire and manage labor during the harvest. But fixing it is a necessity. Not only do women form a major

part of the agricultural work force; they also spend much more of what they earn than men do on goods such as education, nutrition, and health care, which have large positive multiplier effects. So when women have money and the power to decide how to spend it, everybody benefits.

Here again, digital technology can be incredibly useful. Giving women cell phones allows them to transact business directly, without mediators; open bank accounts only they can access; receive information and training that local men might not support; and get market prices in real time in order to negotiate effectively with potential buyers.

As for food quality, only now is the true impact of malnutrition on poor countries beginning to be understood. It is an underlying cause of almost half of all the deaths of children under five around the world and leaves tens of millions more children cognitively or physically impaired for the rest of their lives. Food everywhere is less nutritious than it should be; in the United States, for example, the food system is designed to supply people with as many calories as possible, that taste as good as possible, for as little money as possible. As a result, American agriculture focuses on corn as a vehicle for sugar, breeds that corn for high yields rather than nutritional value, and processes it to remove



Field of dreams: on a maize farm near Bangui, Central African Republic, March 2014

whatever nutrients might still remain. This means that Americans get lots of cheap, tasty breakfast cereal that isn't good for them.

The current African food system shares some of these features. The seeds available in Africa are bred for yield almost to the exclusion of other traits; the breeders who develop these seeds focus mostly on corn and wheat, so crops such as cassava and sorghum remain unimproved; and roller mills remove nutritional value in Africa just as they do in North America. But there are some reasons to be optimistic. For example, the fortification of food that has long been standard in developed countries has begun coming to Africa as well. Rice in Ghana, maize in Zambia, and sweet potato in several countries are now being fortified with vitamin A. And biofortification promises even bigger opportunities, as advances in genetics have made it easier to breed seeds with specific nutritional characteristics, such as high-zinc wheat and high-iron pearl millet.

In a robust food system, farms support a range of businesses. Farmers need financial services, seeds, and fertilizer before they begin planting; after they harvest, they need storage, transport, processing, and marketing. Every step in this process can be an opportunity for entrepreneurial activity, so in theory, a healthy food system could nurture an entire rural sector that creates wealth and provides off-farm employment opportunities to spread it around.

So far, such businesses have been few and far between in Africa, but that may be changing. In Nigeria, for example, for 40 years, the govern-

ment bought seeds and fertilizer and then had them delivered to farmers. Not only did the system not work—little of the seeds and fertilizer ever reached smallholders—but it also crowded out entrepreneurs who could have served rural communities directly. To address these issues, Nigeria recently dismantled the public procurement system and implemented policies to spur new businesses. By giving farmers a 50 percent subsidy (via vouchers sent to their cell phones), the government has helped generate demand for seeds and fertilizer. In the meantime, to make sure there is enough supply to meet that demand, the Ministry of Agriculture and the Central Bank of Nigeria launched a risk-sharing program to encourage local banks to make agricultural loans. And with the partial guarantee, banks have quadrupled their lending to the agriculture sector. The number of seed companies operating in Nigeria has gone from just 11 to more than 100, and there are now thousands of local mom-and-pop shops selling these companies' seeds directly to farmers.

The green revolution of the 1950s and 1960s, finally, introduced new and highly productive agricultural technologies and methods and fed a billion people in Asia and Latin America. But it also ended up doing significant damage to the environment of those regions, depleting the soil and reducing biodiversity. We now know that ensuring the long-term sustainability of the African agricultural environment is more critical than ever, given the problems already being caused by climate change.

The good news is that with digital education in basic conservation techniques, such as crop rotation with legumes, so-called green manure, and good water management, smallholder farmers can not only increase yields in the short term but also restore soil health over time. This is crucial, since African soils are the most depleted in the world.

THE PROMISE OF DIGITAL

Digital technology can help advance all these principles simultaneously. It makes connections possible, transfers information instantaneously, and can help build virtual communities even among widely separated and remotely located individuals and communities.

Some appropriate digital applications are already in use, and more are in development. In 2014, for example, Ethiopia's Agricultural Transformation Agency launched an agricultural hot line, and it has already logged almost 6.5 million calls. It also sends text messages and automated calls containing up-to-date agronomic information to 500,000 users. The agency is also developing the Ethiopian Soil In-

formation System, or EthioSIS, a digital soil map analyzing the country's soils down to a resolution of ten kilometers by ten kilometers. Eventually, these two systems will merge, transmitting cutting-edge, highly tailored information to millions of farmers.

Digital technology can also revolutionize farmer organizations. Membership in agricultural cooperatives has always lagged in Africa, because smallholders are too spread out. New, digitally powered organizations, however, can succeed in doing what farmer cooperatives are supposed to do: purchase seeds and fertilizer in bulk and pass on the savings to their members, serve as trusted sources of information on farming practices, and help farmers aggregate and warehouse produce and negotiate fair prices.

The digital infrastructure for interacting with smallholders is already being put in place, so now is the time to make sure it gets done right. This means making sure that all farmers are included from the start, especially the poorest and most remote. Digital agricultural applications need to be run on neutral digital platforms to which any farmer can connect, rather than proprietary platforms for a select few. It doesn't matter who builds the platforms—whether governments, agribusinesses, or telecommunications companies—so long as they are made accessible to all. To get the most out of these platforms, moreover, farmers need to be assigned unique user identifiers, so that they can receive services tailored to their needs. And information needs to be governed in a way that makes most of it open source. Ethiopia's digital soil map, for example, is public, so anybody can use the data.

As the two of us began our careers, one of the big questions in development was whether the world would be able to feed itself in decades to come. Many predicted a coming global famine, so simply avoiding mass starvation has to be considered a significant success. But it is high time to move beyond simple calorie provision and think about agriculture in the developing world in a more holistic way. Smallholder farmers in Africa can finally be seen not just as part of the problem but also as part of the solution. Using digital technology to reach them, listen to them, support them, and help them organize holds out the potential for another agricultural revolution. Making sure the opportunity is seized will require policy changes, investments, and a great deal of effort on the part of everyone from government officials and entrepreneurs to agronomists and coders. But what is needed most is leaders who can envision a continent transformed. 🌍

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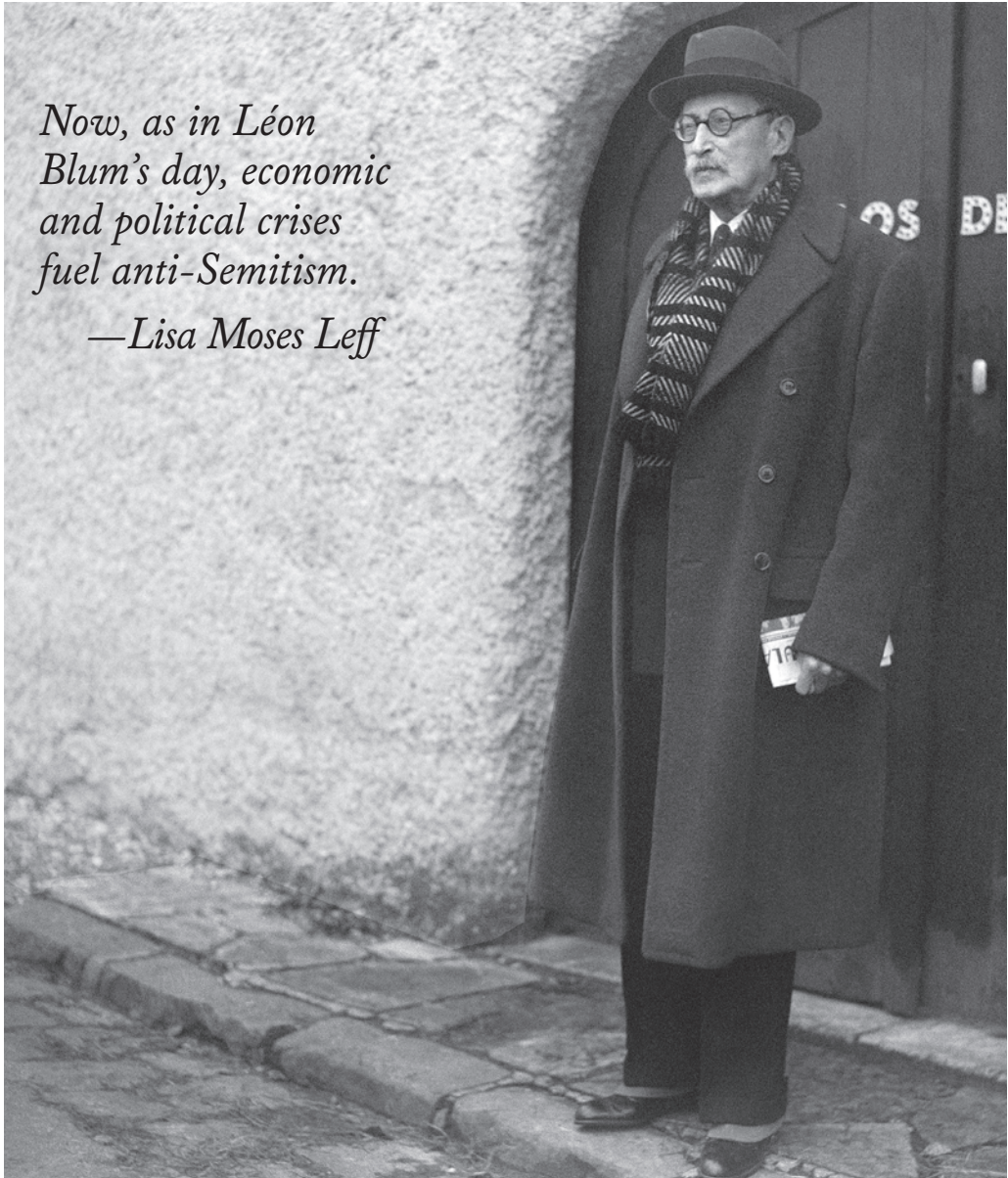
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REVIEWS & RESPONSES

*Now, as in Léon
Blum's day, economic
and political crises
fuel anti-Semitism.*

—Lisa Moses Leff



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How to Be a Jew in France

Léon Blum and French Anti-Semitism

Lisa Moses Leff

Léon Blum: Prime Minister, Socialist, Zionist

BY PIERRE BIRNBAUM. Yale University Press, 2015, 232 pp.

Just two days after the terrorist attack at the offices of the French satirical magazine *Charlie Hebdo* last January, Amedy Coulibaly, a French-born militant who had pledged allegiance to the self-proclaimed Islamic State (also known as ISIS), murdered four Jewish shoppers in a kosher supermarket in eastern Paris. Coulibaly's heinous act was not without precedent. In 2014, Mehdi Nemmouche, a French citizen who had spent a year training with the Islamic State in Syria, opened fire in the Jewish Museum of Belgium, killing four. In 2012, Mohamed Merah, a French follower of al Qaeda, killed three children and a rabbi at a Jewish school in Toulouse.

Such attacks are the most visible signs of a wider trend: for the past 15 years, anti-Semitism has seemed to be on the

rise in France. Long-standing economic and social problems fan the flames of interethnic tension in the modest communities where, since the 1960s, Jewish and Muslim immigrants used to live together in peace. French unemployment is high, surpassing ten percent overall, but among the youth in France's poorer suburbs, where such tensions are most palpable, it is a staggering 40 percent, and schools are in crisis. Coulibaly, Nemmouche, and Merah all came from such communities. All three were born in France to parents who had emigrated from France's former African colonies. They were raised as secular Muslims in neighborhoods where racism, poverty, and struggling schools limited their horizons. They became petty criminals in their teens and, as young men, found their way to Islamist terrorist movements, carrying out their anti-Semitic acts in the name of global jihad. As more and more people from such neighborhoods have followed this path, policing has increased, but the underlying economic and social problems persist.

The Sunday after the attacks on *Charlie Hebdo* and the kosher supermarket, 3.5 million people marched in the streets of France carrying signs expressing solidarity with the victims; most read, "I am Charlie," but some also declared, "I am Jewish." That evening, Israel's prime minister, Benjamin Netanyahu (often called "Bibi"), visited Paris' Grande Synagogue, making his entrance alongside France's leaders: President François Hollande, Prime Minister Manuel Valls, former President Nicolas Sarkozy, and the mayor of Paris, Anne Hidalgo. Although all these leaders have been remarkably supportive of France's Jewish population in their

LISA MOSES LEFF is Associate Professor of History at American University and the author of *The Archive Thief: The Man Who Salvaged French Jewish History in the Wake of the Holocaust*.

public comments, with Valls going so far as to say that “France without Jews is not France,” it was Netanyahu whose entrance garnered the loudest applause, accompanied by chants of “Bibi! Bibi!” and “*Israël vivra, Israël vaincra!*” (“Israel will live, Israel will win!”). The enthusiastic reception reflected French Jews’ deep commitment to Zionism, which has only been strengthened in recent years.

The audience responded warmly to much of Netanyahu’s speech, at one point giving him a standing ovation. But when the Israeli leader addressed French Jews directly, telling them that Israel would welcome them with open arms, the reaction was rather different: members of the audience broke into an impassioned rendition of “*La Marseillaise*,” France’s national anthem. The message was clear: France’s Jews would stand with Netanyahu against the scourge of anti-Semitism but would not accept the suggestion—implicit in his invitation—that Jews did not fully belong in France. The unscripted, heartfelt response speaks to something deep within French Jewish culture that foreigners have some trouble seeing, much less understanding. For all their ardent Zionism, French Jews still have a deep faith in the values of the French Republic. Although Jewish emigration from France to Israel has increased sharply in recent years, 99 percent of France’s Jews are choosing to stay put rather than heed Netanyahu’s call. As the French Jewish writer Diana Pinto put it astutely:

The Europe we live in, despite its blatant faults, remains a place we are a part of not just politically as citizens, but also linguistically and culturally. . . . We have major stakes

here, and not just petty personal reasons. Read the answers young European Jews . . . have written in response to the never-ending question of whether they might be leaving. Unlike in the ’30s, our governments protect us rather than excluding us and we are determined to improve our respective countries in terms of social justice and minority integration.

THE FIRST JEWISH PRIME MINISTER

One way to understand French Jews’ simultaneous attachment to Zionism and the French Republic is to turn to Pierre Birnbaum’s illuminating new biography of Léon Blum. In both his life story and his politics, Blum embodied the apparent contradictions at the heart of French Jewish identity. Born in 1872 to a bourgeois Jewish family in Alsace, Blum is today best remembered as the leader of the French socialist party (known by its French acronym, SFIO) and prime minister of France in 1936–37, during the Popular Front (and again, briefly, in 1938). Blum was a true devotee of what Birnbaum calls “republican socialism.” This is a socialism inflected with an abiding respect for the institutions of the democratic state, an admiration for the universalistic ideals of the French Enlightenment, and a commitment to redressing the ills caused by economic inequality.

But even as Blum’s politics were decidedly universalistic, recognizing no distinction between “Jewish” problems and general problems, Blum came to his convictions as a Jew and proudly brandished his Jewish identity in public, even when it made him a target for some of the most vicious anti-Semites

France has ever seen. He was a committed Zionist and served as president of the French Zionist Union. Blum saw no contradiction in this. As he said in a 1929 speech, “I am Zionist because I am French, Jewish, and Socialist, because modern Jewish Palestine represents a unique and unprecedented encounter between humanity’s oldest traditions and its boldest and most recent search for liberty and social justice.” As have many French Jews today, in the 1930s, Blum responded to the rising tide of anti-Semitism by doubling down on both his Zionism and his belief in the values associated with the French Revolution, because he saw a fundamental connection between Jewish security and the universal promise of republican democracy.

As Birnbaum deftly reveals, the young Blum came to politics as a second career (he first was a writer and literary critic) in response to the Dreyfus Affair, a national scandal that broke out in the late 1890s after Alfred Dreyfus, a French Jewish army captain, was accused, tried, and wrongly convicted of treason. Blum was fiercely critical of other French Jews whose response, he claimed, “was to bury their heads in the sand” rather than stand and fight on Dreyfus’ behalf. But Blum ignored the larger picture: he was, in fact, far from alone in his outrage. As Birnbaum shows, drawing from his fascinating and original study of the Dreyfus Affair, *The Anti-Semitic Moment*, published in 2003, many French Jews—from military officers to religious leaders to low-level civil servants—became “Dreyfusards,” advocating for Dreyfus and even fighting armed duels with anti-Semites. Most important, the affair led many French Jews to get involved in

politics—for example, by helping found the Human Rights League, which opposes all forms of discrimination.

For Blum, it was Jean Jaurès, one of the first leaders of the SFIO, who offered the most meaningful response to the Dreyfus Affair, by seeking to defend the individual by promoting social justice for all. Not Jewish himself, Jaurès was a moderate Socialist who was committed to the rule of law and the democratic process, with a modest and honest demeanor that garnered him broad support within and beyond the SFIO. Jaurès’ choice to join the Dreyfusards represented an important turning point in his party’s history. Rather than simply focus on the class struggle—which made other Socialists indifferent to the fate of the bourgeois Dreyfus and largely hostile to Jews as a group, since Jews were not generally members of the French working class—Jaurès saw the affair as a case of violated rights. For him, the French state should have been expected to guarantee individual rights, and thus in this case, it should be pushed to exculpate the wrongly accused captain. Unlike socialist parties in other countries, the SFIO that Blum joined saw the republican state as, in Jaurès’ words, the “political form of socialism” and sought to complete the French Revolution’s promise of social equality through the ballot box.

After Jaurès was assassinated in 1914, Blum carried on in his political footsteps, and when the SFIO split in December 1920—with the majority breaking off to form the Moscow-aligned French Communist Party—Blum took over the leadership of the party’s remnants and stayed faithful to the republic. When Blum became prime minister with the

victory of the Popular Front coalition in 1936, he proved his willingness to compromise rather than conquer, out of respect for the democratic process. As his detractors never fail to point out, this hampered his ability to achieve much in the areas in which the left-wing parties disagreed. His refusal to intervene in the Spanish Civil War, the failure to resolve the future of France's colonial empire, and France's inadequate responses to the Nazi threat and the Jewish refugee crisis have all been criticized by historians in the decades since. Even so, his tenure saw the passage of historic legislation: a French "New Deal" that greatly expanded workers' rights by securing unemployment insurance, greater collective-bargaining rights, paid vacations, and the 40-hour workweek.

"WILL FRANCE BE ISRAEL'S SOLDIER?"

The fact that a Jew such as Blum could rise to such political heights in the 1930s is astonishing and could have happened only in France, where Jews have arguably been more successful in politics than anywhere else outside Israel. Even in the United States, where Jews have long represented a larger proportion of the population than they do in France, no Jew has reached Blum's level. Indeed, as far back as the 1840s, French Jews have served in important state positions, as deputies, prefects, ministers, judges, and army officers, in numbers entirely disproportionate to their population.

Birnbaum insightfully situates Blum within this tradition of "state Jews," who benefited from French republicanism's revolutionary mission to shake up traditional Catholic society with secu-

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The Franklin Williams Internship, named after the late Ambassador Franklin H. Williams, was established for undergraduate and graduate students who have a serious interest in international relations.

Ambassador Williams had a long career of public service, including serving as the American Ambassador to Ghana, as well as the Chairman of the Board of Trustees of Lincoln University, one of the country's historically black colleges. He was also a Director of the Council on Foreign Relations, where he made special efforts to encourage the nomination of black Americans to membership.

The Council will select one individual each term (fall, spring, and summer) to work in the Council's New York City headquarters. The intern will work closely with a Program Director or Fellow in either the Studies or the Meetings Program and will be involved with program coordination, substantive and business writing, research, and budget management. The selected intern will be required to make a commitment of at least 12 hours per week, and will be paid \$10 an hour.

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larizing, modernizing programs. Particularly during the Third Republic (1870–1940), a great number of Jews devoted their lives to state service and believed fully in the equalizing promise of France’s meritocratic, secular institutions and programs. Although in certain ways, they were assimilated—they lived their lives in French and dedicated themselves to secular pursuits—they nonetheless did not convert to Christianity or marry gentiles in significant numbers (unlike, say, German Jews), and many took on leadership positions within Jewish associations. Ideologically, this double commitment was easily maintained, for since the time of Napoleon, French Jews had connected their Judaism with the values of the French Revolution. Blum’s belief in the emancipating potential of the republic thus grew as much out of his Jewish background as it did out of his adherence to Jauresian socialism.

And yet Jews such as Blum did face difficulties in public life. In 1936, just before he took office as prime minister, Blum was attacked by a mob of young right-wing militants, who dragged him from his car and beat him nearly to death. After the attack, Blum wrote, “I know now what lynching means.” Birnbaum’s portrait begins by quoting some of the racist vitriol Blum encountered while serving as prime minister, even within the Chamber of Deputies, where several cries of “Death to the Jews!” were heard.

Tying their identities and their security to the unstable Third Republic made state Jews vulnerable. By a disturbing logic, the association of Jews with the republic, and particularly with its socially transformative agenda, came

to be seen by anti-Semites as the co-optation of the republic by the Jews. The anti-Semitic rhetoric targeting Blum reached a fever pitch in October 1938, when the normally pacifistic politician sought to persuade his fellow deputies of the importance of confronting Hitler with military force. In response, the right-wing press sought to discredit Blum’s position by tying it to his Jewishness and by invoking anti-Semitic conspiracy theories. “Warmonger Blum is the real master of ceremonies,” cried the nationalist newspaper *La Revue Hebdomadaire*. “Will France be Israel’s soldier and Yahweh’s instrument against the gentiles?”

Given such rhetoric on the eve of World War II, it is no surprise that Blum was imprisoned in 1940 by the French Vichy authorities who collaborated with the Nazis and was charged with having “betrayed the duties of his office.” Blum defended himself at his trial by arguing that the Vichy regime was not “trying a man or a head of government but the republican regime and the republican principle itself.” The foreign press so applauded Blum’s defense that the regime feared its legitimacy was being called into question, and so prosecutors called an end to the trial before a verdict could be delivered. Blum was eventually handed over to the Germans, who held him for two years in the concentration camp at Buchenwald under special guard, hoping to use him in a potential future prisoner exchange. He was liberated in 1945 by a group of Italian partisans and American soldiers and returned to France, where he reentered political life briefly before retiring in late 1947.

PLUS ÇA CHANGE?

Today's anti-Semitism is not the kind Blum faced. Yet the shadow of the 1930s still looms over Europe's Jews and has led anxious commentators to compare the two types, sometimes in order to call for a mass exodus of French Jews. Many of these comparisons are tendentious, ignoring key differences between the two periods. Most important, the role of the state is quite different now. In France, thousands of armed troops were deployed after the attack on the supermarket to stand guard in front of synagogues and Jewish schools; anti-Semitic speech is monitored, sometimes even prosecuted; and state leaders—Valls especially—have made public statements insisting that the right place for French Jews is in France. Moreover, the new anti-Semitism is a global phenomenon; it is pure fantasy (if a politically expedient one) to imagine that European Jews would be safer from anti-Semitic terrorism in Israel than they are in Europe. And who knows what Blum would have made of the far-right National Front's recent attempts to increase its support among Jews, as it seeks to build a broader coalition against Muslim immigration.

But Birnbaum's insightful account allows readers to consider the comparison between today's anti-Semitism and that of an earlier era and opens up new ways of thinking about the present. For all the differences, there are some basic structural similarities. Now, as then, economic and political crises fuel anti-Semitism. Democracies around the world face challenges from identity-based, purity-seeking movements, which have proved quite dangerous.

Racism still limits opportunities for many, and economic inequality within countries is increasing dramatically. These problems, and not a supposed "clash of civilizations" between Islam and Judeo-Christian traditions, are what drive contemporary anti-Semitism, and they must be seen as general, not just Jewish, problems—just as Blum would have seen them. Even as French Jews become increasingly aware of their particular vulnerability to hate crimes, most will make the choice that Blum made: they will put their faith in the republic's democratic institutions and values. 🌍

The Law of the Lands

How the U.S. Supreme Court Engages With the World

Richard A. Posner

The Court and the World: American Law and the New Global Realities

BY STEPHEN BREYER. Knopf, 2015, 400 pp.

Justice Stephen Breyer of the U.S. Supreme Court has long been known as the most cosmopolitan justice—the justice most familiar with the laws of other nations and most concerned with how U.S. courts can cope with those laws when they impinge on American national interests or are invoked in U.S. courts. In his new book, *The Court and the World*, he sets forth his views on the interaction between the U.S. legal system and the legal systems of other countries.

The book is insightful, clearly written, well informed, free of legal jargon, and accessible to a lay audience as well as informative to lawyers, judges, and law professors. Its principal weakness is its almost exclusive focus on decisions by the Supreme Court. The Court is an atypical judicial body in that it tends to decide relatively few cases in most of

the areas of its jurisdiction, including the intersection between U.S. and foreign law. Those few cases tend to generate disagreement within the Court and uncertainty as to what exactly the law in a given area should be. It's difficult to get a coherent sense of a body of law from a handful of Supreme Court cases; it might have been better to borrow material from summaries in treatises of the relevant legal doctrines and their applications.

But Breyer's focus on the Supreme Court does cast light on what Supreme Court justices have learned and can learn from foreign legal practices and what foreign judges can learn in return. As Breyer explains, the Supreme Court has evolved a complex set of rules for deciding constitutional cases, especially those involving the application of the free-speech clause of the First Amendment. Such rules are not derived or derivable from the text of the U.S. Constitution, but what is more objectionable about them is that they are nonsense—although, of course, Breyer does not characterize them in that way. The rules go by such names as “strict scrutiny,” “heightened scrutiny,” “intermediate scrutiny,” and “rational-basis review,” in order of diminishing rigor of judicial review. The rules also frequently invoke such terms as “overinclusive” and “underinclusive,” “narrow tailoring,” “least restrictive means,” “compelling interest,” “viewpoint-based regulation” versus “content-based regulation,” and “fundamental rights.” All of this is window-dressing: the outcomes of constitutional cases are driven not by legal jargon but by the justices' ideological views and a rough balancing of the costs and benefits of alternative outcomes.

RICHARD A. POSNER is a judge of the U.S. Court of Appeals for the Seventh Circuit and a Senior Lecturer at the University of Chicago Law School.

The courts of the European Union, by contrast, follow a much simpler approach, known as “proportionality.” They ask, Breyer explains, does “the [regulatory] limitation” on private conduct “impose a restriction that is disproportionate to the legitimate interests the government seeks to achieve?” As Breyer points out, answering that question “requires the judge explicitly to balance the harm to the protected interests (e.g., speech) against the need for the limitation to protect a critically important objective.”

So far, so good; but Breyer doesn’t seem to have the full courage of his convictions—or, more likely, a desire to reject jargon that has become orthodox in U.S. constitutional decision-making. He makes plain that he does not intend to abandon that jargon; rather, he plans to add “proportionality” to the terminological stew. But the last thing the Supreme Court needs is more legalese. Proportionality, or, what seems equivalent, the balancing of costs and benefits, could well replace the current system (I would like to see it do so, and I imagine that Justice Breyer would as well) but cannot supplement it coherently, because the two frameworks are inconsistent.

THE LAW OF NATIONS

In addition to comparing the Supreme Court’s rules with the European approach of proportionality, Breyer catalogs differences between the U.S. legal system and the systems of foreign countries, such as India, Switzerland, and the United Kingdom. But he makes no attempt to arbitrate the differences among them. For example, although fluent in French, he fails to discuss one of the most questionable features of European law:

French dominance of the European Court of Justice, whose judges are appointed by the EU member countries. The French government supplies almost all the *référéndaires*, or law clerks, of the court, and the vast majority of them are French lawyers. Many of the judges, however, being from non-French-speaking countries, have limited knowledge of the French language, leaving them largely at the mercy of their law clerks.

The bulk of Breyer’s book, however, is solidly argued and will be useful to American lawyers and judges. In one section, for example, he discusses the application of American law to acts that occur in foreign countries. Suppose two foreign companies manufacture similar products, export them to the United States, and agree to sell them at the same price, thus eliminating competition between the two products, to the detriment of American consumers. They are deliberately injuring Americans, and such injurious conduct is usually deemed sufficient to trigger the applicability of U.S. antitrust law, even though enforcement may be difficult or even impossible (it may be impossible to obtain jurisdiction over the companies in an American court, for example). But to enforce U.S. antitrust law against such suppliers would, as Breyer emphasizes, violate “comity”—the respect that nations are expected to accord other nations in order to minimize international friction and conflict.

No formula has been devised to draw the line between permissible and impermissible extraterritorial applications of U.S. antitrust or other regulatory laws. The Supreme Court’s approach, as described by Breyer, is distinctly ad hoc: it seeks harmony between overlapping

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U.S. and foreign laws, a goal that does not lend itself to the kind of formulaic approach that lawyers and judges prefer.

A related point, although Breyer doesn't make it, is that balancing, or proportionality, may be the best, and possibly the only defensible, way of determining where to draw the line between U.S. and foreign interests and consequences in order to place some, but not too many, limits on the foreign reach of U.S. law.

Amid his discussion of U.S. commercial laws that overlap or conflict with foreign laws or interests, Breyer includes a long section on the Alien Tort Statute, enacted by the U.S. Congress in 1789, which grants U.S. federal courts jurisdiction over tort suits brought by foreigners if the tort was "committed in violation of the law of nations or a treaty of the United States." The term "law of nations" refers to legal rules that are recognized as valid by all or most nations and so constitute genuinely international law. It is actually quite difficult to identify such rules, owing to the legal diversity among nations, and it seems odd to allow a foreigner to sue in a U.S. court to obtain a remedy against the consequences of a tort that was committed in another country, that no American citizen or U.S. corporation may have been complicit in, and that may have no effect in the United States. Breyer makes clear that the application of the Alien Tort Statute is a mess. In fact, it is high time the statute was repealed.

A BALANCING ACT

Breyer next focuses on the interpretation of treaties. He starts by stating that "interpreting treaties is usually a straightforward legal enterprise." The U.S.

Supreme Court, he writes, “will normally proceed in much the same way as when it interprets any other legal text. It begins with the language, which it interprets in light of the treaty’s context and purposes; it considers the treaty’s drafting history; and it takes account of precedent.” In fact, a dispute over a legal text—whether a statute, a regulation, a contract, a constitutional provision, or a treaty—rarely provokes serious litigation unless the dispute is over an issue that the drafters of the text did not foresee. And if they did not foresee it, then neither the language of the text nor its history will reveal how they wanted the issue resolved. In such cases, what is called “interpretation” is really completion—plugging a hole that the legislature left in the text—although judges rarely acknowledge this lest they come across as impolitic, belittling legislative foresight.

What Breyer rightly emphasizes is that the interpretation of a treaty, like its initial drafting, must take into account the views and interests of both (or all, if it is a multinational treaty) the nations that are parties to it. This makes it all the less likely that such litigation will be resolved by interpretation rather than through a compromise of the interests of the nations. Consider the treaty that Breyer discusses at greatest length—the Hague Convention on the Civil Aspects of International Child Abduction, which 93 nations are party to and which entered into force in 1983. Suppose that an American husband and a Chilean wife who have been living together in Chile with their child get divorced, and the husband carries the child off to the United States. The wife wants the child returned to Chile. Should the husband’s conduct be deemed

abduction? Which country’s courts should decide the issue?

There are no settled answers to such questions. There can be good and bad reasons for one parent to move his or her child to another country over the objection of the other parent, but the countries may differ in their notions of good and bad. If the convention is to be applied with reasonable uniformity, the courts of the nations that are party to it will have to be sensitive to one another’s laws and customs. No more exact formula for resolving disagreements over the convention seems available.

Breyer has written a lucid and scholarly book about the relationship between the United States’ legal system and those of other countries. The book overemphasizes U.S. Supreme Court decisions, and many readers may be more interested in the current state of international law than in the decisions that have made it what it is (or what the U.S. government deems it to be). Nevertheless, on the whole, the book is a useful contribution to a subject of large and growing importance that has received limited consideration from jurists of Breyer’s stature and global perspective. 🌐

A Nudge Too Far

Paternalism and the Pitfalls of Behavioral Economics

Phillip Swagel

Misbehaving: The Making of Behavioral Economics

BY RICHARD H. THALER. Norton, 2015, 432 pp.

Lawyers may reign in Washington, D.C., but it is economists who drive the policymaking process. In July 2009, for example, Douglas Elmendorf, the economist who headed the Congressional Budget Office, nearly derailed the Affordable Care Act (also known as Obamacare) when he announced that, as drafted, the legislation would not “reduce the trajectory of federal health spending by a significant amount”—contradicting assurances made by the law’s supporters, who had to scramble to make changes to the bill. Economists also dominate in academia, so much so that scholars in the other social sciences call economics “the imperial discipline,” decrying its tendency to intrude beyond its proper boundaries.

The accusation is on the mark: many economists do believe that they can explain political and sociological

phenomena better than political scientists or sociologists. Their confidence reflects a conviction that economics is more mathematically rigorous and better grounded in theory than the other social sciences. According to its practitioners, economics offers not only descriptive analyses of how society operates (determining who is affected by a particular tax, for example) but also normative policy recommendations (such as determining the optimal tax rate).

At the core of mainstream economics is the assumption that people optimize—that they make purchases rationally and otherwise act rationally in making economic decisions, taking into account their preferences and the information available to them. And yet it is safe to say that every economics professor has paused at some point after setting out a theoretical model and said something like, “In reality, people don’t act exactly this way.” As Richard Thaler, a professor at the University of Chicago Booth School of Business, explains in *Misbehaving*, the standard economic approach suffers from the fact that humans are not what he terms “Econs”: they don’t, or can’t, optimize all the time. Sometimes the decision at hand is simply too complex to be dealt with rationally; other times, people allow what Thaler calls “supposedly irrelevant factors” to affect their behavior. For example, in theory, a person should be no more likely to drink a bottle of wine from his or her own cellar than to go out and buy a new one. After all, the bottle in the cellar can be sold, which means that its consumption involves an implicit cost equal to buying a new bottle. But few people think this way. In fact, the so-called endowment effect, in which

PHILLIP SWAGEL is Professor of International Economic Policy at the University of Maryland School of Public Policy. Follow him on Twitter @pswagel.



From my cold, dead hands: protesting the proposed “soda ban” in New York City, July 2012

people overvalue what they have in hand, influences decisions in a variety of circumstances, even when it should not factor into optimal decision-making.

In his absorbing and accessible book, Thaler explains that such irrationalities—not failings but facts of life—mean that the mainstream economic understanding of the world and the policies it suggests can be off the mark. He explores alternative methods of optimization, notably including ways to craft policies that “nudge” people—to use the phrase popularized by Thaler and the legal scholar Cass Sunstein—toward making the decisions they would make on their own if they were acting rationally. Thaler is not alone: the broader field of behavioral science has become trendy among policymakers. In 2014, the Obama administration established a social and behavioral

sciences team to devise behavioral-based approaches to policy. When it comes to policymaking, however, behavioral economics can be easily abused. In the wrong hands, it can justify a pernicious form of paternalism under which policymakers shove, rather than nudge, to achieve their desired outcome. Thaler denounces this approach, and it is not his fault that his brainchild can be misused. But it can be, and too often is.

“A NATURAL PROGRESSION”

The Harvard economics professor Raj Chetty recently wrote that “behavioral economics represents a natural progression of (rather than a challenge to) neoclassical economic methods.” But the profession has not always seen it this way. At the start of Thaler’s career,

most economists were wary of embracing behavioral economics, whether in explaining how people behave or in formulating policy. In part, their hesitancy reflected a belief that seemingly irrational behavior could be understood as a form of optimization. Consider, for example, a firm that discriminates in hiring. At first glance, such behavior appears to be irrational, as discrimination on the grounds of race, sex, and other such characteristics would decrease profits. But in 1957, Gary Becker, an economist from the University of Chicago who went on to win a Nobel Prize, explained such discrimination by positing that employers might suffer some personal cost from hiring people they dislike. Discrimination could thus reflect an instinct to maximize personal satisfaction instead of profits. To dissuade discrimination, governments could impose a tax on it high enough to change an employer's decision calculus. (The lay reader might be forgiven for seeing a gray area between "rational" and yet subjective and personal forms of maximization and the kinds of "irrational" factors that are the purview of the behavioral economist, but to neoclassical economists and behavioralists, the dividing line is clear.)

Other apparent market imperfections can also be explained as optimizations. For example, the Nobel Prize-winning economist George Akerlof and U.S. Federal Reserve Chair Janet Yellen have explained why some employers choose to pay employees a salary higher than the going rate: under their model of "efficiency wages," an employer could rationally choose to pay a higher wage to employees whose effort is difficult to monitor in order to give them an

incentive to work hard. After all, an employee caught slacking off would risk returning to a lower-paying job. With such clever adaptations in its tool kit, mainstream economics goes far in explaining the world.

But not far enough. Beginning in the early 1970s, Thaler emerged as part of a small group including the psychologists Daniel Kahneman and Amos Tversky that began to focus on anomalies in human decision-making not easily explained by mainstream approaches. In his book, Thaler describes how the behavioralists have identified a variety of systemic biases in decision-making that prevent people from optimizing correctly. When making decisions, he writes, people are often influenced by psychological factors—how a question is phrased, for example, or whether a choice seems fair or unfair—that can lead them to act in ways that appear to be irrational. He finds that psychological factors matter even in financial markets, where one would expect monetary incentives and the presence of experts to discourage irrational behavior. In fascinating detail, Thaler describes the academic journey that began with these discoveries, generously crediting collaborators and others who have made key contributions to the field.

Thaler's is no longer a lonely journey. Behavioral economics is hot, yielding hundreds of articles in top academic journals and even a new textbook that weaves the subject through the usual introductory coursework for college students. Thaler himself has reached the peak of his profession; he is finishing a one-year term as president of the American Economic Association. And behavioral economics is having its day

in Washington; the White House team has a mission “to harness behavioral science insights to help Federal government programs better serve the nation while saving taxpayer dollars.” (In setting up this group, Washington was following the lead of British Prime Minister David Cameron, who put together a similar team a few years earlier, with advice from Thaler.) So far, the White House team has had a modest impact, such as finding ways to help people take advantage of tax-preferred savings vehicles and loan repayment programs.

There is ample room for policy that takes behavioral factors into account. Consider, for example, the Obama administration’s mortgage assistance programs, set up in the aftermath of the 2008 financial crisis to help homeowners and stabilize the housing market. Through early 2015, nearly 4.8 million homeowners had their monthly payments reduced through the U.S. government’s refinancing and loan modification programs. The government calculates, however, that there are hundreds of thousands of additional borrowers who could benefit from the programs but have not yet participated. Some of these people have good reasons for their reluctance. They may be planning to move, for example, and thus do not expect to receive enough savings to compensate for the time and effort it would take to sign up for one of the programs. But others have not signed up because they have succumbed to inertia, don’t understand the programs, or are acting irrationally. The behavioralist approach to policy would look for ways to nudge those potential beneficiaries, leading,

but not coercing, them to make the optimal decision for themselves. Done right, such a nudge would impose little to no cost on those people who are already truly optimizing by rationally choosing to go their own way.

So far, nudges have been most successful in encouraging people to save for retirement. Many companies now automatically enroll their employees in tax-preferred programs rather than requiring them to sign up for a plan, a tactic that helps employees overcome the natural tendency toward inertia. Among Thaler’s contributions to this field is a scheme, developed in collaboration with Shlomo Benartzi, a behavioral economist at the University of California, Los Angeles, known as “Save More Tomorrow,” through which employees agree in advance to increase their savings account contributions after future pay raises. By having employees set aside the extra cash only after a pay raise, ensuring that their take-home pay never declines, the policy increases savings while sidestepping employees’ psychological aversion to loss. Of course, participants retain the ability to opt out at any time—and so the policy is a nudge rather than a handcuff.

NOT JUST A NUDGE

For all the benefits of policies that incorporate behavioral economics, there is a serious concern: that policymakers can too easily move beyond nudges to something more forceful, something that reflects their preferences more than those of the people affected. When misapplied, behavioral economics provides an easy cover for policies that mistakenly assume that government officials understand people’s true desires and motivations

better than they do. Thaler's nudges are gentle; when misapplied, however, the logic of nudging can undergird more coercive practices, with significant downsides.

In their analysis of several recent energy regulations, for example, the economists Ted Gayer and W. Kip Viscusi found that paternalism, rather than sound reasoning, lay behind U.S. government decisions to regulate incandescent light bulbs and raise fuel-economy standards for cars and light trucks. Regulators claimed that these regulations were good for consumers because with them, people and businesses would have lower electricity bills and save money on gasoline. In both instances, however, the consumers and firms were likely to understand the tradeoffs involved and would, barring the regulations, have chosen to purchase incandescent bulbs and fuel-inefficient cars and trucks. As Gayer and Viscusi argue, the regulations reflect a behavioralist assumption that consumers are irrational and that their true preferences will be better reflected by choices made by government officials. The mainstream economic approach, by contrast, assumes that consumers have valid reasons for acting as they do and that someone willing to purchase a less energy-efficient light bulb or a gas-guzzling vehicle must value other aspects of what they are buying—the warmth of the light, perhaps, or the power of the engine. This approach is more likely to be correct, particularly when it comes to the decision to buy a fuel-inefficient car or truck. Presumably, consumers and businesses are acutely aware of the implications of their choices for gas costs, especially given that the U.S.

government requires new passenger vehicles to come with labels detailing annual fuel costs and other statistics related to fuel economy.

In neoclassical economics, the usual justification for a regulation is the existence of an externality, a side effect of an action that affects others but that is not reflected in the official cost or benefit of the activity in question. A factory discharging pollution, for example, imposes a negative externality on people in the area. Negative externalities can be offset by a tax: if the proper amount could be calculated, charging the polluting factory for the costs it imposes on others would lead to the socially optimal outcome with reduced emissions. Positive externalities, in contrast, call for subsidies. Subsidizing vaccines, for example, limits the spread of disease, benefiting whole communities.

It turns out, however, that the negative externalities associated with incandescent light bulbs and fuel-inefficient cars and trucks are modest. In these cases, the impact of increased energy usage on pollution and carbon emissions is relatively small, which means that society does not gain much, environmentally, from the regulations. Instead, most of the supposed benefits come from savings for the very consumers who would gladly pay more for the light bulbs and cars or trucks they actually prefer. In justifying such regulations, policymakers make vague references to consumers' supposed inability to weigh long-term benefits against near-term costs. But that reasoning does little to rescue the misguided policies, which appear to rest on the U.S. government's belief that people should use more energy-efficient products regardless of their actual preferences. This is paternalism disguised as science.

Even worse, misguided proposals can crowd out helpful ones: an excessive focus on issues of marginal impact, such as light bulbs and fuel-efficiency standards, has long sidetracked policymakers from addressing the challenges posed by climate change.

Behavioral economics has influenced not just niche areas such as energy policy but also one of most significant pieces of legislation of the past decade, the Affordable Care Act—and here, too, the results have been mixed. The act's emphasis on prevention is meant to nudge people toward long-term decision-making. By categorizing most insurance plans according to an intuitive hierarchy—bronze, silver, gold, and platinum—the law aims to provide consumers with choices that differ in meaningful but easily understandable ways. Plans labeled with higher-valued metals have a higher actuarial value of coverage: a bronze plan, for example, covers 60 percent of average health-care costs, whereas a gold plan covers 80 percent. Under behavioralist reasoning, consumers are better off with a limited set of plans than with a more expansive one, as fewer choices reduce confusion and hesitation. In reality, however, many consumers have complained that such limitations force them to choose among plans that are not tailor-made for their needs, which often results in consumers paying for coverage they do not need (near retirees being forced to pay for plans that include pediatric services, for example). To save costs, the act has reduced the size of health-care-provider networks, a move that qualifies not as a nudge but as a burdensome limit on consumers' choice of doctors.

The policy implications of behavioral economics seem likely to grow as the approach becomes more prevalent. It will be important for policymakers to keep in mind that regulators are only human and are therefore just as susceptible as consumers to poor decision-making. It would be ironic if behavioral economics, with its valid criticism of traditional economic approaches that ignore human frailties, wound up giving rise to a heavy-handed paternalism, contrary to Thaler's vision, in which government officials eschew sound policymaking under the guise of correcting imperfections. 🌍

Keeping Up With the Caliphate

An Islamic State for the Internet Age

Hisham Melhem

ISIS: The State of Terror

BY JESSICA STERN AND J. M. BERGER. HarperCollins, 2015, 416 pp.

The ISIS Apocalypse: The History, Strategy, and Doomsday Vision of the Islamic State

BY WILLIAM MCCANTS. St. Martin's Press, 2015, 256 pp.

The New Threat: The Past, Present, and Future of Islamic Militancy

BY JASON BURKE. New Press, 2015, 304 pp.

In June 2014, a small force of Islamic extremists routed the Iraqi army and seized control of Mosul, Iraq's second-largest city. The militants then swept south, capturing Tikrit, until they occupied an area the size of the United Kingdom stretching across eastern Syria and northwestern Iraq. The militants, who had previously called themselves the Islamic State of Iraq and al-Sham, or ISIS, declared themselves the Islamic State and pledged allegiance to a

HISHAM MELHEM is a columnist for *Al Arabiya* and Washington Correspondent for the Lebanese newspaper *Annahar*. Follow him on Twitter @hisham_melhem.

mysterious figure named Abu Bakr al-Baghdadi. Clad in a black turban and flowing black robes, Baghdadi addressed the world for the first time that July and announced the reestablishment of the caliphate, the kingdom of God on earth.

The speed of the Islamic State's advance stunned onlookers and appeared to herald the collapse of the state system in the Levant after generations of autocracy, economic mismanagement, and political oppression. The Western powers, including those that had drawn the very borders the Islamic State was so gleefully dismantling, seemed paralyzed by the group's sheer violence. With its mass executions documented in high-resolution video, its enslavement of women and children belonging to the non-Muslim Yazidi community, and its filmed beheadings of hostages, the Islamic State seemed intent on setting a brutal new standard for terrorist violence.

Yet just how new a phenomenon is the Islamic State? Terrorists have been waging violent insurgencies in various forms at least as far back as ancient Greece. Some have been motivated by political causes and have deployed indiscriminate violence in struggles for independence, in national resistance movements, or in pursuit of utopian secular ambitions. Others have been driven by religious fervor, inspired by apocalyptic visions, and led by charismatic prophets. The Islamic State's rhetoric, filled with references to the end times and the fulfillment of messianic prophecies, may baffle most observers, but it is merely the latest expression of a long tradition of absolutist extremism. Within Islam, this tradition reaches back past al Qaeda and the twentieth-century theoreticians of jihad, through the rise

of the ultraconservative movement of Wahhabism in the eighteenth century, and has its roots in ancient strains of Sunni theological thought.

For all the continuities between the Islamic State and past extremist movements, however, there are also stark differences in tactics and strategy. Whereas al Qaeda focused on spectacular attacks on the United States and showed some qualms about excessive violence toward fellow Muslims, for example, the militants who lead the Islamic State have focused on establishing a state in the Middle East and have shown no hesitation in massacring their coreligionists. And the Islamic State has distinguished itself from all past extremist organizations in the sophistication and scale of its use of social media and other forms of technologically advanced propaganda.

If the group is to be contained and ultimately destroyed, it is crucial for policymakers to understand precisely what differentiates it from past extremist movements. Not surprisingly, the past several months have witnessed a flood of new books addressing that subject. Three in particular merit attention; taken together, they represent the most authoritative portrait available of a movement that continues to mutate. The books show how the Islamic State represents a new and more dangerous evolution in the development of violent extremism and demonstrate its deep roots in Islamic history. They stress its control of social media and its apocalyptic vision, which are unique among current terrorist groups.

Yet the authors also agree that the Islamic State does not represent an existential danger to the West; its malignant impact will be felt most of all in



the Muslim world. It will threaten the West with the possibility of mass-casualty terrorism, but “lone wolf” attacks of limited scope are more likely. Its goals are impossible for the organization to achieve, and a broad coalition of countries is now opposed to its expansion. Military efforts should be focused on containing the Islamic State rather than pursuing a decisive military victory. And the West should exploit its control of social media platforms to counter the group’s propaganda and to blunt its ability to spread its apocalyptic narrative online.

BORN IN CHAOS

All three books tell a similar story about the rise of the Islamic State. As the terrorism experts Jessica Stern and J. M. Berger put it in *ISIS: The State of Terror*, “The rise of ISIS is, to some extent, the unintended consequence of Western intervention in Iraq.” In 2004, Osama

bin Laden reluctantly gave his blessing for the Jordanian jihadist Abu Musab al-Zarqawi to establish a local branch of al Qaeda in Iraq. In the words of Stern and Berger, Zarqawi was a “thug-turned-terrorist who brought a particularly brutal and sectarian approach to his understanding of Jihad.” It was Zarqawi who popularized the genre of filmed beheadings. Zarqawi, unlike bin Laden, believed that all Shiite Muslims should be killed and had no compunction about murdering Muslim civilians, to bin Laden’s consternation. Zarqawi’s bloody rampages and his fixation on instigating a sectarian war between Sunnis and Shiites horrified bin Laden and his deputy, Ayman al-Zawahiri, who repeatedly but unsuccessfully urged Zarqawi to change course. After Zarqawi’s death in a 2006 U.S. air strike, his organization rebranded itself as the Islamic State of Iraq (ISI).

The U.S. troop surge in Iraq in 2007 and Iraq’s so-called Sunni Awakening, when the country’s Sunni Arab communities turned against al Qaeda and other extremist militants, succeeded in greatly weakening ISI. Yet with the increasingly violent sectarianism of Iraqi Prime Minister Nouri al-Maliki, a Shiite, and the withdrawal of U.S. troops, Sunni communities found themselves disenfranchised, and ISI successfully exploited these fears to recover its strength. The outbreak of civil war in Syria in 2011 allowed the group to expand across the border, and it changed its name again, this time, in 2013, to the Islamic State of Iraq and al-Sham. Then, in June 2014, the group returned to northwestern Iraq, seized Mosul, and declared the caliphate.

Although undeniably dramatic, the group’s declaration of a new caliphate under Baghdadi was not an unprecedented

move, nor is its exploitation of apocalyptic prophecies. Throughout Islamic history, many figures have claimed the title of caliph, or ruler of all Muslims, with varying degrees of success. Some of them have waged violent campaigns to establish their legitimacy. Islamic history is also replete with false prophets, some of whom have declared themselves to be the Mahdi, the savior that some schools of Muslim theology predict will appear before the apocalypse.

In *The ISIS Apocalypse*, William McCants, a specialist in radical Islamist movements in the Middle East, provides the most comprehensive analysis so far of the central role that Sunni traditions of apocalyptic fervor play in the Islamic State’s tactics and strategy. The group’s constant invocations of the Day of Judgment and the end of time have deep roots in Muslim history. McCants describes the “striking parallels” between the rhetoric and iconography of the Islamic State and those of the Abbasid Revolution of 750, when rebels flying black flags overthrew the second caliphate and established a third. During that period of upheaval, he writes, “apocalypse, caliphate, and revolution were inseparable, just as they are for the Islamic State.”

The Islamic State also has more recent antecedents. As McCants writes, the group’s “theology and method of engaging with scripture is nearly identical to Wahhabism, the ultraconservative form of Islam found in Saudi Arabia.” McCants notes that when the Islamic State needed to distribute educational materials to schoolchildren in its stronghold in Raqqa, Syria, “it printed out copies of Saudi state textbooks found online. Unsurprisingly then, most of

the Islamic State's *hudud* penalties [the fixed punishments specified in Islamic Scripture for the most egregious crimes] are identical to penalties for the same crimes in Saudi Arabia."

The similarities between the Islamic State's theology and Wahhabism are perhaps unsurprising, given the Islamic State's roots in Wahhabi-influenced al Qaeda. In his compelling and meticulously researched book *The New Threat*, Jason Burke analyzes the origins of global jihad and the unique role of al Qaeda in shaping its development. Burke, a veteran foreign correspondent for *The Guardian*, traces the intellectual progenitors of the modern ideas of jihad that inspired bin Laden and his followers. The key figures include Sayyid Qutb, the theoretician of the Muslim Brotherhood and an iconic figure in Islamist militancy, and Abdullah Azzam, a charismatic Palestinian ideologue and polemicist whose call for Muslims to engage in "defensive jihad" was instrumental in mobilizing support and fighters for the war against the Soviets in Afghanistan. Qutb was hanged by Egyptian authorities in 1966, and Azzam was killed by a car bomb in 1989, but their ideas outlived them.

Bin Laden used the teachings of Wahhabism and the legacies of Qutb and Azzam to construct "a global narrative: of the cosmic struggle between good and evil, belief and unbelief, the mujahideen and the Crusader-Zionist Alliance," Burke writes. This Manichaean view of the world, divided sharply between the forces of good and the forces of evil, between Muslims and infidels, would be even more strongly emphasized by the Islamic State in the years following its split with al Qaeda. As McCants argues, "The U.S. invasion of Iraq and

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the stupendous violence that followed dramatically increased the Sunni public's appetite for apocalyptic explanations of a world turned upside down." The masked armies of the Islamic State—its soldiers brandishing swords, storming cities, and daring the West to fight a final cataclysmic battle—have hardly appeared from nowhere. They are just another extremist group, made up of violent men driven by the same absolutist and apocalyptic impulses that have motivated similar organizations in the past.

THE CALIPHATE ONLINE

And yet despite the similarities between the Islamic State and previous theocratic revolutionaries, from the Abbasids to the Wahhabis, the rise of the Islamic State represents something new and modern. The technologies of globalization offer contemporary radical extremists opportunities to reach mass audiences their predecessors could never have imagined, and the Islamic State has exploited these technologies more successfully than any of its contemporaries in the Islamist world. Stern and Berger's book provides the most compelling analysis yet of the group's creative and sophisticated propaganda efforts and its unprecedented use of social media. The Islamic State has several thousand active online supporters who operate in disciplined regiments. After the group posts something to the Internet—say, a beheading video—and it is authenticated, a second-tier regiment takes to Twitter to "retweet the link with a hashtag, then retweet each other's tweets and write new tweets." At coordinated times, online hashtag campaigns generate hundreds of similar tweets to create a "Twitter storm." Other members upload the material to multiple platforms so

that it remains available even if Internet providers pull the content down. If "al Qaeda was publicity-shy . . . ISIS, in contrast, is a publicity whore."

This mass online campaign has attracted supporters from all over the world; some estimates place the number of foreign fighters in Iraq and Syria at around 20,000. Their reasons for joining the jihad vary, from the promise of living in and defending the world's only ostensibly true Islamic state, to the opportunity for camaraderie and a sense of purpose, to the simple thrill of murder and the officially sanctioned practice of sex slavery—which *The New York Times* dubbed "a theology of rape." Not much is known about the volunteers who have since returned to their native countries, perhaps disillusioned and repentant, or possibly plotting terrorist attacks. The phenomenon of fighters volunteering abroad is not in itself a new one—in the Spanish Civil War, thousands of Americans and Europeans volunteered to fight for the Republicans against the Nationalists. And jihadist organizations have always attracted foreign militants. Yet the scale of the Islamic State's online presence and the ease with which a European extremist can travel to Syria have contributed to far greater numbers of Western volunteers serving with the group than ever fought for al Qaeda.

The Islamic State is also different from recent jihadist movements in the size of the territory it controls. Unlike al Qaeda, which was never particularly interested in governing or in seizing and controlling land, and which preferred to launch attacks on the U.S. homeland, the Islamic State has always wanted a state in the Middle East. As

Burke writes, “Zarqawi’s strategy was simple: to seize and hold real ground—to endure and expand, as the Islamic State’s motto later put it.” And this territory now generates a level of wealth for the Islamic State that al Qaeda never possessed. Many experts believe that the group is more than capable of financing itself through taxes and extortion, through which it takes in more than \$1 million per day, as well as oil revenues. The Islamic State may well be the richest terrorist group ever.

A WAR ON MANY FRONTS

The Islamic State is not as terrifyingly new as so much of the media coverage has claimed, but as these books illustrate, it represents a more dangerous evolution in the jihadist movement—one that must be understood accurately if it is to be defeated. In the current debate among historians, journalists, policymakers, and scholars about the nature of the group, there are those who seek to deny that it is rooted in Islamic traditions and who claim that the self-declared caliphate has hijacked a religion of peace and distorted its humane message. Such views ignore the fact that none of the three major monotheistic religions can be considered wholly peaceful: in their sacred texts, Christianity, Islam, and Judaism all contain elements of brutality and violence. But religions cannot and should not be understood by their texts alone. The lived history of a community of believers defines a religion; a great deal depends on how the custodians of a faith choose to interpret, defend, exploit, or abuse its sacred texts. The crusaders who slaughtered their way to Jerusalem in 1099 were as Christian as the Christians of

the Renaissance and of today. The Islamic State is as much a part of Islam as Baghdad, Cairo, Córdoba, and Damascus were during their golden ages as centers of learning and high culture.

It is crucial, for the Islamic world above all, to recognize that the Islamic State has deep roots in Islamic traditions. Containing it will require the support of Arab and Muslim allies, and it is only by placing the group in the proper historical and cultural context that it can be demystified in the Muslim world. Once Muslims in the Middle East free themselves from the delusion that the Islamic State is a wholly alien phenomenon and recognize that the group’s false Mahdis and caliphs are but the latest in a long and bloody genealogy, they might come to see the fight against the Islamic State for what it is: a struggle to determine which tradition within Islam will define the religion going forward.

The authors of these three books do not foresee the group’s demise in the near future. They counsel Western powers against overreacting to the threat, which would undermine civil liberties at home and deepen the rift between Western countries and Muslim-majority states. But the Islamic State will not simply collapse on its own. The fight against the group is as much a war against an idea as it is a battle against armed militants. It must be fought not only on the frontlines of Iraq and Syria but also on every platform, electronic or otherwise, that the extremists use to spread their vision. 🌐

Recent Books

Political and Legal

G. John Ikenberry

The Question of Intervention: John Stuart Mill and the Responsibility to Protect
 BY MICHAEL DOYLE. Yale University Press, 2015, 288 pp.

Since the 1990s, in the wake of humanitarian emergencies, violent civil wars, and terrorist attacks, the tension between the norm of state sovereignty and the need to prevent atrocities has become more intense, forcing the UN and great powers to repeatedly ponder what circumstances, if any, justify international intervention. In this magisterial study, Doyle provides the most thoughtful and searching exploration yet of this dilemma. The book builds on John Stuart Mill's classic 1859 essay on the norm of nonintervention and the prudential terms for its violation. Doyle finds Mills' analysis flawed but sufficiently compelling to use as a starting point for the construction of a moral logic for liberal interventionism. He sifts through a rich array of cases from the nineteenth century to the present day to ascertain the costs and consequences of intervention, identifying circumstances that justify exceptions to and overrides of the nonintervention principle. Affirming the progress represented by the UN's "responsibility to protect" doctrine, which was formally articulated in 2005, Doyle makes the case for limited, cautious, and multilateral interventions that require both a license and a leash.

The Country of First Boys
 BY AMARTYA SEN. Oxford University Press, 2015, 328 pp.

Sen has always been an economist with a humanistic sensibility, exploring the fraught possibilities of human advancement through the spread of markets while maintaining a commitment to global social justice. The essays collected here cover a wide range of topics—poverty, war, trade, development, freedom, education—sometimes offering sweeping arguments about modernity and social change and at other times looking for insights in small places, such as a school for girls in India. Sen rejects the view of "antiglobalizers," who claim that international trade inherently stacks the deck against weak and poor countries. Sen argues that the poor would be even worse off in closed societies, without access to technology, trade, and the political benefits of living in an open world. The challenge, Sen argues, is to organize the global political economy so that it will more widely distribute the benefits of globalization. Indeed, this is Sen's most compelling message: markets are here to stay, but they can and should be embedded in wider systems of social support and protections that can bring the world closer to a more just—or at least more tolerable—global order.

Sovereignty: The Origin and Future of a Political and Legal Concept
 BY DIETER GRIMM. TRANSLATED BY BELINDA COOPER. Columbia University Press, 2015, 192 pp.

Grimm provides a learned but accessible history of the concept of sovereignty,

framing it as a story of centuries of contestation over who or what possesses the right to rule. He is particularly good at situating the great theorists of sovereignty—Bodin, Grotius, Hobbes, Locke, Rousseau, Vattel, and Hegel—in their historical contexts. Along the way, Grimm illuminates the three great “revolutions” that brought the concept of sovereignty into the twentieth century: the rise of the state as an abstract entity, independent of religion or a specific monarch; the idea of popular sovereignty, manifest in the constitutional rule of law; and the globalization of sovereign territorial rule based on state formation. Like most other histories of sovereignty, Grimm’s is deeply Eurocentric. He only hints at the political explosiveness of the idea of sovereignty representing the “legal independence of states,” which was enshrined in the Westphalian settlement of 1648 and created a political logic in which the relationship between states was based on coordination rather than subordination. That subversive idea set the stage for the crumbling of empires and the spread of the Westphalian state system during the twentieth century.

Imperialism Past and Present

BY EMANUELE SACCARELLI AND LATHA VARADARAJAN. Oxford University Press, 2015, 272 pp.

Empires have existed since ancient times, but the term “imperialism” came into use only in the 1860s, when it was coined to describe the extraordinary burst of worldwide competition among European powers for control of markets and territory. With the post–World War II

spread of national independence movements in Asia and Africa, the age of empire seemed to end, and the term “imperialism” became less a descriptor than an epithet. Saccarelli and Varadarajan seek to recover the idea of imperialism as a system of global domination. In their view, imperialism remains a constant and abiding force, evolving to fit the era. Since the end of the Cold War, they argue, the United States has pursued “neo-imperialism,” made manifest in Washington’s wars and interventions in Afghanistan, Iraq, Libya, and elsewhere. The authors are surely right that global structures of power and domination did not disappear when the Cold War ended. But the book does not advance a coherent theory of imperialism that connects the dynamics of capitalism to contemporary European or U.S. foreign policies.

War and Democratic Constraint: How the Public Influences Foreign Policy

BY MATTHEW A. BAUM AND PHILIP B. K. POTTER. Princeton University Press, 2015, 280 pp.

This groundbreaking study examines the degree to which public opinion in democratic countries constrains leaders when it comes to foreign policy decisions—and finds a great degree of variability. A vivid recent illustration came in the run-up to the Iraq war, when British Prime Minister Tony Blair was able to resist strong domestic opposition and commit troops to the U.S.-led invasion while other European governments were not. Baum and Potter argue that the combination of potent partisan opposition and open media makes it harder for leaders to

ignore popular dissent when it comes to decisions about the use of force. The authors analyze enormous amounts of data ranging from 1965 until 2006 and find that countries where information flowed most freely—stimulated by partisan politics and open media—were the least likely to initiate conflict. They also report that countries with more political parties have tended to generate more public opposition to wars and to contribute fewer troops to “coalitions of the willing.” The book’s most striking message is that although a “democratic constraint” does exist, it is fragile: antiwar publics can often be outmaneuvered by their leaders.

Economic, Social, and Environmental

Richard N. Cooper

Other People’s Money: The Real Business of Finance

BY JOHN KAY. PublicAffairs, 2015, 352 pp.

This important book is simultaneously a clear primer on modern financial systems and a scathing indictment of them. It acknowledges the essential role of finance in modern economies but levels three critical charges at modern financial systems: they are larger than necessary, they perform inefficiently or worse, and they transfer unjustifiably large sums of money to the financial sector from the rest of the economy. Financial sectors have become self-

referential systems, preoccupied with trading within the sector rather than providing services to households and nonfinancial firms. Along with offering this detailed diagnosis, Kay suggests some prescriptions: separate deposit-taking institutions from those that handle most other financial activities; require that financial firms maintain adequate levels of capital, which would lower returns on equity and eventually lead to a market-driven reduction in largely superfluous financial trading; and impose strict liability on managers, since those who are richly rewarded should take the rap for any malfeasance that happens on their watch—and ignorance should be no defense.

The Economics of Inequality

BY THOMAS PIKETTY.

TRANSLATED BY ARTHUR GOLDHAMMER. Harvard University Press, 2015, 160 pp.

Piketty first published this book in French in 1997, long before he became famous. Translated into English for the first time, it offers an exceptionally clear, cogent, and coherent discussion of economic inequality. The analysis is necessarily technical in places, but Piketty carefully explains the technicalities. He draws heavily on data from France and the United States but also offers broader international comparisons. The book also takes some instructive excursions into topics such as savings and investment, education, affirmative action, unions, and the minimum wage. Mainly, however, Piketty is concerned with the debate between those who argue that

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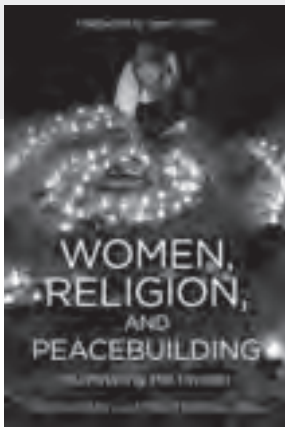
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serious attempts to redistribute income will result in everyone being worse off and those who claim that social justice requires redistribution in modern economies and can be achieved without inflicting widespread damage. Piketty is sympathetic to the social justice argument but recognizes that the economic details of redistribution are devilishly complicated and that efficient redistributive policies depend quite a bit on the context in which they are adopted and applied.

The Truth About Inflation

BY PAUL DONOVAN. Routledge, 2015, 200 pp.

Inflation is usually considered simple, straightforward, and undesirable; that, at least, is the view promoted by many central bankers and some economists. Donovan counters that inflation is anything but straightforward and contends that whether it is good or bad depends on one's circumstances. His book is a careful and sober attempt to dispel the many myths and half-truths that surround discussions of inflation, starting with how it is actually measured and how different measures are relevant for the young and the old, the rich and the poor, lenders and borrowers, and savers and investors. Contrary to common fears, governments do not typically allow inflation to grow in order to reduce the real value of their debts, even if they occasionally can do so; they usually find other ways to reduce their debt burdens. The author draws heavily on the British experience with inflation, but the same myths—and

the same refutations—apply to most developed nations.

The Public Wealth of Nations: How Management of Public Assets Can Boost or Bust Economic Growth

BY DAG DETTER AND STEFAN FOLSTER. Palgrave Macmillan, 2015, 244 pp.

This significant book makes two simple but important points. First, government-owned assets typically exceed public debts, often by a large margin. Of the 33 countries for which estimates exist, only in Belgium and El Salvador does sovereign debt significantly exceed public assets. In all the other countries, assets exceed debt by at least 50 percent—and probably by much more than that, since assets are usually understated for various reasons. The second point is that public assets are typically poorly managed and therefore represent a promising source of new government revenue, if only states could figure out how to take better advantage of them. Detter and Folster draw on many concrete examples, especially from Singapore and Sweden, to show how governments can use public assets to increase revenue, reduce costs, and improve services. Restructuring and rationalizing public commercial enterprises to make them more efficient and revenue-minded would considerably reduce the pressure on constrained government budgets all over the world.

International Organization in Time: Fragmentation and Reform

BY TINE HANRIEDER. Oxford University Press, 2015, 272 pp.

All large organizations tend to become bureaucratized and stodgy over time. Institutional inertia sets in, and vested interests resist change. Yet the rapidly changing world requires constructive adaptation. The private sector relies on competition (and occasional recessions) to shake firms out of their traditional ways. The public sector relies on innovative officials, sometimes prodded by parliamentary or congressional oversight—an imperfect process, especially when it comes to international organizations. Hanrieder's perceptive book details several failed attempts to reform the World Health Organization by aiming to reverse the organization's fragmentation and to introduce greater coherence into its policies and practices. A functional WHO should be a wholly uncontroversial, consensus goal; after all, everyone favors good health and the containment of contagious diseases. Yet the WHO has become factionalized by region and in some places has lapsed into patronage and inefficiency, which have proved difficult to overcome. Hanrieder also looks at mostly unsuccessful reform efforts at UNESCO and the International Labor Organization. Despite the book's excessive use of political science jargon, its discouraging analysis is valuable and applicable to many organizations.

Military, Scientific, and Technological

Lawrence D. Freedman

After Hitler: The Last Days of the Second World War in Europe

BY MICHAEL JONES. John Murray, 2015, 400 pp.

This admirable book covers the last ten days of World War II in Europe, starting with April 30, 1945, the day of Hitler's suicide, and concluding on May 9, by which point all German soldiers had surrendered. The book's strength lies in Jones' well-crafted account of the complex negotiations over the pace, manner, and location of the surrender. Admiral Karl Dönitz, Hitler's anointed successor, believed that there were sufficient German fighters, still imbued with Nazi faith, to mount a rear-guard action to split the Allies. But most Germans, aware that the cause was hopelessly lost, sought to hand themselves over to the Americans, the British, or the Canadians—staying as far away as possible from the Russians. All the parties had an eye on how the conclusion of the war might shape the coming political struggles. Although Jones passes too lightly over the backstories of certain events, he skillfully uses diaries and other memoirs to vividly re-create dramatic moments: German civilians suddenly at the mercy of Soviet forces, British troops recoiling at the horror and degradation they found at Nazi concentration camps, and the camaraderie-

filled first encounters between victorious troops from the East and the West.

The Billion Dollar Spy: A True Story of Cold War Espionage and Betrayal

BY DAVID E. HOFFMAN. Doubleday, 2015, 336 pp.

Drawing on numerous interviews and recently declassified documents, Hoffman's latest book is a must-read for aficionados of Cold War spy thrillers. Few other works describe in such detail what it meant to run American agents in Cold War-era Moscow: elaborate ruses to fool the KGB, tests to determine whether a promising new agent was in fact a plant, and constant tension between demands for more information and the need to protect agents. At the center of Hoffman's story stands the Soviet radar expert Adolf Tolkachev, who was deeply disillusioned with the Soviet system and determined to hand over whatever secrets he could to the United States. To a remarkable degree, he succeeded—until 1985, when he was betrayed by a disgruntled CIA employee. The picture of Tolkachev that emerges is complex. He sought large payments for his help, not to spend the money but simply to demonstrate his worth, while also gratefully receiving kitschy tokens of Americana for his son. Not only was his information about Soviet technology valuable, but so was his example: he demonstrated that good intelligence could be collected by old-fashioned espionage as well as advanced technology.

Objective Troy: A Terrorist, a President, and the Rise of the Drone

BY SCOTT SHANE. Tim Duggan Books, 2015, 416 pp.

Targeted assassinations using drones raise questions not only of legality and morality but also of efficacy and prudence. The martyrdom of drone targets and the anger at the civilian casualties that drone attacks cause might arouse more militant activity than the assassinations prevent. And terrorists themselves might someday use drones. Shane illuminates these issues by examining U.S. President Barack Obama's decision to approve the killing of a U.S. citizen in Yemen, Anwar al-Awlaki, whom U.S. intelligence suspected of having ties to al Qaeda. Shane suggests an intriguing parallel in Obama's and Awlaki's trajectories. Although Obama ultimately embraced targeting killing, he came to office wishing to build bridges with Muslim countries and troubled by how his predecessor had conducted the "war on terror." For most of his life, Awlaki had seemed comfortable in the United States, and his initial response to the 9/11 attacks had been moderate. He became an unusually influential extremist preacher only after he fled the United States for Yemen on learning that the FBI had uncovered embarrassing details about his personal life while investigating his suspected connections to terrorists. Although clearly unhappy with Obama's decision to authorize the assassination, Shane recognizes how difficult it would have been for the U.S. president to eschew one of the few means available for dealing directly with terrorist threats.

Ghost Fleet: A Novel of the Next World War
BY P. W. SINGER AND AUGUST
COLE. Houghton Mifflin Harcourt,
2015, 416 pp.

Singer and Cole use this fast-paced tale of a hypothetical future war between the United States and a somewhat tentative Sino-Russian alliance to explore the vulnerabilities of advanced weapons systems and the advantages of more basic weaponry. After effectively blinding U.S. surveillance with cyberweapons, China attacks Pearl Harbor and occupies Hawaii. The “ghost fleet” of the title is a collection of mothballed U.S. ships whose outdated technology allows them to survive in an environment in which new systems are unable to operate. The ghost fleet—along with other old-fashioned weapons, such as patriotism, grit, and self-sacrifice—allows the United States to fight back. The authors have fun (and so does the reader) imagining a world shaped by the widespread use of stimulant drugs and Google Glass-like devices and in which women play vital combat roles. One problem is that it’s never quite clear why the war started, nor why the Russians joined the fight. As always, when drawing up scenarios for future wars, the hardest thing to do is make the politics credible.

The Right Way to Lose a War: America in an Age of Unwinnable Conflicts
BY DOMINIC TIERNEY. Little, Brown,
2015, 400 pp.

It is a sign of the times that Tierney’s brave and interesting book begins with the assumption that most contemporary

wars are essentially unwinnable for the United States. This is because they are civil conflicts rather than interstate wars. The United States tends to find itself in uncomfortable positions when intervening in such conflicts, quickly looking for a way out; indigenous forces, by contrast, often know how to play the long game required by such situations. The simplest way to avoid unwinnable wars is not to engage in them in the first place, but Tierney is not sure it will always be possible for Washington to stay out. If intervention becomes necessary, Tierney urges U.S. officials to think carefully about the difficult security challenges that arise even after relatively easy initial combat successes and to remember the importance of a credible exit strategy. Tierney’s argument is imaginatively organized around a sequence he dubs “surge, talk, and leave”: strengthening one’s position before engaging in negotiations that might allow for a dignified departure.

The United States

Walter Russell Mead

Kissinger, 1923–1968: The Idealist
BY NIALL FERGUSON. Penguin Press,
2015, 1,008 pp.

Henry Kissinger is the most brilliant U.S. diplomat since World War II; he is also the most controversial. This first volume of Ferguson’s authorized biography of Kissinger ends in January 1969, when Richard Nixon had been elected as U.S.

president but not inaugurated and Kissinger had been selected as Nixon's national security adviser but not yet appointed. Ferguson argues that the young Kissinger was no Machiavellian realist, and he persuasively makes the case that Kissinger saw neither Metternich nor Bismarck as a model to emulate. In Ferguson's account, Kissinger appears as a Kantian, rather than a Wilsonian, idealist who believes that the duty of a statesman is to choose among evils. Ferguson follows Kissinger as he streaked across the American intellectual sky like a meteor. He was already famous in the 1950s; during the Kennedy and Johnson years, he was already engaged in negotiations with North Vietnam. Every serious student of U.S. policy and history will want to read this compelling book about a towering figure.

Go Set a Watchman

BY HARPER LEE. HarperCollins, 2015, 288 pp.

Harper Lee's novel *To Kill a Mockingbird* tells the story of Atticus Finch, a small-town Alabama lawyer who risks ostracism and violence to defend an obviously innocent African American man against a false charge of rape; the tale is narrated by Finch's tomboy daughter, Scout. More than half a century after its publication, it remains one of the most popular works in the American canon. Yet some readers have objected over the years to what they deemed to be an excessively saintly portrayal of Finch. It turns out that prior to writing *To Kill a Mockingbird*, Lee wrote a different novel—featuring most of the same characters but set

about two decades later—in which she wrestles with some of the ambiguities and shadows she tiptoes around in *To Kill a Mockingbird*. In *Go Set a Watchman*, Scout is forced to face harsh realities about race relations and about her family's complicity in an ugly system when she finds her father at a White Citizens' Council meeting planning resistance to racial integration. William Faulkner and Ralph Ellison wrote more profoundly than Lee about race in America, and Flannery O'Connor had a sharper eye for the South. Still, the grace and sincerity of Lee's fiction have helped sharpen the consciences of millions of readers; many writers have published far more to far less effect.

The Obama Doctrine: American Grand Strategy Today

BY COLIN DUECK. Oxford University Press, 2015, 336 pp.

Dueck's book, which should be required reading for 2016 presidential candidates and their staffs, offers a critique of U.S. President Barack Obama's foreign policy, an overview of the state of the foreign policy debate among Republican voters, and some foreign policy prescriptions that Dueck believes would help the eventual GOP candidate unite the Republicans and reach out to independents and some Democrats. Dueck argues that Obama has sought to be a transformational president—but in domestic rather than foreign policy. Obama's overriding goal has been to prevent foreign policy entanglements from splitting his electoral coalition and diverting economic resources away from the nation building that

he believes the United States needs to do at home. As for the GOP, Dueck sees a party divided into three factions: libertarian neo-isolationists, conservative internationalists, and conservative nationalists. The three groups command roughly equal support in the party, Dueck maintains, but conservative nationalists may prove decisive in the 2016 primaries. Dueck advises the next administration to embrace “conservative American realism,” an approach that focuses more on conserving the foundations of U.S. primacy than on transforming the world in the United States’ image.

African Americans in U.S. Foreign Policy: From the Era of Frederick Douglass to the Age of Obama

EDITED BY LINDA HEYWOOD,
ALLISON BLAKELY, CHARLES
STITH, AND JOSHUA C.
YESNOWITZ. University of Illinois
Press, 2015, 264 pp.

Young Americans might take for granted the presence of African Americans in high-level U.S. foreign policy circles; after all, the U.S. president and his national security adviser are black, and in the past decade, two African Americans have served as U.S. secretary of state. But it has been a long road, as this useful collection of essays by noted scholars reveals with its in-depth look at the history of African American international engagement going back to Frederick Douglass’ service as the U.S. minister to Haiti. One theme that links these essays is the difficult line African Americans have had to walk: on the one hand, they represent the government

and people of the United States; on the other, they belong to a racial minority that has suffered greatly from both informal and legally sanctioned discrimination—and worse. Another common theme is the continuing hold of Africa on the imaginations of black Americans: one should expect the continuing rise of African Americans in the nation’s foreign policy establishment to result in closer ties between the United States and the countries of Africa.

Reinhold Niebuhr: Major Works on Religion and Politics

BY REINHOLD NIEBUHR. Library of America, 2015, 850 pp.

The indispensable Library of America, the most useful publishing venture in American letters, has produced an edition of Niebuhr’s major works, annotated by Niebuhr’s daughter, Elisabeth Sifton, a highly regarded editor and publisher. It belongs in the library of every student of U.S. foreign policy. Niebuhr, a Protestant pastor and theologian whose career stretched from World War I to the Vietnam era, was one of the United States’ keenest social thinkers. His approach to foreign policy, often known as “Christian realism,” was at bottom an attempt to bridge the gulf between the idealism promoted by American religious culture and the difficult choices that confronted a global superpower in an era of struggle against totalitarian regimes. For American thinkers such as George Kennan and Arthur Schlesinger, Jr.—to say nothing of President Barack Obama, whose 2009 Nobel Peace Prize acceptance speech was steeped in Niebuhrian thought—Niebuhr’s synthesis

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—Lynda Hammes, Publisher

has offered an alternative to other-worldly idealism and cold-blooded Machiavellian realism.

Western Europe

Andrew Moravcsik

How the French Think: An Affectionate Portrait of an Intellectual People

BY SUDHIR HAZAREESINGH. Basic Books, 2015, 352 pp.

Hazareesingh explains French intellectual life more clearly than his subjects themselves possibly could, caught up as they are in the discourses, habits of mind, and pathologies he describes. The book begins with a set of familiar stereotypes and bons mots about French thinkers: their tendency to privilege deduction over empiricism, abstraction over concreteness, and style over substance. Yet it soon delves deeper, focusing with great intelligence and subtlety on distinctively French conceptions of history, nationhood, democratic participation, existentialism, and the creative tension between order and imagination. Hazareesingh closes by discussing how a current French crisis of doubt has diluted what was once a confident intellectual universalism. He sometimes falters when linking ideas to political trends and at times fails to distinguish clearly what is essentially French and what is only coincidentally so. Yet anyone who loves, loathes, or is just perplexed by self-styled French intellectuals—that is, most educated French people—should read this book.

Germany: Memories of a Nation

BY NEIL MACGREGOR. Knopf, 2015, 656 pp.

The history of Germany has been told many times, often most memorably by sophisticated, engaging Brits. MacGregor's new book, a companion to a BBC series and a London exhibition, is no exception to that tradition. Its basic theme, namely, that the German past is uniquely complex, fragmented, and self-critical, is hardly new. Yet MacGregor's presentation differs from others because it adorns each section of the book with photos and descriptions of physical objects—a technique taken from his recent bestseller, *A History of the World in 100 Objects*. These items range from the obvious, such as Martin Luther's Bible, to the obscure, such as a crude handcart that refugees used to flee East Prussia during World War II. In each case, they help lend visceral texture and immediacy to the evolution of the German spirit. To be sure, this approach has its flaws: politicians remain distant, thinkers and poets are short-changed, and composers are almost absent. But the book makes for a satisfying read nonetheless.

The Trouble With Empire: Challenges to Modern British Imperialism

BY ANTOINETTE BURTON. Oxford University Press, 2015, 336 pp.

This book begins with an overenthusiastic and unconvincing effort to distinguish itself from previous works of imperial history. Yet readers should persevere, because Burton's basic interpretation of imperial rule is provocative and relevant.

She maintains that the British Empire was never as solidly grounded as many believe: in many respects, it did not work very well, even at its height. From the American Revolution, through the Opium Wars, the Anglo-Afghan Wars, and the Anglo-Zulu War, to nationalist uprisings on the Indian subcontinent, imperial rule faced constant armed opposition. Informal labor and marketplace rebellions were commonplace. Imperial authorities often responded with cultural incomprehension and military incompetence. To be sure, this interpretation requires a rather one-sided focus on British failures, yet it does make a plausible case that even at its apex, “the empire on which the sun never set” contained the seeds of its own destruction.

Single Markets: Economic Integration in Europe and the United States

BY MICHELLE EGAN. Oxford University Press, 2015, 240 pp.

This sophisticated book compares the most ambitious and successful single market created in the late nineteenth century, the United States, with its late-twentieth-century counterpart, the EU. The comparison is instructive because, whatever economists may counsel, societies do not simply make choices to maximize economic welfare as a matter of course. Instead, they respond to complex pressures from business interests and legal advocates. Egan maintains that such pressures have ultimately led to similar outcomes on both sides of the Atlantic, generating rules to protect the free movement of goods and, eventually,

a single currency, while maintaining local restrictions on service provision and the practice of professions. What differences remain reflect inherited institutional residue. Egan makes a good case, yet substantial differences between the EU and the United States suggest that the underlying commitments to social, political, and ideological integration remain very different in the two regions: one cannot help wondering if Europeans just don't want a United States of Europe. This is nonetheless an insightful work, particularly for those who follow transatlantic regulatory matters.

Europe's Path to Crisis: Disintegration via Monetary Union

BY TOM GALLAGHER. Manchester University Press, 2014, 272 pp.

Nearly everyone now agrees that the euro is dysfunctional, at least in its current form. Among the currency's greatest liabilities is that it fuels blanket criticism of all other EU policies, most of which have actually been politically and economically successful. So in the years to come, Europe watchers should expect more books like this one, in which Gallagher tosses the baby out with the bath water. He recycles a litany of British Euroskeptical criticisms of the EU: it is, in his view, an undemocratic, left-wing superstate foisted on unsuspecting European peoples by an alliance of government bureaucrats and ideologically driven politicians. Such claims have been convincingly refuted many times, and this book provides almost no original evidence for them—even Gallagher's potted history of how the monetary union came about is unsupported by

the current historiography. Still, his description of how the monetary union is failing today is more telling, and the chapters that focus on this issue should be taken seriously.

Climate Change and European Security
BY RICHARD YOUNGS. Routledge,
2015, 144 pp.

Youngs makes the case for more decisive European action on climate change by linking environmental risks to emerging security threats. He argues that ecological stress and disasters will trigger violent conflict, border tensions, resource scarcity, economic disputes, democratic instability, increased migration, and global power shifts. Curiously, however, this book does as much to undermine its case as to make it. It demonstrates that EU officials and politicians talk a great deal about the relationship between the environment and security but have done little to address it, in large part because the link remains abstract and the concrete policy solutions unclear. Youngs' theoretical arguments for a coordinated Brussels-based approach rest on a simplistic and misapplied dichotomy whereby "realists" predict rivalry and independent pursuit of material interest and "liberals" foresee multilateral cooperation and environmental priorities. His practical proposals for fighting climate change are logistically and politically daunting, requiring heavy lifting by national militaries, UN agencies, crisis-prevention groups, development institutions, and a wide range of interest groups. It's worth wondering whether the attention paid to this trendy issue might be better applied elsewhere.

Western Hemisphere

Richard Feinberg

Latin America and the Rising South: Changing World, Changing Priorities
BY AUGUSTO DE LA TORRE,
TATIANA DIDIER, ALAIN IZE,
DANIEL LEDERMAN, AND
SERGIO L. SCHMUKLER. World
Bank, 2015, 248 pp.

In the 1960s, economic theorists divided the world into a hegemonic industrialized "North" and an exploited and impoverished "South." In this dense, data-rich milestone of a study, a group of World Bank experts argue that the rise of the Southern economies—including those of Brazil, Mexico, and other countries in Latin America—has disrupted this simple dichotomy and created a more differentiated and intertwined international economy. (In the financial sphere, however, the Northern capital centers—New York, London, Frankfurt, and Tokyo—retain their traditional dominance.) As an increasingly globalized region, Latin America depends for its future on the extent and quality of its external connections. In reaffirming the value of openness, the authors argue that trade and investment boost growth not only through efficiency gains but also by serving as conduits for learning and technology diffusion, which in turn depend on where countries fit into global supply chains. In a finding certain to raise hackles in some parts of the developing world, the study argues that "trade linkages with the North could indeed yield higher growth payoffs than trade with the South."

Empire's Crossroads: A History of the Caribbean From Columbus to the Present Day

BY CARRIE GIBSON. Atlantic Monthly Press, 2014, 480 pp.

The Caribbean—to which parts of the southern coast of the United States arguably belong—is full of places that lag behind economically. Are there common causes for their misfortunes? Gibson's social history focuses heavily on the destructive legacy of slavery, the bitter divisiveness of racism, and the brutality and inequalities of the opulent sugar plantations that dominated Caribbean economies for 300 years. The imperial powers and their commercial enterprises benefited mightily from the region's resources—Europe's Industrial Revolution was financed with sugar money—often with callous disregard for the suffering of native populations. This is a somewhat familiar story, but Gibson tells it in fluid, colorful prose peppered with telling anecdotes. She takes note of the region's many despots but does not underscore poor governance as a driving force behind the region's disappointing performance. She also asserts, not quite convincingly, that the Caribbean remains a crossroads at the center of human history: it's more likely that the mostly small island states of the region will continue to struggle for the attention of the world's bigger powers and that they will have to learn to make better use of their own resources to survive in today's fiercely competitive global economy.

¡Cuba, Cuba! 65 Years of Photography
BY THE INTERNATIONAL CENTER OF PHOTOGRAPHY. Southampton Arts Center, August–September 2015.

The over 100 photographs and political posters in this exhibit capture playful, criminal, heroic, mundane, and melancholic moments from the last 65 years of Cuban history. Drawing on several collections featuring Cuban and American artists, the exhibit's curators, the Cuban art historian Iliana Cepero and Pauline Vermare of the International Center of Photography (ICP), avoid easy stereotypes and instead artfully present Cuba's tensions and complexities. One stunning image shows the American mobster-entrepreneur Meyer Lansky dressed in a white tuxedo jacket, smiling broadly in the lobby of the iconic Hotel Habana Riviera, which he owned. Another striking photograph, with echoes of Eugène Delacroix's painting *Liberty Leading the People*, captures Cuban revolutionaries on horseback, galloping toward American-owned sugar estates that they presumably plan to seize and nationalize. Images from the 1970s and 1980s reflect Soviet-style appeals to hard work, but the Cuban laborers depicted in them retain their dignity. Present-day Cuba is pictured as fragmented, exhausted, and overwhelmed by daily deprivations. The collection omits images of Cuban President Raúl Castro and his ruling Communist Party colleagues, perhaps because they are less accessible and less colorful. The ICP hopes the exhibit will travel throughout the United States and Cuba.

Latin American Cinema

BY STEPHEN M. HART. Reaktion Books, 2015, 240 pp.

To give some structure to this collection of his brief but insightful movie reviews, Hart argues that there have been three fundamental periods in Latin American cinema: the New Latin American Cinema (1951–75), influenced by Italian neorealism; the “nation-image” era (1976–99), which recorded the brutal military regimes of the time; and the “slick grit” period (2000–2014), when the retreat of state subsidies forced directors to up their games and seek commercial success (think of the popular directors Guillermo del Toro and Alejandro González Iñárritu). But there are several themes common to these three periods: the “featurementary,” a merger of fiction and documentary; the use of nonprofessional actors and filming on location; and left-wing politics, sometimes blended into crime thrillers or science fiction, which has distinguished Latin American cinema from the ideologically barren fare Hollywood usually produces. Latin America has given the world so many great movies that one can almost forgive Hart for omitting from his survey such classics as *Lucía*, a 1968 Cuban film, and *Midaq Alley*, a 1995 Mexican film starring Salma Hayek. He also quickly passes by the stirring Mexican melodramas starring Dolores del Río and María Félix, although he recognizes in those films the roots of the fabulously popular *telenovelas* (Latin American soap operas) that have captivated audiences worldwide.

How the Gringos Stole Tequila: The Modern Age of Mexico's Most Traditional Spirit

BY CHANTAL MARTINEAU. Chicago Review Press, 2015, 304 pp.

Martineau journeys through Mexico interviewing producers of the agave-based spirits tequila and mescal. She's dismayed that international beverage distributors now design and market Mexico's signature alcoholic drinks and that techniques of mass production too often sacrifice integrity and authenticity. She is appalled at the bottling of exported bulk tequila in the United States—which consumes roughly twice as much tequila as Mexico itself—and the potential loss of quality control it represents. She mocks celebrity endorsements of brands, although she approves of the actor George Clooney donating the profits from the sales of his Casamigos tequila to humanitarian aid projects in Sudan. She is excited by the resurgence of mescal, which has retained more of its traditional methods and *terroir*. Upscale mescal has become the hip drink of sophisticated young Mexicans who wish to celebrate their national or pre-Colombian roots. An appendix lists Martineau's choices for the best-made tequilas and mescals. She is particularly fond of the brand Siete Leguas: “earthy and sweet, bursting with cooked agave flavors and hints of spice.”

Eastern Europe and Former Soviet Republics

Robert Legvold

Stalin: New Biography of a Dictator

BY OLEG V. KHLEVNIUK.

TRANSLATED BY NORA SELIGMAN FAVOROV. Yale University Press, 2015, 408 pp.

It's unusual for two masterpieces to appear within less than a year of each other on a subject that has already been pored over by countless writers from nearly every angle. That has now happened with two books about Joseph Stalin. The first was Stephen Kotkin's *Stalin: Paradoxes of Power*, the initial volume in a projected trilogy. And now appears Khlevniuk's superb book, a deeply informed and utterly compelling biography, written by a careful Russia historian who knows the relevant archival material better than any other scholar. Khlevniuk's fine filter lets through only the essentials; what he highlights is so frequently new and revealing that the portrait in the end seems more accurate and complete than anything before. Stalin and the country that produced him—and that he then harshly refashioned—emerge with stunning clarity. The integrity of Khlevniuk's account comes from his refusal to speculate beyond where hard evidence carries him. Favorov's masterful translation from the Russian preserves the book's spare, penetrating prose.

The Brothers: The Road to an American Tragedy

BY MASHA GESSEN. Riverhead, 2015, 288 pp.

Given the media attention lavished on the 2013 Boston Marathon bombing, it's understandable that readers might wonder what more there is to learn. Everything, it turns out. Gessen, in this exquisitely well-told story of Dzhokhar and Tamerlan Tsarnaev, the brothers who carried out the attack, surrounds the awful event with layer upon layer of meaning. Gessen's own Russian background helps her unravel the immensely complicated vagabond existence of the Tsarnaev family. Like many of their fellow Chechens—a people Stalin uprooted in the last stages of World War II and shipped in cattle cars to Central Asia—the Tsarnaevs struggled to find a place, first in Russia and ultimately in the United States, where they and their children could enjoy upward mobility. Gessen is personally familiar with the Russian immigrant experience and sketches with special insight how it went so awry in this case. She skillfully reconstructs and narrates the bombing and its aftermath, but it is her dogged determination to talk to everyone overseas and in the United States who knew the family that makes the book so startling and eye opening.

The End of the Cold War: 1985–1991

BY ROBERT SERVICE. PublicAffairs, 2015, 688 pp.

Service takes the vast literature on the Cold War's end, adds newly available

archival sources, and pulls it all together into a single massive history of how “Washington and Moscow achieved their improbable peace.” Instead of taking a side in the simplistic debate over whether Soviet Premier Mikhail Gorbachev’s revolution in Soviet foreign policy or U.S. President Ronald Reagan’s initial hard line deserves more credit for the outcome, Service chooses a subtler middle ground, crediting both sides. He commends the skill and flexibility of Gorbachev, Reagan, and two other men: U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze, both of whom Service places at the center of his story. The narrative weaves between the diplomatic action on multiple fronts and the political maneuvering in the United States and the Soviet Union. To cover as many elements as Service does requires very tight writing, even in a big book such as this one: as a result, he settles for sentences rather than paragraphs to cover the necessary ground.

Ukraine: What Went Wrong and How to Fix It

BY ANDERS ASLUND. Peterson Institute for International Economics, 2015, 274 pp.

No Western analyst has been more involved with or written more on Ukrainian economic reform than Aslund. Here, he offers a manual of sorts on what the Ukrainian government and its international benefactors must do if Ukraine is to claw its way out of its current economic crisis. Reforms, he argues, must be “radical, comprehensive, and front-loaded,” noting that “all

gradual reforms in crisis situations have failed.” The EU must step forward with an aid package as ambitious as the Marshall Plan. But political reform must come first, and Aslund details the progress Ukraine has achieved on that front in the past two years. Still, much remains to be done, and he urges campaign finance reform, the elimination of parliamentary immunity, and the decentralization of economic and political power. Those steps will pave the way for deeper changes: new anticorruption policies and practices, measures to achieve financial stability and sustainability, the transformation of the energy sector, and new social policy. In all these areas, Aslund proposes concrete steps based on his deep experience.

Broad Is My Native Land: Repertoires and Regimes of Migration in Russia’s Twentieth Century

BY LEWIS H. SIEGELBAUM AND LESLIE PAGE MOCH. Cornell University Press, 2014, 440 pp.

The internal movement of peoples shapes the fabric of nearly every country. In Russia’s case, the most familiar images of migration involve Siberian exile, Stalin’s gulag, and savage forced resettlements. Siegelbaum and Moch argue that, in reality, throughout three distinct periods in Russian history—the late imperial era, the Soviet years, and today—the phenomenon has been far more complex. During the twentieth century, most of the people who moved about the vast Russian territory—settlers, “career migrants,” evacuees, military recruits, and deportees—did so at the state’s behest. But many others, such as seasonal workers, refugees, and itinerant

laborers, often migrated for their own, often compelling reasons. Whether people were coerced into moving or did so voluntarily, they developed distinctive ways of dealing with displacement. The authors address what all this movement meant to these different groups and to society at large, offering insights into a little-understood aspect of Russian history.

Warlords and Coalition Politics in Post-Soviet States

BY JESSE DRISCOLL. Cambridge University Press, 2015, 264 pp.

Taking a deep look at the fighting that took place in Georgia and Tajikistan in the early 1990s after the Soviet Union disbanded, Driscoll questions many of the core assumptions scholars make in the literature on international peacekeeping. He knows this academic field well and is fluent in its key arguments, but he also spent two years in the places where these wars occurred and among those who fought them. This kind of firsthand research gives his analysis real heft. In both cases, it was not the eventual triumph of state authority, the clear defeat of one side, the disarming of the warring parties, or the arbitration of international mediators that allowed the conflict to end, as many theorists would assume. Rather, he argues, it was the deals that opposing warlords worked out among themselves, based on the bounty they could share, in a system that tolerated or even exploited their avarice—not least because they frequently came to constitute the state. In both cases, Russia acted not as an honest broker but as a source of the spoils of war.

Middle East

John Waterbury

The Unraveling: High Hopes and Missed Opportunities in Iraq

BY EMMA SKY. PublicAffairs, 2015, 400 pp.

Sky, a British expert on development and conflict resolution in the Middle East, opposed the U.S.-led 2003 invasion of Iraq. To atone for her country's involvement, she volunteered to work for the Coalition Provisional Authority, which was set up by the Americans to govern Iraq. She ended up spending six years in Iraq, first as the senior CPA civilian official in Kirkuk and then as a political adviser to the U.S. generals running the war; she worked especially closely with General Raymond Odierno. Like many soldiers and journalists who hang out in combat zones, she became addicted to the tension and loyal to her colleagues. The book is a fast-paced diary based entirely on her recollections and enlivened by her skillful character sketches. But it doesn't shed much new light: in line with other, more analytic accounts of the war, Sky's narrative suggests that Iraq's "unraveling" was not inevitable but rather the result of poor decisions on the part of clumsy leaders. She faults Washington—and in particular U.S. Vice President Joe Biden—for trusting too much in Iraqi Prime Minister Nouri al-Maliki. "Biden was a nice man," Sky writes, "but he simply had the wrong instincts on Iraq."

One Islam, Many Muslim Worlds: Spirituality, Identity, and Resistance Across Islamic Lands

BY RAYMOND WILLIAM BAKER.
Oxford University Press, 2015, 392 pp.

Baker is an old Middle East hand, and this intriguing but exasperating book is built on decades of residence in and reflection on the Islamic world. He argues that the vast majority of the globe's 1.6 billion Muslims are inspired by "midstream" Islam, which is humanistic and democratic, eschewing violence except in self-defense. Baker asserts the existence of this midstream without providing much empirical evidence. He appears untroubled that its leading clerical figures—such as Alija Izetbegovic in Bosnia, Mohammad Hussein Fadlallah in Lebanon, Yusuf al-Qaradawi in Qatar, and Rachid al-Ghannouchi in Tunisia—are either dead or very old. Moreover, the only book Baker points to that might qualify as a middle-of-the-road manifesto—*A Contemporary Islamic Vision: Declaration of Principles*, by the moderate Egyptian Islamist attorney Ahmed Kamal Abul Magd—was published in 1991. In Baker's portrait, most of the world's Muslims are constantly searching for justice and resisting injustice, whose main source is the United States and its quest for empire. But Baker's depiction of U.S. policy is a caricature. For Baker, Washington's thirst for oil, desire for more military bases, and devotion to Israel mean that the United States cannot tolerate an Islam "which embodies the cosmic human struggle for justice in the face of evil."

Islam and Democracy After the Arab Spring

BY JOHN L. ESPOSITO, TAMARA SONN, AND JOHN O. VOLL. Oxford University Press, 2015, 320 pp.

The authors are at pains to refute the idea that Islam is incompatible with democracy, citing survey data showing that Muslims everywhere aspire to it. They examine six Muslim-majority countries—Indonesia, Iran, Pakistan, Senegal, Tunisia, and Turkey—that enjoy some degree of democratic practice or tradition and also look at one autocracy, Egypt. They explain why some of these countries are more democratic than others by pointing to contingent factors involving military influence, economic conditions, and external actors. But their survey is incomplete: the vast differences in socioeconomic conditions among the seven is not systematically examined. Moreover, the authors make scant reference to the relative absence of democracy in the Arab world. Nor do they take into account quantitative analyses correlating the absence of democracy with the presence of Islam. Of the countries they study, the most stable appear to be Indonesia, where most Muslims practice a syncretic version of Islam, and Senegal, where relatively moderate Sufi orders prevail.

Islam in Saudi Arabia

BY DAVID COMMINS. Cornell University Press, 2015, 224 pp.

Commins breaks no new ground, but he has produced a succinct and insightful survey of puritanical Wahhabi Islam

in Saudi Arabia. He covers history, doctrinal issues, the symbiosis of the ruling family with the Wahhabi clergy, and everyday Islamic practice in the realms of education, moral standards, law, charity, and gender. Commins is scrupulously nonjudgmental. He stresses, as have others, that the deal between the clergy and the House of Saud remains solid: the Wahhabis continue to eschew any kind of political challenge in return for state sponsorship of their school of belief and practice. As a result, Commins notes, Wahhabism has been superimposed for two centuries on a society that was traditionally much more plural, with important roles for Shiites and Sufi mystics. Because the kingdom is the protector of the holy cities of Mecca and Medina, and because of Saudi Arabia's enormous oil wealth, Wahhabism has been punching above its weight in the Muslim world. There is an inherent tension, however: the kingdom relies on the United States to protect its oil wealth, and the Wahhabis view such reliance as tantamount to apostasy.

The Arabs at War in Afghanistan
BY MUSTAFA HAMID AND LEAH FARRALL. Hurst, 2015, 355 pp.

It's always interesting to imagine dialogues with one's adversaries. Farrall, a former Australian intelligence analyst, and Hamid, an Egyptian who traveled to Afghanistan to fight the Soviets in 1979 and remained involved in jihadist circles there for the next two decades, actually had a chance to communicate over a four-year period, over the Internet and in person. In the conversations

between them collected in this book, Hamid recounts how, once ensconced in Afghanistan, Osama bin Laden was influenced by young Arab extremists who were more enthralled by martyrdom than by building an Islamic society. Partly as a result, bin Laden adopted an international agenda, declaring war against the United States in 1996 and sponsoring the 9/11 attacks in 2001. This strategy proved to be a disaster for his Taliban hosts and, ultimately, for al Qaeda. Hamid saw bin Laden as a man of integrity, with deep pockets and very poor judgment. According to Hamid, bin Laden had no strategy other than to lure the United States into direct combat, and he did not realize that the war with the Soviets was not a model for a war with the Americans.

Asia and Pacific

Andrew J. Nathan

China's Human Rights Lawyers: Advocacy and Resistance

BY EVA PILS. Routledge, 2015, 298 pp.

Pils, a legal scholar, interviewed nearly half of the 200 or so lawyers in China who try to use Chinese courts to protect citizens from abuse by local officials and police. They were typically drawn into this type of work by encounters with clients who had been tortured into false confessions or who had lost their houses to corrupt developers. As they were radicalized by the Kafkaesque obstacles they

confronted in court, these “rights protection” lawyers (as they are known in China) developed a strategy of “taking the play for the real”: arguing their cases as if the legal system were independent and using the inevitable defeats to show that it is not. Pils provides extraordinary insight into how the government controls lawyers through a mix of bureaucratic procedures and extralegal coercion and how the legal system works against citizens when their claims challenge official prerogatives. Despite the regime’s recent emphasis on “building the rule of law,” the government recently detained virtually all of China’s rights-protection lawyers and indicated that it will try some of them for crimes such as “inciting subversion of state power.”

China’s Futures: PRC Elites Debate Economics, Politics, and Foreign Policy
BY DANIEL C. LYNCH. Stanford University Press, 2015, 352 pp.

Most of what outside observers know about policy controversies in China revolves around the lopsided struggle between the entrenched authoritarian leadership and the small cadre of beleaguered dissidents who want human rights and constitutional democracy. But as Lynch reveals, there are real, if narrower, debates taking place inside the system, mostly among academics and think-tank staffers writing in policy journals and classified newsletters. On economics, much of the commentary runs counter to the regime’s happy talk, pointing to problems such as an aging work force, the politicized allocation of credit, and government control

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of the land market. On international relations, by contrast, many specialists express what Lynch calls a “belle-époque hubris,” urging the government to be even more assertive than it already is. Commentators on domestic politics do not challenge one-party rule, but some call for more “inner-party democracy,” while others view authoritarianism as a developmental stage that will lead to democracy, and a third group is even more rigid than the Chinese Communist Party itself, portraying the current system as perfectly suited to Chinese culture. No one knows the extent to which these debates influence policy, but this skillful inquiry shows how informed insiders see China’s possible future trajectories.

China and Cybersecurity: Espionage, Strategy, and Politics in the Digital Domain

EDITED BY JON R. LINDSAY, TAI MING CHEUNG, AND DEREK S. REVERON. Oxford University Press, 2015, 398 pp.

This book’s contributors argue that China is not the electronic supervillain it is often thought to be. Despite the regime’s hefty investment in digital espionage and cyberwar capabilities, its networks are less secure than those in the United States, the Chinese agencies that make cybersecurity policy are more fragmented than their U.S. counterparts, and the country suffers losses worth close to \$1 billion a year because of weak policing of online theft and fraud. China conducts a great deal of industrial espionage, but its enterprises have a hard time filtering and applying

the vast amount of data their hackers steal. Looking only at the Chinese side of the relationship, the book does not detail the digital threats that the United States poses to China. But Chinese thinkers believe they are significant, and given China’s strategic doctrine of striking first and massively, this creates the risk that in a crisis, Beijing might launch a preemptive cyberattack. The fact that Chinese and Western experts cooperated in this pathbreaking book shows that there is a potential for working together. But there are many obstacles, including the inherent secrecy of the field.

The China-Pakistan Axis: Asia’s New Geopolitics

BY ANDREW SMALL. Oxford University Press, 2015, 288 pp.

China has been Pakistan’s most consistent supporter for over half a century, but always with the instrumental purpose of maintaining a counterweight to India rather than out of ideological or cultural affinity. No wonder the relationship has frequently disappointed Pakistani hopes. China stood by when Indian troops helped dismember Pakistan during the 1971 rebellion in East Pakistan (now Bangladesh). China helped Pakistan get nuclear weapons in order to weaken the Indian nuclear threat to China, but then lobbied against Pakistani adventurism that risked triggering a war with India. It encouraged Pakistan to sponsor jihadist militants to attack the Soviets in Afghanistan, but then pressured Pakistan to rein in the jihadists who were targeting Chinese rule in Xinjiang. Today, China needs Pakistan to anchor

Chinese plans to develop infrastructure in South Asia and Central Asia, but China will not get deeply involved enough in Pakistan to fix the instability that renders that country a risky venue for investment. Given the frustrations of both sides, the relationship described in this exceptionally well-informed and insightful account does not yet qualify as an “axis.”

The Japan–South Korea Identity Clash: East Asian Security and the United States
BY BRAD GLOSSERMAN AND
SCOTT A. SNYDER. Columbia
University Press, 2015, 240 pp.

Glosserman and Snyder use poll data and interviews with elites to argue that an increasingly confident South Korea has become more and more impatient with Japan’s hesitancy to acknowledge the crimes it committed during its imperial era and during World War II. The authors think this explains the two countries’ difficulty in getting along despite shared democratic values and similar threat perceptions. Realists might counter that divergences in the two countries’ strategies for handling the threats posed by China and North Korea are a better explanation for the lack of cooperation. But both explanations recognize that part of the problem lies in the hub-and-spoke alliance system that the United States built in Asia after World War II, which links each ally separately to Washington without fostering ties among them. To overcome this deficiency, the authors recommend building on existing low-level forms of cooperation. In the longer term, they hope for a reset in

which all three sides would acknowledge historical wrongs and agree to look toward the future. Although few of its facts are new, the book offers a useful overview of an important trilateral relationship.

Dreams of the Hmong Kingdom: The Quest for Legitimation in French Indochina, 1850–1960

BY MAI NA M. LEE. University of Wisconsin Press, 2015, 430 pp.

This innovative contribution to the historiography of Southeast Asia tells the tragic story of the Hmong ethnic group, not only from the usual outside perspective but from within the Hmong cultural tradition as well. Lee draws on French colonial archives and interviews to show how the Hmongs—a hill people scattered across Laos, Thailand, Vietnam, and parts of southern China—have oscillated between submission to and rebellion against superior forces: French colonizers, the Laotian royal government, the Japanese occupiers during World War II, and later the local communist movements and the Americans. The messianism of the Hmong rebellions, the fractiousness of the Hmong clans, and the opportunism of Hmong relations with other forces mystified colonial powers and have puzzled historians ever since. But Lee, herself a member of the Hmong diaspora, makes sense of these behaviors as she deciphers the community’s myths, symbols, lineage ties, sexual politics, and rituals, with the combined skills of a historian and an anthropologist.

The Noodle Maker of Kalimpong: The Untold Story of My Struggle for Tibet

BY GYALO THONDUP AND ANNE F. THURSTON. PublicAffairs, 2015, 384 pp.

This book's self-effacing title disguises the fact that Thondup, an elder brother of the Dalai Lama, is one of the most important figures in the history of the Tibetan diaspora. For many years, Thondup was the go-to Tibetan interlocutor for foreign governments and China. The book is full of tales of international intrigue, recounting Thondup's meetings in the 1950s with Indian Prime Minister Jawaharlal Nehru and the Taiwanese leader Chiang Kai-shek, who Thondup says personally paid for him to attend college. Thondup also claims that he was the CIA's contact person in Tibet and that he even managed the agency's clandestine base in Nepal. Later, when Deng Xiaoping came to power in China, Thondup writes that he was summoned to Beijing to discuss renewed negotiations between China and the Dalai Lama. Still, Thondup offers very few substantial revelations about Tibet's recent history. And the book is marred by speculation that verges on conspiracy theorizing; indeed, in a postscript, Thondup's co-author, Thurston, actually questions the veracity of Thondup's story. In Thondup's telling, the 1987–89 protests in Tibet were engineered by foreign governments and Beijing's negotiations with the Dalai Lama were sabotaged by the Indian government. These are fascinating allegations, but Thondup offers little evidence to support them.

TSERING SHAKYA

Africa

Nicolas van de Walle

Democracy in Africa: Successes, Failures, and the Struggle for Political Reform
BY NIC CHEESEMAN. Cambridge University Press, 2015, 247 pp.

The wave of democratization that washed over Africa in the early 1990s resulted in the spread of multiparty electoral competition and the emergence of a number of imperfect democracies in which citizens enjoyed greater political liberties than they had before. But it produced few countries in which presidents did not continue to enjoy extraconstitutional advantages come election time. In this short but thorough book, Cheeseman recounts the breakdown of authoritarian governance in the 1980s, the emergence of opposition movements and parties, the process of reforms, and the obstacles to democratic consolidation. One particularly thoughtful chapter focuses on institutional arrangements that different countries have used to address ethnic tensions. Cheeseman uses lively case studies to support his main arguments and delves into the recent academic literature on this topic to assess current trends and make predictions about the future. He eschews much of the pessimism about African democracy that is fashionable today, instead offering a lucid and balanced account of both achievements and failures.

Africa's New Oil: Power, Pipelines, and Future Fortunes

BY CELESTE HICKS. Zed Books, 2015, 256 pp.

Hicks considers whether African countries that have recently become oil producers will fall victim to the “resource curse”: the combination of corruption, poor economic growth, and environmental disaster that oil wealth has led to elsewhere. Her focus is Chad. Around 15 years ago, in exchange for financial support from the World Bank, Chad agreed to a number of restrictions on the use of its oil revenues, promising to use its newfound wealth to improve the welfare of its population. But Chad broke its pledges and ultimately turned to China, which offered help in developing Chad’s oil sector with far fewer strings attached. Hicks’ detailed account, which also looks at the role of oil in Ghana, Kenya, Niger, and Uganda, provides reasons for both optimism and pessimism. On the one hand, increasingly well-informed media and civil society organizations in those countries have ensured that oil contracts, revenues, and environmental problems are discussed much more frankly and knowledgeably than in the past. On the other hand, decision-making in these new oil sectors remains top-down and thus vulnerable to corruption.

Understanding Namibia: The Trials of Independence

BY HENNING MELBER. Oxford University Press, 2015, 256 pp.

Since it achieved independence from South Africa in 1990, Namibia has

generally been considered one of Africa’s more stable democracies, with regular multiparty elections, a progressive constitution, and seemingly robust personal freedoms. Melber, a veteran member of the country’s entrenched governing party, the South West Africa People’s Organization (SWAPO), casts a much more critical look at Namibia’s record. He argues that SWAPO has become too dominant, too willing to use state resources to maintain its grip on power, and too thin-skinned. His criticism of the country’s economic policies is even harsher. He complains that the state has done little to reduce the high levels of inequality bequeathed by the pre-independence white minority-rule government. SWAPO’s management of the country’s significant land, mining, and marine resources has mostly served to create a new, black oligarchy. Melber ends his compelling account by pondering the future. In a country where a majority of the population is under 30 years old, the SWAPO leadership increasingly looks like a gerontocracy. But Melber believes its hold on power is secure for now.

Dictators and Democracy in African Development: The Political Economy of Good Governance in Nigeria

BY A. CARL LEVAN. Cambridge University Press, 2014, 308 pp.

Observers usually point to a standard set of factors to explain the failures of Nigeria, which has too often underperformed since winning its independence in 1960: poor leadership, ethnic heterogeneity, and the perverse effects of oil wealth. In this sweeping history of

Nigerian politics and public policy, LeVan rejects those conventional explanations, arguing instead that the country has been undermined by the prevalence of “veto players,” which he defines as political and institutional actors—such as the legislature, powerful networks within the military, and regional pressure groups—that can block policy reform in order to gain private concessions for themselves. The more power veto players have enjoyed, the less Nigeria has been able to achieve desirable economic outcomes. LeVan’s thesis raises some questions, such as why the number of veto players varies across Nigeria’s postcolonial history. But he has written a provocative and insightful analysis of the Nigerian political economy that rings true.

observation that Senghor was largely ignorant of the Senegalese countryside and did little to improve the welfare of his rural countrymen. Particularly interesting portraits emerge of Muammar al-Qaddafi of Libya, Robert Mugabe of Zimbabwe, and Mobutu Sese Seko of Zaire. Diplomatic historians will value the book’s substantive details. Other readers will be tickled by some of Cohen’s revelations: he reports, among other things, that Mobutu’s favorite ride at Disneyland, which the dictator visited in 1970, was one that featured an imitation Congo River, replete with electronic crocodiles. 🌐

The Mind of the African Strongman: Conversations With Dictators, Statesmen, and Father Figures

BY HERMAN J. COHEN. New Academia Publishing, 2015, 218 pp.

Cohen, a veteran U.S. Foreign Service officer who became assistant secretary of state for African affairs in the George H. W. Bush administration, has written a book of vignettes about the 16 African heads of state with whom he had personal contact during his long career. Many of his portraits are unflattering, but Cohen is capable of real empathy, even when he is quite aware of a leader’s failings. An amusing set of anecdotes about President Léopold Sédar Senghor of Senegal—including one revolving around an improbable meal shared by Cohen, Senghor, and the American boxer Muhammad Ali—ends with the

Letters to the Editor

INEQUALITY AND THE SAFETY NET

To the Editor:

In “The Next Safety Net” (July/August 2015), Nicolas Colin and Bruno Palier correctly identify the increasing incompatibility between twentieth-century social welfare systems and twenty-first-century employment patterns. They predict a future in which the majority of workers will have precarious, short-term, low-paying jobs and in which social benefits tied to an outdated occupational model will fail to meet their needs.

As a solution, they favor Danish-style “flexicurity”—comprehensive social provisions decoupled from employment, together with labor-market deregulation. Flexicurity allows firms to make business-driven hiring and firing decisions against a background of government-financed benefits and worker retraining programs. In the new economy, flexicurity would have obvious advantages. But Colin and Palier fail to subject flexicurity to the same criteria by which they dismiss other types of safety nets, such as a guaranteed basic income, an option that they should take more seriously.

They write, for example, that a basic income is “extremely expensive and insufficient” and that governments are ill equipped to compete with the private sector in job creation. That may be the case, but flexicurity is not cheap or entirely reliant on private-sector job creation, either. The tax burden in Denmark is the highest among the

countries of the Organization for Economic Cooperation and Development, at almost 50 percent of GDP. And its public-sector employment accounts for a third of its labor force, compared with the OECD average of under 20 percent. None of this should come as a surprise: governments must provide social services directly or pay for them indirectly if they are guaranteed to all citizens, and that is expensive.

The real challenge of building a welfare state for the twenty-first century will be developing a collective commitment to the provision of economic security. The mid-twentieth century, for example, featured a commitment to the redistribution of market gains through progressive tax regimes, the social welfare state, and strong labor-market protections. Yet that commitment began to falter in the 1970s.

If it were once again possible to commit to a redistributive tax regime, however, different states would likely experiment with a range of social safety nets tailored to their cultures and economies. If some states, such as Denmark, are willing to redistribute 50 percent of their GDP for flexicurity, others might well choose to devote the same level of funding to establishing a basic income. Economic security can take the form of subsidies for basic services, or in cash, or as a mixture of both. Whatever the approach, however, it would require increasing taxes on the wealthy to be sustainable.

The idea of a basic income thus lays bare the redistribution that will have to be at the heart of any reckoning with rising economic inequality and insecurity.

ALMAZ ZELLEKE

Visiting Assistant Professor, NYU Shanghai

RISKY BUSINESS

To the Editor:

Andrew Palmer (“In Defense of Financial Innovation,” May/June 2015) notes that “financial ingenuity reaches far beyond Wall Street” and that “innovative financiers are currently helping solve an array of socioeconomic problems.” He describes many of these financiers’ innovative approaches, such as social-impact bonds. But he neglects to mention that most of these innovations were created outside of retail and investment banks. Palmer should question why this is the case, but he does not.

Palmer claims that there is something inherently destabilizing about housing markets. Not so. Pre-crisis instability can be attributed to the process of securitization, whereby real estate debt was converted into financial instruments that concealed risk. Palmer likewise neglects to indicate that some of the key causes of the crisis involved practices in the so-called shadow banking sector, which was ineffectively regulated, in part due to lobbying by financial institutions. These activities were profit driven, not attempts to offer new products or services to the market. The record is clear that this behavior was anything but “a search for safety as well as profit,” as Palmer contends.

PAUL SEMENZA

Santa Clara, California

COMMITTEE CONFUSION

To the Editor:

In his review of several documents on the U.S. Senate’s report on the CIA’s torture of detainees, Robert Jervis (“The Torture Blame Game,” May/June 2015) mistakenly states that the chairs and vice chairs of the House and Senate Intelligence Committees were briefed about the CIA’s interrogation programs beginning

in September 2002. As the vice chair of the House Intelligence Committee at that time, I want to make it clear that it was the chair and the ranking minority member of the committee, not the vice chair, who were briefed on that program and on other matters concealed from the full membership of the House and Senate Intelligence Committees after 9/11.

After 9/11, the Bush administration, claiming that it was concerned about alleged leaks, began providing certain information to only the top Republican and the top Democrat on each Intelligence Committee. After this practice began, I sent a formal complaint to the Speaker of the House and the House minority leader that members of the House Intelligence Committee, including me, were being denied information traditionally shared with all members of the committee. I argued, to no avail, that I could not assure my House colleagues that I was receiving the information necessary for the proper oversight of the nation’s intelligence operations. During at least the period when I remained in Congress, the executive branch made no changes to these practices.

DOUGLAS BEREUTER

Former U.S. Representative, Nebraska

AN INTELLIGENCE DOWNGRADE

To the Editor:

Jane Harman (“Disrupting the Intelligence Community,” March/April 2015) argues that the U.S. intelligence agencies should focus on their respective strengths: covert paramilitary action for the CIA and cryptography and cyberwarfare for the National Security Agency (NSA). Harman’s remarks on the importance of open-source and social media intelligence are valid, and she rightly argues that covert CIA drone strikes have effectively disrupted

terrorists groups in Afghanistan, Pakistan, and Yemen. But this is where the soundness of her assessment ends.

Harman's claim that the CIA's edge lies in covert action rather than human intelligence because the agency spends more money on the former is suspect. Covert operations may simply be inherently costlier, and their inflated budget may be a symptom of the CIA's shift in focus after 9/11, rather than an indication of the agency's expertise. More troubling, the CIA's history is replete with covert operations of dubious merit: the Iranian coup of 1953, the Bay of Pigs invasion in 1961, and the Iran-contra affair in the mid-1980s, to name a few. Moreover, CIA covert operations have engendered widespread animosity among Muslims across the Middle East. And if the CIA were to forsake its traditional human intelligence mission for an exclusively covert one, it is not clear that another intelligence body could fill the resulting need for strategic intelligence.

Harman's assessment of the NSA also raises questions. Her assertion that the NSA's data collection was "carefully circumscribed and reviewed by the Foreign Intelligence Surveillance Court" is optimistic. The FISC rejected only 11 of the nearly 34,000 surveillance applications made by the government between 1979 and 2012—hardly a sign of careful review. And Harman's suggestion that the NSA should end programs with the potential to upset U.S. technology companies or civil liberties groups is equally faulty. Rather than "carry a high political cost," as Harman argues, any attempts by the NSA to penetrate technology companies' defenses may only further desensitize domestic and foreign audiences to government surveillance.

MICHAEL GUERRERO
Major, U.S. Air Force

TWO-STATE PROGRESS

To the Editor:

Grant Rumley and Amir Tibon ("The Death and Life of the Two-State Solution," July/August 2015) focus on how to move Israel toward supporting a two-state accord. But there is another side to the discussion: how to move Palestinian leaders toward supporting such an agreement.

The Palestinians have had multiple opportunities to secure a state of their own. These began with the two-state proposal of the United Kingdom's Peel Commission in 1937, followed by the recommendation of the UN Special Committee on Palestine ten years later. The Arab side rejected both opportunities. From 1948 to 1967, the West Bank, Gaza, and East Jerusalem were in Arab, not Israeli, hands, yet there was no effort to create a Palestinian state. After the 1967 Six-Day War, Israel offered to exchange newly acquired lands for peace, again without success. In 2000–2001 and again in 2008, the Israeli government put a two-state proposal on the table, neither time triggering a Palestinian counteroffer. And Israel's unilateral withdrawal from Gaza was met not with confidence-building measures by the Palestinians but with missiles and mortars from Hamas-ruled areas.

Israeli Prime Minister Benjamin Netanyahu's right-leaning policies have recently drawn much comment, even as Netanyahu has reaffirmed his commitment to a two-state deal. Yet there has been little scrutiny of those actions of Palestinian President Mahmoud Abbas that have undermined confidence in the sincerity of his commitment to a two-state accord. These include his 2011 speech at the UN acknowledging Christian and Muslim links to the land of Israel but

deliberately omitting reference to the original Jewish presence there; his erroneous and incendiary description of Israeli policies as “genocide”; his coalition agreement with Hamas, whose charter calls for Israel’s annihilation; and his glorification of Palestinian terrorists. If Palestinian leaders genuinely seek an enduring two-state deal, they must do more to convince Israel that a workable accord is possible. The responsibility cannot be placed on Israel’s shoulders alone.

DAVID HARRIS

Executive Director, American Jewish Committee

SMILING BUDDHA

To the Editor:

In “An Unworthy Ally” (September/October 2015), C. Christine Fair and Sumit Ganguly argue that the United States should cut off military aid to Pakistan. That is a sensible recommendation, but the authors’ discussion of Pakistan’s acquisition of nuclear weapons is misleading. Fair and Ganguly give the impression that Pakistan, a defeated and partitioned nation after its 1971 war with India, unilaterally decided to develop nuclear weapons with diplomatic cover from the United States. In fact, it was India’s nuclear bomb test, in May 1974, that precipitated the arms race on the Indian subcontinent.

By ignoring this sequence of events, the authors gloss over regional complexities and arrive at a simplistic policy recommendation. They advocate American disengagement, yet this would only

increase regional instability by expanding the range of strategic decisions that either state might consider.

The diminishment of U.S. military support and the enhancement of Pakistani civil institutions should be complemented by a new architecture for regional security arrangements. It should also include a framework for resolving territorial disputes, such as the one in Kashmir, that provide political legitimacy to nonstate actors.

AFZAL S. SIDDIQUI

Senior Lecturer, University College London

ROBOTICS AND WORLD POVERTY

To the Editor:

Your otherwise balanced package on the potential impact of automation (“Hi, Robot,” July/August 2015) was lacking in one crucial respect: it failed to assess the effect robots might have on the 80 percent of the world’s population who don’t live in rich, developed nations.

History is full of examples of poorer nations that became wealthy by exploiting their comparative advantage in cheap labor to become globally competitive in a range of manufacturing industries. China is the most notable recent example.

If robots are expected to take over many of the menial jobs currently performed by people, the concern should be not for the working class in wealthy countries but for the billions living in the developing world who will now have lost the only established ladder out of poverty.

DAVID MARTIN

Bulungula, South Africa

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