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MARCH/APRIL 2013 • VOLUME 92 • NUMBER 2 • CAPITALISM AND INEQUALITY

GENERATION KILL: A CONVERSATION WITH STANLEY McCHRYSTAL

MARCH/APRIL 2013

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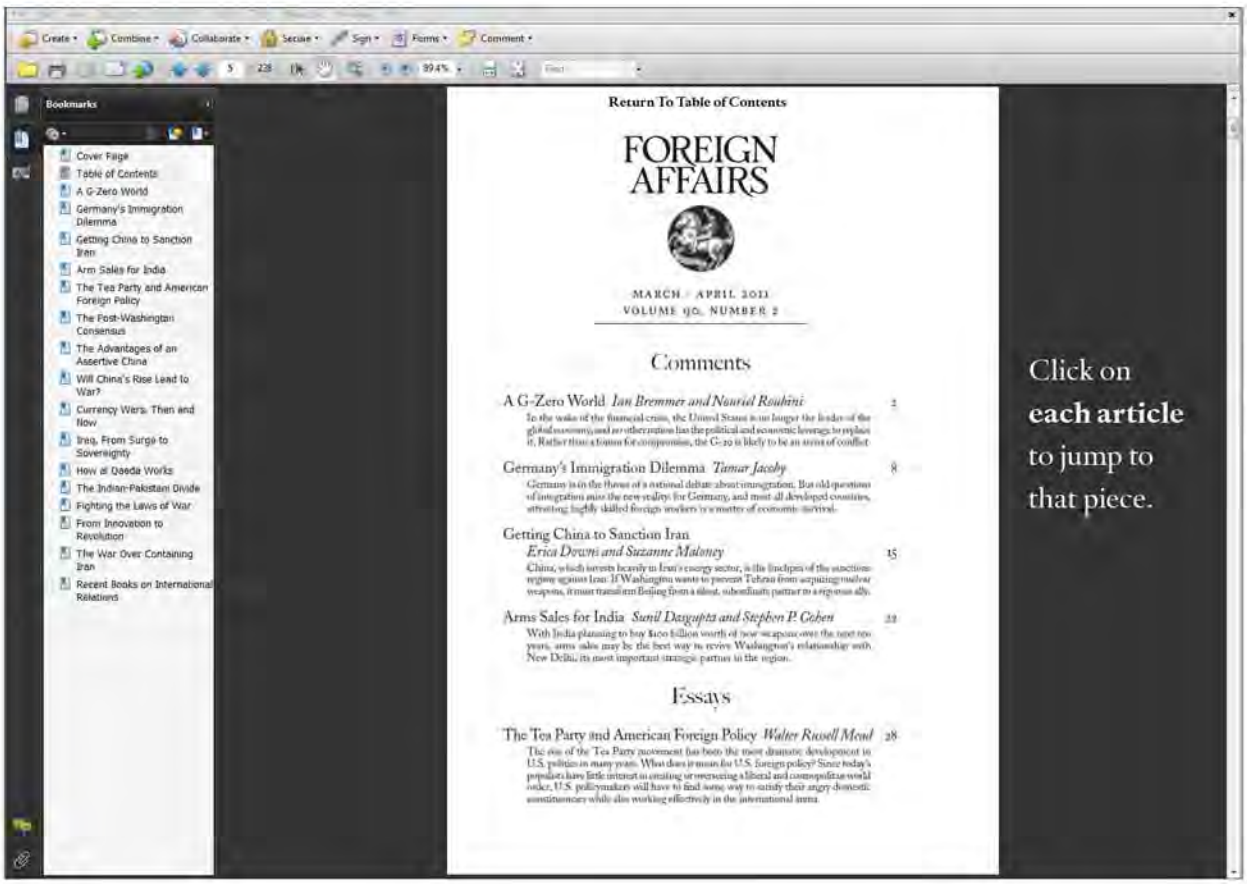

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▶ **Lauren Bell** on why the use of the filibuster in the U.S. Senate is increasing and reform is unlikely.

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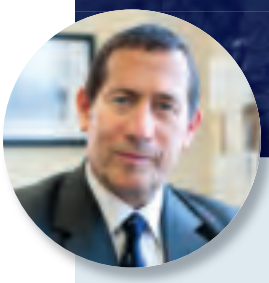

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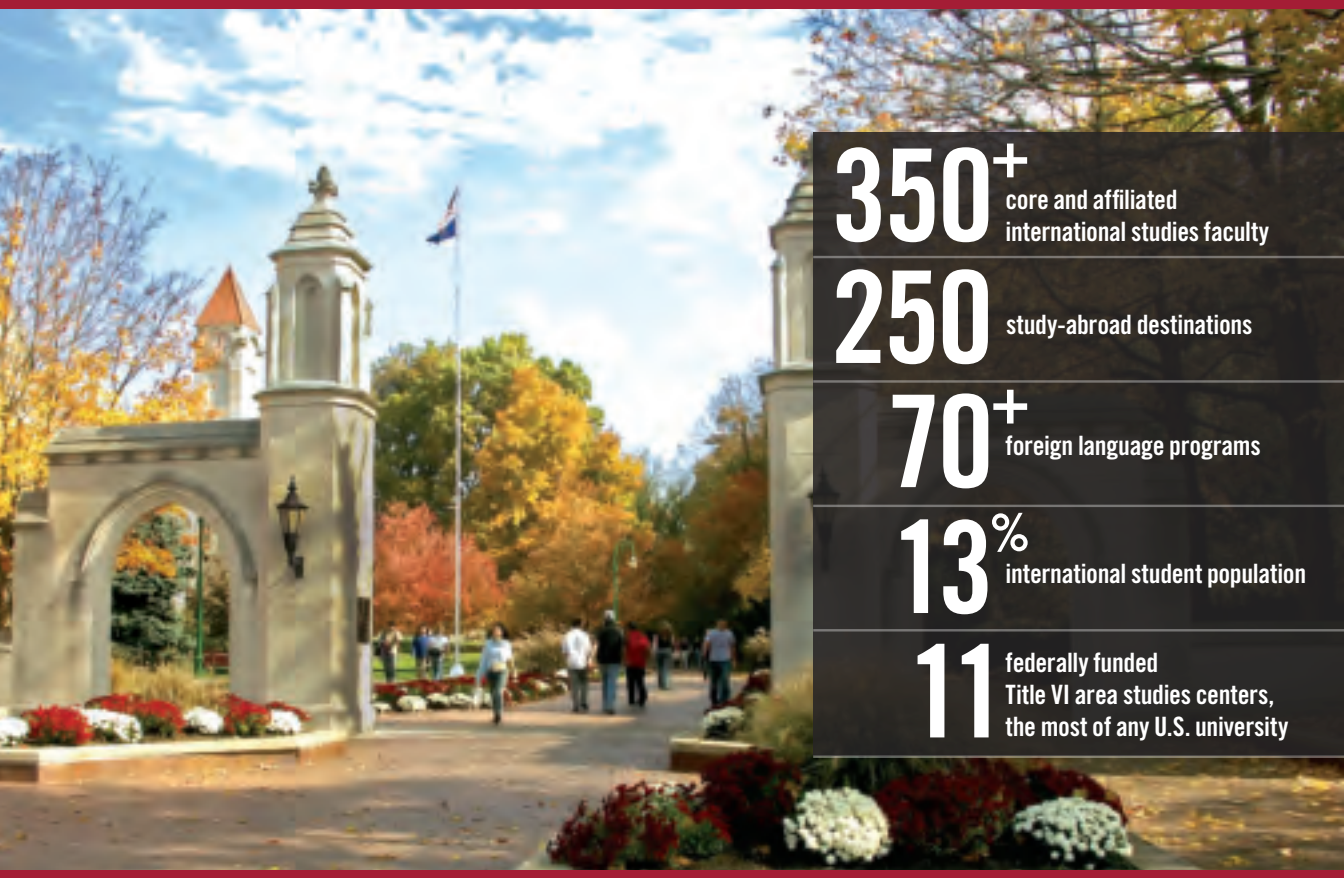

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A fluent Mandarin speaker and highly regarded China expert, **KEVIN RUDD** is also one of Australia's leading politicians. After foreign service tours in Stockholm and Beijing, Rudd entered politics, and in 2007, he led the Australian Labor Party to an overwhelming electoral victory, becoming the country's 26th prime minister. Since stepping down in 2010, Rudd has remained an influential force, serving as foreign minister from 2010 to 2012. In "Beyond the Pivot" (page 9), he explains what Washington and Beijing need to do now to keep their relationship on track.

PIERRE LEVAL has spent three and a half decades on the U.S. federal bench. Following stints in private practice and as a prosecutor, Leval served on the U.S. District Court for the Southern District of New York, presiding over such cases as William Westmoreland's libel suit against CBS and the Mafia-related "pizza connection" trial. Now serving on the U.S. Court of Appeals for the Second Circuit, Leval argues in "The Long Arm of International Law" (page 16) that foreign victims of human rights atrocities should be allowed to sue their abusers in U.S. courts.

Raised on a farm in Ohio, **SHANNON O'NEIL** headed for Mexico after college, staying through the 1994 economic crisis. Following graduate school, she worked as an equity analyst and an academic both north and south of the border. In "Mexico Makes It" (page 52), O'Neil, now a senior fellow at the Council on Foreign Relations, charts the achievements and challenges of NAFTA's increasingly prosperous southern member.

A journalist, scholar, political activist, and diplomat in his native Pakistan, **HUSAIN HAQQANI** was detained for two months in 1999 because of his outspoken criticism of the Musharraf regime. He subsequently went into exile in the United States and taught at Boston University, until a new government appointed him Pakistan's ambassador to the United States in 2008. But he resigned from that post in 2011 after being accused of maneuvering to fend off a military coup in Islamabad. In "Breaking Up Is Not Hard to Do" (page 64), he unpacks the troubled history of U.S.-Pakistani relations.

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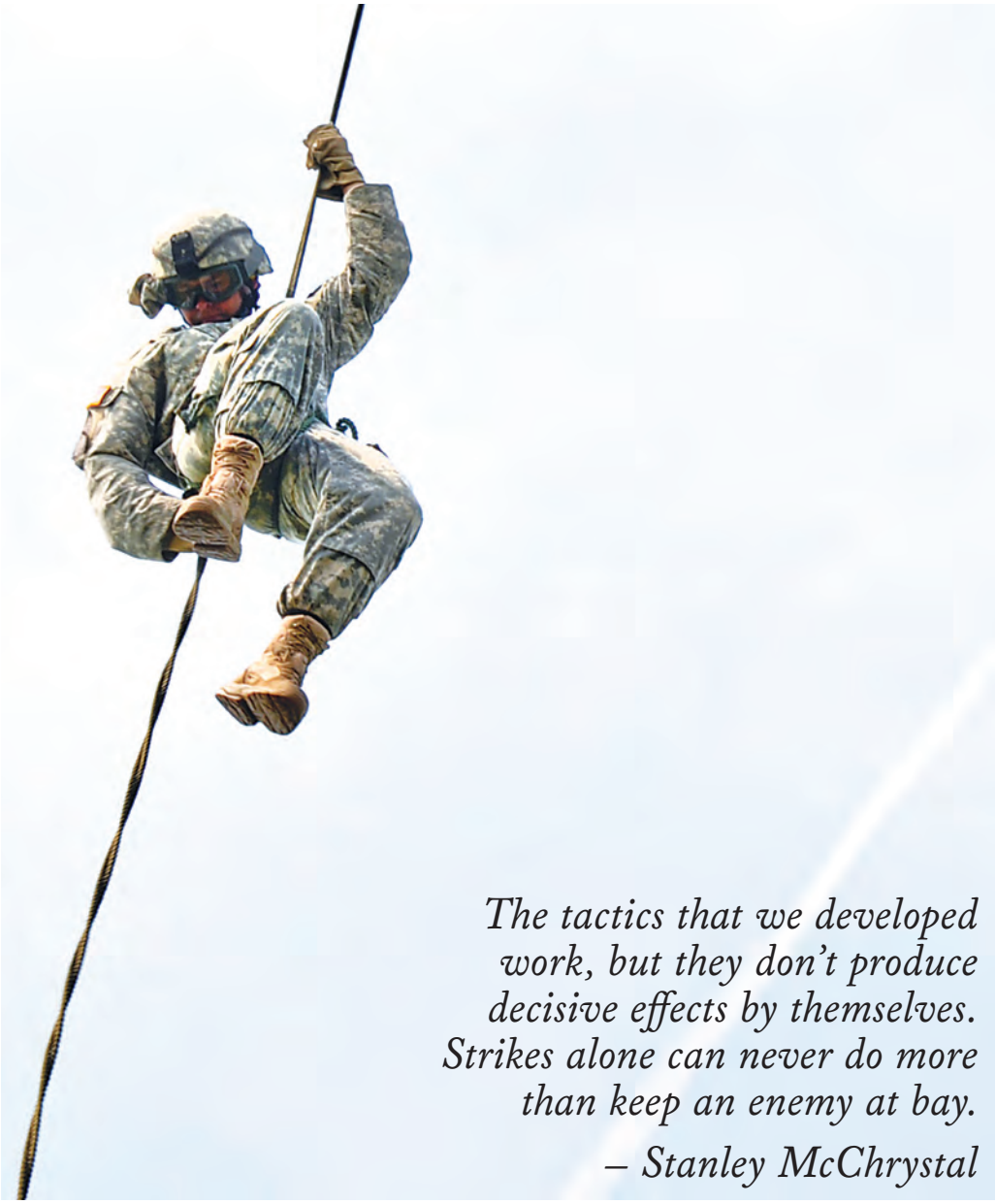

The tactics that we developed work, but they don't produce decisive effects by themselves. Strikes alone can never do more than keep an enemy at bay.

– Stanley McChrystal

STAFF SGT. ANDREW H. OWEN / VIRGINIA GUARD PUBLIC AFFAIRS

Generation Kill

A Conversation With Stanley McChrystal

In July 2010, General Stanley McChrystal retired from the U.S. Army after almost three and a half decades in uniform. Soon after graduating from West Point, McChrystal had joined the U.S. Special Forces, and he eventually led the Rangers, the Joint Special Operations Command, and all U.S. and international forces in Afghanistan. Author of the recently published memoir *My Share of the Task*, he spoke with *Foreign Affairs* editor Gideon Rose in December. The full interview is available at www.foreignaffairs.com/interviews/mcchrystal; excerpts are below.

A knowledgeable author wrote in a recent issue of this magazine that "as head of the U.S. Joint Special Operations Command . . . , McChrystal oversaw the development of a precision-killing machine unprecedented in the history of modern warfare," one whose "scope and genius" will be fully appreciated only "in later decades, once the veil of secrecy has been removed." What did he mean?
I was part of a [special operations] effort that we can call Task Force 714. When the counterterrorist effort against al Qaeda started, it was narrowly focused and centralized; you only did occasional operations with a high degree of intelligence and a tremendous amount of secrecy. That worked well for the pre-9/11 environment, but in the post-9/11 environment—particularly the post–March 2003 environment in Iraq—the breadth of al Qaeda and associated movements exploded. This gave us an enemy network that you couldn't just react to but actually had to dismantle. It also gave us a very complex battlefield—not just terrorism but also social problems, an insurgency, and sectarian violence.

So the first thing we did when I took over in late 2003 was realize that we needed to understand the problem much better. To do that, we had to become a network ourselves—to be connected across all parts of the battlefield, so that every time something occurred and we gathered intelligence or experience from it, information flowed very, very quickly.

The network had a tremendous amount of geographical spread. At one point, we were in 27 countries simultaneously. Inside Iraq, we were in 20 and 30 places simultaneously—all connected using modern technology but also personal relationships. This gave us the ability to learn about the constantly evolving challenge.

People hear most about the targeting cycle, which we called F3EA—"find, fix, finish, exploit, and analyze." You understand who or what is a target, you locate it, you capture or kill it, you take what intelligence you can from people or equipment or documents, you analyze that, and then you go back and do the cycle again, smarter.

When we first started, those five steps were performed by different parts of our organization or different security agencies. And as a consequence, each time you passed information from one to another, it would be like a game of telephone, so that by the time information got to the end, it would be not only slow but also corrupted. We learned we had to reduce the number of steps in the process.

GETTY IMAGES / BRENDAN SMIALOWSKI

The general in Washington, D.C., July 2010

In 2003, in many cases we'd go after someone, we might locate them and capture or kill them, and it would be weeks until we took the intelligence we learned from that and were able to turn it into another operation. Within about two years, we could turn that cycle three times in a night. We could capture someone, gain intelligence from the experience, go after someone else, and do three of those in a row, the second two involving people we didn't even know existed at the beginning of the night.

In August 2004, in all of Iraq, our task force did 18 raids. And we thought that was breakneck speed. I mean, we really thought we had the pedal to the metal. These were great raids, very precise, a high percentage of success. But as great as those 18 raids were, they couldn't make a dent in the exploding insurgency. Two years later, in August 2006, we were up to 300 raids a month—ten a night. This meant the network now had to operate at a speed that was not even considered before, not in our wildest dreams. It had to have decentralized decision-making, because you can't centralize ten raids a night. You have to understand them all, but you have to allow your subordinate elements to operate very quickly.

But then, we had to be able to take all of that and make it mean something—because it's not just about capturing and killing people; it's about synchronizing into the wider theater campaign. And that took us longer. We really didn't mesh completely into the conventional war effort [in Iraq] until 2006, 2007.

So that was the revolution. I didn't do it. The organization I was part of became this learning organization. If I take any credit, it is for loosening the reins and yelling "Giddyup!" a lot. I allowed, encouraged, required the team to push forward. And they just rose to the occasion.

Did the tactics of the special operators under your command change in any way? The operational change and the mental change was by far the more significant part of it. However, tactically there were some things that changed, and part of that was technological. We started with well-trained commandos. We had always had those. They shoot well, they move well, they think brilliantly. But three things changed.

The first was global positioning systems. These allowed you to be exactly where you wanted to be without fits and starts. Navigating from point A to point B wasn't a big part of the task anymore. People take that for granted now, but as I grew up in the military, half of doing something was getting there.

The second thing was the use of night-vision goggles and night-vision equipment on aircraft and other things. These allowed you to have superiority in what you can see and do in the dark. Our entire force operated with night vision, so at night we used no visible lights. We had laser-aiming lights on our weapons and infrared illumination if it was too dark for the night vision. And as a consequence, we just dominated night firefights and night operations dramatically. That was a big deal.

The third was the use of things like the Predators—unmanned aerial vehicles—and some manned aircraft. The big breakthrough was that we could put these up and send the down-link or the video feed down to the command or the force on the ground in real time. That doesn't give you

complete situational awareness, but it lets you see a bird's-eye view of the battlefield, even though you're standing on the ground in the mud or dirt.

Traditionally, if we did a raid and we thought we were going to need 20 commandos to actually be on the target, we might take 120, because we had to put security around the site to protect it from enemy reinforcements, and we might have to put a support section and a command-and-control section there, because you need all those things to account for the unexpected. But when you have very good situational awareness and good communications, you only send the 20, because your security comes from being able to see, and then you can maneuver forces if you need them. So suddenly, the 120 commandos aren't doing one raid; they're doing six raids simultaneously, and you start to get the ability to do 300 raids a month.

And that's important, because if you're going at an enemy network, you're trying to paralyze its nervous system. If you just hit it periodically, say, every other night, it not only heals itself; some would argue it gets stronger because it gets used to doing that. But if you can hit it in enough places simultaneously, it has a very difficult time regenerating. And that's when we started to have decisive effects.

In your book, you take a somewhat contrarian view about the changeover from the Casey era to the Petraeus era in Iraq. How decisive was the change in military leadership and the "surge," and how much of it was just a natural evolution of what had been going on in Iraq for years already?

People tend to simplify things. They try to say, "It was all screwed up here and then it got all good there," or, "This decision was decisive." I never found anything that clear. I found the move towards counterinsurgency to be one that was more gradual than sudden. It started under General Casey; he pushed it.

I will say that when the president made the decision to surge more forces, it intersected with some things which were happening. [Iraqi] Sunnis had grown disenchanted with al Qaeda, for good reason. I think the Sunnis also came to the conclusion that they were fighting the coalition, and we were beating on them pretty badly. And so I think they said to themselves, "We had better not fight the wrong war." People were exhausted, were not sure what was going on. And then suddenly, President Bush effectively says, "OK, we are going to double down." Even though people knew it couldn't be permanent, I think there was a sense that this pushes it past the tilting point.

And then, of course, there was General Petraeus, who brought a level of energy and a commitment to the counterinsurgency campaign. All of these together produced a pretty amazing result.

Counterinsurgency typically requires three things to work: a long time, a lot of troops, and a very sensitive, low-impact, politically aware mindset. Given that the American public doesn't like long wars, and given that large numbers of forces and a politically aware, sensitive approach to the use of violence seem to be at odds, when, if ever, is counterinsurgency going to be something that the United States should actually embark on?

That's a valid and difficult question, because there are also two other factors which ought to be thrown in. Successful

insurgencies usually need an outside safe haven and access to the war zone. Pakistan gave the insurgents in Afghanistan that, and so they had something that we really needed to take away. But we couldn't seal the border.

And a successful counterinsurgency needs a legitimate government. You need to offer to the people an alternative to what the insurgent is offering. The Taliban don't offer a very compelling narrative or popular government, but the government of Afghanistan has huge problems with its popular legitimacy as well.

So in reality, what we had is a situation where we had been there a long time, the coalition was tired, the people of Afghanistan were scared, the insurgency was growing in confidence, the insurgency had a safe haven, and the government of Afghanistan was weak and somewhat conflicted about the war. So there were a lot of factors against it. And that is a very valid argument on why the success of the endeavor is certainly not assured.

What lessons did you learn in your Iraq and Afghanistan tours?

In Iraq, when we first started, the question was, "Where is the enemy?" That was the intelligence question. As we got smarter, we started to ask, "Who is the enemy?" And we thought we were pretty clever. And then we realized that wasn't the right question, and we asked, "What's the enemy doing or trying to do?" And it wasn't until we got further along that we said, "Why are they the enemy?"

Not until you walk yourself along that intellectual path do you realize that's what you have to understand, particularly in a counterinsurgency where the number of insurgents is completely independent of simple math. In World War II, the German army could produce *x* number of military-aged males. In an insurgency, the number of insurgents isn't determined by the population, but by how many people want to be insurgents. And so figuring out why they want to be insurgents is crucial. And that's something we had never practiced.

Second, it's all about teams. Nobody wins the war alone. We had a culture in our force, and in many forces, of excellence. It was, "How good can I be at my task? How good can I be at flying an airplane, dropping a bomb, locating an enemy target?" But that's not as important as how well those pieces mesh together. The real art is, if somebody builds a bridge, you have the people ready to drive over it and take advantage of that. It's cooperating with civilian agencies, it's cooperating with conventional forces, it's tying the pieces together. That's the art of war, and that's the hard part.

It seems like the methods you pioneered in Iraq have been embraced by the U.S. government and the American public as a general approach to managing small-scale irregular warfare, and doing so in a way short of putting lots of boots on the ground or walking away entirely. Some would argue that this is the true legacy of Stan McChrystal—the creation of an approach to counterterrorism that is halfway between war and peace, at such a low cost and with such a light footprint that it's politically viable for the long term in a way that war and disengagement are not. Do you disagree?

I question its universal validity. If you

go back to the British tactics on the North-West Frontier, the "butcher and bolt" tactics, where they would burn an area and punish the people and say, "Don't do that anymore," and simultaneously offer a stipend to the leader while saying, "If you will remain friendly for a period of time, we'll pay you"—that approach worked for a fair amount of time. It managed problems on their periphery. But it certainly didn't solve the problems.

The tactics that we developed do work, but they don't produce decisive effects absent other, complementary activities. We did an awful lot of capturing and killing in Iraq for several years before it started to have a real effect, and that came only when we were partnered with an effective counterinsurgency approach. Just the strike part of it can never do more than keep an enemy at bay. And although to the United States, a drone strike seems to have very little risk and very little pain, at the receiving end, it feels like war.

Americans have got to understand that. If we were to use our technological capabilities carelessly—I don't think we do, but there's always the danger that you will—then we should not be upset when someone responds with their equivalent, which is a suicide bomb in Central Park, because that's what they can respond with.

So it's incorrect for someone to say, "I like the Iraq Stan McChrystal of raids and drones and targeted strikes, but I don't like the Afghanistan Stan McChrystal of clear, hold, and build and counterinsurgency; I want to deploy the first but avoid the costs and difficulties of the second"?
I would argue they should like all the

Stan McChrystals. If you look at the role I had in Iraq, it is sexy, it is satisfying, it is manly, it scratches an itch in the American culture that people like. But I was doing that as part of a wider effort in Iraq, and it was that wider effort that I took control of in Afghanistan. And those wider efforts were about people. The whole point of war is to take care of people, not just to kill them. You have to have a positive reason that protects people, or it's wrong. So while I did what I had to in Iraq, and did a lot of that in Afghanistan, too (because we had a significant effort along those lines there), the broader purpose is what's important, and that's what I think people need to be reminded of. The purpose is the Afghan kid. The purpose is the Afghan female. The purpose is the 50-year-old farmer who just wants to farm.

Did the success of your efforts in Iraq lead to an overemphasis on the use of direct action by Special Forces, raids and drone attacks and targeted killings, rather than indirect action, such as training and building local capacity?
My wife Annie and I are not golfers, but some years ago, we took part in a golf tournament in our unit. After having significant trouble, on one of the tees, Annie used a Kevlar driver. She hit this amazing drive straight down the fairway, and she was elated. For the rest of the afternoon, the only club she used was the Kevlar driver. She chipped with it. She putted with it. She used it for everything.

That's the danger of special operating forces. You get this sense that it is satisfying, it's clean, it's low risk, it's the cure for most ills. That's why many new presidents are initially enamored with the Central Intelligence Agency, because they are offered a covert fix for a complex problem. But if you go back in history, I can't find a covert fix that solved a problem long term. There were some necessary covert actions, but there's no "easy button" for some of these problems. That's the danger of interpreting what we did in Iraq as being the panacea for future war. It's not.

Beyond the Pivot

A New Road Map for U.S.-Chinese Relations

Kevin Rudd

Debate about the future of U.S.-Chinese relations is currently being driven by a more assertive Chinese foreign and security policy over the last decade, the region's reaction to this, and Washington's response—the "pivot," or "rebalance," to Asia. The Obama administration's renewed focus on the strategic significance of Asia has been entirely appropriate. Without such a move, there was a danger that China, with its hard-line, realist view of international relations, would conclude that an economically exhausted United States was losing its staying power in the Pacific. But now that it is clear that the United States will remain in Asia for the long haul, the time has come for both Washington and Beijing to take stock, look ahead, and reach some long-term conclusions as to what sort of world they want to see beyond the barricades.

Asia's central tasks in the decades ahead are avoiding a major confrontation between the United States and China and preserving the strategic stability that has underpinned regional prosperity. These tasks are difficult but doable. They will require both parties to understand each other thoroughly, to act calmly despite multiple provocations, and to manage the domestic and regional forces that threaten to pull them apart. This, in turn, will require a deeper and more institutionalized relationship—one anchored in a strategic framework that accepts the reality of competition, the importance of cooperation, and the fact that these are not mutually exclusive propositions. Such a new approach, furthermore, should be given practical effect through a structured agenda driven by regular direct meetings between the two countries' leaders.

KEVIN RUDD is a Member of the Australian Parliament. He served as Prime Minister of Australia from 2007 to 2010 and Foreign Minister from 2010 to 2012.

HIDDEN DRAGON NO LONGER

The speed, scale, and reach of China's rise are without precedent in modern history. Within just 30 years, China's economy has grown from smaller than the Netherlands' to larger than those of all other countries except the United States. If China soon becomes the largest economy, as some predict, it will be the first time since George III that a non-English-speaking, non-Western, nondemocratic country has led the global economy. History teaches that where economic power goes, political and strategic power usually follow. China's rise will inevitably generate intersecting and sometimes conflicting interests, values, and worldviews. Preserving the peace will be critical not only for the three billion people who call Asia home but also for the future of the global order. Much of the history of the twenty-first century, for good or for ill, will be written in Asia, and this in turn will be shaped by whether China's rise can be managed peacefully and without any fundamental disruption to the order.

Kevin Rudd

The postwar order in Asia has rested on the presence and predictability of U.S. power, anchored in a network of military alliances and partnerships. This was welcomed in most regional capitals, first to prevent the reemergence of Japanese militarism, then as a strategic counterweight to the Soviet Union, and then as a security guarantee to Tokyo and Seoul (to remove the need for local nuclear weapons programs) and as a damper on a number of other lesser regional tensions. In recent years, China's rise and the United States' fiscal and economic difficulties had begun to call the durability of this framework into question. A sense of strategic uncertainty and some degree of strategic hedging had begun to emerge in various capitals. The Obama administration's "rebalance" has served as a necessary corrective, reestablishing strategic fundamentals. But by itself, it will not be enough to preserve the peace—a challenge that will be increasingly complex and urgent as great-power politics interact with a growing array of subregional conflicts and intersecting territorial claims in the East China and South China seas.

China views these developments through the prism of its own domestic and international priorities. The Standing Committee of the Politburo, which comprises the Communist Party's top leaders, sees its core responsibilities as keeping the Communist Party in power, maintaining the territorial integrity of the country (including countering separatist movements and defending offshore maritime claims), sustaining robust economic growth by transforming the country's growth model, ensuring China's energy security, preserving global and regional stability so as not to derail the economic growth agenda, modernizing China's military and more robustly asserting China's foreign policy interests, and enhancing China's status as a great power.

China's global and regional priorities are shaped primarily by its domestic economic and political imperatives. In an age when Marxism has lost its ideological relevance, the continuing legitimacy of the party depends on a combination of economic performance, political nationalism, and corruption control. China also sees its rise in the context of its national history, as the final repudiation of a century of foreign humiliation (beginning with the Opium Wars and ending with the Japanese occupation) and as the country's return to its proper status as a great civilization with a respected place among the world's leading states. China points out that it has little history of invading other countries and none of maritime colonialism (unlike European countries) and has itself been the target of multiple foreign invasions. In China's view, therefore, the West and others have no reason to fear China's rise. In fact, they benefit from it because of the growth of the Chinese economy. Any alternative view is castigated as part of the "China threat" thesis, which in turn is seen as a stalking-horse for a de facto U.S. policy of containment.

What China overlooks, however, is the difference between "threat" and "uncertainty"—the reality of what international relations theorists call "the security dilemma"—that is, the way that Beijing's pursuit of legitimate interests can raise concerns for other parties. This raises the broader question of whether China has developed a grand strategy for the longer term. Beijing's

Rebalancing act: Barack Obama and Xi Jinping in Beijing, November 2009

REUTERS / JIM YOUNG

public statements—insisting that China wants a "peaceful rise" or "peaceful development" and believes in "win-win" or a "harmonious world"—have done little to clarify matters, nor has the invocation of Deng Xiaoping's axiom "Hide your strength, bide your time." For foreigners, the core question is whether China will continue to work cooperatively within the current rules-based global order once it has acquired great-power status or instead seek to reshape that order more in its own image. This remains an open question.

XI WHO MUST BE OBEYED

Within the parameters of China's overall priorities, Xi Jinping, the newly appointed general secretary of the Communist Party and incoming president, will have a significant, and perhaps decisive, impact on national policy. Xi is comfortable with the mantle of leadership. He is confident of both his military and his reformist backgrounds, and having nothing to prove on these fronts gives him some freedom to maneuver. He is well read and has a historian's understanding of his responsibilities to his country. He is by instinct a leader and is unlikely to be satisfied with simply maintaining the policy status quo. Of all his predecessors, he is the most likely Chinese official since Deng to become more than primus inter pares, albeit still within the confines of collective leadership.

Xi has already set an unprecedented pace. He has bluntly stated that unless corruption is dealt with, China will suffer chaos reminiscent of the Arab Spring, and he has issued new, transparent conflict-of-interest rules for the leadership. He has set out Politburo guidelines designed

to cut down on pointless meetings and political speechifying, supported taking action against some of the country's more politically outspoken publications and websites, and praised China's military modernizers. Most particularly, Xi has explicitly borrowed from Deng's political handbook, stating that China now needs more economic reform. On foreign and security policy, however, Xi has been relatively quiet. But as a high-ranking member of the Central Military Commission, which controls the country's armed forces (Xi served as vice chair from 2010 to 2012 and was recently named chair), Xi has played an important role in the commission's "leading groups" on policy for the East China and South China seas, and Beijing's recent actions in those waterways have caused some analysts to conclude that he is an unapologetic hard-liner on national security policy. Others point to the foreign policy formulations he used during his visit to the United States in February 2012, when he referred to the need for "a new type of great-power relationship" with Washington and was apparently puzzled when there was little substantive response from the American side.

It is incorrect at present to see Xi as a potential Gorbachev and his reforms as the beginning of a Chinese glasnost. China is not the Soviet Union, nor is it about to become the Russian Federation. However, over the next decade, Xi is likely to take China in a new direction. The country's new leaders are economic reformers by instinct or intellectual training. Executing the massive transformation they envisage will take most of their political capital and will require continued firm political control, even as the reforms generate strong forces for social and political change. There is as yet no agreed-on script for longer-term political reform; there is only the immediate task of widening the franchise within the 82-million-member party. When it comes to foreign policy, the centrality of the domestic economic task means that the leadership has an even stronger interest in maintaining strategic stability for at least the next decade. This may conflict occasionally with Chinese offshore territorial claims, but when it does, China will prefer to resolve the conflicts rather than have them derail that stability. On balance, Xi is a leader the United States should seek to do business with, not just on the management of the tactical issues of the day but also on broader, longer-term strategic questions.

OBAMA'S TURN TO TAKE THE INITIATIVE

More than just a military statement, the Obama administration's rebalancing is part of a broader regional diplomatic and economic strategy that also includes the decision to become a member of the East Asia Summit and plans to develop the Trans-Pacific Partnership, deepen the United States' strategic partnership with India, and open the door to Myanmar (also called Burma). Some have criticized Washington's renewed vigor as the cause of recent increased tensions across East Asia. But this does not stand up to scrutiny, given that the proliferation of significant regional security incidents began more than half a decade ago.

China, a nation of foreign and security policy realists where Clausewitz, Carr, and Morgenthau are mandatory reading in military academies, respects

strategic strength and is contemptuous of vacillation and weakness. Beijing could not have been expected to welcome the pivot. But its opposition does not mean that the new U.S. policy is misguided. The rebalancing has been welcomed across the other capitals of Asia—not because China is perceived as a threat but because governments in Asia are uncertain what a China-dominated region would mean. So now that the rebalance is being implemented, the question for U.S. policymakers is where to take the China relationship next.

One possibility would be for the United States to accelerate the level of strategic competition with China, demonstrating that Beijing has no chance of outspending or outmaneuvering Washington and its allies. But this would be financially unsustainable and thus not credible. A second possibility would be to maintain the status quo as the rebalancing takes effect, accepting that no fundamental improvement in bilateral relations is possible and perpetually concentrating on issue and crisis management. But this would be too passive and would run the risk of being overwhelmed by the number and complexity of the regional crises to be managed; strategic drift could result, settling on an increasingly negative trajectory.

A third possibility would be to change gears in the relationship altogether by introducing a new framework for cooperation with China that recognizes the reality of the two countries' strategic competition, defines key areas of shared interests to work and act on, and thereby begins to narrow the yawning trust gap between the two countries. Executed properly, such a strategy would do no

harm, run few risks, and deliver real results. It could reduce the regional temperature by several degrees, focus both countries' national security establishments on common agendas sanctioned at the highest levels, and help reduce the risk of negative strategic drift.

A crucial element of such a policy would have to be the commitment to regular summitry. There are currently more informal initiatives under way between the United States and China than there are ships on the South China Sea. But none of these can have a major impact on the relationship, since in dealing with China, there is no substitute for direct leader-to-leader engagement. In Beijing, as in Washington, the president is the critical decision-maker. Absent Xi's personal engagement, the natural dynamic in the Chinese system is toward gradualism at best and stasis at worst. The United States therefore has a profound interest in engaging Xi personally, with a summit in each capital each year, together with other working meetings of reasonable duration, held in conjunction with meetings of the G-20, the Asia-Pacific Economic Cooperation, and the East Asia Summit.

Both governments also need authoritative point people working on behalf of the national leaders, managing the agenda between summits and handling issues as the need arises. In other words, the United States needs someone to play the role that Henry Kissinger did in the early 1970s, and so does China.

Globally, the two governments need to identify one or more issues currently bogged down in the international system and work together to bring them to successful conclusions. This could include the Doha Round of international trade talks (which remains stalled despite approaching a final settlement in 2008), climate-change negotiations (on which China has come a considerable way since the 2009 UN Conference on Climate Change in Copenhagen), nuclear nonproliferation (the next review conference for the Nuclear Nonproliferation Treaty is coming up), or specific outstanding items on the G-20 agenda. Progress on any of these fronts would demonstrate that with sufficient political will all around, the existing global order can be made to work to everyone's advantage, including China's. Ensuring that China becomes an active stakeholder in the future of that order is crucial, and even modest successes would help.

Regionally, the two countries need to use the East Asia Summit and the Association of Southeast Asian Nations' Defense Ministers' Meeting–Plus forum to develop a series of confidence- and security-building measures among the region's 18 militaries. At present, these venues run the risk of becoming permanently polarized over territorial disputes in the East China and South China seas, so the first item to be negotiated should be a protocol for handling incidents at sea, with other agreements following rapidly to reduce the risk of conflict through miscalculation.

At the bilateral level, Washington and Beijing should upgrade their regular military-to-military dialogues to the level of principals such as, on the U.S. side, the secretary of defense and the chairman of the Joint Chiefs of Staff. This should be insulated from the ebbs and flows of the relationship, with meetings focusing on regional security challenges, such as Afghanistan, Pakistan, and North Korea, or major new

challenges, such as cybersecurity. And on the economic front, finally, Washington should consider extending the Trans-Pacific Partnership to include both China and Japan, and eventually India as well.

TOWARD A NEW SHANGHAI COMMUNIQUÉ

Should such efforts begin to yield fruit and reduce some of the mistrust currently separating the parties, U.S. and Chinese officials should think hard about grounding their less conflictual, more cooperative relationship in a new Shanghai Communiqué. Such a suggestion usually generates a toxic response in Washington, because communiqués are seen as diplomatic dinosaurs and because such a process might threaten to reopen the contentious issue of Taiwan. The latter concern is legitimate, since Taiwan would have to be kept strictly off the table for such an exercise to succeed. But this should not be an insurmountable problem, because cross-strait relations are better now than at any time since 1949.

As for the charge that communiqués are of little current value, this may be less true for China than it is for the United States. In China, symbols carry important messages, including for the military, so there could be significant utility within the Chinese system in using a new communiqué to reflect and lock in a fresh, forward-looking, cooperative strategic mindset—if one could be worked out. Such a move should follow the success of strategic cooperation, however, rather than be used to start a process that might promise much but deliver little.

Skeptics might argue that the United States and China must restore their trust in each other before any significant strategic cooperation can occur. In fact, the reverse logic applies: trust can be built only on the basis of real success in cooperative projects. Improving relations, moreover, is increasingly urgent, since the profound strategic changes unfolding across the region will only make life more complicated and throw up more potential flash points. Allowing events to take their own unguided course would mean running major risks, since across Asia, the jury is still out as to whether the positive forces of twenty-first-century globalization or the darker forces of more ancient nationalisms will ultimately prevail.

The start of Obama's second term and Xi's first presents a unique window of opportunity to put the U.S.-Chinese relationship on a better course. Doing that, however, will require sustained leadership from the highest levels of both governments and a common conceptual framework and institutional structure to guide the work of their respective bureaucracies, both civilian and military. History teaches that the rise of new great powers often triggers major global conflict. It lies within the power of Obama and Xi to prove that twenty-first-century Asia can be an exception to what has otherwise been a deeply depressing historical norm.

The Long Arm of International Law

Giving Victims of Human Rights Abuses Their Day in Court

Pierre N. Leval

In late 1945, the Allied victors of World War II established a military tribunal in Nuremberg, Germany, which convicted Nazi leaders for their wartime atrocities. The animating principle of the trials was that conduct of extreme inhumanity violated the part of international law that protects fundamental human rights, which applies everywhere, even though the conduct was authorized by German law under the Third Reich. Since then, the world has accepted that the worst human rights abuses—including genocide, slavery, torture, and war crimes—are crimes prohibited by international law, even if they are expressly permitted by the laws of the state in which they occur.

Yet over 65 years after Nuremberg, although the world remains awash in these atrocities, the prohibitions of international law are largely toothless, especially when the abusive governments remain in power. The international community has established criminal tribunals to try abusers, but those who remain in power are ordinarily shielded from prosecution by their government and its protectors. Victims seeking recognition of the wrongs done to them and compensation for their suffering cannot get relief in their home countries, and they have practically no courts available to them elsewhere.

Since 1980, they have been able to turn to the United States. That year, a U.S. appeals court, invoking a previously obscure law known as the Alien Tort Statute (ATS), allowed U.S. federal courts to hear civil suits brought by foreign citizens against foreign defendants for crimes committed on foreign soil, provided that the defendant brought himself within the territorial reach of the court. The ATS offers victims of abuse a rare tool in their fight for justice; the United States remains the only country in the world to entertain such lawsuits. Now, however, the U.S. Supreme Court may slam shut the door on such plaintiffs, relying in part on the argument that other countries do not offer such relief. During proceedings held last year, the Court hinted that it may altogether ban ATS cases based on foreign abuses.

At the very least, keeping courts open to civil suits about human rights can bring solace and compensation to victims. More important, these suits draw global attention to atrocities, and in so doing perhaps deter would-be abusers. And they give substance to a body of law that is crucial to a civilized world yet so underenforced that it amounts to little more than a pious sham. The Supreme Court should continue to interpret the ATS as opening the doors of U.S. federal courts to victims of foreign atrocities who cannot

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Full-court press: protesters during the Kiobel *hearing at the U.S. Supreme Court, October 2012*

FLICKR / EARTHRIGHTS INTERNATIONAL

get justice elsewhere, and other countries should adopt laws that open the doors of their courts as well.

THE ENFORCEMENT GAP

Respect for fundamental human rights in the world today is dismal—better, no doubt, than it was 200 years ago, but dismal nonetheless. As in the past, despotic regimes murder, mutilate, and rape civilian populations and arbitrarily imprison and torture political opponents. Human traffickers, almost invariably operating with the protection of corrupt local officials and police, enslave children and young women in the sex trade. So long as the regimes that sponsor and protect these criminals remain in power, their crimes go unrecognized.

To deal with the effective immunity of abusers whose regimes remain in power, international law has developed the doctrine of universal jurisdiction, which holds that trials for certain offenses may be heard in courts throughout the world if the defendant cannot be brought to justice in the country where he committed them. And following the example of Nuremberg, the international community has created international criminal courts, generally at The Hague, in the Netherlands, which hear trials of offenses committed anywhere.

Despite this framework, however, prohibitions against atrocities are rarely enforced. Criminal prosecutions in international tribunals are infrequent, slow, and inefficient. During its ten years of existence, the most prominent and permanent of those courts, the International Criminal Court, has brought only ten cases into the trial process and has convicted only one person (the Congolese warlord Thomas Lubanga). Fault for that paltry record lies with the court's limited jurisdiction and the intricacies of international politics: the ICC may prosecute only if the country of the defendant or the country where the crime was committed has ratified the

treaty that created the court, the Rome Statute, or if the UN Security Council recommends prosecution. Not surprisingly, many of the countries that regularly flout human rights have not signed the treaty. Nonsignatories can also avoid punishment by relying on their friends among the five permanent members of the UN Security Council, each of which can use its veto to block a recommendation. Furthermore, the ICC prosecutes only those who appear in person before the court, and offending officials of a government that remains in power are not easily arrested. As a practical matter, then, it is only when a regime has lost power that its offenders will be vulnerable to prosecution.

Victims of atrocities have few avenues to seek justice on their own. With rare exceptions, they cannot bring suits against governments, which are protected under the concept of sovereign immunity, nor can they bring civil suits against individual offenders before international criminal tribunals, which are not authorized to hear civil suits. Although the ICC does have the power to award compensation once it has secured a conviction, it never has done so. The court may be reluctant to get into the messy business of granting compensation; the number and identity of many of the victims of such crimes are likely unknown, and such a pursuit would divert the court, with its limited resources, from its principal mission of trying and punishing abusers. So letting victims file civil suits in foreign courts would fill an important gap.

JUSTIFYING JUSTICE

In most countries, courts act only with statutory authorization and, under existing legal codes, have no power to entertain suits between foreign parties alleging foreign violations of international law. For the most part, then, such suits can be heard only if a legislature grants its country's courts the specific authority to hear them. No country other than the United States has. But the lack of these statutes today does not necessarily mean other governments have made a policy decision against hearing foreign human rights suits; in all likelihood, their legislatures have simply never considered granting their courts such authority. If human rights advocates were to lobby governments to accept these suits, opponents would no doubt line up with arguments against doing so. Some of these arguments would have merit, at least in certain circumstances. But none would justify categorically excluding all such cases.

Among the strongest arguments likely to be made is that allowing victims to bring suits accusing foreign officials of human rights abuses could interfere with the foreign policy of the government where the suit was brought. This objection is certainly not frivolous, and any foreign ministry, unless it was reassured on this score, would likely fight against allowing these lawsuits. But there is no reason to bar all such lawsuits: some cases have the potential to disrupt foreign policy, whereas others do not. When its courts are faced with a suit that does, a government could advise them that entertaining the suit would harm the national interest. Human rights advocates may object to handing governments what would amount to veto power, but making that compromise is far preferable to the likely alternative of totally excluding the cases.

Some countries worry about reciprocity, too—that if their courts hear suits

claiming violations of international law in other countries, those countries will retaliate by entertaining suits against them. The fear is not trivial, and a court's judgments could well be fueled more by enmity or bias than objective facts. But that sort of risk is always inherent in establishing laws and mechanisms to enforce them.

Another argument is that the proliferation of countries hearing cases of foreign atrocities would allow plaintiffs to "forum shop" for a court that was prejudiced against the defendant's country, producing a system of injustice that would neither command nor deserve respect. There is some merit to this argument. The remedy, however, is not to prevent the expansion of the practice but rather to establish standards governing the circumstances in which a foreign defendant may be sued. Perhaps jurisdiction should be limited to cases that present a reasonable basis for imposing it on the particular defendant—such as the defendant's having brought himself within the court's customary territorial reach, as with ATS suits in the United States.

The biggest obstacle to any country's adopting such an authorization is the perception that atrocities committed by foreigners against foreigners in a foreign land are not that country's problem. This view is wrong for a number of reasons. For starters, it overlooks the fact that courts already adjudicate wholly foreign disputes, such as cases involving transnational trade when the parties have contracted to bring their disputes before the courts of a selected country and maritime cases. More problematic, this view is at odds with the idea that legal protections of the most fundamental

human rights derive from the consensus of nations. Most countries have already crossed this bridge. By underwriting the international criminal courts charged with enforcing the law of nations, they have repeatedly accepted that violations of these fundamental rules are in fact their business.

Accepting universal jurisdiction for human rights violations would not represent a drastic extension of most governments' existing laws. Many countries have long authorized courts to entertain suits against absent foreigners alleging wrongs committed elsewhere if one of two conditions is met: the plaintiff is a national of the state where the suit is filed or that state's interests are in some way involved. All it would take for countries to start allowing civil suits concerning foreign human rights abuses would be to recognize that all atrocities in violation of international law, regardless of where they are committed, affect the interests of every law-respecting country—thus satisfying the second condition.

Human rights advocates should try to allay predictable objections to countries' opening their courts. They should start by drafting proposed legislation with modest and realistic goals, building in limitations that may disappoint the most ardent activists but hugely increase the chances of success. For example, a proposed bill for a country should require the approval of the foreign ministry before each suit can proceed to trial and specify that a suit will be allowed only if the plaintiff has no access to just relief in the country of the defendant or in the country where the abuse occurred. The bill should also require a court to dismiss a suit when the defendant can show that the plaintiff has forum-shopped and has access to justice in a country far better suited to hear the dispute, on the condition that the defendant agrees to face trial in that other country's courts. And it should require an initial showing of probable cause to stave off frivolous, politically motivated suits. Limitations such as these would do much to disarm or convert opponents.

A PRACTICE IN PERIL

The prospects that legislatures will pass bills allowing foreign human rights suits would get much dimmer if the country at the vanguard of the practice stopped hearing them. In the past few decades, U.S. federal courts have heard suits brought by foreigners involving human rights abuses in Ethiopia, Myanmar (also called Burma), Paraguay, the Philippines, Serbia, Sudan, and other countries. But it was only by historical accident that the United States started welcoming these plaintiffs into its courts. In 1789, Congress passed the ATS, allowing foreigners to sue in the federal courts for a wrong that was "in violation of the law of nations." Back then, however, the law of nations expressed no concern for human rights, much less for a sovereign government's treatment of its own citizens. It focused on matters of state-to-state relations, such as national boundaries, aggression, safe passage of ambassadors, and piracy. Only in the mid-twentieth century, at Nuremberg, did international law begin to deal with human rights abuses committed by governments. And only since 1980 have U.S. federal courts interpreted the ATS as authorizing suits based on violations of human rights.

But the Supreme Court may soon stop letting foreign plaintiffs use the ATS to sue the perpetrators of foreign

atrocities. In February 2012, the Court heard oral arguments in *Kiobel v. Royal Dutch Petroleum*, a case filed by inhabitants of the Ogoni region of Nigeria against an oil conglomerate that allegedly aided the Nigerian military in carrying out torture and executions in the early 1990s. Although no party had raised the issue of whether the ATS has extraterritorial reach, the line of questioning by the justices suggested that some of them were considering ruling that atrocities in foreign countries lie outside the jurisdiction granted by the statute. The Court then took the exceptional step of directing the parties to prepare briefs on that issue. It is expected to decide the matter in the coming months.

The arguments that the defendants submitted in favor of limiting the ATS in this way are distortions of both U.S. and international law. First, the defendants claim that U.S. statutes apply only to acts committed in the United States. That is true for U.S. statutes that prescribe norms of conduct, which are clearly intended to govern conduct within U.S. borders (perhaps of Americans outside U.S. borders, too), but not all conduct throughout the world. But the argument does not apply to the ATS, because a court hearing a case under the ATS is not imposing norms prescribed by the United States for the rest of the world. It is merely giving effect to norms that were prescribed by the international community with the intent that they would apply throughout the world. (What is more, the ATS was most likely originally intended to apply to acts committed outside the United States; in the eighteenth century, the law of nations was understood to apply to piracy on the high seas.)

The defendants also claim that foreign courts, by declining to exercise comparable jurisdiction, have either implied or ruled that doing so would violate international law. Indeed, courts declining to hear foreign human rights suits have pointed out that most other countries' courts also do not hear such cases. That observation can undoubtedly give comfort to any country deciding that it, like so many others, will not assume the unwelcome burden of hearing foreigners' claims of foreign atrocities. It does not, however, imply that any country's court would violate international law by carrying out international law. Global human rights law prescribes global norms of conduct. It leaves the question of how to enforce those norms to the countries themselves.

That other countries have not yet empowered their courts to hear foreign human rights lawsuits is no reason for the United States to withdraw the jurisdiction its courts have exercised for over 30 years. If the Supreme Court barred federal courts from hearing suits about foreign atrocities under the ATS, it would be making a sad mistake. For one thing, the ruling would not necessarily terminate such litigation in the United States; it might merely move the cases from federal courts to state courts, where the Supreme Court would exercise less control. (Unlike federal courts, state courts do not need explicit statutory authorization to hear cases.) More troubling, the Supreme Court, through such a ruling, would embrace the retrograde proposition that distant genocides are not the business of the United States—and deal a devastating blow to hopes of expanding global recognition of human rights.

Gangster's Paradise

The Untold History of the United States and International Crime

Peter Andreas

The dark underside of the global economy is thriving. Globalization has been good not only for legitimate businesses but also for those who traffic in illegal drugs, evade sanctions or taxes, trade stolen goods and intellectual property on the black market, smuggle immigrants, and launder money. Some of these activities are merely policing headaches. But others pose major security challenges to governments around the world.

These various illegal activities are often lumped together and categorized as global or transnational organized crime. According to a 2011 White House report, such crime has "dire implications for public safety, public health, democratic institutions, and economic stability." That sentiment is shared by the UN Office on Drugs and Crime, which in 2010 declared that "organized crime has globalized and turned into one of the world's foremost economic and armed powers." Illicit trade has become a source of tension between major powers, as well: U.S. officials berate China for not doing more to prevent intellectual piracy and counterfeiting. Pundits have also sounded the alarm, fretting over the potential for international crime to cause conflict between states and perhaps even erode the foundation of the modern state itself. The journalist Moisés Naím, for example, describes efforts to curb cross-border crime as "wars of globalization" and argues that governments are losing the battle.

This anxious rhetoric has spurred governments to tighten controls and plug leaky borders, with Washington leading the way. In recent decades, the United States has aggressively and successfully exported its crime-fighting agenda and promoted its favored antismuggling practices abroad through bilateral agreements and multilateral initiatives. The State Department even hands out annual report cards grading countries on how well they are doing in fighting human trafficking and the international drug trade, with many countries scrambling to at least project an image of progress and compliance.

As the world's leading antidrug campaigner, the United States has spent tens of billions of dollars in recent decades trying to stop the smuggling of drugs into the country (even while doing relatively little to stop the flow of guns smuggled out). Reflecting the dramatic escalation of the drug war, the United States has become the world's leading jailer—with more people locked up for drug-law violations today than western Europe has in jail for all offenses combined.

To fight the perceived menace of illegal immigration, the U.S. government doubled the size of its border

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patrol in the 1990s and then doubled it again during the last decade. It has also erected hundreds of miles of formidable fencing and deployed new military-style surveillance technologies to monitor U.S. borders, including Predator drones that now fly over the U.S.-Mexican border. Last year, the Obama administration devoted more funds to immigration control—some $18 billion—than it did to all other federal law enforcement activities combined.

There is no doubt that cross-border crime and illicit trade harm individuals and communities and pose challenges to governments, including the United States. But the panicked discourse and frenzied law enforcement policies that define Washington's current approach are an alarmist overreaction. Pundits and policymakers in the United States have grossly distorted the threat and have neglected to place modern crime in historical perspective.

Contrary to the conventional wisdom, much of today's cross-border crime problem is not new. In fact, states have struggled with this precise challenge for

centuries. And far from being a passive victim, the United States has fostered as rich a tradition of illicit trade as any other country in the world. Since its founding, the United States has had an intimate relationship with clandestine commerce, and contraband capitalism was integral to the rise of the U.S. economy.

Recognizing this somewhat awkward truth should help cool down today's overheated debates about the phenomenon and how to respond to it. Americans ought to understand and acknowledge their country's own history of complicity in illicit trade. This is especially true of U.S. policymakers. A better understanding of the historical realities of cross-border crime might even reduce the perverse and counterproductive consequences of government crackdowns and redress the chronic lack of attention to the demand side of illicit trade.

"DO AS WE SAY, NOT AS WE DID"

The lack of awareness about how the United States historically profited from international crime is most glaring whenever U.S. officials gripe about China's unwillingness to combat counterfeiting and pirating. The complaints are not without merit. Businesses pay a price when knockoffs of Louis Vuitton handbags and Rolex watches flood Canal Street in New York City and Santee Alley in Los Angeles or, what is more ominous, when hackers believed to be based in China pilfer technical blueprints for U.S. fighter jets. But Americans have conveniently forgotten that when the United States began to industrialize in the late eighteenth and early nineteenth centuries, founding fathers such as Alexander Hamilton enthusiastically encouraged intellectual piracy and technology smuggling, especially in the textile industry.

In his *Report on Manufactures*, published in 1791, Hamilton argued that "to procure all such machines as are known in any part of Europe, can only require a proper provision and due pains," even if this involved breaking the laws of other countries. The report acknowledged that most manufacturing nations "prohibit, under severe penalties, the exportation of implements and machines, which they have either invented or improved," but this did not deter Hamilton's call for what amounted to industrial theft.

High fashion and high technology are not the only contemporary industries that complain about China: many American authors and filmmakers are also understandably upset that Chinese-produced bootleg copies of their books and films hit the black market immediately after their official release. Washington has been at the forefront of international efforts to push other governments to crack down on such theft. But in the nineteenth century, the shoe was on the other foot, and it was British authors, such as Charles Dickens and Anthony Trollope, who were outraged by the widespread copying of their works in the United States, where the government was unwilling to do anything about it. The U.S. Copyright Act of 1831 ignored the issue of international literary piracy, and it was not until American authors, such as Mark Twain, became victims of such theft that the country began promoting international copyright standards.

Beijing should try harder to protect intellectual property. But Washington needs to accept that China's behavior today is not so different from that of

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the United States in an earlier era. Angry U.S. officials should remember this history and the lesson it teaches: that China is unlikely to start properly protecting intellectual property until it starts producing such property of its own. Of course, this does not mean that the United States should just sit back and wait for China to come to the table. But American officials should demonstrate more patience and perspective and be less quick to simply point fingers.

PATRIOTIC SMUGGLERS

Transnational crime remains a real threat, especially when it fuels violence, such as the cocaine-financed guerilla wars of recent decades in Colombia and the ongoing opium-backed Islamist insurgency in Afghanistan. Yet it is important to remember that this nexus of crime and violent conflict is nothing new. In the years before the American War of Independence, Colonial merchants were leading players in the Atlantic smuggling economy, most notably in the illegal importation of molasses from the West Indies for distilleries in New England.

The American rebellion was in part sparked by a British crackdown on this trade. British authorities were also outraged that Colonial merchants had made illicit fortunes by supplying French forces during the Seven Years' War. The increasingly militarized British crackdown on smuggling in the decade before the American Revolution provoked mob riots, the burning of customs vessels, and the tarring and feathering of customs agents and informants.

It was also thanks to smuggling that a ragtag force of Colonial rebels was able to defeat the world's most powerful military. American smugglers put their illicit transportation methods, skills, and networks to use when they covertly supplied revolutionary troops with desperately needed arms and gunpowder. Motivated as much by profit as patriotism, smugglers also served as privateers, recruited into George Washington's makeshift naval force (although the British still considered them pirates).

Long after the country's independence, illicit trade continued to play a major role in the rise of the United States on the global stage, not least by creating some of the first major American family fortunes. John Jacob Astor, the first American multimillionaire and the richest man in the country at the time of his death, in 1848, was an accomplished smuggler. Astor engaged in a variety of illicit trading ventures, smuggling opium to East Asia, doing business with the enemy during the War of 1812, and clandestinely exchanging banned alcohol with Native Americans for furs.

Astor was far from unique. Stephen Girard, also one of the richest men in the country when he died, in 1831, made his fortune partly through various forms of smuggling, including the Chinese opium trade. Warren Delano, Jr., grandfather of Franklin Delano Roosevelt and creator of the family fortune, also benefited from the same business, which he referred to as a "fair, honorable and legitimate trade." Never mind that the Chinese authorities considered him an outlaw, having banned the opium trade by imperial edict in 1729.

CONTROL FREAKS

Today's fear-mongering about international crime frequently relies on dire warnings about "broken borders." But

those who claim that U.S. borders are out of control now forget that those borders were never effectively controlled in the first place. In fact, the United States has always had highly permeable borders. Border smuggling has defined the U.S.-Mexican economic relationship from the start; the same is true of the U.S.-Canadian relationship. During Prohibition, the Detroit-Windsor border was just as much a smuggling corridor as the El Paso–Ciudad Juárez border is today. Both the northern and the southern U.S. borders provided a backdoor for illegal Chinese and European immigration long before Mexican immigration became the primary border concern.

The U.S.-Mexican border has become increasingly militarized in recent years, with Washington deploying thousands of U.S. National Guard troops to help secure the country's southern frontier. On the other side of the fence, Mexico has already turned its soldiers into front-line troops in the "war on drugs." But it should be remembered that militarizing the struggle against smuggling backfired long ago, when Great Britain used its navy to crack down on Colonial smuggling in the late 1700s. Benjamin Franklin was one of many critics of the policy, sarcastically exhorting the British in 1773 to

> convert the brave, honest officers of your *navy* into pimping tide-waiters and colony officers of the *customs*. Let those, who in time of war fought gallantly in defence of the commerce of their countrymen, in peace be taught to prey upon it. Let them learn to be corrupted by great and real smugglers; but (to shew their diligence) scour with armed boats every bay, harbour, river, creek, cove, or nook throughout the coast of your colonies; stop and detain every coaster, every wood-boat, every fisherman. . . . *O! this will work admirably!*

Much has changed since Franklin wrote those bitter words, but his basic critique of turning a military into an antismuggling force still holds true. Soldiers typically do not make good cops: they are trained to kill rather than arrest and detain, they might not respect civil liberties, their heavy-handed tactics can alienate the very communities they are supposed to protect, and handing them messy policing tasks that place them in close proximity to smugglers and other criminals can lead to increased corruption.

Americans also often conveniently forget that the magnitude of today's border-smuggling challenge was partly self-created: pressure placed on Colombian drug-trafficking routes through the Caribbean and southern Florida in the 1980s pushed the illicit trade westward, to the U.S.-Mexican border, much to the delight of Mexican traffickers. Similarly, crackdowns on illegal immigration at urban ports of entry along the same border in the 1990s pushed immigrants to rely much more on smugglers to navigate the border crossing, creating a far more profitable and sophisticated transnational crime problem. The reliance on smugglers has also generated hundreds of immigrant deaths per year as smugglers have adopted risky crossing strategies over remote and harsh terrain to evade U.S. border agents.

As has always been the case, there are limits to how much Washington can deter and detect illicit economic activities

across U.S. borders, especially while maintaining an open society and allowing legal trade and travel. In 2010, an average of nearly one million people, 250,000 privately owned vehicles, and more than 60,000 truck, rail, and ship containers legally entered the country every day. That same year, more than $2 trillion in legal imports crossed U.S. borders. Facilitating this enormous volume of legitimate border crossings while attempting to enforce laws against illegal traffic is an extraordinarily cumbersome and frustrating task. The practical reality is that U.S. borders cannot be fully secured and sealed; they are supposed to be extremely permeable, serving as busy bridges rather than simply fortified barriers.

Obsessively chasing foreign smugglers and beefing up border enforcement will achieve little without much more focused and sustained attention to the demand for illicit goods that fuels the cross-border clandestine economy, most notably the United States' addictions to cheap immigrant labor and mind-altering substances. The United States will make little progress if policymakers continue to see these problems as primarily rooted in transnational crime, rather than in outmoded labor-market regulation, a dysfunctional immigration system, an overly punitive drug-control system, and failures in education and public health policy.

Americans need to take a deep breath: there is no need to hyperventilate about broken borders and global crime threats. U.S. borders are more patrolled, monitored, and difficult to cross than ever before. Law enforcement agencies are cooperating both regionally and globally to an unprecedented degree. Of course, border crossings should be more effectively managed and regulated—not only to discourage unwanted crossings but also to facilitate legitimate trade and travel.

Using history to evaluate the illicit side of globalization is crucial for a number of reasons: because it is so glaringly missing from today's debates about transnational crime, because it corrects for the hubris of the present and the common tendency to view recent developments as entirely new and unprecedented, and because it helps Americans make sense of their past, present, and future. The great irony is that a country that was born and grew up through smuggling is now the world's leading antismuggling crusader.

Battles over illicit trade will no doubt continue to shape the United States and its engagement with its neighbors and the rest of the world. The particular smuggling activities and policing priorities will surely shift over time, as they always have, but it is safe to predict that the centuries-old illicit trading tradition will survive. Drawing more public and policy attention to these serious challenges, however, should not devolve into shrill calls to regain control when Washington never actually had control in the first place and, in fact, once caused the very type of chaos it now scrambles to contain.

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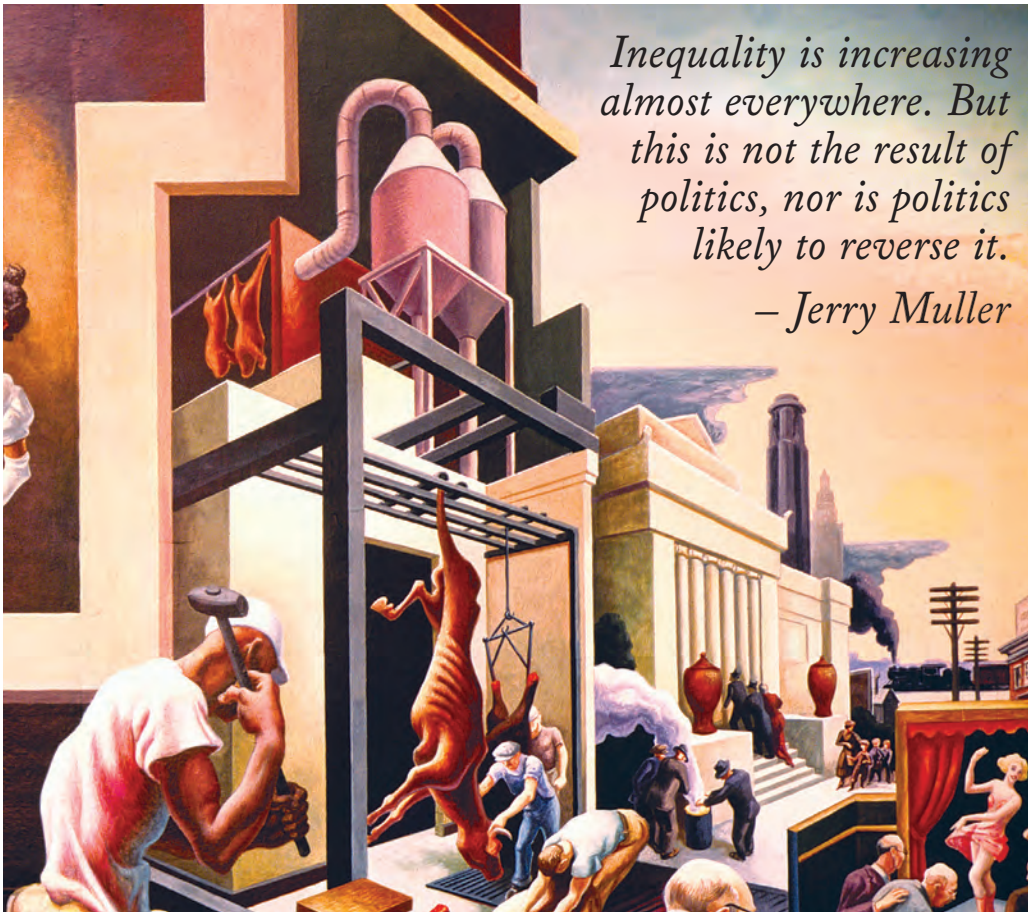

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Capitalism and Inequality

What the Right and the Left Get Wrong

Jerry Z. Muller

Recent political debate in the United States and other advanced capitalist democracies has been dominated by two issues: the rise of economic inequality and the scale of government intervention to address it. As the 2012 U.S. presidential election and the battles over the "fiscal cliff" have demonstrated, the central focus of the left today is on increasing government taxing and spending, primarily to reverse the growing stratification of society, whereas the central focus of the right is on decreasing taxing and spending, primarily to ensure economic dynamism. Each side minimizes the concerns of the other, and each seems to believe that its desired policies are sufficient to ensure prosperity and social stability. Both are wrong.

Inequality is indeed increasing almost everywhere in the postindustrial capitalist world. But despite what many on the left think, this is not the result of politics, nor is politics likely to reverse it, for the problem is more deeply rooted and intractable than generally recognized. Inequality is an inevitable product of capitalist activity, and expanding equality of opportunity only increases it—because some individuals and communities are simply better able than others to exploit the opportunities for development and advancement that capitalism affords. Despite what many on the right think, however, this is a problem for everybody, not just those who are doing poorly or those who are ideologically committed to egalitarianism—because if left unaddressed, rising inequality and economic insecurity can erode social order and generate a populist backlash against the capitalist system at large.

Over the last few centuries, the spread of capitalism has generated a phenomenal leap in human progress, leading to both previously

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unimaginable increases in material living standards and the unprecedented cultivation of all kinds of human potential. Capitalism's intrinsic dynamism, however, produces insecurity along with benefits, and so its advance has always met resistance. Much of the political and institutional history of capitalist societies, in fact, has been the record of attempts to ease or cushion that insecurity, and it was only the creation of the modern welfare state in the middle of the twentieth century that finally enabled capitalism and democracy to coexist in relative harmony.

In recent decades, developments in technology, finance, and international trade have generated new waves and forms of insecurity for leading capitalist economies, making life increasingly unequal and chancier for not only the lower and working classes but much of the middle class as well. The right has largely ignored the problem, while the left has sought to eliminate it through government action, regardless of the costs. Neither approach is viable in the long run. Contemporary capitalist polities need to accept that inequality and insecurity will continue to be the inevitable result of market operations and find ways to shield citizens from their consequences—while somehow still preserving the dynamism that produces capitalism's vast economic and cultural benefits in the first place.

COMMODIFICATION AND CULTIVATION

Capitalism is a system of economic and social relations marked by private property, the exchange of goods and services by free individuals, and the use of market mechanisms to control the production and distribution of those goods and services. Some of its elements have existed in human societies for ages, but it was only in the seventeenth and eighteenth centuries, in parts of Europe and its offshoots in North America, that they all came together in force. Throughout history, most households had consumed most of the things that they produced and produced most of what they consumed. Only at this point did a majority of the population in some countries begin to buy most of the things they consumed and do so with the proceeds gained from selling most of what they produced.

The growth of market-oriented households and what came to be called "commercial society" had profound implications for practically every aspect of human activity. Prior to capitalism, life was governed by traditional institutions that subordinated the choices and destinies of individuals to various communal, political, and religious structures.

These institutions kept change to a minimum, blocking people from making much progress but also protecting them from many of life's vicissitudes. The advent of capitalism gave individuals more control over and responsibility for their own lives than ever before—which proved both liberating and terrifying, allowing for both progress and regression.

Commodification—the transformation of activities performed for private use into activities performed for sale on the open market—allowed people to use their time more efficiently, specializing in producing what they were relatively good at and buying other things from other people. New forms of commerce and manufacturing used the division of labor to produce common household items cheaply and also made a range of new goods available. The result, as the historian Jan de Vries has noted, was what contemporaries called "an awakening of the appetites of the mind"—an expansion of subjective wants and a new subjective perception of needs. This ongoing expansion of wants has been chastised by critics of capitalism from Rousseau to Marcuse as imprisoning humans in a cage of unnatural desires. But it has also been praised by defenders of the market from Voltaire onward for broadening the range of human possibility. Developing and fulfilling higher wants and needs, in this view, is the essence of civilization.

It was the creation of the modern welfare state that finally enabled capitalism and democracy to coexist in relative harmony.

Because we tend to think of commodities as tangible physical objects, we often overlook the extent to which the creation and increasingly cheap distribution of new cultural commodities have expanded what one might call the means of self-cultivation. For the history of capitalism is also the history of the extension of communication, information, and entertainment—things to think with, and about.

Among the earliest modern commodities were printed books (in the first instance, typically the Bible), and their shrinking price and increased availability were far more historically momentous than, say, the spread of the internal combustion engine. So, too, with the spread of newsprint, which made possible the newspaper and the magazine. Those gave rise, in turn, to new markets for information and to the business of gathering and distributing news. In the eighteenth century, it took months for news from India to reach London; today, it takes moments.

Books and news have made possible an expansion of not only our awareness but also our imagination, our ability to empathize with others and imagine living in new ways ourselves. Capitalism and commodification have thus facilitated both humanitarianism and new forms of self-invention.

Over the last century, the means of cultivation were expanded by the invention of recorded sound, film, and television, and with the rise of the Internet and home computing, the costs of acquiring knowledge and culture have fallen dramatically. For those so inclined, the expansion of the means of cultivation makes possible an almost unimaginable enlargement of one's range of knowledge.

FAMILY MATTERS

If capitalism has opened up ever more opportunities for the development of human potential, however, not everyone has been able to take full advantage of those opportunities or progress far once they have done so. Formal or informal barriers to equality of opportunity, for example, have historically blocked various sectors of the population—such as women, minorities, and the poor—from benefiting fully from all capitalism offers. But over time, in the advanced capitalist world, those barriers have gradually been lowered or removed, so that now opportunity is more equally available than ever before. The inequality that exists today, therefore, derives less from the unequal availability of opportunity than it does from the unequal ability to exploit opportunity. And that unequal ability, in turn, stems from differences in the inherent human potential that individuals begin with and in the ways that families and communities enable and encourage that human potential to flourish.

The role of the family in shaping individuals' ability and inclination to make use of the means of cultivation that capitalism offers is hard to overstate. The household is not only a site of consumption and of biological reproduction. It is also the main setting in which children are socialized, civilized, and educated, in which habits are developed that influence their subsequent fates as people and as market actors. To use the language of contemporary economics, the family is a workshop in which human capital is produced.

Over time, the family has shaped capitalism by creating new demands for new commodities. It has also been repeatedly reshaped by capitalism because new commodities and new means of production have led family members to spend their time in new ways. As new consumer goods

became available at ever-cheaper prices during the eighteenth century, families devoted more of their time to market-oriented activities, with positive effects on their ability to consume. Male wages may have actually declined at first, but the combined wages of husbands, wives, and children made higher standards of consumption possible. Economic growth and expanding cultural horizons did not improve all aspects of life for everybody, however. The fact that working-class children could earn money from an early age created incentives to neglect their education, and the unhealthiness of some of the newly available commodities (white bread, sugar, tobacco, distilled spirits) meant that rising standards of consumption did not always mean an improvement in health and longevity. And as female labor time was reallocated from the household to the market, standards of cleanliness appear to have declined, increasing the chance of disease.

Not everyone has been able to take full advantage of the new opportunities for the development of human potential.

The late eighteenth and early nineteenth centuries saw the gradual spread of new means of production across the economy. This was the age of the machine, characterized by the increasing substitution of inorganic sources of power (above all the steam engine) for organic sources of power (human and animal), a process that increased productivity tremendously. As opposed to in a society based largely on agriculture and cottage industries, manufacturing now increasingly took place in the factory, built around new engines that were too large, too loud, and too dirty to have a place in the home. Work was therefore more and more divorced from the household, which ultimately changed the structure of the family.

At first, the owners of the new, industrialized factories sought out women and children as employees, since they were more tractable and more easily disciplined than men. But by the second half of the nineteenth century, the average British workingman was enjoying substantial and sustained growth in real wages, and a new division of labor came about within the family itself, along lines of gender. Men, whose relative strength gave them an advantage in manufacturing, increasingly worked in factories for market wages, which were high enough to support a family. The nineteenth-century market, however, could not provide commodities that produced goods such as cleanliness, hygiene, nutritious

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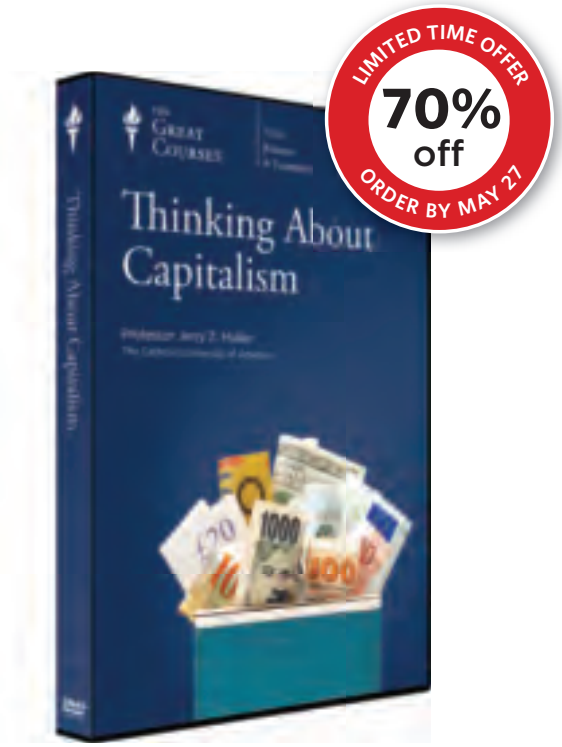

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meals, and the mindful supervision of children. Among the upper classes, these services could be provided by servants. But for most families, such services were increasingly provided by wives. This caused the rise of the breadwinner-homemaker family, with a division of labor along gender lines. Many of the improvements in health, longevity, and education from the mid-nineteenth to the mid-twentieth century, de Vries has argued, can be explained by this reallocation of female labor from the market to the household and, eventually, the reallocation of childhood from the market to education, as children left the work force for school.

DYNAMISM AND INSECURITY

For most of history, the prime source of human insecurity was nature. In such societies, as Marx noted, the economic system was oriented toward stability—and stagnancy. Capitalist societies, by contrast, have been oriented toward innovation and dynamism, to the creation of new knowledge, new products, and new modes of production and distribution. All of this has shifted the locus of insecurity from nature to the economy.

Hegel observed in the 1820s that for men in a commercial society based on the breadwinner-homemaker model, one's sense of self-worth and recognition by others was tied to having a job. This posed a problem, because in a dynamic capitalist market, unemployment was a distinct possibility. The division of labor created by the market meant that many workers had skills that were highly specialized and suited for only a narrow range of jobs. The market created shifting wants, and increased demand for new products meant decreased demand for older ones. Men whose lives had been devoted to their role in the production of the old products were left without a job and without the training that would allow them to find new work. And the mechanization of production also led to a loss of jobs. From its very beginnings, in other words, the creativity and innovation of industrial capitalism were shadowed by insecurity for members of the work force.

Marx and Engels sketched out capitalism's dynamism, insecurity, refinement of needs, and expansion of cultural possibilities in *The Communist Manifesto*:

> The bourgeoisie has, through its exploitation of the world market, given a cosmopolitan character to production and consumption in

> every country. To the great chagrin of reactionaries, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations.

In the twentieth century, the economist Joseph Schumpeter would expand on these points with his notion that capitalism was characterized by "creative destruction," in which new products and forms of distribution and organization displaced older forms. Unlike Marx, however, who saw the source of this dynamism in the disembodied quest of "capital" to increase (at the expense, he thought, of the working class), Schumpeter focused on the role of the entrepreneur, an innovator who introduced new commodities and discovered new markets and methods.

The dynamism and insecurity created by nineteenth-century industrial capitalism led to the creation of new institutions for the reduction of insecurity, including the limited liability corporation, to reduce investor risks; labor unions, to further worker interests; mutual-aid societies, to provide loans and burial insurance; and commercial life insurance. In the middle decades of the twentieth century, in response to the mass unemployment and deprivation produced by the Great Depression (and the political success of communism and fascism, which convinced many democrats that too much insecurity was a threat to capitalist democracy itself), Western democracies embraced the welfare state. Different nations created different combinations of specific programs, but the new welfare states had a good deal in common, including old-age and unemployment insurance and various measures to support families.

The expansion of the welfare state in the decades after World War II took place at a time when the capitalist economies of the West were growing rapidly. The success of the industrial economy made it possible

to siphon off profits and wages to government purposes through taxation. The demographics of the postwar era, in which the breadwinner-homemaker model of the family predominated, helped also, as moderately high birthrates created a favorable ratio of active workers to dependents. Educational opportunities expanded, as elite universities increasingly admitted students on the basis of their academic achievements and potential, and more and more people attended institutions of higher education. And barriers to full participation in society for women and minorities began to fall as well. The result of all of this was a temporary equilibrium during which the advanced capitalist countries experienced strong economic growth, high employment, and relative socioeconomic equality.

LIFE IN THE POSTINDUSTRIAL ECONOMY

For humanity in general, the late twentieth and early twenty-first centuries have been a period of remarkable progress, due in no small part to the spread of capitalism around the globe. Economic liberalization in China, India, Brazil, Indonesia, and other countries in the developing world has allowed hundreds of millions of people to escape grinding poverty and move into the middle class. Consumers in more advanced capitalist countries, such as the United States, meanwhile, have experienced a radical reduction in the price of many commodities, from clothes to televisions, and the availability of a river of new goods that have transformed their lives.

Most remarkable, perhaps, have been changes to the means of self-cultivation. As the economist Tyler Cowen notes, much of the fruit of recent developments "is in our minds and in our laptops and not so much in the revenue-generating sector of the economy." As a result, "much of the value of the internet is experienced at the personal level and so will never show up in the productivity numbers." Many of the great musical performances of the twentieth century, in every genre, are available on YouTube for free. Many of the great films of the twentieth century, once confined to occasional showings at art houses in a few metropolitan areas, can be viewed by anybody at any time for a small monthly charge. Soon, the great university libraries will be available online to the entire world, and other unprecedented opportunities for personal development will follow.

All this progress, however, has been shadowed by capitalism's perennial features of inequality and insecurity. In 1973, the sociologist

Daniel Bell noted that in the advanced capitalist world, knowledge, science, and technology were driving a transformation to what he termed "postindustrial society." Just as manufacturing had previously displaced agriculture as the major source of employment, he argued, so the service sector was now displacing manufacturing. In a postindustrial, knowledge-based economy, the production of manufactured goods depended more on technological inputs than on the skills of the workers who actually built and assembled the products. That meant a relative decline in the need for and economic value of skilled and semiskilled factory workers—just as there had previously been a decline in the need for and value of agricultural laborers. In such an economy, the skills in demand included scientific and technical knowledge and the ability to work with information. The revolution in information technology that has swept through the economy in recent decades, meanwhile, has only exacerbated these trends.

Inequality and insecurity are perennial features of capitalism.

One crucial impact of the rise of the postindustrial economy has been on the status and roles of men and women. Men's relative advantage in the preindustrial and industrial economies rested in large part on their greater physical strength—something now ever less in demand. Women, in contrast, whether by biological disposition or socialization, have had a relative advantage in human skills and emotional intelligence, which have become increasingly more important in an economy more oriented to human services than to the production of material objects. The portion of the economy in which women could participate has expanded, and their labor has become more valuable—meaning that time spent at home now comes at the expense of more lucrative possibilities in the paid work force.

This has led to the growing replacement of male breadwinner–female homemaker households by dual-income households. Both advocates and critics of the move of women into the paid economy have tended to overemphasize the role played in this shift by the ideological struggles of feminism, while underrating the role played by changes in the nature of capitalist production. The redeployment of female labor from the household has been made possible in part by the existence of new commodities that cut down on necessary household labor time (such as washing machines, dryers, dishwashers, water

heaters, vacuum cleaners, microwave ovens). The greater time devoted to market activity, in turn, has given rise to new demand for household-oriented consumer goods that require less labor (such as packaged and prepared food) and the expansion of restaurant and fast-food eating. And it has led to the commodification of care, as the young, the elderly, and the infirm are increasingly looked after not by relatives but by paid minders.

The trend for women to receive more education and greater professional attainments has been accompanied by changing social norms in the choice of marriage partners. In the age of the breadwinner-homemaker marriage, women tended to place a premium on earning capacity in their choice of partners. Men, in turn, valued the homemaking capacities of potential spouses more than their vocational attainments. It was not unusual for men and women to marry partners of roughly the same intelligence, but women tended to marry men of higher levels of education and economic achievement. As the economy has passed from an industrial economy to a postindustrial service-and-information economy, women have joined men in attaining recognition through paid work, and the industrious couple today is more likely to be made of peers, with more equal levels of education and more comparable levels of economic achievement—a process termed "assortative mating."

INEQUALITY ON THE RISE

These postindustrial social trends have had a significant impact on inequality. If family income doubles at each step of the economic ladder, then the total incomes of those families higher up the ladder are bound to increase faster than the total incomes of those further down. But for a substantial portion of households at the lower end of the ladder, there has been no doubling at all—for as the relative pay of women has grown and the relative pay of less-educated, working-class men has declined, the latter have been viewed as less and less marriageable. Often, the limitations of human capital that make such men less employable also make them less desirable as companions, and the character traits of men who are chronically unemployed sometimes deteriorate as well. With less to bring to the table, such men are regarded as less necessary—in part because women can now count on provisions from the welfare state as an additional independent source of income, however meager.

In the United States, among the most striking developments of recent decades has been the stratification of marriage patterns among the various classes and ethnic groups of society. When divorce laws were loosened in the 1960s, there was a rise in divorce rates among all classes. But by the 1980s, a new pattern had emerged: divorce declined among the more educated portions of the populace, while rates among the less-educated portions continued to rise. In addition, the more educated and more well-to-do were more likely to wed, while the less educated were less likely to do so. Given the family's role as an incubator of human capital, such trends have had important spillover effects on inequality. Abundant research shows that children raised by two parents in an ongoing union are more likely to develop the self-discipline and self-confidence that make for success in life, whereas children—and particularly boys—reared in single-parent households (or, worse, households with a mother who has a series of temporary relationships) have a greater risk of adverse outcomes.

All of this has been taking place during a period of growing equality of access to education and increasing stratification of marketplace rewards, both of which have increased the importance of human capital. One element of human capital is cognitive ability: quickness of mind, the ability to infer and apply patterns drawn from experience, and the ability to deal with mental complexity. Another is character and social skills: self-discipline, persistence, responsibility. And a third is actual knowledge. All of these are becoming increasingly crucial for success in the postindustrial marketplace. As the economist Brink Lindsey notes in his recent book *Human Capitalism*, between 1973 and 2001, average annual growth in real income was only 0.3 percent for people in the bottom fifth of the U.S. income distribution, compared with 0.8 percent for people in the middle fifth and 1.8 percent for those in the top fifth. Somewhat similar patterns also prevail in many other advanced economies.

Globalization has not caused this pattern of increasingly unequal returns to human capital but reinforced it. The economist Michael Spence has distinguished between "tradable" goods and services, which can be easily imported and exported, and "untradable" ones, which cannot. Increasingly, tradable goods and services are imported to advanced capitalist societies from less advanced capitalist societies, where labor costs are lower. As manufactured goods and routine services are outsourced, the wages of the relatively unskilled and uneducated in

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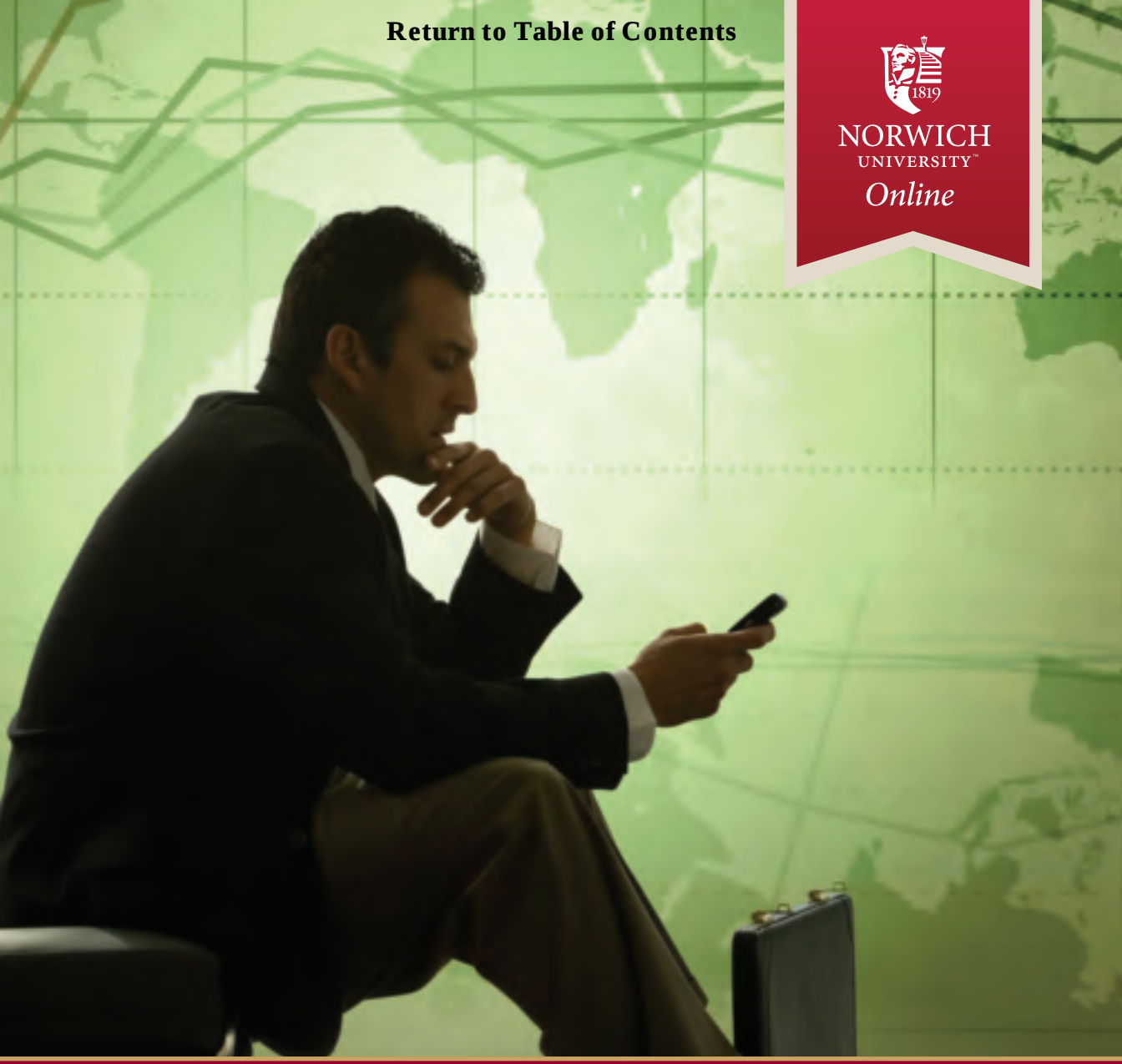

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advanced capitalist societies decline further, unless these people are somehow able to find remunerative employment in the untradable sector.

THE IMPACT OF MODERN FINANCE

Rising inequality, meanwhile, has been compounded by rising insecurity and anxiety for people higher up on the economic ladder. One trend contributing to this problem has been the financialization of the economy, above all in the United States, creating what was characterized as "money manager capitalism" by the economist Hyman Minsky and has been called "agency capitalism" by the financial expert Alfred Rappaport.

As late as the 1980s, finance was an essential but limited element of the U.S. economy. The trade in equities (the stock market) was made up of individual investors, large or small, putting their own money in stocks of companies they believed to have good long-term prospects. Investment capital was also available from the major Wall Street investment banks and their foreign counterparts, which were private partnerships in which the partners' own money was on the line. All of this began to change as larger pools of capital became available for investment and came to be deployed by professional money managers rather the owners of the capital themselves.

One source of such new capital was pension funds. In the postwar decades, when major American industries emerged from World War II as oligopolies with limited competition and large, expanding markets at home and abroad, their profits and future prospects allowed them to offer employees defined-benefit pension plans, with the risks involved assumed by the companies themselves. From the 1970s on, however, as the U.S. economy became more competitive, corporate profits became more uncertain, and companies (as well as various public-sector organizations) attempted to shift the risk by putting their pension funds into the hands of professional money managers, who were expected to generate significant profits. Retirement income for employees now depended not on the profits of their employers but on the fate of their pension funds.

Another source of new capital was university and other nonprofit organizations' endowments, which grew initially thanks to donations but were increasingly expected to grow further based on their investment performance. And still another source of new capital came from individuals and governments in the developing world, where rapid

economic growth, combined with a high propensity to save and a desire for relatively secure investment prospects, led to large flows of money into the U.S. financial system.

Spurred in part by these new opportunities, the traditional Wall Street investment banks transformed themselves into publicly traded corporations—that is to say, they, too, began to invest not just with their own funds but also with other people's money—and tied the bonuses of their partners and employees to annual profits. All of this created a highly competitive financial system dominated by investment managers working with large pools of capital, paid based on their supposed ability to outperform their peers. The structure of incentives in this environment led fund managers to try to maximize short-term returns, and this pressure trickled down to corporate executives. The shrunken time horizon created a temptation to boost immediate profits at the expense of longer-term investments, whether in research and development or in improving the skills of the company's work force. For both managers and employees, the result has been a constant churning that increases the likelihood of job losses and economic insecurity.

Globalization has reinforced this pattern of increasingly unequal returns to human capital.

An advanced capitalist economy does indeed require an extensive financial sector. Part of this is a simple extension of the division of labor: outsourcing decisions about investing to professionals allows the rest of the population the mental space to pursue things they do better or care more about. The increasing complexity of capitalist economies means that entrepreneurs and corporate executives need help in deciding when and how to raise funds. And private equity firms that have an ownership interest in growing the real value of the firms in which they invest play a key role in fostering economic growth. These matters, which properly occupy financiers, have important consequences, and handling them requires intelligence, diligence, and drive, so it is neither surprising nor undesirable that specialists in this area are highly paid. But whatever its benefits and continued social value, the financialization of society has nevertheless had some unfortunate consequences, both in increasing inequality by raising the top of the economic ladder (thanks to the extraordinary rewards financial managers receive) and in increasing insecurity among

those lower down (thanks to the intense focus on short-term economic performance to the exclusion of other concerns).

THE FAMILY AND HUMAN CAPITAL

In today's globalized, financialized, postindustrial environment, human capital is more important than ever in determining life chances. This makes families more important, too, because as each generation of social science researchers discovers anew (and much to their chagrin), the resources transmitted by the family tend to be highly determinative of success in school and in the workplace. As the economist Friedrich Hayek pointed out half a century ago in *The Constitution of Liberty*, the main impediment to true equality of opportunity is that there is no substitute for intelligent parents or for an emotionally and culturally nurturing family. In the words of a recent study by the economists Pedro Carneiro and James Heckman, "Differences in levels of cognitive and noncognitive skills by family income and family background emerge early and persist. If anything, schooling widens these early differences."

Hereditary endowments come in a variety of forms: genetics, prenatal and postnatal nurture, and the cultural orientations conveyed within the family. Money matters, too, of course, but is often less significant than these largely nonmonetary factors. (The prevalence of books in a household is a better predictor of higher test scores than family income.) Over time, to the extent that societies are organized along meritocratic lines, family endowments and market rewards will tend to converge.

Educated parents tend to invest more time and energy in child care, even when both parents are engaged in the work force. And families strong in human capital are more likely to make fruitful use of the improved means of cultivation that contemporary capitalism offers (such as the potential for online enrichment) while resisting their potential snares (such as unrestricted viewing of television and playing of computer games).

This affects the ability of children to make use of formal education, which is increasingly, at least potentially, available to all regardless of economic or ethnic status. At the turn of the twentieth century, only 6.4 percent of American teenagers graduated from high school, and only one in 400 went on to college. There was thus a huge portion of the population with the capacity, but not the opportunity, for greater educational achievement. Today, the U.S. high school graduation rate

is about 75 percent (down from a peak of about 80 percent in 1960), and roughly 40 percent of young adults are enrolled in college.

The Economist recently repeated a shibboleth: "In a society with broad equality of opportunity, the parents' position on the income ladder should have little impact on that of their children." The fact is, however, that the greater equality of institutional opportunity there is, the more families' human capital endowments matter. As the political scientist Edward Banfield noted a generation ago in *The Unheavenly City Revisited*, "*All* education favors the middle- and upper-class child, because to be middle- or upper-class is to have qualities that make one particularly educable." Improvements in the quality of schools may improve overall educational outcomes, but they tend to increase, rather than diminish, the gap in achievement between children from families with different levels of human capital. Recent investigations that purport to demonstrate less intergenerational mobility in the United States today than in the past (or than in some European nations) fail to note that this may in fact be a perverse product of generations of increasing equality of opportunity. And in this respect, it is possible that the United States may simply be on the leading edge of trends found in other advanced capitalist societies as well.

DIFFERENTIAL GROUP ACHIEVEMENT

The family is not the only social institution to have a major impact on the development of human capital and eventual success in the marketplace; so do communal groupings, such as those of religion, race, and ethnicity. In his 1905 book, *The Protestant Ethic and the Spirit of Capitalism*, the sociologist Max Weber observed that in religiously diverse areas, Protestants tended to do better economically than Catholics, and Calvinists better than Lutherans. Weber presented a cultural explanation for this difference, grounded in the different psychological propensities created by the different faiths. A few years later, in *The Jews and Modern Capitalism*, Weber's contemporary Werner Sombart offered an alternative explanation for differential group success, based partly on cultural propensities and partly on racial ones. And in 1927, their younger colleague Schumpeter titled a major essay "Social Classes in an Ethnically Homogeneous Environment" because he took it for granted that in an ethnically mixed setting, levels of achievement would vary by ethnicity, not just class.

The explanations offered for such patterns are less important than the fact that differential group performance has been a perennial feature in the history of capitalism, and such differences continue to exist today. In the contemporary United States, for example, Asians (especially when disaggregated from Pacific Islanders) tend to outperform non-Hispanic whites, who in turn tend to outperform Hispanics, who in turn tend to outperform African Americans. This is true whether one looks at educational achievement, earnings, or family patterns, such as the incidence of nonmarital births.

Because communities act as carriers and incubators of human capital, the patterns of inequality persist.

Those western European nations (and especially northern European nations) with much higher levels of equality than the United States tend to have more ethnically homogeneous populations. As recent waves of immigration have made many advanced postindustrial societies less ethnically homogeneous, they also seem to be increasingly stratifying along communal lines, with some immigrant groups exhibiting more favorable patterns than the preexisting population and other groups doing worse. In the United Kingdom, for example, the children of Chinese and Indian immigrants tend do better than the indigenous population, whereas those of Caribbean blacks and Pakistanis tend to do worse. In France, the descendants of Vietnamese tend to do better, and those of North African origin tend to do worse. In Israel, the children of Russian immigrants tend to do better, while those of immigrants from Ethiopia tend to do worse. In Canada, the children of Chinese and Indians tend to do better, while those of Caribbean and Latin American origin tend to do worse. Much of this divergence in achievement can be explained by the differing class and educational backgrounds of the immigrant groups in their countries of origin. But because the communities themselves act as carriers and incubators of human capital, the patterns can and do persist over time and place.

In the case of the United States, immigration plays an even larger role in exacerbating inequality, for the country's economic dynamism, cultural openness, and geographic position tend to attract both some of world's best and brightest and some of its least educated. This raises the top and lowers the bottom of the economic ladder.

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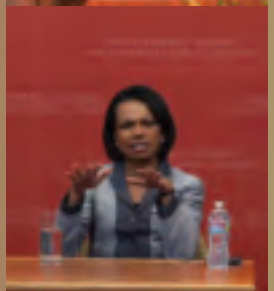

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WHY EDUCATION IS NOT A PANACEA

A growing recognition of the increasing economic inequality and social stratification in postindustrial societies has naturally led to discussions of what can be done about it, and in the American context, the answer from almost all quarters is simple: education.

One strand of this logic focuses on college. There is a growing gap in life chances between those who complete college and those who don't, the argument runs, and so as many people as possible should go to college. Unfortunately, even though a higher percentage of Americans are attending college, they are not necessarily learning more. An increasing number are unqualified for college-level work, many leave without completing their degrees, and others receive degrees reflecting standards much lower than what a college degree has usually been understood to mean.

The most significant divergence in educational achievement occurs before the level of college, meanwhile, in rates of completion of high school, and major differences in performance (by class and ethnicity) appear still earlier, in elementary school. So a second strand of the education argument focuses on primary and secondary schooling. The remedies suggested here include providing schools with more money, offering parents more choice, testing students more often, and improving teacher performance. Even if some or all of these measures might be desirable for other reasons, none has been shown to significantly diminish the gaps between students and between social groups—because formal schooling itself plays a relatively minor role in creating or perpetuating achievement gaps.

The gaps turn out to have their origins in the different levels of human capital children possess when they enter school—which has led to a third strand of the education argument, focusing on earlier and more intensive childhood intervention. Suggestions here often amount to taking children out of their family environments and putting them into institutional settings for as much time as possible (Head Start, Early Head Start) or even trying to resocialize whole neighborhoods (as in the Harlem Children's Zone project). There are examples of isolated successes with such programs, but it is far from clear that these are reproducible on a larger scale. Many programs show short-term gains in cognitive ability, but most of these gains tend to fade out over time, and those that remain tend to be marginal. It is more plausible that such programs improve the noncognitive skills and

character traits conducive to economic success—but at a significant cost and investment, employing resources extracted from the more successful parts of the population (thus lowering the resources available to them) or diverted from other potential uses.

For all these reasons, inequality in advanced capitalist societies seems to be both growing and ineluctable, at least for the time being. Indeed, one of the most robust findings of contemporary social scientific inquiry is that as the gap between high-income and low-income families has increased, the educational and employment achievement gaps between the children of these families has increased even more.

WHAT IS TO BE DONE?

Capitalism today continues to produce remarkable benefits and continually greater opportunities for self-cultivation and personal development. Now as ever, however, those upsides are coming with downsides, particularly increasing inequality and insecurity. As Marx and Engels accurately noted, what distinguishes capitalism from other social and economic systems is its "constant revolutionizing of production, uninterrupted disturbance of all social conditions, [and] everlasting uncertainty and agitation."

At the end of the eighteenth century, the greatest American student and practitioner of political economy, Alexander Hamilton, had some profound observations about the inevitable ambiguity of public policy in a world of creative destruction:

> Tis the portion of man assigned to him by the eternal allotment of Providence that every good he enjoys, shall be alloyed with ills, that every source of his bliss shall be a source of his affliction—except Virtue alone, the only unmixed good which is permitted to his temporal Condition. . . . The true politician . . . will favor all those institutions and plans which tend to make men happy according to their natural bent which multiply the sources of individual enjoyment and increase those of national resource and strength—taking care to infuse in each case all the ingredients which can be devised as preventives or correctives of the evil which is the eternal concomitant of temporal blessing.

Now as then, the question at hand is just how to maintain the temporal blessings of capitalism while devising preventives and correctives for the evils that are their eternal concomitant.

One potential cure for the problems of rising inequality and insecurity is simply to redistribute income from the top of the economy to the bottom. This has two drawbacks, however. The first is that over time, the very forces that lead to greater inequality reassert themselves, requiring still more, or more aggressive, redistribution. The second is that at some point, redistribution produces substantial resentment and impedes the drivers of economic growth. Some degree of postmarket redistribution through taxation is both possible and necessary, but just how much is ideal will inevitably be contested, and however much it is, it will never solve the underlying problems.

A second cure, using government policy to close the gaps between individuals and groups by offering preferential treatment to underperformers, may be worse than the disease. Whatever their purported benefits, mandated rewards to certain categories of citizens inevitably create a sense of injustice among the rest of the population. More grave is their cost in terms of economic efficiency, since by definition, they promote less-qualified individuals to positions they would not attain on the basis of merit alone. Similarly, policies banning the use of meritocratic criteria in education, hiring, and credit simply because they have a "differential impact" on the fortunes of various communal groups or because they contribute to unequal social outcomes will inevitably impede the quality of the educational system, the work force, and the economy.

Major government social welfare spending is a proper response to some inherently problematic features of capitalism, not a "beast" that should be "starved."

A third possible cure, encouraging continued economic innovation that will benefit everybody, is more promising. The combination of the Internet and computational revolutions may prove comparable to the coming of electricity, which facilitated an almost unimaginable range of other activities that transformed society at large in unpredictable ways. Among other gains, the Internet has radically increased the velocity of knowledge, a key factor in capitalist economic growth since at least the eighteenth century. Add to that the prospects of other fields still in their infancy, such as biotechnology, bioinformatics, and nanotechnology, and the prospects for future economic growth and the ongoing improvement of human life look reasonably bright. Nevertheless, even continued innovation and revived economic

growth will not eliminate or even significantly reduce socioeconomic inequality and insecurity, because individual, family, and group differences will still affect the development of human capital and professional accomplishment.

For capitalism to continue to be made legitimate and palatable to populations at large, therefore—including those on the lower and middle rungs of the socioeconomic ladder, as well as those near the top, losers as well as winners—government safety nets that help diminish insecurity, alleviate the sting of failure in the marketplace, and help maintain equality of opportunity will have to be maintained and revitalized. Such programs already exist in most of the advanced capitalist world, including the United States, and the right needs to accept that they serve an indispensable purpose and must be preserved rather than gutted—that major government social welfare spending is a proper response to some inherently problematic features of capitalism, not a "beast" that should be "starved."

In the United States, for example, measures such as Social Security, unemployment insurance, food stamps, the Earned Income Tax Credit, Medicare, Medicaid, and the additional coverage provided by the Affordable Care Act offer aid and comfort above all to those less successful in and more buffeted by today's economy. It is unrealistic to imagine that the popular demand for such programs will diminish. It is uncaring to cut back the scope of such programs when inequality and insecurity have risen. And if nothing else, the enlightened self-interest of those who profit most from living in a society of capitalist dynamism should lead them to recognize that it is imprudent to resist parting with some of their market gains in order to achieve continued social and economic stability. Government entitlement programs need structural reform, but the right should accept that a reasonably generous welfare state is here to stay, and for eminently sensible reasons.

The left, in turn, needs to come to grips with the fact that aggressive attempts to eliminate inequality may be both too expensive and futile. The very success of past attempts to increase equality of opportunity—such as by expanding access to education and outlawing various forms of discrimination—means that in advanced capitalist societies today, large, discrete pools of untapped human potential are increasingly rare. Additional measures to promote equality are therefore likely to produce fewer gains than their predecessors, at greater

cost. And insofar as such measures involve diverting resources from those with more human capital to those with less, or bypassing criteria of achievement and merit, they may impede the economic dynamism and growth on which the existing welfare state depends.

The challenge for government policy in the advanced capitalist world is thus how to maintain a rate of economic dynamism that will provide increasing benefits for all while still managing to pay for the social welfare programs required to make citizens' lives bearable under conditions of increasing inequality and insecurity. Different countries will approach this challenge in different ways, since their priorities, traditions, size, and demographic and economic characteristics vary. (It is among the illusions of the age that when it comes to government policy, nations can borrow at will from one another.) But a useful starting point might be the rejection of both the politics of privilege and the politics of resentment and the adoption of a clear-eyed view of what capitalism actually involves, as opposed to the idealization of its worshipers and the demonization of its critics.

Mexico Makes It

A Transformed Society, Economy, and Government

Shannon K. O'Neil

Four tons of cocaine confiscated by U.S. authorities off the California coast; 35 bodies dumped by the side of a busy Veracruz highway in broad daylight; an attack by gunmen on a birthday party in Ciudad Juárez killing 14, many of them teenagers: tragedies like these, all of which occurred over the past two years and were extensively covered by the media, are common in Mexico today. Prominent Mexican news organizations and analysts have estimated that during the six-year term of Mexico's last president, Felipe Calderón, over 60,000 people were killed in drug-related violence, and some researchers have put the number at tens of thousands more. Mexico's crime rates are some of the worst in the Western Hemisphere. According to Latinobarómetro, an annual regionwide public opinion poll, over 40 percent of Mexicans say that they or a family member has been the victim of a crime at some point in the last year.

Hidden behind the troubling headlines, however, is another, more hopeful Mexico—one undergoing rapid and widespread social, political, and economic transformation. Yes, Mexico continues to struggle with grave security threats, but it is also fostering a globally competitive marketplace, a growing middle class, and an increasingly influential pro-democracy voter base. In addition, Mexico's ties with the United States are changing. Common interests in energy, manufacturing, and security, as well as an overlapping community formed by millions of binational families, have made Mexico's path forward increasingly important to its northern neighbor.

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For most of the past century, U.S.-Mexican relations were conducted at arm's length. That began to change, however, in the 1980s and, even more, after the 1994 North American Free Trade Agreement (NAFTA) spurred greater bilateral economic engagement and cooperation. Mexico's democratic transition has further eased the wariness of some skeptics in Washington. Still, the U.S.-Mexican relationship is far from perfect. New bilateral policies are required, especially to facilitate the movement of people and goods across the U.S.-Mexican border. More important, the United States needs to start seeing Mexico as a partner instead of a problem.

ECONOMIC REVOLUTION

Three decades ago, Mexico had an inward-looking, oil-dominated economy. The Institutional Revolutionary Party (PRI), which ruled the country for 71 years, maintained a stranglehold on the economy and the country as a whole. PRI presidents championed domestic industries with high tariffs, generous domestic subsidies, and export and production quotas. These policies limited trade, with primarily machinery, chemicals, and metals coming in, and oil, which accounted for three out of every four dollars of Mexico's exports, going out. State-owned enterprises controlled economic sectors as diverse as telecommunications, sugar, airlines, hotels, steel, and textiles. These state-sponsored monopolies provided employment for almost one million Mexicans, as well as patronage to party officials and union leaders. But they also weighed down the economy with overpriced goods, inefficient policies, and corruption, triggering repeated booms and busts.

Today, Mexico has shaken off this volatile past to become one of the most open and globalized economies in the world. It maintains free-trade agreements with over 40 countries. The country's trade as a percentage of GDP—a useful measure of economic openness—is 65 percent, compared with 59 percent in China, 32 percent in the United States, and 25 percent in Brazil. No longer addicted to oil, Mexico's export economy is now driven by manufacturing, especially of cars, computers, and appliances. The shift from commodities and agriculture to services and manufacturing has catapulted the country forward, and Mexico is outpacing many other emerging-market countries, including China, India, and Russia, in making this economic transition.

These fundamental changes began in 1982, at the onset of the Latin American debt crisis. Hit by rising interest rates and declining oil

prices, the Mexican government stopped payment on some $80 billion in foreign obligations, mostly to U.S. commercial banks. The ensuing financial crisis further crippled the economy and cost millions their livelihoods, but it also forced the government to consider drastic economic reforms. President Miguel de la Madrid led the charge after 1982, cutting public spending, reducing subsidies, and signing the General Agreement on Tariffs and Trade (the predecessor of the World Trade Organization), which committed Mexico to lowering tariffs and trade barriers. His successor, Carlos Salinas, was even more aggressive. He eradicated the traditional *ejido* (communal landholding) system, privatized hundreds of public companies, and negotiated NAFTA with the United States and Canada, a treaty that was, at the time, the most comprehensive and ambitious free-trade agreement in the world.

Economic stability has bettered the lives of many Mexicans, whose savings and investments are no longer repeatedly wiped out by financial crises.

These policies helped, but in 1994, Mexico stumbled again. An overvalued peso, a weak banking sector, dwindling foreign reserves, and the PRI's elevated preelection spending led to yet another financial mess. The peso lost half its value in just weeks, GDP fell by seven percent, inflation soared to triple digits, and over one million Mexicans lost their jobs. Fortunately, due to the trade security provided by NAFTA and earlier reforms that had opened the economy, the recession was relatively short, with recovery beginning in 1996. Even better, Mexico emerged with a strong fiscal management system, including an independent central bank dedicated to curbing inflation and a finance ministry committed to balancing the federal budget.

The combination of permanent access to the world's largest consumer market, through NAFTA, and currency devaluation made Mexican businesses more globally competitive and led to a manufacturing boom and a fourfold surge in exports between 1990 and 2000. Industries producing goods such as auto parts, electronics, and apparel added some 800,000 jobs, pushing the total number of factory workers to well over one million. Foreign direct investment poured in, averaging $11 billion a year in the late 1990s.

Other economic transformations also accelerated during this time. Over two million farmers were put out of work as small-scale agriculture

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became unprofitable in the face of subsidized U.S. agribusiness. This reflects the harsh implications of NAFTA, but it is also a trend that is common to many industrializing economies, in which manufacturing and services replace agriculture as the drivers of economic growth and employment. In addition, oil became much less important to the economy. To be sure, it still funds over a third of the federal budget, but as a share of GDP, it fell from a peak of nearly 20 percent in 1981 to around six percent today.

MEXICO'S MIDDLE

Along with these economic reforms came significant social changes, especially the rise of Mexico's middle class. By the early 1980s, the country's middle class had grown to about a third of the population, thanks to the PRI's commitment to accessible education and the expansion of public-sector employment. But the 1982 financial crisis and the subsequent reforms of the late 1980s and early 1990s hurt the government-nurtured middle class by trimming public-sector jobs and government subsidies and largess.

At the same time, these reforms opened up the space for a more diverse, less PRI-dependent middle class to grow. The past 15 years of economic stability have bettered the lives of many Mexicans, whose savings and investments are no longer repeatedly wiped out by financial crises. NAFTA has both increased investment in the economy and lowered costs for average Mexicans. A study by Tufts University's Global Development and Environment Institute shows that the agreement has lowered the price of basic goods in Mexico by some 50 percent, making salaries go much further than in the past. In addition, growing access to credit has enabled millions of Mexicans to buy their own homes and start or expand businesses.

As a result, modern Mexico is a middle-class country. The World Bank estimates that some 95 percent of Mexico's population is in the middle or the upper class. The Organization for Economic Cooperation and Development (OECD) also puts most of Mexico's population on the upper rungs, estimating that 50 percent of Mexicans are middle class and another 35 percent are upper class. Even the most stringent measurement, comparing incomes alongside access to health care, education, social security, housing, and food, finds that just over 45 percent of Mexicans are considered poor—meaning that almost 55 percent are not.

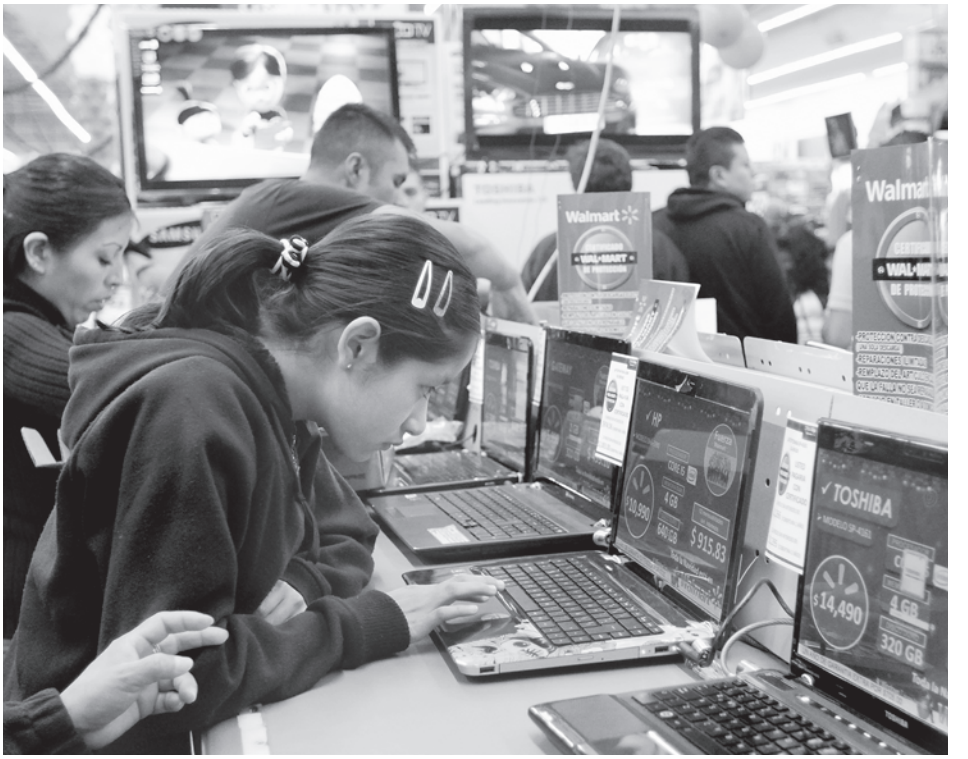
According to the World Bank, more than three-quarters of Mexicans are city dwellers, and the growing middle class is a decidedly urban phenomenon. Today's middle-class Mexicans are also much less dependent on the government than their parents were, as most work in the private sector. These professionals frequently fill jobs as accountants, lawyers, engineers, entrepreneurs, specialized factory workers, taxi drivers, or midlevel managers in Mexico's growing service and manufacturing sectors.

In addition, Mexico's work force includes more women than ever before. Forty-five percent of Mexican women now work outside their homes—more than double the rate of 30 years ago. Although there are fewer dual-income households in Mexico than in many other developing countries, they are increasingly common. This trend is tied to a change in average family size, which has allowed women to pursue their own careers. In the 1970s, the typical Mexican family included seven children. Today, most women have only two children, which is the average in the United States. And Mexican children now spend much more time in school than they did in the past. In 1990, most children made it through only the primary grades. Today, the majority remain through high school.

As the number of Mexicans with greater earnings has increased, so, too, has consumption. With middle-class annual individual incomes estimated at somewhere between $7,000 and $85,000, households now earn enough to buy modern appliances, such as refrigerators, televisions, and washing machines. Approximately 80 percent of all Mexicans own a cell phone, half own a car, and nearly a third own a computer. The media might depict Mexico as a crime-ridden battlefield, but the country boasts a middle-income, emerging-market economy.

NOT YOUR PARENTS' PRI

As Mexico's economy and society have changed, so has its politics. For decades, the PRI maintained political control through what the Peruvian writer Mario Vargas Llosa dubbed "the perfect dictatorship": buying votes, co-opting the opposition, and cracking down on dissidents. The seeds of democracy were planted in the 1980s, when voters, frustrated with the status quo, started supporting opposition candidates in regional elections. Political change gained momentum after the 1994 economic crisis, when dissatisfaction with the regime escalated. The



Consumer confidence: shopping at Walmart in Mexico City, November 2011

REUTERS / HENRY ROMERO

PRI's control suffered a further blow from a 1996 electoral reform that made voter fraud harder to commit. In the late 1990s, the growing middle class abandoned the PRI altogether, first in the 1997 congressional elections and then in the 2000 presidential contest, in which it helped elect Vicente Fox of the National Action Party.

In 2012, voters, concerned about waning economic growth and unrelenting drug violence, ushered the PRI back into the executive branch. Some worry that the party's return has sounded the death knell for Mexico's democracy. Sure enough, President Enrique Peña Nieto's administration includes some old-guard politicos not known for championing democratic ideals. But Mexico's political system has changed since the PRI last held high office. Both the legislative and the judicial branches of government now provide checks and balances against presidential power. Congress was once filled with a permanent majority of PRI delegates who rarely questioned the edicts of their president. Today, the PRI holds a plurality, not a majority, in both houses, which means the party will have to negotiate with the opposition to pass legislation.

The Supreme Court provides another check on executive power. In the old days, the justices blessed whatever legislation came their way. But thanks to President Ernesto Zedillo's overhaul of the justice system in the mid-1990s, the court has become an independent and final arbiter on many contentious issues. The court has passed judgment on topics as diverse as the constitutionality of new legislation, the rules governing elections, and the jurisdiction of civilian courts over the military. It even overturned the controversial "Televisa law," passed by Congress in 2006, which assured the continued duopoly of the two dominant television networks.

Bulwarked by checks and balances, an independent press, and a growing civil society, Mexican democracy seems here to stay.

Since 2000, power has also become increasingly decentralized and regionalized. At one time, a president could dismiss half of Mexico's sitting governors without a hint of blowback, as Salinas did during his 1988–94 term. Today, states and their elected leaders are more independent, both politically and, increasingly, economically. Some worry that decentralization might bolster local authoritarianism, but in reality, it will prevent the return of the old political model; because regional executives are more autonomous now, they can stand up to federal politicians.

Other developments, especially the expansion of an independent press, have further enriched Mexico's democracy. A few decades ago, if PRI leaders were displeased with news coverage, they could literally stop the presses, because the party held a monopoly on newsprint. Subsequent economic crises, however, and declining political power lessened the PRI's control of the media. Today, Mexico has a vibrant and fiercely independent press, led by publications such as *El Universal*, *Reforma*, and *La Jornada*. With the proliferation of social media and with information now publicly available through Mexico's freedom of information law, passed in 2002, Mexican civil-society organizations and individual voters can criticize and shame corrupt bureaucrats and politicians. Bulwarked by such fundamentals—checks and balances, an independent press, and a growing civil society—Mexican democracy seems here to stay.

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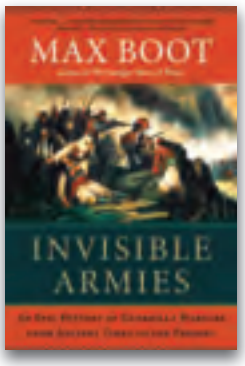

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ROADBLOCKS

Still, many problems hold Mexico back. In recent decades, Mexico City has done little to bust the monopolies and oligopolies that hobble the country's growth, and in some cases, it has strengthened them. In addition to the state's control of energy, one or just a few companies still dominate the production of goods such as cement, glass, soft drinks, flour, sugar, and bread. The OECD estimates that these monopolies increase basic costs for Mexican families by some 40 percent. The Peña Nieto administration has promised to open up the energy sector, and some initial steps have been taken by regulators and the Supreme Court to break up these concentrations of economic power. Much more needs to happen, however, to level the economic playing field.

Shoddy infrastructure further limits Mexico's progress. Just over a third of its roads are paved, and its railways, ports, and airports fall short of filling the country's growing needs. There is little hope that this will improve anytime soon. Despite the promises of successive governments and leaders, from the PRI and the opposition alike, the World Bank estimates that public spending in Mexico is only half of what is needed for basic transportation maintenance, never mind necessary additions. Plans for aggressive spending have failed in the past—first because of a lack of technically savvy bureaucrats able to take charge and push the projects through and later because of the global economic crisis. As a result, even though Mexico has advanced in the World Economic Forum's annual *Global Competitiveness Report* on measures such as access to financing and technology, it has stagnated in its infrastructure ranking.

Mexico's educational system is also subpar. Children now stay in school longer, but they do not seem to be getting much for their time. On tests by the Program for International Student Assessment, which compare academic performance, Mexico's students score lower than students from all the other OECD countries in reading, math, and science. Employers and graduates complain about the mismatch between training and opportunities: too many political science majors, for example, and not enough engineers. According to a study by Mexico's National Association of Universities and Higher Education Institutions, 40 percent of Mexican university graduates over the last ten years are now unemployed or working in a different field from the one they studied. Mexico needs to develop a properly trained work force if it is to ensure future prosperity.

Even more pressing, Mexico must deal with its crime problem. Extortion, kidnapping, and theft, not to mention rampant assault and murder, stunt economic growth—particularly that of small and medium-sized enterprises (the job creators in most economies), which cannot afford private security. Violence discourages domestic and foreign investment, preventing the construction of new factories that would provide jobs and boost local economies. Estimates by the Mexican government, as well as by private-sector investors, such as J.P. Morgan, suggest that insecurity shaves more than one percent off Mexico's GDP annually.

A democratic and safe Mexico would attract billions in foreign investment and propel the country into the world's top economic ranks.

Crippled by corruption and impunity, the state fails to provide basic safety for many of its citizens. Several parts of the country lack effective police forces and sound court systems. New tools, such as the freedom of information act and enhanced press coverage, have helped expose wrongdoing, but such liberties are often fitfully employed, especially at the state and local level, where politicians and vested interests push back. So far, only a few heavy hitters have been successfully prosecuted for their misdeeds. Mexico's ban on the reelection of any official, from the local mayor to the president, makes politicians more concerned with pleasing party leaders (who can nominate them for their next position) than with serving their constituents. Civil-society leaders have called for a reform of this part of the constitution, but so far their efforts have failed.

Mexico City has taken some corrective steps in recent years, and levels of violence are declining in hotspots such as Ciudad Juárez and seem to have plateaued nationally. But the process of fundamentally transforming Mexico's law enforcement and justice systems is still ongoing. Mexico needs to expand its police training and reforms beyond the national level to reach state- and local-level forces and to finish revamping its justice system, creating courts that can punish the guilty and free the innocent. Although the new government has promised both, it remains to be seen if Peña Nieto will do what is necessary, throwing the full force of his administration behind these efforts.

If Mexico addresses these challenges, it will emerge as a powerful player on the international stage. A democratic and safe Mexico

would attract billions of dollars in foreign investment and propel the country into the world's top economic ranks. Robust growth would both reduce northbound emigration and increase southbound trade, benefiting U.S. employers and employees alike. Already influential in the G-20 and other multilateral organizations, Mexico could become even more of a power broker in global institutions and help construct new international financial, trade, and climate-change accords.

After three transformative decades, Mexico is still forging its geopolitical, economic, and social identity. It can continue down the path toward becoming a top-ten world economy, a strong democracy with a middle-class society, and a confident global player. Or it can be consumed by its challenges—violence, crime, crumbling infrastructure, a weak educational system, economic roadblocks, and persistent corruption. Either way, Mexico's future will affect the United States.

BORDER BUDDIES

Since NAFTA was passed, U.S.-Mexican trade has more than tripled. Well over $1 billion worth of goods crosses the U.S.-Mexican border every day, as do 3,000 people, 12,000 trucks, and 1,200 railcars. Mexico is second only to Canada as a destination for U.S. goods, and sales to Mexico support an estimated six million American jobs, according to a report published by the Woodrow Wilson International Center's Mexico Institute. The composition of that bilateral trade has also changed in recent decades. Approximately 40 percent of the products made in Mexico today have parts that come from the United States. Many consumer goods, including cars, televisions, and computers, cross the border more than once during their production.

Admittedly, this process has sent some U.S. jobs south, but overall, cross-border production is good for U.S. employment. There is evidence that U.S. companies with overseas operations are more likely to create domestic jobs than those based solely in the United States. Using data collected confidentially from thousands of large U.S. manufacturing firms, the scholars Mihir Desai, C. Fritz Foley, and James Hines upended the conventional wisdom in a 2008 study, which found that when companies ramp up their investment and employment internationally, they invest more and hire more people at home, too. Overseas operations make companies more productive

and competitive, and with improved products, lower prices, and higher sales, they are able to create new jobs everywhere. Washington should welcome the expansion of U.S. companies in Mexico because increasing cross-border production and trade between the two countries would boost U.S. employment and growth. Mexico is a ready, willing, and able economic partner, with which the United States has closer ties than it does with any other emerging-market country.

Familial and communal ties also unite the United States and Mexico. The number of Mexican immigrants in the United States doubled in the 1980s and then doubled again in the 1990s. Fleeing poor economic and employment conditions in Mexico and attracted by labor demand and family and community members already in the United States, an estimated ten million Mexicans have come north over the past three decades. This flow has recently slowed, thanks to changing demographics and economic improvements in Mexico and a weakening U.S. economy. Still, some 12 million Mexicans and over 30 million Mexican Americans call the United States home.

Mexico is a ready, willing, and able economic partner, with which the United States has closer ties than it does with any other emerging-market country.

For all these reasons, the United States should strengthen its relationship with its neighbor, starting with immigration laws that support the binational individuals and communities that already exist in the United States and encourage the legal immigration of Mexican workers and their families. U.S. President Barack Obama has promised to send such legislation to Congress, but a strong anti-immigrant wing within the Republican Party and the slow U.S. economic recovery pose significant barriers to a comprehensive and far-reaching deal.

Nevertheless, the United States and Mexico urgently need to invest in border infrastructure, standardize their customs forms, and work to better facilitate legal trade between them. Furthermore, getting Americans to recognize the benefits of cross-border production will be an uphill battle, but it is one worth fighting in order to boost the United States' exports, jobs, and overall economic growth.

On the security front, U.S. efforts must move beyond cracking down on drug trafficking to helping Mexico combat crime more generally. Security links have expanded since 2007, when Washington and Mexico City began taking on drug traffickers together. Today, Obama should support Peña Nieto's strategy of cracking down on violence rather than try to eliminate the drug trade. Washington should also expand its law enforcement training programs, currently conducted primarily at the federal level, to Mexico's state and local police forces and justice systems. Washington and Mexico City should also invest together in border community projects and programs that support social and economic development in often neglected and crime-ridden areas.

New administrations are beginning their terms in both countries. In Mexico, Peña Nieto has six years to overcome his country's remaining economic, social, and political barriers. Obama has the opportunity to strengthen U.S. manufacturing, production, and security by working with the United States' increasingly prosperous neighbor. It is in the interests of both countries to form a lasting partnership now.

Breaking Up Is Not Hard to Do

Why the U.S.-Pakistani Alliance Isn't Worth the Trouble

Husain Haqqani

Washington has not had an easy time managing the U.S.-Pakistani relationship, to put it mildly. For decades, the United States has sought to change Pakistan's strategic focus from competing with India and seeking more influence in Afghanistan to protecting its own internal stability and economic development. But even though Pakistan has continued to depend on U.S. military and economic support, it has not changed its behavior much. Each country accuses the other of being a terrible ally—and perhaps both are right.

Pakistanis tend to think of the United States as a bully. In their view, Washington provides desperately needed aid intermittently, yanking it away whenever U.S. officials want to force policy changes. Pakistanis believe that Washington has never been grateful for the sacrifice of the thousands of Pakistani military and security officials who have died fighting terrorists in recent decades, nor mourned the tens of thousands of Pakistani civilians whom those terrorists have killed. Many in the country, including President Asif Ali Zardari and General Ashfaq Kayani, the army chief, recognize that Pakistan has at times gone off the American script, but they argue that the country would be a better ally if only the United States showed more sensitivity to Islamabad's regional concerns.

On the other side, Americans see Pakistan as the ungrateful recipient of almost $40 billion in economic and military assistance since 1947,

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$23 billion of it for fighting terrorism over the last decade alone. In their view, Pakistan has taken American dollars with a smile, even as it covertly developed nuclear weapons in the 1980s, passed nuclear secrets to others in the 1990s, and supported Islamist militant groups more recently. No matter what Washington does, according to a growing cadre of U.S. senators, members of Congress, and editorial writers, it can't count on Pakistan as a reliable ally. Meanwhile, large amounts of U.S. aid have simply failed to invigorate Pakistan's economy.

The May 2011 U.S. covert operation in Abbottabad that killed Osama bin Laden brought the relationship to an unusually low point, making it harder than ever to maintain the illusion of friendship. At this point, instead of continuing to fight so constantly for so little benefit—money for Pakistan, limited intelligence cooperation for the United States, and a few tactical military gains for both sides—the two countries should acknowledge that their interests simply do not converge enough to make them strong partners. By coming to terms with this reality, Washington would be freer to explore new ways of pressuring Pakistan and achieving its own goals in the region. Islamabad, meanwhile, could finally pursue its regional ambitions, which would either succeed once and for all or, more likely, teach Pakistani officials the limitations of their country's power.

FRIEND REQUEST

It is tempting to believe that tensions between the United States and Pakistan have never been worse. And to be sure, the public in each country currently dislikes the other: in a 2011 Gallup poll, Pakistan ranked among the least liked countries in the United States, along with Iran and North Korea; meanwhile, a 2012 Pew poll found that 80 percent of Pakistanis have an unfavorable view of the United States, with 74 percent seeing it as an enemy. Washington's threats to cut off aid to Pakistan and calls in Islamabad to defend Pakistani sovereignty from U.S. drone incursions seem to represent a friendship that is spiraling downward.

But the relationship between the United States and Pakistan has never been good. In 2002, at arguably the height of U.S.-Pakistani cooperation against terrorism, a Pew poll found that 63 percent of Americans had unfavorable views of Pakistan, making it the fifth most disliked nation, behind Colombia, Saudi Arabia, Afghanistan, and North Korea. Before that, in 1980, soon after the Soviet invasion

of Afghanistan, a Harris poll showed that a majority of Americans viewed Pakistan unfavorably, despite the fact that 53 percent supported U.S. military action to defend the country against communism. During the 1950s and 1960s, Pakistan did not feature in U.S. opinion polls, but its leaders often complained of unfavorable press in the United States.

Pakistani distaste for the United States is nothing new, either. A 2002 Pew poll found that about 70 percent of Pakistanis disapproved of the United States. And their negativity predates the war on terrorism. The September 1982 issue of *The Journal of Conflict Resolution* carried an article by the Pakistani civil servant Shafqat Naghmi based on analysis of keywords used in the Pakistani press between 1965 and 1979. He found evidence for widespread anti-Americanism going back to the beginning of the study. In 1979, a hostile crowd burned down the U.S. embassy in Islamabad, and attacks on U.S. official buildings in Pakistan were reported even in the 1950s and 1960s.

From Pakistan's founding onward, the two countries have tried to paper over their divergent interests and the fact that their publics do not trust one another with personal friendships at the highest levels. In 1947, Pakistan's leaders confronted an uncertain future. Most of the world was indifferent to the new country—that is, except for its giant next-door neighbor, which was uncompromisingly hostile. The partition of British India had given Pakistan a third of the former colony's army but only a sixth of its sources of revenue. From birth, therefore, Pakistan was saddled with a huge army it could not pay for and plenty of monsters to destroy.

British officials and scholars, such as Sir Olaf Caroe, who was the pre-partition governor of the North-West Frontier Province (now Khyber Pakhtunkhwa), and Ian Stephens, the editor of *The Statesman*, encouraged Pakistan's founding fathers to keep the country's large army as a protection against India. Lacking financing for it, though, Pakistani leaders turned to the United States, reasoning that Washington would be willing to foot some of the bill given Pakistan's strategically important location at the intersection of the Middle East and South Asia.

Muhammad Ali Jinnah, the country's founder and first governor-general, and most of his lieutenants in the Muslim League, Pakistan's main political party, had never traveled to the United States and knew little about the country. To fill the role of ambassador to the United

States, they chose the one among them who had, Mirza Abol Hassan Ispahani, who had toured the United States in the mid-1940s to drum up support for an independent Muslim state in South Asia. In a November 1946 letter to Jinnah, Ispahani explained what he knew of the American psyche. "I have learnt that sweet words and first impressions count a lot with Americans," he wrote. "They are inclined to quickly like or dislike an individual or organization." The Cambridge-educated lawyer tried his best to make a good impression and became known among the Washington elite for his erudition and sartorial style.

Back in Pakistan, Jinnah attempted to befriend Paul Alling, the newly appointed U.S. ambassador in Karachi, then Pakistan's capital. In one of their meetings, Jinnah complained about the sweltering heat and offered to sell his official residence to the U.S. embassy. The ambassador sent him a gift of four ceiling fans. Jinnah was also at pains to give interviews to U.S. journalists, the best known of whom was *Life* magazine's Margaret Bourke-White. "America needs Pakistan more than Pakistan needs America," Jinnah told her. "Pakistan is the pivot of the world, the frontier on which the future position of the world revolves." Like many Pakistani leaders after him, Jinnah hinted that he hoped the United States would pour money and arms into Pakistan. And Bourke-White, like many Americans after her, was skeptical. She sensed that behind the bluster was insecurity and a "bankruptcy of ideas . . . a nation drawing its spurious warmth from the embers of an antique religious fanaticism, fanned into a new blaze."

From birth, Pakistan was saddled with a huge army it could not pay for and plenty of monsters to destroy.

The visceral anti-Americanism among many Pakistanis today makes it difficult to remember how persistently Jinnah and his ambassadors lobbied the United States for recognition and friendship in those earlier years. Yet the Americans were not convinced. As a State Department counselor, George Kennan, for example, saw no value in having Pakistan as an ally. In 1949, when he met Pakistan's first prime minister, Liaquat Ali Khan, Kennan responded to Khan's request to back Pakistan over India by saying, "Our friends must not expect us to do things which we cannot do. It is no less important that they should not expect us to be things which we cannot be."

Kennan's message was reflected in the paltry amount of U.S. aid sent to the new country: of the $2 billion Jinnah had requested in September 1947, only $10 million came through. That dropped to just over half a million dollars in 1948, and to zero in 1949 and 1950.

BROTHERS IN ARMS

Pakistan finally got what it wanted with the election of Dwight Eisenhower in 1952. His secretary of state, John Foster Dulles, embraced the idea of exchanging aid for Pakistani support of U.S. strategic interests. He saw Pakistan as a vital link in his scheme to encircle the Soviet Union and China. The aggressively anticommunist Dulles also relished the thought of having a large army of professional soldiers with British-trained officers on the right side in the Cold War. Influenced by earlier descriptions of Pakistanis, Dulles believed them to be especially martial: "I've got to get some real fighting men in the south of Asia," he told the journalist Walter Lippmann in 1954. "The only Asians who can really fight are the Pakistanis."

Muhammad Ali Bogra, who had taken up the post of Pakistani ambassador to the United States in 1952, was also eager to cement the friendship. He was as successful as his predecessor at cultivating American elites, especially Dulles, who was already leery of India's leaders due to their decision to stay nonaligned during the Cold War. Bogra ensured that his own anticommunist sentiments were well known to Dulles, as well as to the journalists and politicians with whom Bogra went bowling in Washington. Meanwhile, Eisenhower tasked Arthur Radford, chairman of the Joint Chiefs of Staff, with earning the respect of powerful Pakistanis—particularly the military commander General Muhammad Ayub Khan, who would rule the country by the end of the decade. Ayub Khan was instrumental in installing Bogra as Pakistan's prime minister in 1953, after a palace coup, in the hope that Bogra's friendship with the Americans would expedite the flow of arms and development assistance to Pakistan. Indeed, military and economic aid to Pakistan began to rise rapidly; it would hit $1.7 billion by the end of the decade.

In return, the United States got Pakistan to join two anti-Soviet security arrangements: the Southeast Asia Treaty Organization, in 1954, and the Baghdad Pact (later called the Central Treaty Organization), in 1955. But there were already signs of trouble. Any notion that Pakistan would join either alliance grouping in a war was quickly dispelled, as

Coming to America: Bogra, October 1954

GETTY IMAGES / CBS PHOTO ARCHIVE

Pakistan (like many others) refused to contribute much money or any forces to the organizations. Dulles traveled to Pakistan in 1954 looking for military bases for use against the Soviet Union and China. On his return, he tried to conceal his disappointment in the lack of immediate progress. In a memo he wrote for Eisenhower after the trip, he described U.S.-Pakistani relations as an "investment" from which the United States was "not in general in a position to demand specific returns." According to Dulles, the U.S. presence in Pakistan meant that the United States could expand its influence over time, leading to "trust and friendship."

Ayub Khan, for his part, assumed that once Pakistan's military had been equipped with modern weapons—ostensibly to fight the Communists—it could use them against India without causing a major breach with the United States. In his memoirs, he acknowledged that "the objectives that the Western powers wanted the Baghdad Pact to serve were quite different from the objectives we had in mind." But

he argued that Pakistan had "never made any secret of [its] intentions or [its] interests" and that the United States knew Pakistan would use its new arms against its eastern neighbor. Still, when Pakistan tested Ayub Khan's theory in 1965, by infiltrating Kashmir and precipitating an all-out war with India, U.S. President Lyndon Johnson suspended the supply of military spare parts to both India and Pakistan. In retaliation, in 1970, Pakistan shut down a secret CIA base in Peshawar that had been leased to the United States in 1956 to launch U-2 reconnaissance flights. (Although Pakistan had made the decision to shut down the base right after the 1965 war, it preferred to simply not renew the lease rather than terminate it prematurely.)

U.S.-Pakistani relations were scaled back after the suspension of military aid, but neither side could give up on trying to find some common ground. Ayub Khan's successor as president, General Agha Muhammad Yahya Khan, agreed to serve as an intermediary between the United States and China, facilitating the secret trip to Beijing in 1971 by Henry Kissinger, then U.S. President Richard Nixon's national security adviser. Later that year, Nixon showed his gratitude for Pakistan's help by favoring West Pakistan against separatist East Pakistan and its Indian supporters during the civil war that resulted in the creation of Bangladesh. The United States played down West Pakistani atrocities in East Pakistan, and Nixon tried to bypass Congress to provide some materiel to West Pakistani forces. But that did not stop the country from dividing. As a civilian government led by Zulfikar Ali Bhutto picked up the pieces in the new, smaller Pakistan, the United States and Pakistan maintained some distance. During a 1973 visit by Nixon to Pakistan, Bhutto offered Nixon a naval base on the coast of the Arabian Sea, which Nixon declined. By the time the relationship had started to warm again, when Washington lifted the arms embargo on Pakistan in the mid-1970s, Pakistan had already sought economic support from the Arab countries to its west, which were by then growing flush with petrodollars.

OFF BASE

The next time the United States and Pakistan tried to work together, it was to expand a relatively small Pakistani-backed insurgency in Afghanistan at the United States' request. After the Soviet invasion of Afghanistan, in 1979, the United States saw an opportunity to even the score following its poor showing in the Vietnam War and bleed

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Center for International and Regional Studies

Georgetown University
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DEAN
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Nominations, inquiries and applications, including a resume, cover letter and list of references should be sent in confidence to: **Tim McFeeley or Sean Farrell, Isaacson Miller, Inc., 1300 19th Street, Suite 700, Washington, D.C. 20036, Telephone: 202-682-1504, 4686@imsearch.com.** Electronic submissions are strongly encouraged.

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the Soviet army dry. The Afghan mujahideen, which had been trained by Pakistan's intelligence agency, the Inter-Services Intelligence (ISI), and funded by the CIA, would help. Pakistan's military ruler, General Muhammad Zia-ul-Haq, made his sales pitch: "The Soviet Union is sitting on our border," he told an American journalist in a 1980 interview. "Has the free world any interest left in Pakistan?" Later, Zia even surprised the U.S. State Department counselor, Robert McFarlane, with a sweetener: "Why don't you ask us to grant [you] bases?"

The United States was no longer interested in bases in Pakistan, but it did want to use Pakistan as a staging ground for the Afghan insurgency. So Washington not only funneled arms and money to the mujahideen across the border but also quadrupled its aid to Pakistan. Islamabad had been repeatedly asking for F-16 fighter aircraft in the late 1970s and early 1980s; the Reagan administration found a way to grant them, even urging Congress to waive a ban on military and economic aid to countries that acquire or transfer nuclear technology. James Buckley, then undersecretary of state for international security affairs, rationalized in *The New York Times* that such American generosity would address "the underlying sources of insecurity that prompt a nation like Pakistan to seek a nuclear capability in the first place." In 1983, the first batch of the fighter jets arrived in Rawalpindi.

In the 1980s, Washington not only funneled arms and money to the mujahideen across the border but also quadrupled its aid to Pakistan.

But as did the 1965 war between India and Pakistan, so the Soviet decision to withdraw its forces from Afghanistan in 1989 exposed the tensions beneath the surface of the U.S.-Pakistani alliance. Differences between Washington and Islamabad over who should lead a post-Soviet Afghanistan quickly emerged and unsettled the two countries' unspoken truce. Pakistan, of course, wanted as much influence as possible, believing that a friendly Afghanistan would provide it with strategic depth against India. The United States wanted a stable non-communist government that could put Afghanistan back in its place as a marginal regional power.

For the first time, the issue of Pakistani support for terrorist groups also became a sore point. In a 1992 letter to Pakistani Prime Minister Nawaz Sharif, Nicholas Platt, the U.S. ambassador to Pakistan, warned

that the United States was close to declaring Pakistan a state sponsor of terrorism: "If the situation persists, the secretary of state may find himself required by law to place Pakistan in the U.S.G. [U.S. government] state sponsors of terrorism list. . . . You must take concrete steps to curtail assistance to militants and not allow their training camps to operate in Pakistan or Azad Kashmir [the Pakistan-controlled part of Kashmir]." That threat was hollow, but the United States did find other ways to punish its erstwhile ally. In 1991, Washington cut off military aid to Pakistan after President George H. W. Bush failed to certify to Congress that Pakistan was adhering to its nuclear nonproliferation commitments. Between 1993 and 1998, the United States imposed strict sanctions on Pakistan because of its continued nuclear progress and tests. And it imposed more sanctions between 2000 and 2001 in response to the 1999 military coup that brought General Pervez Musharraf to power. Civilian aid, meanwhile, bottomed out.

WITH US OR AGAINST US

Acrimony continued to color the relationship until 2001, when, after the 9/11 attacks, Washington once again sought to work with Islamabad, hoping that this time, Pakistan would fix its internal problems and change its strategic direction for good. But there was little enthusiasm among Pakistan's public or its military elite, where the country's decision-making power lay, for an embrace of the United States or its vision for the region. Meanwhile, Pakistani diplomats in the United States spent most of their time responding to Congress' criticism of Pakistan's double-dealing in regard to terrorists. The role of ambassador during this period was first held by a former journalist, Maleeha Lodhi, and then by a career foreign service officer, Ashraf Qazi. They worked to build the case that Pakistan was the frontline state in the war on terrorism by reaching out to the U.S. media and lobbying Congress with the help of the growing Pakistani American community. With support from the George W. Bush administration, the ambassadors were able to fend off criticism and get huge aid packages approved. But skeptics, such as the journalist Selig Harrison, pointed out that Pakistan was selling "bad policy through good salesmen." These particular salesmen were succeeded by two retired generals, Jehangir Karamat and Mahmud Ali Durrani, who attempted to work more closely with U.S. military officers, assuring them that reports of continued Pakistani support for the Afghan Taliban were exaggerated.

On the U.S. side, Anthony Zinni, who had been commander of the U.S. Central Command at the time of Musharraf's coup and remained in touch with Musharraf after his own retirement, spoke publicly of the benefit of being able to communicate "soldier to soldier." Still, the soldier-ambassadors were unable to overcome the negative press about Pakistan's involvement in Afghanistan.

U.S. ambassadors to Pakistan during this period focused on forging close ties with the country's leader, Musharraf. When Musharraf's control weakened toward the end of the decade, Anne Patterson, who was U.S. ambassador between 2007 and 2010, tried to reach out to civilian Pakistani politicians by meeting the leaders of all of the country's major political parties. To cover the waterfront, Admiral Mike Mullen, who was chairman of the Joint Chiefs of Staff, pursued a personal friendship with Pakistan's army chief, General Ashfaq Kayani. Mullen held 26 meetings with Kayani in four years and often described him as a friend. But by the end of his tenure, Mullen expressed frustration that nothing had worked to change Kayani's focus: "In choosing to use violent extremism as an instrument of policy, the government of Pakistan, and most especially the Pakistani army and ISI," he said in a speech to the Senate Armed Services Committee in 2011, "jeopardizes not only the prospect of our strategic partnership but Pakistan's opportunity to be a respected nation with legitimate regional influence."

If the alliance ended, Pakistan could find out whether its regional policy objective of competing with India was attainable without U.S. support.

In the end, during Patterson's and Mullen's tenures, Musharraf's regime crumbled and a civilian government took office. From the start, the new administration, led by Zardari, sought to transform the U.S.-Pakistani relationship into what he called a strategic partnership. Zardari wanted to mobilize popular and political support in Pakistan for counterterrorism, as the United States made a long-term commitment to Pakistan through a multiyear foreign assistance package including more civilian aid. At the same time, the two countries would work together to devise a mutually acceptable Afghan endgame.

As Pakistan's ambassador to the United States from 2008 to 2011, I tried to carry out this agenda and serve as a bridge between the two sides. I arranged dozens of meetings among civilian and military leaders

from both sides. Senior U.S. officials, including James Jones, the national security adviser; Hillary Clinton, the secretary of state; and Leon Panetta, the director of the CIA and later secretary of defense, were generous with their time. Senators John McCain, Diane Feinstein, and Joseph Lieberman hashed out the various elements of a strategic partnership, and Senator John Kerry spent countless hours constructing models for Afghan negotiations. Richard Holbrooke, who was the Obama administration's special envoy for Afghanistan and Pakistan before his death in 2011, shuttled between the capitals, seeking to explain U.S. policies to Pakistani officials and secure congressional support for Pakistan. Over several weekends, when our spouses were away from Washington, Holbrooke and I spent hours together, going to the movies or meeting for lunch in Georgetown. We spoke about ways to secure a U.S. withdrawal from Afghanistan with Pakistan's support. Convinced that the Pakistani military held the key to stability in the region, President Barack Obama conveyed to Pakistan that the United States wanted to help Pakistan feel secure and be prosperous but that it would not countenance Pakistan's support for jihadist groups that threatened American security.

But in the end, these attempts to build a strategic partnership got nowhere. The civilian leaders were unable to smooth over the distrust between the U.S. and Pakistani militaries and intelligence agencies. And the lack of full civilian control over Pakistan's military and intelligence services meant that, as ever, the two countries were working toward different outcomes. Admittedly, however, things might not have been all that much better had the civilians been in full control; it is easier for strongmen to give their allies what they want regardless of popular wishes, whether it be U-2 and drone bases or arming the Afghan mujahideen. My own tenure as ambassador came to an abrupt end in November 2011, just weeks after an American businessman of Pakistani origin falsely accused me of using him as an intermediary to seek American help in thwarting a military coup immediately after the U.S. raid that killed bin Laden. The allegation made no sense because as ambassador, I had direct access to American officials and did not need the help of a controversial businessman to convey concerns about the Pakistani military threatening civilian rule. The episode confirmed again, if confirmation was needed, that supporting close ties with the United States is an unpopular position in Pakistan and that there is a general willingness in Pakistan's media,

judicial, and intelligence circles to believe the worst of anyone trying to mend the frayed partnership.

TILL THE BITTER END

Given this history of failure, it is time to reconsider whether the U.S.-Pakistani alliance is worth preserving. At least for the foreseeable future, the United States will not accept the Pakistani military's vision of Pakistani preeminence in South Asia or equality with India. And aid alone will not alter Islamabad's priorities. Of course, as Pakistan's democracy grows stronger, the Pakistanis might someday be able to have a realistic debate about what the national interest is and how it should be pursued. But even that debate might not end on terms the United States likes. According to 2012 poll data, for example, although most Pakistanis would favor better ties with India (69 percent of those polled), a majority of them still see India as the country's biggest threat (59 percent).

With the United States and Pakistan at a dead end, the two countries need to explore ways to structure a nonallied relationship. They had a taste of this in 2011 and 2012, when Pakistan shut down transit lines in response to a NATO drone strike on the Afghan-Pakistani border that killed 24 Pakistani soldiers. But this failed to hurt the U.S. war effort; the United States quickly found that it could rely on other routes into Afghanistan. Doing so was more costly, but the United States' flexibility demonstrated to Islamabad that its help is not as indispensable to Washington as it once assumed. That realization should be at the core of a new relationship. The United States should be unambiguous in defining its interests and then acting on them without worrying excessively about the reaction in Islamabad.

The new coolness between the two countries will eventually provoke a reckoning. The United States will continue to do what it feels it has to do in the region for its own security, such as pressing ahead with drone strikes on terrorist suspects. These will raise hackles in Islamabad and Rawalpindi, where the Pakistani military leadership is based. Pakistani military leaders might make noise about shooting down U.S. drones, but they will think long and hard before actually doing so, in light of the potential escalation of hostilities that could follow. Given its weak hand (which will grow even weaker as U.S. military aid dries up), Pakistan will probably refrain from directly confronting the United States.

Once Pakistan's national security elites recognize the limits of their power, the country might eventually seek a renewed partnership with the United States—but this time with greater humility and an awareness of what it can and cannot get. It is also possible, although less likely, that Pakistani leaders could decide that they are able to do quite well on their own, without relying heavily on the United States, as they have come to do over the last several decades. In that case, too, the mutual frustrations resulting from Pakistan's reluctant dependency on the United States would come to an end. Diplomats of both countries would then be able to devote their energies to explaining their own and understanding the other's current positions instead of constantly repeating clashing narratives of what went wrong over the last six decades. Even if the breakup of the alliance did not lead to such a dramatic denouement, it would still leave both countries free to make the tough strategic decisions about dealing with the other that each has been avoiding. Pakistan could find out whether its regional policy objectives of competing with and containing India are attainable without U.S. support. The United States would be able to deal with issues such as terrorism and nuclear proliferation without the burden of Pakistani allegations of betrayal. Honesty about the true status of their ties might even help both parties get along better and cooperate more easily. After all, they could hardly be worse off than they are now, clinging to the idea of an alliance even though neither actually believes in it. Sometimes, the best way forward in a relationship lies in admitting that it's over in its current incarnation.

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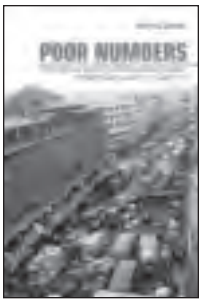

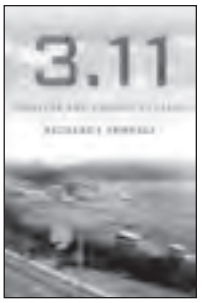

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Japan's Cautious Hawks

Why Tokyo Is Unlikely to Pursue an Aggressive Foreign Policy

Gerald L. Curtis

The Japanese have thought about foreign policy in similar terms since the latter half of the nineteenth century. The men who came to power after the 1868 Meiji Restoration set out to design a grand strategy that would protect their country against the existential threat posed by Western imperialism. They were driven not, as their American contemporaries were, to achieve what they believed to be their manifest destiny nor, like the French, to spread wide the virtues of their civilization. The challenge they faced—and met—was to ensure Japan's survival in an international system created and dominated by more powerful countries.

That quest for survival remains the hallmark of Japanese foreign policy today. Tokyo has sought to advance its interests not by defining the international agenda, propagating a particular ideology, or promoting its own vision of world order, the way the United States and other great powers have. Its approach has instead been to take its external environment as a given and then make pragmatic adjustments to keep in step with what the Japanese sometimes refer to as "the trends of the time."

Ever since World War II, that pragmatism has kept Japan in an alliance with the United States, enabling it to limit its military's role to self-defense. Now, however, as China grows ever stronger, as North Korea continues to build its nuclear weapons capability, and as the United States' economic woes have called into question the sustainability of American primacy in East Asia, the Japanese are revisiting their previous calculations. In particular, a growing chorus of voices on the right are advocating a more autonomous and assertive

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foreign policy, posing a serious challenge to the centrists, who have until recently shaped Japanese strategy.

In parliamentary elections this past December, the Liberal Democratic Party and its leader, Shinzo Abe, who had previously served as prime minister in 2006–7, returned to power with a comfortable majority. Along with its coalition partner, the New Komeito Party, the LDP secured the two-thirds of seats needed to pass legislation rejected by the House of Councilors, the Japanese Diet's upper house. Abe's victory was the result not of his or his party's popularity but rather of the voters' loss of confidence in the rival Democratic Party of Japan. Whatever the public's motivations, however, the election has given Japan a right-leaning government and a prime minister whose goals include scrapping the constitutional constraints on Japan's military, revising the educational system to instill a stronger sense of patriotism in the country's youth, and securing for Tokyo a larger leadership role in regional and world affairs. To many observers, Japan seems to be on the cusp of a sharp rightward shift.

The one development that could unhinge Tokyo's foreign policy would be a loss of confidence in the U.S. commitment to Japan's defense.

But such a change is unlikely. The Japanese public remains risk averse, and its leaders cautious. Since taking office, Abe has focused his attention on reviving Japan's stagnant economy. He has pushed his hawkish and revisionist views to the sidelines, in part to avoid having to deal with divisive foreign policy issues until after this summer's elections for the House of Councilors. If his party can secure a majority of seats in that chamber, which it does not currently have, Abe may then try to press his revisionist views. But any provocative actions would have consequences. If, for example, he were to rescind statements by previous governments that apologized for Japan's actions in World War II, as he has repeatedly said he would like to do, he not only would invite a crisis in relations with China and South Korea but would face strong criticism from the United States as well. The domestic political consequences are easy to predict: Abe would be flayed in the mass media, lose support among the Japanese public, and encounter opposition from others in his own party.

In short, chances are that those who expect a dramatic change in Japanese strategy will be proved wrong. Still, much depends on what Washington does. The key is whether the United States continues to maintain a dominant position in East Asia. If it does, and if the Japanese believe that the United States' commitment to protect Japan remains credible, then Tokyo's foreign policy will not likely veer off its current track. If, however, Japan begins to doubt the United States' resolve, it will be tempted to strike out on its own.

The United States has an interest in Japan's strengthening its defensive capabilities in the context of a close U.S.-Japanese alliance. But Americans who want Japan to abandon the constitutional restraints on its military and take on a greater role in regional security should be careful what they wish for. A major Japanese rearmament would spur an arms race in Asia, heighten regional tensions (including between Japan and South Korea, another key U.S. ally), and threaten to draw Washington into conflicts that do not affect vital U.S. interests. The United States needs a policy that encourages Japan to do more in its own defense but does not undermine the credibility of U.S. commitments to the country or the region.

PLUS ÇA CHANGE

For many years now, pundits have been declaring that Japan is moments away from once again becoming a great military power. In 1987, no less an eminence than Henry Kissinger saw Tokyo's decision to break the ceiling of one percent of GNP for defense spending, which had been its policy since 1976, as making it "inevitable that Japan will emerge as a major military power in the not-too-distant future." But Japan's defense budget climbed to only 1.004 percent of GNP that year, and it fell below the threshold again the following year. Today, the ceiling is no longer official government policy, but Tokyo still keeps its defense spending at or slightly below one percent of GNP. What is more, its defense budget has shrunk in each of the last 11 years. Although Abe has pledged to reverse this trend, Japan's fiscal problems all but guarantee that any increase in military spending will be modest.

That Japan's military spending has remained where it is points to a larger pattern. Neither the end of the Cold War nor China's emergence as a great power has caused Japan to scuttle the basic tenets of the foreign policy set by Prime Minister Shigeru Yoshida following the end of World War II. That policy stressed that Japan should rely on

the United States for its security, which would allow Tokyo to keep its defense spending low and focus on economic growth.

To be sure, Japanese security policy has changed greatly since Yoshida was in power. Japan has stretched the limits of Article 9 of its constitution, which renounces the right to wage war, making it possible for the Self-Defense Forces to develop capabilities and take on missions that were previously prohibited. It has deployed a ballistic missile defense system, its navy patrols sea-lanes in the East China Sea and helps combat piracy in the Gulf of Aden, and Japanese troops have joined UN peacekeeping operations from Cambodia to the Golan Heights. Spending one percent of GNP on its military still gives Japan, considering the size of its economy, the sixth-largest defense budget in the world. And despite the constitutional limits on their missions, Japan's armed forces have become strong and technologically advanced.

Yet the strategy that Yoshida designed so many years ago continues to constrain Japanese policy. Japan still lacks the capabilities needed for offensive military operations, and Article 9 remains the law of the land. Meanwhile, Tokyo's interpretation of that article as banning the use of force in defense of another country keeps Japan from participating more in regional and global security affairs. Abe has indicated his desire to change that interpretation, but he is proceeding cautiously, aware that doing so would trigger intense opposition from neighboring countries and divide Japanese public opinion.

The durability of Yoshida's foreign policy has puzzled not just observers; the architect of the strategy was himself dismayed by its staying power. Yoshida was a realist who believed that the dire circumstances Japan faced after the war left it no choice but to prioritize economic recovery over building up its military power. Yet he expected that policy to change when Japan became economically strong.

The Japanese public, however, saw things differently. As Japan boomed under the U.S. security umbrella, its citizens became content to ignore the left's warnings that the alliance would embroil the country in the United States' military adventures and the right's fears that Japan risked abandonment by outsourcing its defense to the United States. Yoshida's strategy, crafted to advance Japan's interests when the country was weak, became even more popular in good times. And that remains true today: in a 2012 survey conducted by Japan's Cabinet Office, for example, a record high of 81.2 percent of respondents expressed support for the alliance with the United States. Only

This island is my island: the governor of Tokyo on Okinotori Island, May 2005

REUTERS / ISSEI KATO

23.4 percent said that Japan's security was threatened by its having insufficient military power of its own.

It is worth noting that Japan's opposition to becoming a leading military power cannot be chalked up to pacifism. After all, it would be an odd definition of pacifism that included support for a military alliance that requires the United States to take up arms, including nuclear weapons, if necessary, to defend Japan. Most Japanese do not and never have rejected the use of force to protect their country; what they have resisted is the unbridled use of force by Japan itself. The public fears that without restrictions on the military's capabilities and missions, Japan would face heightened tensions with neighboring countries and could find itself embroiled in foreign wars. There is also the lingering concern that political leaders might lose control over the military, raising the specter of a return to the militaristic policies of the 1930s.

Furthermore, the Japanese public and Japan's political leaders are keenly aware that the country's security still hinges on the United

States' dominant military position in East Asia. Some on the far right would like to see Japan develop the full range of armaments, including nuclear weapons, in a push to regain its autonomy and return the country to the ranks of the world's great powers. But the conservative mainstream still believes that a strong alliance with the United States is the best guarantor of Japan's security.

ISLANDS IN THE SUN

Given Japan's pragmatic approach to foreign policy, it should come as no surprise that the country has reacted cautiously to a changing international environment defined by China's rise. Tokyo has doubled down on its strategy of deepening its alliance with the United States; sought to strengthen its relations with countries on China's periphery; and pursued closer economic, political, and cultural ties with China itself. The one development that could unhinge this strategy would be a loss of confidence in the U.S. commitment to Japan's defense.

It is not difficult to imagine scenarios that would test the U.S.-Japanese alliance; what is difficult to imagine are realistic ones. The exception is the very real danger that the dispute between China and Japan over the Senkaku Islands (known as the Diaoyu Islands in China), in the East China Sea, might get out of hand, leading to nationalist outbursts in both countries. Beijing and Tokyo would find this tension difficult to contain, and political leaders on both sides could seek to exploit it to shore up their own popularity. Depending on how events unfolded, the United States could well become caught in the middle, torn between its obligation to defend Japan and its opposition to actions, both Chinese and Japanese, that could increase the dangers of a military clash.

The Japanese government, which took control of the uninhabited islands in 1895, maintains that its sovereignty over them is incontestable; as a matter of policy, it has refused to acknowledge that there is even a dispute about the matter. The United States, for its part, recognizes the islands to be under Japanese administrative control but regards the issue of sovereignty as a matter to be resolved through bilateral negotiations between China and Japan. Article 5 of the U.S.-Japanese security treaty, however, commits the United States to "act to meet the common danger" in the event of "an armed attack against either Party in the territories under the administration of Japan." Washington, in other words, would be obligated to support

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Tokyo in a conflict over the islands—even though it does not recognize Japanese sovereignty there.

The distinction between sovereignty and administrative control would matter little so long as a conflict over the islands were the result of aggression on the part of China. But the most recent flare-up was precipitated not by Chinese but by Japanese actions. In April 2012, Tokyo's nationalist governor, Shintaro Ishihara (who resigned six months later to form a new political party), announced plans to purchase three of the Senkaku Islands that were privately owned and on lease to the central government. He promised to build a harbor and place personnel on the islands, moves he knew would provoke China. Well known for his right-wing views and anti-China rhetoric, Ishihara hoped to shake the Japanese out of what he saw as their dangerous lethargy regarding the threat from China and challenge their lackadaisical attitude about developing the necessary military power to contain it.

The Japanese public remains risk averse; nearly 70 years after World War II, it has not forgotten the lessons of that era.

Ishihara never got the islands, but the ploy did work to the extent that it triggered a crisis with China, at great cost to Japan's national interests. Well aware of the dangers that Ishihara's purchase would have caused, then Japanese Prime Minister Yoshihiko Noda decided to have the central government buy the islands itself. Since the government already had full control over the islands, ownership represented no substantive change in Tokyo's authority over their use. Purchasing them was the way to sustain the status quo, or so Noda hoped to convince China.

But Beijing responded furiously, denouncing Japan's action as the "nationalization of sacred Chinese land." Across China, citizens called for the boycott of Japanese goods and took to the streets in often-violent demonstrations. Chinese-Japanese relations hit their lowest point since they were normalized 40 years ago. Noda, to his credit, looked for ways to defuse the crisis and restore calm between the two countries, but the Chinese would have none of it. Instead, China has ratcheted up its pressure on Japan, sending patrol ships into the waters around the islands almost every day since the crisis erupted.

The United States needs to do two things with regard to this controversy. First, it must stand firm with its Japanese ally. Any indication

that Washington might hesitate to support Japan in a conflict would cause enormous consternation in Tokyo. The Japanese right would have a field day, exclaiming that the country's reliance on the United States for its security had left it unable to defend its interests. The Obama administration has wisely reiterated Washington's position that the islands fall within the territory administered by Tokyo and has reassured the Japanese—and warned the Chinese—of its obligation to support Japan under the security treaty.

Second, Washington should use all its persuasive power to impress upon both China and Japan the importance of defusing this issue. Abe could take a helpful first step by giving up the fiction that no dispute over the islands exists. The Senkaku controversy is going to be on the two countries' bilateral agenda whether the Japanese want it there or not. Abe's willingness to discuss it would give China an opening to back down from its confrontational stance and would better align U.S. and Japanese policy.

TERMS OF ENGAGEMENT

Barack Obama's election in 2008 initially raised concerns in Tokyo. Ever fearful that the United States' interest in their country is waning, the Japanese worried that the new U.S. president's Asia policy would prioritize cooperation with China above all and give short shrift to Japan. Those apprehensions have been alleviated, however, thanks to the recent tensions in U.S.-Chinese relations, repeated visits to Japan by senior U.S. officials, Japanese appreciation for U.S. support following the March 2011 earthquake and tsunami, and Washington's decision to sign the Association of Southeast Asian Nations' Treaty of Amity and Cooperation and to join the East Asia Summit.

The Obama administration's emphasis on the strategic importance of Asia, symbolized by the use of such terms as "pivot," "return," and "rebalancing," has been dismissed by some as mere rhetoric. But it is important rhetoric, which has signaled Washington's commitment not only to continued U.S. military involvement in the region but also to a much broader engagement in the region's affairs. By any measure, the administration has succeeded in communicating to U.S. allies and U.S. adversaries alike that Washington intends to bolster its presence in Asia, not downgrade it.

What worries Tokyo now is not the possibility of U.S.-Chinese collusion; it is the prospect of strategic confrontation. Japan's well-being,

as well as that of many other countries, depends on maintaining both good relations with China, its largest trading partner, and strong security ties with the United States. Given its dependence on Washington for defense and the depth of anti-Japanese sentiment in China, Japan would have little choice but to side with the United States if forced to choose between the two.

But a conflict between China and the United States would not necessarily strengthen U.S.-Japanese relations. In fact, it would increase the influence of advocates of an autonomous Japanese security policy. Arguing that Washington lacked the capabilities and the political will necessary to retain its leading position in East Asia, they would push for Japan to emerge as a heavily armed country able to protect itself in a newly multipolar Asia. To avoid this outcome and to help maintain a stable balance of power, Washington needs to temper its inevitable competition with China by engaging with Beijing to develop institutions and processes that promote cooperation, both bilaterally and among other countries in the region.

YOU CAN'T ALWAYS GET WHAT YOU WANT

In assessing the current Japanese political scene and the possible strategic course that Tokyo might chart, it is important to remember that a right-of-center government and a polarized debate over foreign policy are nothing new in Japan's postwar history. Abe is one of the most ideological of Japan's postwar prime ministers, but so was his grandfather Nobusuke Kishi, who was a cabinet minister during World War II and prime minister from 1957 to 1960. Kishi wanted to revise the U.S.-imposed constitution and to undo other postwar reforms; these are his grandson's goals more than half a century later.

But Kishi was also a pragmatist who distinguished between the desirable and the possible. As prime minister, he focused his energies on the latter, negotiating with the Eisenhower administration a revised security treaty that remains the framework for the U.S.-Japanese alliance today. For Abe as well, ideology will not likely trump pragmatism. The key question to ask about Japan's future is not what kind of world Abe would like to see but what he and other Japanese leaders believe the country must do to survive in the world as they find it.

If Tokyo's foreign policy moves off in a new direction, what will drive it there is not an irrepressible Japanese desire to be a great power. Although some Japanese politicians voice that aspiration, they

will gain the support of the public only if it becomes convinced that changes in the international situation require Japan to take a dramatically different approach from the one that has brought it peace and prosperity for decades.

The Japanese public remains risk averse; nearly 70 years after World War II, it has not forgotten the lessons of that era any more than other Asian nations have. And despite changes in the region, the realities of Japanese politics and of American power still favor a continuation of Japan's current strategy: maintaining the alliance with the United States; gradually expanding Japan's contribution to regional security; developing security dialogues with Australia, India, South Korea, and the Association of Southeast Asian Nations; and deepening its engagement with China. China's growing economic clout and military power do present new challenges for Tokyo and Washington, but these challenges can be met without dividing Asia into two hostile camps. If Japanese policy changes in anything more than an incremental manner, it will be due to the failure of Washington to evolve a policy that sustains U.S. leadership while accommodating Chinese power.

Will the Abe government chart a new course for Japanese foreign policy? Only if the public comes to believe that the threat from China is so grave and the credibility of the United States' commitment to contain it is so weakened that Japan's survival is at stake. But if rational thinking prevails in Beijing, Tokyo, and Washington, the approach that has made Japan the linchpin of the United States' security strategy in Asia, stabilized the region, and brought Japan peace and prosperity is likely to persist.

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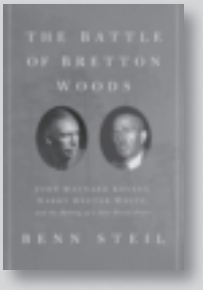

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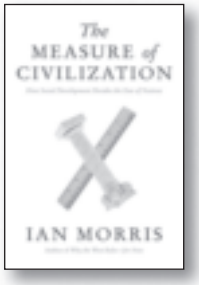

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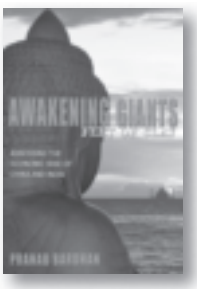

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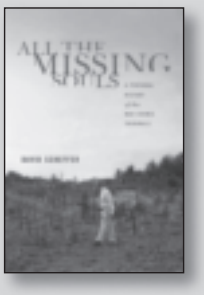

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The Lost Logic of Deterrence

What the Strategy That Won the Cold War Can—and Can't—Do Now

Richard K. Betts

Deterrence isn't what it used to be. In the second half of the twentieth century, it was the backbone of U.S. national security. Its purpose, logic, and effectiveness were well understood. It was the essential military strategy behind containing the Soviet Union and a crucial ingredient in winning the Cold War without fighting World War III. But in recent decades, deterrence has gone astray, and U.S. defense policy is worse for the change.

Since the Cold War ended, the United States has clung to deterrence where it should not have, needlessly aggravating relations with Russia. More important, it has rejected deterrence where it should have embraced it, leading to one unnecessary and disastrous war with Iraq and the risk of another with Iran. And most important, with regard to China, Washington is torn about whether or not to rely on deterrence at all, even though such confusion could lead to a crisis and a dangerous miscalculation in Beijing.

Mistakes in applying deterrence have come from misunderstandings about the concept itself, faulty threat assessments, forgetfulness about history, and shortsighted policymaking. Bringing these problems into focus can restore faith in deterrence where it has been lost, lower costs where the strategy has been misapplied, and reduce the danger of surprise in situations where the risk of conflict is unclear.

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Deterrence is a strategy for combining two competing goals: countering an enemy and avoiding war. Academics have explored countless variations on that theme, but the basic concept is quite simple: an enemy will not strike if it knows the defender can defeat the attack or can inflict unacceptable damage in retaliation.

At best, applying deterrence when it is unneeded wastes resources. At worst, it may provoke conflict rather than hold it in check. And even when deterrence is appropriate, it might not work—for example, against an enemy who is suicidal or invulnerable to a counterattack. Thus, it is more useful against governments, which have a return address and want to survive, than against terrorists who cannot be found or who do not fear death. Deterrence is also a weak tool in the increasingly important realm of cyberspace, where it can be extremely difficult to be absolutely sure of an attacker's identity.

When the United States does choose to apply deterrence and is willing to fight, the deterrent warning must be loud and clear, so the target cannot misread it. Deterrence should be ambiguous only if it is a bluff. One of the biggest dangers, however, comes in the reverse situation, when Washington fails to declare deterrence in advance but then decides to fight when an unexpected attack comes. That kind of confusion caused the United States to suddenly enter both the Korean War and the Gulf War, despite official statements in both cases that had led the aggressors to believe it would not.

Deterrence is not a strategy for all seasons. It does not guarantee success. There are risks in relying on it and also in rejecting it when the alternatives are worse.

UNNECESSARY ROUGHNESS

To Moscow, it must seem that the Cold War is only half over, since the West's deterrence posture, although muted, lives on. During the Cold War, deterrence was vital because the Soviet threat seemed huge. Moscow's military capabilities included some 175 divisions aimed at Western Europe and close to 40,000 nuclear weapons. Soviet intentions were much debated, but they were officially assumed to be very hostile. The West's response was to deploy ample military counterpower via NATO and the U.S. Strategic Air Command. And for more than 40 years, deterrence held. Despite tense crises over Berlin and Cuba and proxy conflicts in the Third World, Moscow never dared unleash its forces directly against the West. Doves doubted that so

The best defense? German soldiers next to missile launchers, December 2012

REUTERS / TOBIAS SCHWARZ

much deterrence was necessary, but hawks were reassured that against a potent threat, deterrence did not fail.

Yet implicit deterrence persisted after the West's victory because of demands from members of the old Warsaw Pact that joined NATO, the retrograde politics of the post-Soviet Russian state, and sheer force of habit. The 2012 Republican U.S. presidential candidate Mitt Romney was only channeling a common view when he said that Russia remained the United States' "number one geopolitical foe."

Although most of the remaining U.S. military infrastructure committed to NATO provides logistical support for missions "out of area," and despite the tightening of the U.S. defense budget, two U.S. brigade combat teams are still stationed in Europe. These might seem only symbolic, but together with NATO's expansion, they appear aimed at Moscow. The United States and Russia also continue to negotiate with each other over their nuclear arsenals. But there is no reason for formal arms control between countries unless they fear each other's forces, feel the need to limit what they could do to each other in the event of war, and want to institutionalize mutual deterrence.

These continuities with the Cold War would make sense only between intense adversaries. Washington and Moscow remain in an adversarial relationship, but not an intense one. If the Cold War is really over, and the West really won, then continuing implicit deterrence does less to protect against a negligible threat from Russia

than to feed suspicions that aggravate political friction. In contrast to during the Cold War, it is now hard to make the case that Russia is more a threat to NATO than the reverse. First, the East-West balance of military capabilities, which at the height of the Cold War was favorable to the Warsaw Pact or at best even, has not only shifted to NATO's advantage; it has become utterly lopsided. Russia is now a lonely fraction of what the old Warsaw Pact was. It not only lost its old eastern European allies; those allies are now arrayed on the other side, as members of NATO. By every significant measure of power—military spending, men under arms, population, economic strength, control of territory—NATO enjoys massive advantages over Russia. The only capability that keeps Russia militarily potent is its nuclear arsenal. There is no plausible way, however, that Moscow's nuclear weapons could be used for aggression, except as a backstop for a conventional offensive—for which NATO's capabilities are now far greater.

Russia's intentions constitute no more of a threat than its capabilities. Although Moscow's ruling elites push distasteful policies, there is no plausible way they could think a military attack on the West would serve their interests. During the twentieth century, there were intense territorial conflicts between the two sides and a titanic struggle between them over whose ideology would dominate the world. Vladimir Putin's Russia is authoritarian, but unlike the Soviet Union, it is not the vanguard of a globe-spanning revolutionary ideal.

The imbalance of capabilities between NATO and Russia does not mean that Moscow's interests are of no concern, or that the United States can rub the Russians' noses in their military inferiority with impunity. Russia is still a major power whose future policies and alignment matter. Indeed, if Russia were to align with a rising China, the strategic implications for the United States would not be trivial. Too many Americans blithely assume that continued Chinese-Russian antagonism is inevitable; in fact, Japan, NATO, and the United States are providing China and Russia with incentives to put aside their differences and make common cause against pressure from the West.

Even absent a Chinese-Russian partnership, confronting Russia poses unnecessary risks. The only unresolved territorial issues in the region are more important to Moscow than to the West, as the 2008 miniwar between Georgia and Russia demonstrated. If NATO were to

expand deterrence even further by admitting Georgia as a member—a move the Obama administration supports in principle, as did the George W. Bush administration—it would be a direct challenge to Moscow's protection of secessionist regions in the country. It would constitute a frank statement that Russia can have no sphere of interest at all, one of the usual prerogatives of a major power. NATO would thus finish the job of turning deterrence into forthright domination—precisely what China and the Soviet Union used to falsely claim was the real intention of the West's deterrent posture. In the worst case, admitting Georgia into NATO could be the last straw for Russia, precipitating a crisis.

The cost of either of those outcomes would be higher than the price of a more decisive Western military stand-down and an end to talk of expanding NATO further. Stable peace with an uncongenial regime in Moscow should be a higher priority than unconditional backing for Russia's closest neighbors. Ultimately, however, as long as NATO is an alliance that excludes Russia, rather than a genuine collective security organization, which would have to include Russia, Moscow will inevitably interpret its very existence as a threat. The consolidation of peace in Europe will not be complete as long as practically every European country belongs to NATO except Russia. The idea of Russian membership is fanciful so far; there is no movement for it in the West, nor any indication that Moscow would join even if invited. But Russian claims that NATO is a threat would be easier to discredit if its members appeared willing to consider inviting Russia to join, if it gets back on the path to democracy.

LESSONS UNLEARNED

Too much deterrence of Russia is a mistake, but not as serious as the opposite mistake: rejecting deterrence where it is badly needed. That mistake is harming U.S. efforts to cope with nuclear proliferation and, most particularly, Iran. Instead of planning to deter would-be proliferators, U.S. policymakers have developed a preference for preventive war. They now seem to fear that deterrence is too weak to deal with radical regimes, forgetting that the precise purpose of deterrence is to counter dangerous enemies, not cautious ones. This preference is especially troubling because it continues even after two painful experiences with Iraq that vividly highlighted why deterrence is the better choice.

Deterrence played no role in the run-up to the first major conflict after the Cold War, the 1990–91 Gulf War. The assault by Saddam Hussein on Kuwait was widely misread as showing that he was undeterrable. It showed no such thing, however, because the United States had not tried to deter him. Had Saddam known that invading Kuwait would spur Washington to launch a decisive war against him, he surely would have refrained. But the administration of George H. W. Bush never made such a threat, and the dictator was left free to miscalculate.

Bush had been unprepared to make a deterrent threat because an Iraqi invasion of Kuwait was a totally unexpected contingency. This situation was exactly the same as the one that had produced an unexpected and avoidable war 40 years earlier. In 1949, U.S. Army General Douglas MacArthur publicly stated that South Korea did not fall within the U.S. defense perimeter in Asia; the following year, U.S. Secretary of State Dean Acheson made comments to the same effect. These statements reflected the fact that the United States was planning for a third world war, in which Korea would be a low priority—which is why President Harry Truman was completely surprised when the North attacked the South in the absence of a broader war.

Too much deterrence of Russia is a mistake, but not as serious as rejecting deterrence where it is badly needed, as in the case of Iran.

In 2003, George W. Bush did not have the excuse of surprise. He deliberately chose not to rely on deterring Iraq, deciding instead to start a war immediately in order to prevent Iraq from possibly using weapons of mass destruction sometime in the future. The result was a disaster.

It is impossible to know whether the alternative of relying on deterrence to keep Saddam in check would have produced a bigger disaster, as the war's instigators asserted. There is no evidence, however, that Saddam could not have been deterred indefinitely. He had indulged in wanton aggression against Iran in 1980 and Kuwait a decade later, but these were cases in which he had reason to believe that he faced no daunting counterpower. He was a reckless bully, but not suicidal. He never attacked in the face of a U.S. threat to respond, nor did he use his chemical or biological weapons even in

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defense against the U.S. assault in 1991, when Washington exercised deterrence by warning of devastating retaliation in the face of such an attack.

American fears of Saddam—and now of Iran's leaders—seem exaggerated in light of the United States' experience during the Cold War. Presidents considered but rejected preventive war against Mao and Stalin, who seemed even more fanatical and aggressive in their time than today's foes. Mao issued chilling statements unmatched by anything yet heard from leaders in Tehran—for example, that the prospect of nuclear war "is not a bad thing" because defeating capitalism would be worth losing up to two-thirds of the world's population.

Considering the positive results of Cold War containment and the awful miscarriage of a preventive strategy against Iraq, one might have expected U.S. policymakers to find deterrence attractive as a fallback strategy to deal with Iran if the Islamic Republic could not be dissuaded from developing nuclear weapons. After all, that is precisely how Washington has dealt with a nuclear-armed North Korea. But U.S. and Israeli leaders have convinced themselves that Iran might one day use nuclear weapons for aggression—irrationally and without provocation. There is no evidence, however, that the Iranian leadership has any interest in national suicide, the likely consequence of an Iranian nuclear first strike. Iran has supported terrorism, justifying it as a response to American and Israeli covert warfare. But however aggressive its motives, the revolutionary regime in Tehran has never launched a regular war against its enemies.

Nevertheless, rather than planning to deter a prospective Iranian nuclear arsenal, the United States and Israel have preferred preventive war. Although many still hope to turn Iran away from nuclear weapons through sanctions and diplomacy, the debate within and between the United States and Israel over what to do if Iran moves to produce a bomb is about not whether to attack but when. U.S. President Barack Obama has firmly declared that he has not a "policy of containment" but rather "a policy to prevent Iran from obtaining a nuclear weapon," and other administration officials have repeatedly emphasized this point. As promises in foreign policy go, this one is chiseled in stone. Backing down from it when the time comes would be the right thing to do but would represent an embarrassing retreat.

The logic behind rejecting deterrence is that Tehran might decide to use nuclear weapons despite facing devastating retaliation. The risk can never be reduced to zero, but there is no reason to believe that Iran poses more danger than other nasty regimes that have already developed nuclear weapons. The most telling example is North Korea. Although the American public has not paid nearly as much attention to North Korea, Pyongyang's record of fanatical belligerence and terrorist behavior over the years has been far worse than Tehran's.

Refusing to accept an iota of risk from Iran ignores the massive risks of the alternative of initiating war. Leaving aside the danger of being blind-sided by unanticipated forms of Iranian reprisal—for example, the use of biological weapons—the obvious risks include Iranian retaliation by overt or covert military means against U.S. assets. The results of the initially successful assault on Iraq in 2003 are a reminder that wars the United States starts do not necessarily end when and how it wants them to. Indeed, the records of the United States and Israel suggest that both countries tend to underestimate the prospective costs of the wars they enter. Washington paid fewer costs than expected during the Gulf War but faced a far higher bill than anticipated in Korea, Vietnam, Kosovo, Afghanistan, and the second war against Iraq. Israel suffered less in the 1967 Six-Day War than expected but was badly surprised by the costs of the 1973 Yom Kippur War, the 1982 Lebanon war, and the 2006 war against Hezbollah.

Launching a war against Iran would also have negative spillover effects. First and foremost, short of an accompanying ground invasion and occupation, an air attack could not guarantee an end to Iran's pursuit of nuclear weapons; it could guarantee only a delay and would almost certainly drive the Iranians to commit more fervently to building a bomb. If Iran's capabilities were only temporarily degraded but its intentions were inflamed, the threat might become worse. Striking first would also fracture the international coalition that now stands behind sanctions against Iran, undercut opposition to the regime inside the country, and be seen throughout the world as another case of arrogant American aggression against Muslims.

Those costs might seem justifiable if launching a war against Iran dissuaded other countries from attempting to get their own nuclear deterrents. But it might just as well energize such efforts. George W. Bush's war to prevent Iraq from getting nuclear weapons

did not dissuade North Korea, which went on to test its own weapons a few years later, nor did it turn Iran away. It may have induced Libyan leader Muammar al-Qaddafi to surrender his nuclear program, but a few years later, his reward from Washington turned out to be overthrow and death—hardly an encouraging lesson for U.S. adversaries about the wisdom of renouncing nuclear weapons.

One reason U.S. leaders might be reluctant to apply deterrence these days is that the strategy's most potent form—the threat to annihilate an enemy's economy and population in retaliation—is no longer deemed legitimate. In 1945, hardly any Americans objected to the incineration of hundreds of thousands of Japanese civilians, and throughout the Cold War, few objected to the principle of killing on an even greater scale in retaliation for a Soviet attack. But times have changed: today, post–Cold War norms and Pentagon lawyers have put the idea of deliberately targeting civilians thoroughly out of bounds. It would be difficult for the U.S. government to declare that if one Iranian nuclear weapon was detonated somewhere, it would kill millions of Iranians in return.

But that inhibition should hardly be a reason to prefer starting a war, nor does it cripple deterrence. An acceptable variant would be to threaten not to annihilate Iran's population but to annihilate its regime—the leaders, security agencies, and assets of the Iranian government—if it used nuclear weapons. Although in practice, even a discriminating counterattack of that kind would result in plenty of collateral damage, U.S. planners could credibly make the threat and could reinforce it by pledging to invade Iran as well—a step that would be far more reasonable to take after an Iranian nuclear strike than it was against Iraq in 2003. And even if legal concerns constrained the United States from massively retaliating against Iranian civilians, Israeli leaders would surely be willing to do so if Iran attacked Israel with nuclear weapons, since Israel's national existence would be at stake. Those mutually reinforcing threats—that the fruits of the Iranian Revolution and even Iranian society itself would cease to exist—would be an overwhelming restraint on Tehran.

A nuclear-armed Iran is an alarming prospect. But there is no sure solution to some dangers, and this challenge presents a strategic choice between different risks. There is simply no real evidence that war with Iran would yield any more safety than handling the problem with good old deterrence.

MIXED SIGNALS

The most dangerous long-term risk posed by Washington's confusion over deterrence lies in the avoidance of a choice one way or the other about the strategy when it comes to China. Washington needs to determine whether to treat Beijing as a threat to be contained or a power to be accommodated. U.S. policymakers have long tried to have it both ways. Such incoherence is politically natural but harmless only so long as no catalyst exposes the contradiction. It will thus prove unsustainable unless China decides to act indefinitely with more humility than any other rising power in history has and unless it feels less sense of entitlement than the United States does itself.

One influential view has held that deterrence is a nonissue for U.S.-Chinese relations because the two states' economic interdependence precludes military conflict. In this view, confrontation is nonsensical, so preparing for it only risks turning it into a self-fulfilling prophecy. The opposing view, that China's rising power is a threat that must be countered militarily, has been gaining but has not been turned into explicit policy. Meanwhile, the Obama administration's declared "pivot," or "rebalancing," of American military power toward Asia has not been accompanied by consistent signals about where, when, why, or how U.S. armed forces would be sent into combat against China, nor is there a clear operational rationale for basing a contingent of U.S. marines in Australia, the most concrete symbol of the pivot. The problem is not that deterrence has been inappropriately rejected or embraced but that it is muddled.

Adding to this lack of clarity, Washington continues to ignore the question of when and how Beijing's long patience about resolving Taiwan's status could end. China has always made clear that the question of reunification is a matter of when, not whether. For years, Washington has kicked the can down the road by warning Taipei not to declare independence, a provocation that Beijing has said would trigger military action. But when asked in 2001 what the United States would do to defend Taiwan, Bush declared, "Whatever it takes." In effect, U.S. policy has evolved into a promise to defend Taiwan as long as it is a rebellious province of China, but not if it is a separate country. This stance strikes some experts as a clever solution—but it defies most Americans' common sense, sends an ambiguous signal to Beijing, and thus undermines Washington's readiness for a crisis.

Meanwhile, conflicts brew, such as the recent revival of tensions over disputed islands in the South China Sea. Preoccupied with other strategic challenges, Washington is drifting toward unanticipated confrontation, without a clear decision about the circumstances in which it would be willing to go to war with China. This distraction and hesitancy prevent the sending of clear warnings to Beijing of U.S. "redlines," increasing the risks of an inadvertent crisis, miscalculation, and escalation.

Chinese and Philippine naval maneuvers near disputed islands in mid-2012 were a wake-up call, and subsequent jockeying by China and Japan over the even more dangerous disagreement over who owns the Diaoyu/Senkaku Islands put Washington's confusion into stark relief. The initial U.S. response to the latter dispute was a disturbing contradiction: "We don't take a position on the islands, but we do assert that they are covered under the treaty," a State Department spokesperson declared, referring to the mutual security agreement between Japan and the United States. Secretary of Defense Leon Panetta then said that the United States would not take sides in regional disputes over territory and also claimed that although U.S. strategic rebalancing toward Asia is more than mere rhetoric, it is not a threat to China.

Washington needs to determine whether to treat Beijing as a threat to be contained or a power to be accommodated.

All of this is ambivalent deterrence: rhetorical bobbing and weaving rather than strategic planning. It is a dangerous practice, projecting provocation and weakness at the same time. Washington signals Beijing not to occupy the various islands but does not threaten to block it from doing so, even while assuring Tokyo that the United States is treaty-bound to defend the islands. Subsequent clarifications or secret statements to either capital might mitigate the contradiction, but the public posture subverts U.S. credibility. It invites Chinese leaders to see the United States as a paper tiger that may fold in an escalating crisis. Yet in such a crisis, under the pressure of events for which it has not prepared, Washington might surprise its opponent by choosing war, for the same reasons it did so after the invasion of South Korea in 1950 and Kuwait in 1990.

There are two logical long-term alternatives to this risky confusion. One is to make a clear commitment to contain China, meaning that

Washington would block Beijing from expanding its territory through either military action or political coercion. This sounds precipitate, because China sees containment as an aggressive threat. So Washington would have to express this commitment carefully, emphasizing the defensive aim of securing the status quo, not challenging China's rights. The benefit of this alternative would be to make deterrence harder to mistake and thus more effective, allowing for brighter redlines, which would reduce the odds of an unanticipated game of chicken producing a war neither side wants. But the costs would be very high: a new Cold War and the disruption of advantageous cooperation on many issues. The United States would also have to decide once and for all whether it is willing to go to war with China over Taiwan. At present, there is no serious discussion about this, let alone consensus, among either U.S. voters or the foreign policy elite in Washington.

If a "red light" strategy of containment is unnecessary or too costly, the second, opposite alternative is accommodation—in effect, a green light. Accommodation would make sense if Beijing's ambitions were limited and likely to stay limited, if its growing power was not in danger of being derailed, and if the United States preferred disregarding the interests of its allies to growing conflict with an emerging superpower—all big ifs. In accommodating Beijing, Washington would recognize that as China becomes a superpower, it will naturally feel entitled to the prerogatives of a superpower—most obviously, disproportionate influence in its home region. And Washington would have to accept that disputes over minor issues will be settled on China's terms rather than those of its weak neighbors. The big obstacle to this alternative would be the conflict over Taiwan, a far more consequential dispute than those over the uninhabited rocks whose status provoked tensions last year. And just as there is no consensus for containment, Americans loathe anything that reeks of appeasement.

Given the unattractiveness of either alternative, it is no surprise that Washington has finessed the question. Incoherent compromise is a common and sometimes sensible diplomatic strategy. In Asia, however, it means underestimating the risks of drift and indecision if Chinese power grows and Chinese restraint diminishes. U.S. policy now amounts to a yellow light, a warning to slow down, short of a firm requirement to stop. Yellow lights, however, tempt some drivers to speed up.

There is no pain-free solution to the problem posed by China's ascent, unless Taiwan surrenders peacefully. Kicking the can down the road might work for a long time, but only as long as Chinese forbearance lasts. If a crisis erupts, ambivalent deterrence may cause conflict rather than prevent it. It might prove too weak to make Beijing swerve first, but strong enough to keep Washington from swerving also, thus causing a collision. The only solution is a clear strategic decision about whether the United States will accept China's full claims as a superpower when it becomes one or draw clear redlines before a crisis comes.

Deterrence is not disastrous when applied mildly, although unnecessarily, to Russia, but it does have negative effects. Deterrence is not a sure thing against Iran, but it beats starting a war, especially a war that could make the ultimate threat worse. And in the face of the serious long-term policy dilemma posed by China, opting for or against deterrence is an extraordinarily hard choice, but avoiding the choice makes the dilemma ever more dangerous. Reducing future risks requires paying some immediate costs.

Getting deterrence back into focus will help fix these strategic problems. In the Cold War, the strategy was so ingrained and pervasive an element of U.S. strategy that "deterrence" became a buzzword used to justify everything in defense policy. In recent years, however, it has almost vanished from the vocabulary of strategic debate. U.S. policymakers need to relearn the basics of deterrence and rediscover its promise as a strategy in the right circumstances, while recognizing its drawbacks in others. The alternative of continued confusion will not matter, until it does—for example, whenever Beijing decides that the day has come for the changes it has always said were only a matter of time.

The Evolution of Irregular War

Insurgents and Guerrillas From Akkadia to Afghanistan

Max Boot

Pundits and the press too often treat terrorism and guerrilla tactics as something new, a departure from old-fashioned ways of war. But nothing could be further from the truth. Throughout most of our species' long and bloody slog, warfare has primarily been carried out by bands of loosely organized, ill-disciplined, and lightly armed volunteers who disdained open battle in favor of stealthy raids and ambushes: the strategies of both tribal warriors and modern guerrillas and terrorists. In fact, conventional warfare is the relatively recent invention. It was first made possible after 10,000 BC by the development of agricultural societies, which produced enough surplus wealth and population to allow for the creation of specially designed fortifications and weapons (and the professionals to operate them). The first genuine armies—commanded by a strict hierarchy, composed of trained soldiers, disciplined with threats of punishment—arose after 3100 BC in Egypt and Mesopotamia. But the process of state formation and, with it, army formation took considerably longer in most of the world. In some places, states emerged only in the past century, and their ability to carry out such basic functions as maintaining an army remains tenuous at best. Considering how long humans have been roaming the earth, the era of what we now think of as conventional conflict represents the mere blink of an eye.

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Nonetheless, since at least the days of the Greeks and the Romans, observers have belittled irregular warfare. Western soldiers and scholars have tended to view it as unmanly, even barbaric. It's not hard to see why: guerillas, in the words of the British historian John Keegan, are "cruel to the weak and cowardly in the face of the brave"—precisely the opposite of what professional soldiers are taught to be. Many scholars have even claimed that guerrilla raids are not true warfare.

This view comes to seem a bit ironic when one considers the fact that throughout history, irregular warfare has been consistently deadlier than its conventional cousin—not in total numbers killed, since tribal societies are tiny compared with urban civilizations, but in the percentage killed. The average tribal society loses 0.5 percent of its population in combat every year. In the United States, that would translate into 1.5 million deaths, or 500 September 11 attacks a year. Archaeological evidence confirms that such losses are not a modern anomaly.

The origins of guerilla warfare are lost in the swamps of prehistory, but the kinds of foes that guerrillas have faced have changed over the centuries. Before about 3000 BC, tribal guerrillas fought exclusively against other tribal guerrillas. Although that type of fighting continued after 3000 BC, it was supplemented and sometimes supplanted by warfare pitting tribes and rebels against newly formed states. These conflicts were, in a sense, the world's first insurgencies and counter-insurgencies. Every great empire of antiquity, starting with the first on record, the Akkadian empire, in ancient Mesopotamia, was deviled by nomadic guerrillas, although the term "guerrilla" would not be coined for millennia to come. ("Guerrilla," literally meaning "small war," dates to the Spanish resistance against Napoleon, from 1808 to 1814.)

In modern times, the same old guerrilla tactics have been married to ideological agendas, something that was utterly lacking among the apolitical (and illiterate) tribal warriors of old. Of course, the precise nature of the ideological agendas being fought for has changed over the years, from liberalism and nationalism (the cri de coeur of guerrilla fighters from the late eighteenth century to the late nineteenth century), to socialism and nationalism (which inspired guerrillas between the late nineteenth century and the late twentieth century), to jihadist extremism today. All the while, guerrilla and terrorist warfare have remained as ubiquitous and deadly as ever.

THE GUERRILLA PARADOX

The success of various raiders in attacking and conquering states from ancient Rome to medieval China gave rise to what one historian has called "the nomad paradox." "In the history of warfare, it has generally been the case that military superiority lies with the wealthiest states and those with the most developed administrations," the historian Hugh Kennedy wrote in *Mongols, Huns, and Vikings*. Yet going back to the days of Mesopotamia, nomads often managed to bring down far richer and more advanced empires. Kennedy explains this seeming contradiction by citing all the military advantages nomads enjoyed: they were more mobile, every adult male was a warrior, and their leaders were selected primarily for their war-making prowess. By contrast, he notes, settled societies appointed commanders based on political considerations and drafted as soldiers farmers with scant martial skills.

Nomads' military advantages seem to have persisted among guerrillas in the modern world; even in the last two centuries, during which states became far more powerful than in the ancient or the medieval period, guerrillas often managed to humble them. Think of the tribes of Afghanistan, which frustrated the United Kingdom, the Soviet Union, and the United States. Kennedy's "nomad paradox" is really a guerrilla paradox, and it asks how and why the weak seem to so frequently defeat the strong. The answer lies largely in the use of hit-and-run tactics, taking advantage of mobility and surprise to make it difficult for the stronger state to bring its full weight to bear.

Guerrillas often present a further paradox: even the most successful raiders have been prone to switch to conventional tactics once they achieve great military success. The Mongols eventually turned into a semiregular army under Genghis Khan, and the Arabs underwent a similar transformation. They fought in traditional Bedouin style while spreading Islam across the Middle East in the century after Muhammad's death, in 632. But their conquests led to the creation of the Umayyad and Abbassid caliphates, two of the greatest states of the medieval world, which were defended by conventional forces. The Turkish empire, too, arose out of the raiding culture of the steppes but built a formidable conventional army, complete with highly disciplined slave-soldiers, the janissaries. The new Ottoman army conquered Constantinople in a famous siege in 1453 and, within less than a century, advanced to the gates of Vienna.

Why did nomads so adept at guerrilla tactics resort to conventional warfare? For one thing, their targets became bigger, requiring a shift in tactics. Mounted archers could not have taken Constantinople; that feat required the mechanics of a proper military, including a battery of 69 cannons, two of which were 27 feet long and fired stone balls that weighed more than half a ton. Nor were fast-moving tribal fighters of much use in defending, administering, and policing newly conquered states. Those tasks, too, required a professional standing army. A further factor dictated the transformation of nomads into regulars: the style of fighting practiced by mounted archers was so difficult and demanding that it required constant practice from childhood on for an archer to maintain proficiency. Once nomads began living among more sedentary people, they "easily lost their superior individual talents and unit cohesion," write the historians Mesut Uyar and Edward Erickson in *A Military History of the Ottomans*. This was a tradeoff that most of them were happy to make. A settled life was much easier—and safer.

The nomads' achievements, although great, were mostly fleeting: with the exception of the Arabs, the Turks, the Moguls, and the Manchu, who blended into settled societies, nomads could not build lasting institutions. Nomadic empires generally crumbled after a generation or two. Former nomads who settled down found themselves, somewhat ironically, beset by fresh waves of nomads and other guerrillas. Such was the fate of the Manchu, who, as the rulers of China, fought off the Dzungar (or western Mongols) in the eighteenth century and tried to fight off the Taiping rebels in the deadliest war of the nineteenth century. The Taipings, in turn, tried to develop more powerful armies of their own, blurring the distinction between regular and irregular conflict. Since then, many civil wars, including the one the United States fought between 1861 and 1865, have featured both kinds of combat.

IRREGULARS IN THE AGE OF REASON

The dividing line between regular and irregular warfare grew more distinct with the spread of standing national armies after the Thirty Years' War. That process, which went hand in hand with the growth of nation-states, came to a head in the second half of the seventeenth century. The period saw the proliferation of barracks to house soldiers, drillmasters to train them, professional officers to lead them, logistical

services to supply them, factories to clothe and equip them, and hospitals and retirement homes to take care of them.

By the eighteenth century, Western warfare had reached stylized heights seldom seen before or since, with monarchical armies fighting in roughly similar styles and abiding by roughly similar rules of conduct. No change was more important than the adoption of standardized uniforms, which meant that the difference between soldiers and civilians could be glimpsed in an instant. Fighters who insisted on making war without uniforms therefore became more easily distinguished. They were subject to prosecution as bandits rather than treated as soldiers entitled to the protections of the emerging laws of war.

But irregulars soon returned to prominence, during the War of the Austrian Succession (1740–48), a conflict pitting Austria, Great Britain, Hanover, Hesse, and the Netherlands against Bavaria, France, Prussia, Saxony, and Spain. Austria lost the war's early battles, allowing foreign troops to occupy a substantial portion of its territory. But Austria managed a comeback thanks to so-called wild men it mustered from the fringes of its empire: hussars from Hungary, pandours from Croatia, and other Christians from the Balkans who had been fighting the Turks for centuries.

Frederick the Great and other generals at first denounced the raiders as "savages." But as soon as they saw the irregulars' effectiveness, they copied the Austrian example. By the 1770s, light troops (skirmishers lacking heavy weapons and armor who did not stand in the main battle line) made up 20 percent of most European armies. In North America, the British army came increasingly to rely on a variety of light infantry. Precursors to today's special forces—troops trained in guerrilla tactics who are nonetheless still more disciplined than stateless fighters—these "rangers" were raised for "wood service," or irregular combat, against French colonial troops and their native allies.

One of the cherished myths of American history is that plucky Yankees won independence from Great Britain by picking off befuddled redcoats too dense to deviate from ritualistic parade-ground warfare. That is an exaggeration. By the time the Revolution broke out, in 1775, the British were well versed in irregular warfare and were countering it in Europe, the Caribbean, and North America. Redcoats certainly knew enough to break ranks and seek cover in battle when possible, rather than, in the words of one historian, "remaining inert and vulnerable to enemy fire." The British army had a different

Holding down the fort: in Chilas, British India, 1898

problem: much like the modern U.S. Army pre-Iraq, it had forgotten most of the lessons of irregular war learned a generation before. And the American rebels used a more sophisticated form of irregular warfare than the French backwoodsmen and Native American warriors whom the redcoats had gotten used to fighting. The spread of literacy and printed books allowed the American insurgents to appeal for popular support, thereby elevating the role of propaganda and psychological warfare. It is appropriate that the term "public opinion" first appeared in print in 1776, for the American rebels won independence in large part by appealing to the British electorate with documents such as Thomas Paine's pamphlet *Common Sense* and the Declaration of Independence. In fact, the outcome of the Revolution was really decided in 1782, when the British House of Commons voted by a narrow margin to discontinue offensive operations. The British could have kept fighting after that date; they could have raised fresh armies even after the defeat at Yorktown in 1781. But not after they had lost the support of parliament.

Most of the revolutionaries who followed were more extreme in their methods and beliefs than the American rebels, but, whether left or right, many of them copied the Americans' skillful manipulation

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of public opinion. The Greeks in the 1820s, the Cubans in the 1890s, and the Algerians in the 1950s all enjoyed notable success mobilizing foreign opinion to help win their independence. In Greece and Cuba, the anti-imperialists won by highlighting the colonies' suffering to spur what would today be called humanitarian interventions by Western powers.

Liberal insurgents scored their most impressive victories in the New World. With a few exceptions, by 1825, the European colonial powers had been defeated in the Americas. European revolts at home, such as that of the Chartists in the United Kingdom and that of the Decembrists in Russia, were less successful. Still, by the turn of the twentieth century, most of Europe and North America was moving in a more liberal direction—even those absolute monarchies, such as Austria, Germany, and Russia, that remained as such were making greater efforts to appease and direct popular sentiment.

WARS THAT WEREN'T

At the same time, Western states were extending their rule across much of the rest of the world in a decidedly illiberal fashion. The process of colonization and resistance would do much to shape the modern world and would give rise to the most influential counter-insurgency doctrine of all time: the "oil spot" theory, coined by the French marshal Hubert Lyautey, who in fin-de-siècle Indochina, Madagascar, and Morocco anticipated the "population-centric" doctrine that U.S. forces implemented in Afghanistan and Iraq in the twenty-first century. It involved slowly extending army posts and settlements, like a spreading oil spot, until indigenous resistance was crushed, while also trying to address locals' political and economic concerns.

The people of Asia and Africa resisted the colonists' advance as best they could. Sometimes, they were able to force serious setbacks; a famous example was the 1842 British retreat from Kabul. But these were only temporary reversals in the inexorable westernization of the world. By 1914, Europeans and their offspring controlled 84 percent of the world's landmass, up from 35 percent in 1800.

That non-Europeans did not have more success in preserving their independence was due in large measure to Europe's growing advantages in military technology and technique. But it also owed something to the fact that most non-Europeans did not adopt strategies that made the best use of their limited resources. Instead of attempting to engage

in guerrilla warfare—which, even if unsuccessful, might have staved off ultimate defeat for years, if not decades, and inflicted considerable costs on the invaders—most non-Europeans fought precisely as the Europeans wanted them to, that is to say, in conventional fashion.

Westerners thought that most of the areas they conquered were "primitive" and "backward," but in a sense, they were too advanced for their own good. By the time Europeans marched into Asia and Africa, much of those continents had fallen under the sway of native regimes with standing armies, such as the Zulu empire in southern Africa and the Maratha empire in India. Their rulers naturally looked to those standing armies for protection, typically eschewing the sort of tribal tactics (a primitive form of guerrilla warfare) practiced by their ancestors. In most cases, the decisions quickly backfired. When native rulers did try to correct course, their impulse was usually to make their armies even more conventional by hiring European advisers and buying European arms. The reproductions were seldom as good as the originals, however, and their inferiority was brutally exposed in battle.

By manufacturing countless weapons, the Europeans ensured that their twentieth-century opponents were far better armed than their predecessors had been.

Why did so few indigenous regimes resort to guerrilla tactics? In part, because non-Westerners had little idea of the combat power of Western armies until it was too late. Too many indigenous empire builders in the developing world imagined that the tactics they had used to conquer local tribes would work against the white invaders as well. Even if those rulers had wanted to ignite insurgencies, moreover, the ideological fuel was generally lacking, save in Algeria, Chechnya and Dagestan, and a few other areas where Muslim rebels waged prolonged wars of resistance against European colonists. Often, the subjects of these regimes resented the indigenous rulers as much as, if not more than, the European invaders. Nationalism, a relatively recent invention, had not yet spread to those lands.

European soldiers in "small wars" were helped by the fact that most of the fighting occurred on the periphery of their empires in Asia and Africa against enemies that were considered "uncivilized" and therefore, under the European code of conduct, could be fought with unrestrained ferocity. As late as the 1930s, the British officer

and novelist John Masters wrote that on the northwest frontier of India (today's Pakistan), Pashtun warriors "would usually castrate and behead" captives, whereas the British "took few prisoners at any time, and very few indeed if there was no Political Agent about"—they simply killed those they captured. The very success of the imperial armies meant that future battles would take place within imperial boundaries, however, and that they would be, as the historian Thomas Mockaitis wrote in *British Counterinsurgency*, "considered civil unrest rather than war." Accordingly, imperial troops in the future would find their actions circumscribed by law and public opinion in ways that they had not been in the nineteenth century.

The civil unrest of the twentieth century was harder to deal with for other reasons as well. By setting up schools and newspapers that promulgated Western ideas such as nationalism and Marxism, Western administrators eventually spurred widespread resistance to their own rule. And by manufacturing and distributing countless weapons, from TNT to the AK-47, all over the world, the Europeans ensured that their twentieth-century opponents were far better armed than their predecessors had been.

THE SUN SETS ON THE BRITISH EMPIRE

To understand why decolonization swept the world in the late 1940s and why anti-Western guerrillas and terrorists fared so well during that period, it is vital to underscore how weak the two biggest colonial powers were by then. Even if France and the United Kingdom had been determined to hold on to all their overseas possessions after 1945, they would have been hard-pressed to do so. Both were essentially bankrupt and could not comfortably fight a prolonged counterinsurgency—especially not in the face of hostility from the rising superpowers. The Soviets, and later the Chinese, were always ready to provide arms, training, and financing to national liberation movements of a Marxist bent.

Most of the decolonization process was relatively peaceful. Where the British did face determined opposition, as in India and Palestine, it did not take much to persuade them to leave. London generally only fought to hold on to a few bases, such as Cyprus and Aden, that it deemed to be of strategic significance or, as in Malaya and Kenya, to prevent a takeover by Communists or other extremists. When the British did choose to fight, they did so skillfully and successfully;

their counterinsurgency record is better than that of the French during the same period, and some of their campaigns, notably that in Malaya, are still studied by military strategists.

The incidence of guerrilla warfare and terrorism did not decline with the demise of the European empires. On the contrary, the years between 1959 and 1979—from Fidel Castro's takeover in Cuba to the Sandinistas' takeover in Nicaragua—were, if anything, the golden age of leftist insurgency. There remained a few colonial wars and a larger number of essentially ethnic wars (in Congo, East Timor, and Nigeria's Biafra region) fought to determine the nature of postcolonial states, but the primary driver was socialist ideology. Radicals who styled themselves as the next Mao, Ho, Fidel, or Che took up Kalashnikovs to wage rural guerrilla warfare and urban terrorism. Never before or since has the glamour and prestige of irregular warriors been higher, as seen in the ubiquity of the artist Alberto Korda's famous photograph of Che Guevara, which still adorns T-shirts and posters. The success of revolutionaries abroad resounded among the Western radicals of the 1960s, who were discontented with their own societies and imagined that they, too, could overthrow the establishment. Tom Wolfe captured the moment in his famous 1970 essay "Radical Chic," which described in excruciating detail a party thrown by the composer Leonard Bernstein in his swank New York apartment for a group of Black Panthers, one of myriad terrorist groups of a period whose fame far exceeded its ability to achieve its goals.

Some governments had considerable success in suppressing insurgent movements. The 1960s saw the publication of influential manuals such as *Counterinsurgency Warfare: Theory and Practice*, by the French officer (and Algeria veteran) David Galula, and *Defeating Communist Insurgency*, by the British official Sir Robert Thompson, a suave veteran of Malaya and Vietnam. Galula, Thompson, and other experts reached a remarkable degree of agreement that insurgencies could not be fought like conventional wars. The fundamental principle that set counterinsurgency apart was the use of "the minimum of fire." Meanwhile, a "soldier must be prepared to become a propagandist, a social worker, a civil engineer, a schoolteacher, a nurse, a boy scout," Galula wrote.

It was one thing to generate such hard-won lessons. Altogether more difficult was to get them accepted by military officers whose ideal remained the armored blitzkrieg and who had nothing but contempt for lightly armed ragtag fighters. Western militaries marched into

the next few decades still focused on fighting a mirror-image foe. When the United States had to confront a guerrilla threat in Vietnam, William Westmoreland, the commander of U.S. operations there, formulated an overwhelmingly conventional response that expended lots of firepower and destroyed lives on both sides but did not produce victory.

LEFT OUT

Like everyone else, guerrillas and terrorists are subject to popular moods and intellectual fads. By the 1980s, as memories of colonialism faded, as the excesses of postcolonial rulers became more apparent, and as the desirability of capitalism was revived under U.S. President Ronald Reagan and British Prime Minister Margaret Thatcher, leftist movements went into eclipse and the guerrilla mystique faded. Few but the most purblind ideologues could imagine that the future was being born in impoverished and oppressed Cambodia or Cuba. The end of the old regime in Moscow and the gradual opening in Beijing had a more direct impact on insurgent groups, too, by cutting off valuable sources of subsidies, arms, and training. The Marxist terrorist groups of the 1970s, such as the Italian Red Brigades and the German Baader-Meinhof Gang, were never able to generate significant support bases of their own and languished along with their foreign backers. Nationalist movements, such as the Palestine Liberation Organization (PLO) and the Irish Republican Army, fared better, although they were also hobbled by a decline in outside support.

Although leftist insurgencies were on the wane, however, guerrilla warfare and terrorism hardly disappeared. They simply assumed different forms as new militants motivated by the oldest grievances of all—race and religion—shot their way into the headlines. The transition from politically motivated to religiously motivated insurgencies was the product of decades, even centuries, of development. It could be traced back to, among other things, the writings of the Egyptian agitator Sayyid Qutb in the 1950s and 1960s; the activities of Hasan al-Banna, who founded Egypt's Muslim Brotherhood in 1928; and the proselytizing of Muhammad ibn Abd al-Wahhab, who in the eighteenth century created the puritanical movement that would one day become the official theology of Saudi Arabia. But the epochal consequences of these religious leaders' ideas did not seize the world's attention until the fateful fall of 1979, when protesters occupied the

U.S. embassy in Tehran. The embassy takeover had been organized by radical university students, including the future Iranian president Mahmoud Ahmadinejad, who wanted to strike a blow at "the Great Satan" and domestic secularists. It was followed by the militant takeover of the Grand Mosque in Mecca, the holiest shrine in Islam, and the burning of the U.S. embassy in Islamabad. And then, on December 24, 1979, the Soviets marched into Afghanistan, thus inspiring the mobilization of a formidable force of holy guerrillas: the mujahideen.

The threat from Islamist extremists, which had been building sub rosa for decades, burst into bloody view on September 11, 2001, when al Qaeda staged the deadliest terrorist attack of all time. Previous terrorist organizations, from the PLO to various anarchist groups, had limited the scale of their violence. As the terrorism analyst Brian Jenkins wrote in the 1970s, "Terrorism is theater. . . . Terrorists want a lot of people watching, not a lot of people dead." Al Qaeda and its ilk rewrote that playbook in the United States and Iraq.

To defend itself, the United States and its allies erected a variety of defenses. Mostly, this involved improved security, police work, and intelligence gathering. Militaries played an important role, too, although seldom as central as in Afghanistan and Iraq—countries whose governments were toppled by American invasions. In states with functioning or semi-functioning governments, such as the Philippines and Saudi Arabia, the U.S. role was limited to providing training, weapons, intelligence, and other assistance to help those governments fight the extremists.

Beyond the West's efforts against al Qaeda, popular protests in the Middle East have dealt terrorist organizations another blow. The Arab Spring has proved to be far more potent an instrument of change than suicide bombings. Even before the death of Osama bin Laden, in 2011, the Pew Global Attitudes Project had recorded a sharp drop in those expressing "confidence" in him: between 2003 and 2010, the figure fell from 46 percent to 18 percent in Pakistan, from 59 percent to 25 percent in Indonesia, and from 56 percent to 14 percent in Jordan.

Even a small minority is enough to sustain a terrorist group, however, and al Qaeda has shown an impressive capacity to regenerate itself. Its affiliates still operate from the Middle East to Southeast Asia. Meanwhile, other Islamist groups continue to show considerable strength in Afghanistan and Pakistan, Hamas controls the Gaza Strip,

Hezbollah holds sway in Lebanon, al Shabab bids for power in Somalia, Boko Haram advances in Nigeria, and two newer groups, Ansar Dine and the Movement for Unity and Jihad in West Africa, have taken control of northern Mali. Notwithstanding bin Laden's death and other setbacks to al Qaeda central, the war against Islamist terrorism is far from won. The 9/11 attacks serve as a reminder that seeming security against an invisible army can turn to vulnerability with shocking suddenness and that, unlike the more geographically restricted insurgents of the past, international terrorist groups, such as al Qaeda, can strike almost anywhere.

SMALL WARS, BIG LESSONS

The long history of low-intensity conflict reveals not only how ubiquitous guerrilla warfare has been but also how often its importance has been ignored, thus setting the stage for future humiliations at the hands of determined irregulars. The U.S. Army has a particularly dismaying record of failing to adapt to "small wars," despite its considerable experience fighting Native Americans, Philippine *insurrectos*, the Vietcong, al Qaeda, the Taliban, and numerous other irregulars. To avoid similar calamities in the future, today's soldiers and policymakers need to accurately appraise the strengths and weaknesses of insurgents.

It is important neither to underestimate nor to overestimate the potency of guerrilla warfare. Before 1945, since irregulars refused to engage in face-to-face battle, they were routinely underestimated. After 1945, however, popular sentiment swung too far in the other direction, enshrining guerrillas as superhuman figures. The truth lies somewhere in between: insurgents have honed their craft since 1945, but they still lose most of the time. Their growing success is due to the spread of communications technology and the increasing influence of public opinion. Both factors have sapped the will of states to engage in protracted counterinsurgencies, especially outside their own territories, and have heightened the ability of insurgents to survive even after suffering military setbacks.

In the fight against insurgents, conventional tactics don't work. To defeat them, soldiers must focus not on chasing guerrillas but on securing the local population. Still, effective population-centric counterinsurgency is not as touchy-feely as commonly supposed. It involves much more than winning "hearts and minds"—a phrase

invented by Sir Henry Clinton, a British general during the American Revolution, and popularized by Sir Gerald Templer, a general during the Malayan Emergency, in the late 1940s and 1950s. The only way to gain control is to garrison troops 24 hours a day, seven days a week, among the civilians; periodic "sweep" or "cordon and search" operations fail, even when conducted by counterinsurgents as cruel as the Nazis, because civilians know that the rebels will return the moment the soldiers leave.

Although control can be imposed at gunpoint, it can be maintained only if the security forces have some degree of popular legitimacy. In years past, it was not hard for foreign empires to gain the necessary legitimacy. But now, with nationalist sentiment having spread to every corner of the world, foreign counterinsurgents, such as the United States, face a tricky task, trying to buttress homegrown regimes that can win the support of their people and yet will still cooperate with the United States.

What makes counterinsurgency all the more difficult is that there are few quick victories in this type of conflict. Since 1775, the average insurgency has lasted seven years (and since 1945, it has lasted almost ten years). Attempts by either insurgents or counterinsurgents to short-circuit the process usually backfire. The United States tried to do just that in the early years of both the Vietnam War and the Iraq war by using its conventional might to hunt down guerrillas in a push for what John Paul Vann, a famous U.S. military adviser in Vietnam, rightly decried as "fast, superficial results." It was only when the United States gave up hopes of a quick victory, ironically, that it started to get results, by implementing the tried-and-true tenets of population-centric counterinsurgency. In Vietnam, it was already too late, but in Iraq, the patient provision of security came just in time to avert an all-out civil war.

Democratic governments can fight insurgents effectively if they pay attention to what the U.S. military calls "information operations."

The experiences of the United States in Iraq in 2007–8, Israel in the West Bank during the second intifada, the British in Northern Ireland, and Colombia in its ongoing fight against the FARC (Revolutionary Armed Forces of Colombia) show that it is possible for democratic governments to fight insurgents effectively if they pay attention to

what the U.S. military calls "information operations" (also known as "propaganda" and "public relations") and implement some version of a population-centric strategy. But these struggles also show that one should never enter into counterinsurgency lightly. Such wars are best avoided if possible. Even so, it is doubtful that the United States will be able to avoid them in the future any more than it has in the past. Given the United States' demonstrations of its mastery of conventional combat in Iraq in 1991 and 2003, few adversaries in the future will be foolish enough to put tank armies in the desert against an American force. Future foes are unlikely, in other words, to repeat the mistake of nineteenth-century Asians and Africans who fought European invaders in the preferred Western style. Guerrilla tactics, on the other hand, are proven effective, even against superpowers.

In the future, irregulars might become deadlier still if they can get their hands on a weapon of mass destruction, especially a nuclear bomb. If that were to happen, a small terrorist cell the size of a platoon might gain more killing capacity than the entire army of a nonnuclear state. That is a sobering thought. It suggests that in the future, low-intensity conflict could pose even greater problems for the world's leading powers than it has in the past—and those problems were already vexing enough.

Red White

Why a Founding Father of Postwar Capitalism Spied for the Soviets

Benn Steil

In the wake of the 2008 financial crisis and the ensuing global economic downturn, it has become commonplace for politicians, pundits, and economists to invoke the memory of Bretton Woods. In July 1944, in the midst of World War II, representatives of 44 nations gathered in this remote New Hampshire town to create something that had never before existed: a global monetary system to be managed by an international body. The gold standard of the late nineteenth century, the organically formed foundation of the first great economic globalization, had collapsed during the previous world war. Efforts to revive it in the 1920s proved catastrophically unsuccessful. Economies and trade collapsed; cross-border tensions soared. In the 1930s, internationalists in the U.S. Treasury Department saw a powerful cause and effect and were determined to resolve the flaws in the international economic system once and for all. In the words of Harry Dexter White, a then little-known Treasury official who became the unlikely architect of the Bretton Woods system, it was time to build a "New Deal for a new world."

Working in parallel and in prickly collaboration with his British counterpart, the revolutionary economist John Maynard Keynes, White set out to create the economic foundations for a durable postwar global peace. Governments would be given more power over markets but fewer prerogatives to manipulate them for trade gains. Trade would in the future be harnessed to the service of political cooperation by ending shortages of gold and U.S. dollars. Speculators who stoked

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and profited from fears of such shortages would be shackled by strictures placed on the frenetic cross-border flows of capital. Interest rates would be set by government experts schooled in the powerful new discipline of macroeconomics, which Keynes had been instrumental in establishing. A newly created International Monetary Fund (IMF) would ensure that exchange rates were not manipulated for competitive advantage. Most important, budding dictators would never again be able to use barriers to trade and currency flows as tools of economic aggression, ruining their neighbors and fanning the flames of war.

Despite having never held any official title of importance, White had by 1944 achieved implausibly broad influence over U.S. foreign and economic policy. Grudgingly respected by colleagues at home and counterparts abroad for his gritty intelligence, attention to detail, relentless drive, and knack for framing policy, White made little effort to be liked. "He has not the faintest conception how to behave or observe the rules of civilized intercourse," Keynes groused. Arrogant and bullying, White was also nerve-ridden and insecure, always acutely conscious that his tenuous status in Washington depended wholly on his ability to keep Treasury Secretary Henry Morgenthau, a confidant of President Franklin Roosevelt with limited smarts, armed with actionable policies. White often made himself ill with stress before negotiations with Keynes, and then exploded during them. "We will try," White spat out during one particularly heated session, "to produce something which Your Highness can understand."

The White case has long resembled a murder mystery with witnesses and a weapon but no clear motive. Now we have one.

But as the chief architect of Bretton Woods, White outmaneuvered his far more brilliant British counterpart, distinguishing himself as an unrelenting nationalist who could extract every advantage out of the tectonic shift in geopolitical circumstances put in motion by World War II. White installed the groundwork for a dollar-centric postwar order antithetical to long-standing British interests, particularly as they related to the United Kingdom's collapsing colonial empire.

Even White's closest colleagues were unaware, however, that his postwar vision involved a far more radical reordering of U.S. foreign policy, centered on the establishment of a close permanent alliance with the new rising European power—the Soviet Union. And they

most surely did not know that White was willing to use extraordinary means to bring it about.

Over the course of 11 years, beginning in the mid-1930s, White acted as a Soviet mole, giving the Soviets secret information and advice on how to negotiate with the Roosevelt administration and advocating for them during internal policy debates. White was arguably more important to Soviet intelligence than Alger Hiss, the U.S. State Department official who was the most famous spy of the early Cold War.

The truth about White's actions has been clear for at least 15 years now, yet historians remain deeply divided over his intentions and his legacy, puzzled by the chasm between White's public views on political economy, which were mainstream progressive and Keynesian, and his clandestine behavior on behalf of the Soviets. Until recently, the White case has resembled a murder mystery with witnesses and a weapon but no clear motive.

Now we have one. The closest thing to a missing link between the official White and the secret White is an unpublished handwritten essay on yellow-lined notepaper that I found buried in a large folder of miscellaneous scribblings in White's archives at Princeton University. Apparently missed by his previous chroniclers, it provides a fascinating window onto the aspirations and mindset of this intellectually ambitious overachiever at the height of his power, in 1944.

In the essay, hazily titled "Political-Economic Int. of Future," White describes a postwar world in which the Soviet socialist model of economic organization, although not supplanting the American liberal capitalist one, would be ascendant. "In every case," he argues, "the change will be in the direction of increased [government] control over industry, and increased restrictions on the operations of competition and free enterprise." Whereas White believed in democracy and human rights, he consistently downplayed both the lack of individual liberty in the Soviet Union ("The trend in Russia seems to be toward greater freedom of religion. . . . The constitution of [the] USSR guarantees that right") and the Soviets' foreign political and military adventurism ("The policy pursued by present day Russia [is one] of not actively supporting [revolutionary socialist] movements in other countries").

In the essay, White argues that the West is hypocritical in its demonization of the Soviet Union. He urges the United States to

draw the Soviets into a tight military alliance in order to deter renewed German and Japanese aggression. But such an alliance, White lamented, faced formidable obstacles: "rampant imperialism" in the United States, hiding under "a variety of patriotic cloaks"; the country's "very powerful Catholic hierarchy," which might "well find an alliance with Russia repugnant"; and groups "fearful that any alliance with a socialist country cannot but strengthen socialism and thereby weaken capitalism."

After sweeping away internal politics, religion, and foreign policy as honest sources of Western opposition to the Soviet Union, White concludes that the true foundation of the conflict must be economic ideology. "It is basically [the] opposition of capitalism to socialism," he writes. "Those who believe seriously in the superiority of capitalism over socialism"—a group from which White apparently excluded himself—"fear Russia as the source of socialist ideology." He then ends his essay with what, coming from the U.S. government's most important economic strategist, can only be described as an astounding conclusion: "Russia is the first instance of a socialist economy in action. And it works!"

It turns out that the chief designer of the postwar global capitalist financial architecture saw Soviet behavior through rose-colored glasses not simply because he believed that the Soviet Union was a vital U.S. ally but because he also believed passionately in the success of the bold Soviet experiment with socialism.

NO MERE FELLOW TRAVELER

White's admiration for the Soviet economic system is striking, coming from one of the most influential policy figures in 1940s Washington. Yet it was not out of keeping with the tenor of the times. White belonged to a generation of Russophile writers and public officials who had come of age intellectually between the two world wars, a period marked by political upheaval, the Great Depression, and the collapse of the international trade and monetary systems. The whole world order seemed to be in flux. To many observers, radical social, economic, and political change were inevitable. To some, the upheaval was also a call to action—inside and outside the traditional confines of national politics.

As a young man, White had been a passionate supporter of Robert La Follette, the firebrand who ran as the Progressive Party's first

Special relationship: Keynes and White at an IMF meeting, Savannah, Georgia, 1946

GETTY IMAGES / ALFRED EISENSTAEDT / TIME & LIFE PICTURES

presidential candidate in 1924; La Follette called for muscular government intervention in the U.S. economy and condemned American imperialism in Latin America. White had a long-standing fascination with Soviet economic planning, having decided in 1933, shortly after becoming an economics professor at what was then Lawrence College, in Wisconsin, to try to go to the Soviet Union to study its system. He was diverted from this plan only by an invitation to work on a monetary-reform study at the Treasury Department. Soon after his arrival in Washington in 1934, White enmeshed himself in a web of fellow travelers working for the Soviet underground. Eager for influence and dismissive of bureaucratic barriers to action, White began the sort of dangerous double life that attracted many of his Washington contemporaries in the 1930s and 1940s.

According to Whittaker Chambers, a courier between Soviet intelligence agencies and their secret sources within the U.S. government,

White's clandestine work began in 1935. An idealist who envisioned a future in which world affairs were managed by enlightened technocrats such as himself, White appeared to welcome the chance to hasten that future's coming by collaborating with secretive foot soldiers such as Chambers. White's official status in the U.S. government was beneath what he knew his talents merited, and he craved the recognition such operatives accorded him. Yet unlike Chambers, White would not take orders from Moscow. He worked on his own terms. He joined no underground movements. Working through intermediaries close to him, White secured official Treasury documents for Chambers, which, after Chambers photographed them in his Baltimore workshop, White returned through the same channels. White also prepared weekly or biweekly memos for Chambers summarizing what he considered useful information.

The chief designer of the postwar global capitalist financial architecture believed passionately in the success of Soviet socialism.

"There's no doubt that Harry was close to the Russians," White's Treasury Department colleague Edward Bernstein reflected decades after Bretton Woods. And "it was just like Harry to think he could give advice to everybody." But why would White have strayed so far beyond merely giving advice?

During World War II, a surprising number of U.S. officials provided covert assistance to the Soviets without considering themselves disloyal to the United States. "They were," in the reckoning of one famous confessed spy, Elizabeth Bentley, "a bunch of misguided idealists. They were doing it for something they believed was right. . . . They felt very strongly that we were allies with Russia, that Russia was bearing the brunt of the war, that she [Russia] must have every assistance, because the people from within the Government . . . were not giving her things that we should give her . . . [things] that we were giving to Britain and not to her. And they felt . . . it was their duty, actually, to get this stuff to Russia."

White had begun his efforts well before the war, however, in the years just after the Soviet Union secured U.S. diplomatic recognition, in 1933, and joined the League of Nations, in 1934. By all appearances, White believed that U.S. policy should and would move in the direction of deeper engagement with Moscow. His collaboration with

Chambers allowed him to establish his bona fides with the still-mysterious foreign power years before any official opportunities would present themselves.

TO RUSSIA WITH LOVE

When such opportunities did finally arise, White took full advantage of them. The most notable of these came in early 1944, when the Treasury Department began planning a currency to be used in postwar occupied Germany. The British agreed that the occupation currency should be printed in the United States, but the Soviets demanded the right to print their own notes, using a duplicate set of American plates. This would, of course, allow them to print as much German money as they wished. Backing the Soviets' demands before his Treasury Department colleagues, White, according to one of his aides, argued that the United States "had not been doing enough for the Soviet Union all along and that if the Soviets profited as a result of this transaction we should be happy to give them this token of our appreciation of their efforts." The director of the Bureau of Engraving and Printing, Alvin Hall, was staunchly opposed to giving the Soviets the plates, which elicited a fierce rebuke from White. The Soviets, he insisted, "must be trusted to the same degree and to the same extent as the other allies."

Morgenthau had placed White in charge of such matters, and White ensured that the Soviets got the plates. The predictable result was that they printed a lot of currency. The Allies put into circulation a total of about 10.5 billion Allied marks between September 1944 and July 1945; the Soviets likely issued more than 78 billion. Much of this cash wound up being redeemed by the U.S. government at the fixed exchange rate advocated by White, resulting in the Soviets effectively raiding the U.S. Treasury for $300–$500 million, or roughly $4.0–$6.5 billion in today's dollars. White had wanted to give the Soviets a "token of our appreciation of their efforts," and this was indeed a generous one.

But did White's Soviet connections have any actual impact on the outcome at Bretton Woods? Although the broad "White Plan" for the IMF clearly bore no imprint of Soviet monetary thinking, as there was none to speak of, White was highly solicitous of the obstructionist Soviets at the conference itself—more so than any of his American negotiating colleagues, and vastly more so than the Europeans, some of

whom were angered by the effects of White's behavior. Concerned that the Soviet government might not ratify the conference agreements, White six months later proposed a low-interest U.S. reconstruction loan of $10 billion for the Soviet Union—more than three times as much as what he advocated in transitional assistance for the United Kingdom. The fact that such a credit was not ultimately offered turned out to be one of the primary reasons the Soviet government decided against joining the IMF and the World Bank, as White had feared it would.

U.S. President Harry Truman initially planned to make White the first head of the IMF. Had White gotten the job, his pro-Soviet views might have become consequential in its operations. However, the primary reason that White did not become the institution's head—and that no American has ever since become its head—was the emerging revelations of White's activities on behalf of the Soviets.

Truman nominated White to be the first American executive director of the IMF on January 23, 1946, intending to nominate him for the top job of managing director shortly thereafter. Truman did not know that White had by that time been under FBI surveillance for two months, suspected of being a Soviet spy. Two weeks later, the FBI director, J. Edgar Hoover, sent a report to the president describing White as "a valuable adjunct to an underground Soviet espionage organization" and accusing him of placing Soviet intelligence assets inside the U.S. government. Hoover warned that if White's activities became public, it could endanger the IMF. But the Senate Committee on Banking and Currency, unaware of the allegations, had approved White's nomination to become the fund's U.S. executive director on February 5, the day after Hoover's report was delivered.

White's espionage allowed him to establish his bona fides with a still-mysterious foreign power.

In light of Hoover's report, Secretary of State James Byrnes wanted Truman to withdraw the nomination; Treasury Secretary Frederick Vinson wanted White out of government altogether. Truman did not trust Hoover but realized that he had a potential scandal on his hands. He decided to stick with White as an IMF executive director, a huge step down from managing director. But nominating another American to a post above White's would have raised eyebrows,

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since the White House would have had to explain why the fund's chief architect had been passed over.

The following month, Vinson met with Keynes, now the British governor of both the IMF and the World Bank. He said that Truman had decided not to put White's name forward for the IMF's top job and would instead back an American for the World Bank post in order to secure "the confidence of the American investment market." It would not be "proper," the administration had concluded with uncharacteristic fair-mindedness, "to have Americans as the heads of both bodies."

The United States' allies were more than happy to oblige, and a Belgian, Camille Gutt, became the first head of the IMF, while an American, Eugene Meyer, became the first head of the World Bank. The United States almost surely could have put an American in charge of the IMF after Gutt left, in 1951, but by that time, the fund's role had been supplanted by the Marshall Plan, and Washington was satisfied with its control of the World Bank's top post.

It is unclear what White knew or suspected about the FBI's investigations. In any event, his tenure at the fund was short; he resigned in the spring of 1947. After 13 years in Washington, he was despondent over the state of U.S.-Soviet relations and disillusioned with a "Democratic Party [that] can no longer fight for peace and a better America." He threw his enthusiastic backing behind Henry Wallace's Progressive Party presidential run in 1948. Wallace had fallen out with Truman, whom he had served as commerce secretary, over his administration's hardening stance toward the Soviets. Along with many prominent thinkers on both sides of the Atlantic at the time, Wallace believed that the 1917 Russian Revolution had been a seminal event in the history of the human struggle for freedom. An improbable Wallace victory would have returned White to political life as treasury secretary—assuming, that is, that White's accusers did not gain the upper hand.

"MY CREED IS THE AMERICAN CREED"

In the summer of 1948, Bentley and Chambers publicly accused White of spying for the Soviets, a charge White chose to deny vigorously before the House Un-American Activities Committee (HUAC). On the morning of August 13, White entered the packed committee room with cameras flashing. Facing the committee from behind a bevy of microphones, he raised his right hand and took the required oath.

In an opening statement, he set out to establish himself as a loyal American in the progressive tradition:

> My creed is the American creed. I believe in freedom of religion, freedom of speech, freedom of thought, freedom of the press, freedom of criticism, and freedom of movement. I believe in the goal of equality of opportunity. . . . I believe in the freedom of choice of one's representatives in government, untrammeled by machine guns, secret police, or a police state. I am opposed to arbitrary and unwarranted use of power or authority from whatever source or against any individual or group. . . . I consider these principles sacred. I regard them as the basic fabric of our American way of life, and I believe in them as living realities, and not as mere words on paper. . . . I am ready for any questions you may wish to ask.

The gallery broke into applause; as far as the audience was concerned, White was on friendly turf. The committee had by this time earned a reputation for unseemly grandstanding, and White played this to his advantage. Despite his well-earned reputation for prickliness, he mostly avoided confrontation with his accusers. A 35-year-old freshman Republican congressman named Richard Nixon, hoping to set White up for a perjury charge, prodded him to state categorically that he had never met Chambers. But White would not take the bait, replying only that he did not "recollect" having met Chambers.

White was directed to a list of names; suspected Soviet spies had blue checks next to them. "Red checks would be more appropriate," White offered acerbically. He won rounds of applause and laughter, to the annoyance of the committee members. But White's bravado performance masked the fact that he was under enormous stress. The following day, he boarded a train bound for his summer home in New Hampshire. En route, he suffered terrible chest pains. The next day, local doctors diagnosed a severe heart attack; nothing could be done. The following evening, White was dead.

Conspiracy stories began to circulate almost immediately. White had been liquidated by Soviet intelligence. His death had been elaborately faked. He had fled to Uruguay. None of the tales had the slimmest reed of evidence to back it up. HUAC naturally came in for harsh media criticism in the wake of White's fatal heart attack, as the strain of the hearings appeared to be the proximate cause. Still, on the surface at least, the case was over. But more was to emerge.

On January 25, 1950, Hiss was sentenced to five years in prison for perjury. Truman, who had publicly attacked the espionage investigations, now conceded in private that "the SOB . . . is guilty as hell." Key to the case against Hiss were papers that Chambers had squirreled away in early 1938 as a "life preserver" in preparation for his defection from the Soviet underground. The next day, Nixon revealed on the floor of the House that he had in his possession "copies of eight pages of documents in the handwriting of Mr. White which Mr. Chambers turned over to the Justice Department." The original documents composed a four-page, double-sided memorandum, written in White's hand on yellow-lined paper, with material dated from January 10 to February 15, 1938, that had been part of Chambers' life preserver. Handwriting analysis by the FBI and what was then the Veterans Administration confirmed White's authorship.

The memo is a mixture of concise information and commentary on Treasury and State Department positions related to foreign policy and military matters. It covers European economic and political developments, including details of private discussions between the U.S. ambassador to France and French political leaders over their intentions toward the Soviet Union and Germany. The memo also outlines possible U.S. actions against Japan, such as a trade embargo or an asset freeze, and describes Japan's military protection of its oil storage facilities. White also revealed personal directives from the president to the treasury secretary, making clear that he was recording confidential information: at one point, the memo states explicitly that the Treasury Department's economic warfare plan for Japan, called for by the president, "remains unknown outside of Treasury."

THE PERFECT BUREAUCRAT

The enormous discord within the government over the White and Hiss cases stemmed at least in part from the fact that U.S. counterintelligence officials actually knew much more about the systematic nature of Soviet espionage than they chose to share with the White House. Incredibly, their trove of striking evidence would remain unknown to the public until half a century after the end of World War II.

Following the outbreak of the war in 1939, the United States began collecting copies of all cables going into and out of the country, as was standard wartime practice around the world. The complex Soviet

cable cipher was theoretically unbreakable. But after examining thousands of cables, American code crackers working on the top-secret Venona project were able to identify a procedural mistake in the ciphering that made the code vulnerable to cracking. By the time they successfully decoded their first message, however, it was 1946 and the war was over. Yet what they found was still important and unexpected: copious evidence of an ongoing, ambitious Soviet espionage operation within the United States.

The code cracking took place over decades, and the first Venona cable identifying White as a Soviet mole was not known to the FBI until late 1950. In total, 18 deciphered cables refer to White, by various code names, all dated between March 16, 1944, and January 8, 1946. The cables reveal that Moscow was particularly interested in gleaning information from White during the 1945 San Francisco conference that produced the UN Charter, a conference at which White served as a technical adviser to the U.S. delegation. The KGB officer Vladimir Pravdin cabled Moscow from San Francisco reporting that White had told him, among other things, that Truman and then Secretary of State Edward Stettinius wanted "to achieve the success of the conference at any price" and that the United States would agree to grant the Soviets veto power at the UN. Another 1945 cable describes White advising an American go-between with the Soviets that Moscow could secure more favorable loan terms from Washington than it had been seeking; yet another, dated the same day, provides corroborating evidence for allegations that White used his position to secure U.S. government appointments for other Soviet sympathizers.

The Venona cables leave little doubt that White was well aware of where his information was headed.

Pravdin had been in San Francisco working undercover as a Soviet journalist, and what White knew of Pravdin's primary occupation is unclear. But White was certainly aware that what he was telling Pravdin was not meant for the press. White's defenders have pointed to such ambiguities to argue that he might not have known that he was sharing secrets directly with Soviet intelligence. But KGB files first seen by Western scholars in the 1990s record another Soviet mole in the U.S. government telling a Soviet intelligence operative that White "knows where his info goes, which is precisely why he transmits it in the first place."

White's handlers clearly sought to provide White with a degree of plausible deniability, but the Venona cables leave little doubt that he was well aware of where his information was headed and that he realized that the stakes of the game were very high. A deciphered portion of one cable reports the following: "As regards the technique of further work with us [White] said his wife was . . . ready for any self-sacrifice." The cable also states that White "himself did not think about his personal security, but a [security] compromise . . . would lead to a political scandal and . . . therefore he would have to be very cautious."

In 1953, Chambers wrote that White's "role as a Soviet agent was second in importance only to that of Alger Hiss—if, indeed, it was second." White, he said, had been "the perfect bureaucrat," rising under the radar to a position where he was able "to shape U.S. Government policy in the Soviet government's interest." Reviewing the Venona cables over 50 years after Chambers and Bentley made their startling espionage claims, a U.S. Senate commission led by Daniel Patrick Moynihan, then a Democratic senator from New York, concluded in 1997 that White's complicity in espionage "seems settled."

RIGHT ABOUT THE IMF, WRONG ABOUT THE WORLD

White himself struggled mightily in his last years to reconcile his belief in a dollar-centric, global free-trade architecture with his belief in a Soviet socialist economic model that had no use for it. In August 1945, according to testimony given nine years later by the journalist Jonathan Mitchell before the Senate Internal Security Subcommittee, a gloomy White told Mitchell that the system of government-controlled trading that had emerged during the war would continue into the postwar period, owing to a lack of dollars and gold, which would oblige governments to maintain tight controls on cross-border private trade. The IMF would fail to rectify this problem, White stated—a stunning viewpoint for a man who could rightfully claim the fund's paternity. The United States, White continued, would, with its huge domestic market, be able to carry on a system of private enterprise for five to ten years but could not ultimately survive as a capitalist island in a world of state trading. According to Mitchell, White lavished praise on the most recent book by the British socialist Harold Laski, *Faith, Reason, and Civilization*, which argued that the Soviet Union had created a new economic system that would replace capitalism.

Mitchell testified that White had called Laski's work "the most profound book which had been written in our lifetime" and one that "had foreseen with such uncanny accuracy and depth the way in which the world was going."

That proved to be nonsense, of course. But White was right about the IMF. Truman's State Department effectively mothballed the fund, dismissing the assumptions that had underwritten White's earlier belief in it: that Soviet cooperation would continue into the postwar period; that Germany's economic collapse could be safely, and indeed profitably, managed; that the British Empire could be peaceably dismantled; and that short-term IMF credits would be sufficient to reestablish global trade. These assumptions had been based on "misconceptions of the state of the world around us," Dean Acheson, Truman's final secretary of state, later reflected, "both in anticipating postwar conditions and in recognizing what they actually were when we came face to face with them. . . . Only slowly did it dawn upon us that the whole world structure and order that we had inherited from the nineteenth century was gone and that the struggle to replace it would be directed from two bitterly opposed and ideologically irreconcilable power centers."

The Truman administration's economic response to the collapse of White's vision would become what remains to this day a touchstone of bold and enlightened U.S. diplomacy: the Marshall Plan. As for the IMF, it was only after the demise of the Bretton Woods fixed-exchange-rate system in the 1970s, ironically, that it would come to play a central role in an emerging U.S.-led global economic order—an order very different from the one White had envisioned.

Getting the GOP's Groove Back

How to Bridge the Republican Foreign Policy Divide

Bret Stephens

It is the healthy habit of partisans on the losing side of a U.S. presidential election to spend some time reflecting on the reasons for their defeat. And it is the grating habit of partisans on the winning side to tell the losers how they might have done better. Most of their advice is self-serving, none of it is solicited, and little of it is ever heeded. Yet still people pile on.

So it has been following Mitt Romney's defeat by President Barack Obama in last November's election. On domestic policy, pundits have instructed Republicans to moderate their positions on social issues and overcome their traditional opposition to higher taxes. On foreign policy, they are telling them to abandon their alleged preference for military solutions over diplomatic ones, as well as their reflexive hostility to multilateral institutions, their Cold War mentality toward Russia, their "denialism" on climate change, their excessive deference to right-wing Israelis, and so on. Much of this advice is based on caricature, and the likelihood of any of it having the slightest impact on the GOP's leadership or rank and file is minimal: the United States does not have a competitive two-party system so that one party can define for the other the terms of reasonable disagreement.

Put aside, then, fantasies about saving the GOP from itself or restoring the statesmanlike ways of George H. W. Bush, Ronald Reagan, Richard Nixon, or Dwight Eisenhower (all of whom were derided as foreign

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policy dunces or extremists when they held office). Instead, take note of the more consequential foreign policy debate now taking shape within the heart of the conservative movement itself. This is the debate between small-government and big-military conservatives. Until recently, the two camps had few problems traveling together. Yet faced with the concrete political choices raised by last year's budget sequester—which made large cuts in nondefense discretionary spending contingent on equally large cuts in the Pentagon's budget—the coalition has begun to show signs of strain.

On the one side, Republican leaders such as Senator John McCain of Arizona have effectively conceded that higher tax rates are a price worth paying to avoid further defense cuts. On the other, one finds politicians such as Senator Johnny Isakson of Georgia, who, when asked

in 2010 about what government programs should get cut, said, "There's not a government program that shouldn't be under scrutiny, and that begins with the Department of Defense." However one may feel about these differences, it is important to understand each side as it understands itself. Then, perhaps, it might be possible to see how the differences can be bridged.

LAND OF LIBERTY—OR LIBERATORS?

For big-military conservatives, a supremely powerful U.S. military isn't just vital to the national interest; it defines what the United States is. Part of this stance might owe to circumstantial factors, such as a politician's military background or large military constituency. But it is also based on an understanding of the United States as a liberator—a country that won its own freedom and then, through the possession and application of overwhelming military might, won and defended the freedom of others, from Checkpoint Charlie to the demilitarized zone on the Korean Peninsula.

This is a heroic view of the United States' purpose in the world—and an expensive one. It implies that if freedom isn't being actively advanced in the world, it risks wobbling to a standstill and even falling down, like a rider peddling a bicycle too slowly. It is also a view that is not unfriendly to at least some parts of a big-government agenda and certainly not to the de facto industrial policy that is the Pentagon's procurement system.

On the other side are those conservatives who, while not deprecating the United States' historic role as a liberator, mainly cherish its domestic tradition of liberty—above all, liberty from the burdens of excessive federal debt, taxation, regulation, and intrusion. These Republicans are by no means hostile to the military, and most believe it constitutes one of the few truly legitimate functions of government. Still, they tend to view the Pentagon as another overgrown and wasteful government bureaucracy. Some have also drawn the lesson from the wars in Afghanistan and Iraq that well-meaning attempts to reengineer foreign societies will succumb to the law of unintended consequences just as frequently as well-meaning attempts to use government to improve American society do. Far from being a heroic view of the United States' role, theirs is a more prudential, and perhaps more parochial, one. It also contains a sneaking sympathy for Obama's refrain that the United States needs to do less nation

building abroad and more at home, even if these conservatives differ sharply with the president on the matter of means.

The differences between these two groups are ones that most Republicans would gladly paper over for the party's long-term political good. Republicans fear that Obama's ultimate political ambition is to break the back of the modern GOP, and the defense budget is the ultimate wedge issue to do the job. Republican leaders understand this and will do what they can to hold their party together. Small-government conservatives don't want to turn the Republican Party into a rump faction, capable of winning elections at the congressional or state level but locked out of the presidency. And big-military conservatives aren't eager to become an appendage of big-government liberalism, in the way that Blue Dog Democrats were instruments of the Reagan agenda in the 1980s.

It's not too soon for the Republican Party to start thinking about how it might resolve some of its internal policy tensions, including on foreign policy.

Yet the philosophical differences between the two camps run deep—and may soon run deeper. Ask a big-military conservative to name the gravest long-term threat to U.S. security, and his likely answer will be Iran, or perhaps China. These countries are classic strategic adversaries, for which military calculations inevitably play a large role. By contrast, ask a small-government conservative to name the chief threat, and he will probably say Europe, which has now become a byword among conservatives for everything they fear may yet beset the United States: too much unionization, low employment rates, permanently high taxes, politically entrenched beneficiaries of state largess, ever-rising public debts, and so on.

In the ideal conservative universe, avoiding a European destiny and facing up to the threat of Iran and other states would not be an either-or proposition. As most conservatives see it, supply-side tax cuts spur economic growth, reduce the overall burden of debt, increase federal tax revenues, and thus fund defense budgets adequate for the United States' global strategic requirements. This policy prescription may look like a fantasy, but it has worked before. "Our true choice is not between tax reduction, on the one hand, and the avoidance of large federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep

rising, an economy hampered by restrictive tax rates will never produce enough revenues to balance our budget—just as it will never produce enough jobs or enough profits." That was President John F. Kennedy speaking to the Economic Club of New York in 1962. Following the Kennedy tax cut (enacted in 1964), federal tax receipts roughly doubled over six years and military spending rose by some 25 percent, yet defense spending as a share of GDP rose only modestly and never went above ten percent.

Kennedy's words could have just as easily been spoken by Reagan. The problem for conservatives, however, is that neither Kennedy nor Reagan is president today. In the world as it is, Obama has been handily reelected, Democrats maintain control of the Senate, tax rates are going up on higher incomes, and the Supreme Court has turned back the central legal challenge to the Affordable Care Act. What Republicans might be able to achieve politically remains to be seen, although it will be limited. But it is not too soon for the party to start thinking about how it might resolve some of its internal policy tensions, including on foreign policy.

DISASTROUS OSCILLATIONS

Henry Kissinger once observed that U.S. foreign policy in the twentieth century was characterized by "disastrous oscillations between overcommitment and isolation." The oscillation was especially pronounced for Republicans in the first half of the century—from President Theodore Roosevelt's Great White Fleet of 1907–9 to Secretary of State Charles Evans Hughes' Washington Naval Treaty in 1922 and from Senator Robert Taft's isolationism before World War II to Senator Arthur Vandenberg's 1945 conversion to internationalism—although the internal differences became much less pronounced in the second half. Now that the pendulum appears to be swinging again, Republicans have an interest in seeing that it doesn't do so wildly.

How to do that? Every type of persuasion—moral, political, policy—carries with it the temptation of extremes. Contrary to the stereotype, big-military conservatives (along with neoconservatives) do not want to bomb every troublesome country into submission, or rebuild the U.S. armed forces to their 1960s proportions, or resume the Cold War with Russia. Nor is the problem that big-military conservatives somehow fail to appreciate the limits of American power. Of course they appreciate the limits—but they also understand that the United States is nowhere near reaching them. Even at the height of the Iraq war,

U.S. military spending constituted a smaller percentage of GDP (5.1 percent in 2008) than it did during the final full year of the Carter administration (six percent in 1980). The real limits of American power haven't been seriously tested since World War II.

Instead, the problem with big-military conservatives is that they fail to appreciate the limits of American will—of Washington's capacity to generate broad political support for military endeavors that since 9/11 have proved not only bloody and costly but also exceedingly lengthy. Taking a heroic view of America's purpose, these conservatives are tempted by a heroic view of the American public, emphasizing its willingness to pay any price and bear any burden. Yet there is a wide gap between what the United States can achieve abroad, given unlimited political support, and what Americans want to achieve, as determined by the ebb and flow of the political tides in a democracy innately reluctant to wage war.

The GOP does not need a total makeover; it needs a refurbished modus vivendi between small-government and big-military conservatives.

Small-government conservatives have their own temptations when it comes to foreign policy. At the far extreme, there is the insipid libertarianism of Ron Paul, the former Texas representative, who has claimed that Marine detachments guarding U.S. embassies count as examples of military overstretch. Paul showed remarkable strength in the last GOP presidential primary and has, in his son Rand Paul, the junior senator from Kentucky, a politically potent heir.

Most small-government conservatives aren't about to jump off the libertarian cliff: they may want to reduce the United States' footprint in the world, at least for the time being, but they don't want to erase it completely. Yet the purism that tends to drive the small-government view of the world also has a way of obscuring its vision. "If we don't take defense spending seriously, it undermines our credibility on other spending issues," Mick Mulvaney, the conservative South Carolina congressman, told *Politico* in December.

The heart of the United States' spending issue, however, has increasingly little to do with the defense budget (which constituted 19 percent of overall federal outlays in 2012, down from 49 percent in 1962) and increasingly more to do with entitlement programs (62 percent in 2012, up from 31 percent half a century ago). Just as the Obama administration

cannot hope to erase the federal deficit by raising taxes on the rich but wants to do so anyway out of a notion of social justice, small-government conservatives cannot hope to contain runaway spending through large cuts to the defense budget. But ideological blinders get in the way.

More broadly, small-government conservatives are too often tempted to treat small government as an end in itself, not as a means to achieve greater opportunity and freedom. They make a fetish of thrift at the expense of prosperity. They fancy that a retreat from the United States' global commitments could save lives without storing trouble. The record of the twentieth century tells a different story. Republicans should not wish to again become the party of such isolationists as Taft and Charles Lindbergh.

A CONSERVATIVE BALANCE

Fortunately, there is a happy medium. It's not what goes today under the name "realism"—a term of considerable self-flattery and negligible popular appeal. Republicans, in particular, will never stand for any kind of foreign policy that lacks a clear moral anchor. And Americans would not take well to a would-be Richelieu at the State Department. As it is, the GOP does not need a total makeover; what it needs is a refurbished modus vivendi between small-government and big-military conservatives, two sides that need not become antagonists and have valuable things to teach each other.

Small-government conservatives, for their part, can teach their big-military friends that the Pentagon doesn't need more money. What it needs desperately is a functional procurement system. The costs of U.S. jet fighters, for example, have skyrocketed: the F-4 Phantom, introduced in 1960, cost $16 million (in inflation-adjusted 2010 dollars) per plane, excluding research and development, whereas the equivalent figure for the F-35 Lightning II, in development now, is $120 million. The result is an underequipped air force that invests billions of dollars for the research-and-development costs of planes, such as the B-2 bomber and the F-22 fighter, that it can afford to procure only in inadequate numbers. The result is not just the ordinary waste, fraud, and abuse of any bureaucracy but also deep and lasting damage to the country's ability to project power and wage war.

Another lesson small-government conservatives have to offer is that nobody hates a benefactor as much as his beneficiary. From Somalia to Afghanistan, conservatives should look far more skeptically at mili-

tary ventures in which the anticipated payoff is gratitude. Americans should go to war for the sake of their security, interests, and values. But they should never enter a popularity contest they are destined to lose.

Small-government conservatives also realize that Americans will stomach long wars only when national survival is clearly at stake. Since modern counterinsurgency is time-intensive by nature, the public should look askance at future counterinsurgency operations. Although he later disavowed his own words, former Defense Secretary Robert Gates was largely right when he told West Point cadets in 2011 that "any future defense secretary who advises the president to again send a big American land army into Asia or into the Middle East or Africa should 'have his head examined,' as General MacArthur so delicately put it." That's not because the wars are unwinnable from a military standpoint. It's because they are unfinishable from a political one.

As big-military conservatives know, shrinking the defense budget is a costly short-term solution to a difficult long-term problem.

Finally, those in the small-government camp understand that unlike authoritarian states, democratic ones will not indefinitely sustain large militaries in the face of prolonged economic stagnation or contraction. Except in moments of supreme emergency, when it comes to a choice, butter always beats guns. Big-military conservatives, therefore, cannot stay indifferent to issues of long-term economic competitiveness and the things that sustain it, not least of which is a government that facilitates wealth creation at home, promotes free trade globally, is fundamentally friendly to immigrants, and seeks to live within its means.

Then there are the things big-military conservatives can teach their small-government friends. First, they should make clear that a robust military is a net economic asset to the United States. A peaceful, trading, and increasingly free and prosperous world has been sustained for over six decades thanks in large part to a U.S. military with the power to make good on U.S. guarantees and deter real (or would-be) aggressors. And although the small-government purist might dismiss as corporate welfare the jobs, skills, and technology base that the so-called military-industrial complex supports, there are some industries that no great power can allow to wither or move offshore.

Big-military conservatives also correctly argue that a substantially weaker U.S. military will ultimately incur its own long-term economic

costs. Former Secretary of Defense Donald Rumsfeld was right when he said that "weakness is provocative." China's ambition to establish what amounts to a modern-day Greater East Asia Co-prosperity Sphere may ultimately succeed unless places such as Taiwan, Vietnam, and the Philippines can be reasonably sure that the United States will serve as a regional military counterweight to China's growing navy. Much the same may go for Iran's efforts to become the Middle East's dominant player, especially if its neighbors—not just Afghanistan and Iraq but also small states such as Bahrain and Kuwait—lose their remaining faith in U.S. security guarantees. That would go double should Iran acquire a nuclear weapons capability.

As big-military conservatives also know, shrinking the defense budget is a costly short-term solution to a difficult long-term problem. Small-government conservatives imagine that the United States can stomach steep temporary defense cuts to help bring deficits into line. But as European countries have belatedly discovered, without structural reforms, the overspending problem remains even after defense budgets have been slashed. The result is a continent that is nearly bankrupt and nearly defenseless at the same time.

Finally, small-government conservatives need to remember that there is no reliable guarantor of global order besides the United States. When the United Kingdom realized in 1947 that it could no longer afford to honor its security commitments to Greece and Turkey, it could at least look westward to the United States, which was prepared to shoulder those responsibilities. But when the United States looks westward, it sees only China. President Abraham Lincoln's "last, best hope" remains what it always was—perhaps more so, given the deep economic disarray in other corners of the developed world.

These observations ought to remind Republicans about the necessity of preponderant U.S. power. But they also ought to remind them that U.S. power will be squandered when it isn't used decisively, something that in turn requires great discrimination given Americans' reluctance to support protracted military actions. Ultimately, there are few things so damaging to countries as large and wasted efforts.

KEEPING NIGHTMARES AT BAY

In retooling its foreign policy, the Republican Party should heed lessons from both types of conservatives. What does this mean in practice? Consider China, where an atavistic nationalism, emboldened by an

increasingly modern military, threatens to overtake the rational economic decision-making that largely characterized the tenures of Deng Xiaoping and Jiang Zemin. U.S. policymakers need to restrain the former and encourage the latter.

But labeling Beijing a "currency manipulator" and raising trade barriers against it, as Romney proposed to do from day one of his administration, will have the opposite effect. Modern China is often compared with Wilhelmine Germany because of its regional ambitions, and in many ways the comparison is apt. But for now, China remains more of a competitor than an outright adversary, and one that is increasingly aware of its political brittleness and economic vulnerability.

That status means that the United States can create a policy that is a genuine synthesis between small-government and big-military conservatism. Big-military conservatives are right to worry about China's growing military adventurism and right to advocate a larger overall U.S. naval presence in the region and arms sales to skittish allies such as Taiwan. But that is only one side of the coin. The other is the opportunity to demonstrate to Beijing that an adversarial relationship is not inevitable: that the United States will desist from constantly thwarting efforts by Chinese companies to expand overseas and that Washington is interested in deepening economic cooperation with China, not fighting endless trade skirmishes. The United States should want China to become an economic colossus—so long as it doesn't also become a regional bully. That differs from the Obama administration's policy, which has been mostly a muddle: a military "pivot" that so far has been more rhetorical than substantive, as well as a pattern of engaging in unhelpful, albeit relatively minor, trade skirmishes with Beijing.

Now take Iran, where the Obama administration has combined two feckless policy options—diplomacy and sanctions—to produce the most undesirable outcome possible: diminished U.S. regional credibility, a greater likelihood of U.S. or Israeli military action, and an Iran that has more incentive to accelerate its nuclear program than to stop it. Along with most left-leaning liberals, many small-government conservatives instinctively look askance at the thought of military action against Iran. More broadly, they would like to reduce U.S. involvement in the Middle East as much as possible, something the discovery of vast domestic U.S. energy reserves has made conceivable for the first time in decades.

Yet the surest way to embroil the United States in intractable Middle Eastern problems for another generation is to acquiesce to an Iranian nuclear capability. Among the many reasons why it's a bad idea to try to contain a nuclear Iran is that containment entails two things most Americans don't like: long-term effort and high cost. The United States has a strong stake in a Middle East that is no longer the focus of its security concerns. But getting there depends on reducing the region's centrality as a source of both energy and terrorism. A nuclear Iran would make that goal far less achievable, which means that a credible policy of prevention is essential. Obama also claims to believe in prevention, but the administration's mixed messages on the viability of military strikes have undercut its credibility.

Finally, there is the Arab Spring, which seemed at its outset to be a vindication of President George W. Bush's "freedom agenda" but has, after two years, come to seem more like a rebuke of it. The results of elections in Gaza, Tunis, Rabat, and Cairo are powerful reminders that the words "liberal" and "democracy" don't always travel together, that the essence of freedom is the right to choose political and social options radically different from the standard American ones. In this sense, small-government conservatives, with their innate suspicion of any grand Washington project to reengineer the moral priorities of a society, are being proved right.

But like it or not, the United States will still have to deal with the consequences of the upheavals in the Middle East. It would be a fool's gambit for Washington to attempt, for example, to steer political outcomes in Cairo or once again roll the boulder up the hill of an Arab-Israeli peace settlement. At the same time, the United States maintains a powerful interest in making sure certain things do not happen. Among them: chemical munitions getting loose in Syria, the abrupt collapse of the Hashemite dynasty in Jordan, a direct confrontation between Israel and Egypt over the Sinai, and (further afield) the Taliban's return to Kabul.

Preventing those outcomes means taking on the negative task of keeping nightmare scenarios at bay, not the positive one of realizing a more progressive and tolerant world. Yet if conservatives of any stripe can agree on anything, it's that utopianism has no place in policymaking. And when it comes to foreign policy, the American people will ultimately reward not the party with the most ambitious vision but the party with the most sober and realistic one.

A Light in the Forest

Brazil's Fight to Save the Amazon and Climate-Change Diplomacy

Jeff Tollefson

Across the world, complex social and market forces are driving the conversion of vast swaths of rain forests into pastureland, plantations, and cropland. Rain forests are disappearing in Indonesia and Madagascar and are increasingly threatened in Africa's Congo basin. But the most extreme deforestation has taken place in Brazil. Since 1988, Brazilians have cleared more than 153,000 square miles of Amazonian rain forest, an area larger than Germany. With the resulting increase in arable land, Brazil has helped feed the growing global demand for commodities, such as soybeans and beef.

But the environmental price has been steep. In addition to providing habitats for untold numbers of plant and animal species and discharging around 20 percent of the world's fresh water, the Amazon basin plays a crucial role in regulating the earth's climate, storing huge quantities of carbon dioxide that would otherwise contribute to global warming. Slashing and burning the Amazon rain forest releases the carbon locked up in plants and soils; from a climate perspective, clearing the rain forest is no different from burning fossil fuels, such as oil and gas. Recent estimates suggest that deforestation and associated activities account for 10–15 percent of global carbon dioxide emissions.

But in recent years, good news has emerged from the Amazon. Brazil has dramatically slowed the destruction of its rain forests, reducing the rate of deforestation by 83 percent since 2004, primarily by enforcing land-use regulations, creating new protected areas, and working to maintain the rule of law in the Amazon. At the same time, Brazil has become a test case for a controversial international

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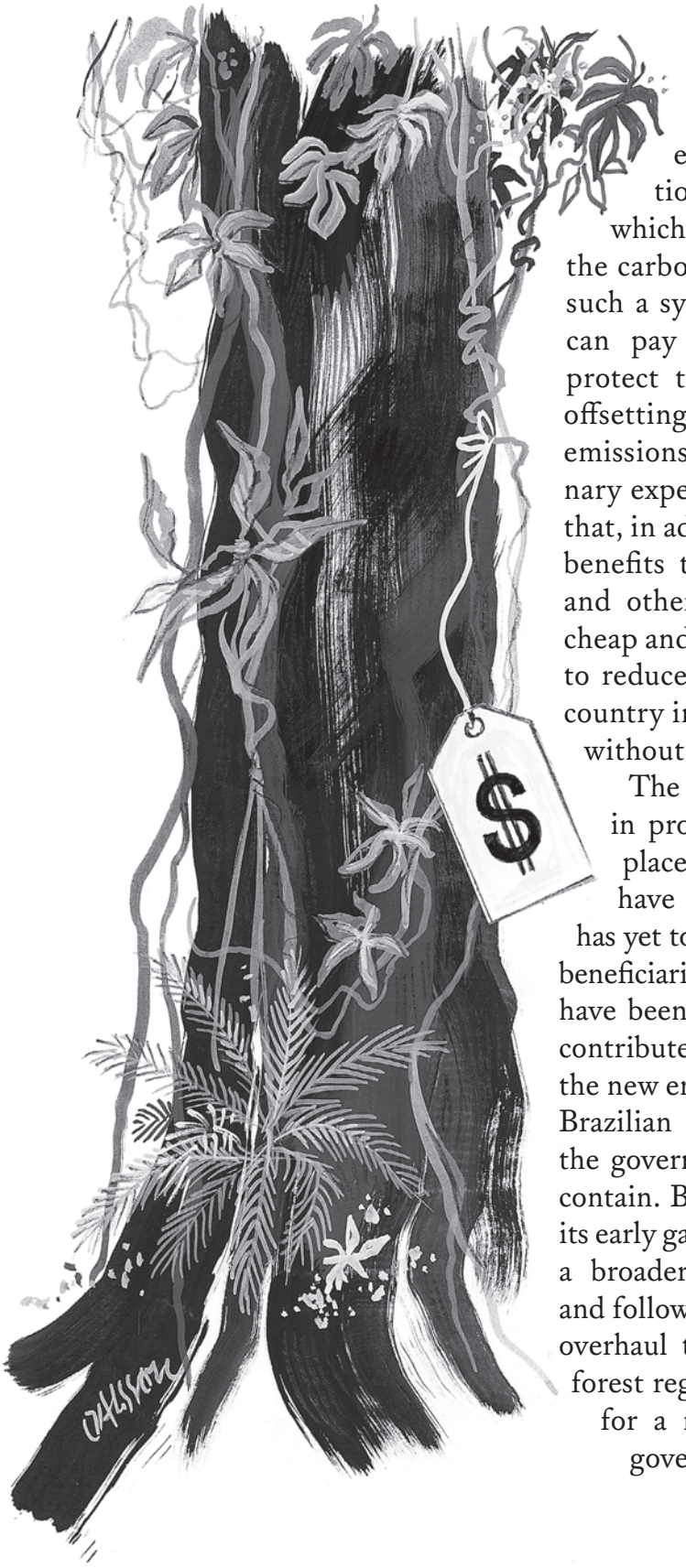

climate-change prevention strategy known as REDD, short for "reducing emissions from deforestation and forest degradation," which places a monetary value on the carbon stored in forests. Under such a system, developed countries can pay developing countries to protect their own forests, thereby offsetting the developed countries' emissions at home. Brazil's preliminary experience with REDD suggests that, in addition to offering multiple benefits to forest dwellers (human and otherwise), the model can be cheap and fast: Brazil has done more to reduce emissions than any other country in the world in recent years, without breaking the bank.

The REDD model remains a work in progress. In Brazil and other places where elements of REDD have been applied, the funding has yet to reach many of its intended beneficiaries, and institutional reforms have been slow to develop. This has contributed to a rural backlash against the new enforcement measures in the Brazilian Amazon—a backlash that the government is still struggling to contain. But if Brazil can consolidate its early gains, build consensus around a broader vision for development, and follow through with a program to overhaul the economies of its rainforest regions, it could pave the way for a new era of environmental governance across the tropics.

For the first time, perhaps, it is possible to contemplate an end to the era of large-scale human deforestation.

LULA GETS TOUGH

The deforestation crisis in Brazil ramped up in the 1960s, when the country's military rulers, seeking to address the country's poverty crisis, encouraged poor Brazilians to move into the Amazon basin with promises of free land and generous government subsidies. In response, tens of thousands of Brazilians left dry scrublands in the northeast and other poor areas for the lush Amazon basin—a mass internal migration that only increased in size throughout the 1970s and beyond.

But the government did not properly plan for the effect of a population explosion in the Amazon basin. The result was a land rush, during which short-term profiteering from slash-and-burn agriculture prevented anything resembling sustainable development. Environmental and social movements arose in response to the chaotic development, but it was not until the 1980s, when scientists began systematically tracking Amazonian deforestation using satellite imagery, that the true scale of the environmental destruction under way in the Amazon became apparent. The end of military rule in 1985 and Brazil's transition to democracy did nothing to slow the devastation; the ecological damage only worsened as road-building projects and government subsidies for agriculture fueled a real estate boom that wiped out forests and threatened traditional rubber tappers and native peoples. Meanwhile, the total population of the Amazon basin increased from around six million in 1960 to 25 million in 2010 (including some 20 million in Brazil), and agricultural production in the Amazon region ramped up as global commodity markets expanded.

Things began to change in 2003, when Luiz Inácio Lula da Silva, the newly elected Brazilian president, known as Lula, chose Marina Silva as his environment minister. A social and environmental activist turned politician, Silva hailed from the remote Amazonian state of Acre and had worked alongside Chico Mendes, a union leader and environmentalist whose murder in 1988 at the hands of a rancher drew global attention to the issue of the Amazon's preservation. With Lula's blessing, Silva immediately set about doing what no Brazilian government had previously attempted: enforcing Brazil's 1965 Forest Code, which had set forth strong protections for forests and established strict limits on how much land could be cleared. Doing so represented

a major shift in domestic policy and was equally striking at the international level: Brazil chose to act at a time when most developing countries were resisting any significant steps to combat global warming absent the industrialized world's own more aggressive actions and provision of financial aid.

After peaking in 2004, when an area of rain forest roughly the size of Massachusetts was mowed down in a single year, Brazil's deforestation rate began to fall. Then, in late 2007, scientists at Brazil's National Institute for Space Research warned that the rate of deforestation had spiked once again. The increase coincided with a sudden rise in global food prices, which created an incentive for landowners in the Amazon to illegally clear more forest for pasture and crops. This suggested that the earlier decline in the rate of deforestation might have been driven by market forces as much as by government intervention, but Lula nevertheless doubled down on enforcement. The government deployed hundreds of Brazilian soldiers in early 2008 to crack down on illegal logging, issuing fines to those who broke the law and in some instances hauling lawbreakers to jail.

The following year, Brazil announced that its rate of deforestation had hit a historic low, and Lula pledged that by 2020 the country would reduce its deforestation to 20 percent of the country's long-term baseline, then defined as the average from 1996 to 2005. His plan to achieve that goal was based on one version of the REDD model, which had vaulted onto the international agenda several years earlier as scientists made advances in quantifying the impact of tropical deforestation on climate change.

GREEN-LIGHTING REDD

Politicians and commentators usually describe global warming as a long-term threat, but scientists also worry about transgressing invisible thresholds and thus provoking potentially rapid and irreversible near-term changes in the way environmental and biological systems function. During the past decade, based in part on the results of intensive climate modeling, some scientists began to grow concerned that the Amazon could represent one of the clearest examples of such tipping points.

Think of the rain forest not as a collection of trees but as a hydrologic system, a massive machine for transporting and recycling water in which trees act as pumps, pulling water out of the ground and then injecting it, through transpiration, into the air. This process ramps up

as the sun rises over the Amazon each day; as the forest heats up, evaporation increases, and trees transpire water to stay cool, simultaneously increasing the amount of water they take up through their roots. By constantly replenishing the atmosphere with water vapor, the Amazon helps create its own weather on a grand scale.

Humans interfere with this process whenever they chop down rain forests, and at some point, the system will begin to shut down. And this is not the only threat. Studies suggest that the Amazon could also be susceptible to rising temperatures and shifting rainfall patterns due to global warming. The nightmare scenario is known as "Amazon dieback," wherein the rains decrease and open savannas encroach on an ever-shrinking rain forest. The resulting loss of fresh water could be catastrophic for communities, agriculture, and hydropower systems in the Amazon, and dieback would have drastic effects on biodiversity and the global carbon dioxide cycle. The Amazon stores some 100 billion metric tons of carbon, equivalent to roughly a decade of global emissions. Converting carbon-rich rain forests into open savannas would pump massive quantities of carbon dioxide into the atmosphere, making it even harder for humans to prevent further warming.

For the first time, perhaps, it is possible to contemplate an end to the era of large-scale human deforestation.

Roughly 20 percent of the Amazon has been cleared to date, and there is already evidence that precipitation and river-discharge patterns are changing where the deforestation has been most intense, notably in the southwestern portion of the basin. And some scientists fear that the shifting climate may already be exerting an influence. In the past seven years, the Amazon has suffered two extremely severe droughts; normally, such droughts would be expected to occur perhaps once a century. One of the most comprehensive modeling studies to date, conducted in 2010 under the auspices of the World Bank, suggests that even current levels of deforestation, when combined with the impacts of increasing forest fires and global warming, are making the Amazon susceptible to dieback.

Such projections have heightened the sense of urgency in climate policy circles and helped focus attention on the REDD model. The concept has been around in some form for more than 15 years, but it was first placed on the international agenda in 2005 by the Coalition

for Rainforest Nations, a group of 41 developing countries that cooperates with the UN and the World Bank on sustainability issues. At the core of the model is the belief that it is possible to calculate how much carbon is released into the atmosphere when a given chunk of forest is cut down. Fears that this would prove impossible helped keep deforestation off the agenda when climate diplomats signed the Kyoto Protocol in 1997. Scientists are steadily improving their methods for estimating how much carbon is stored in forests, however, and most experts agree that carbon dioxide can be tracked with enough accuracy to calculate baseline figures for every country.

Under various proposed versions of the REDD model, wealthy countries or businesses seeking to offset their own impact on the climate would pay tropical countries to reduce their emissions below their baseline levels. There is no consensus about the best way to design such a system of payments; since REDD was formally adopted as part of the agenda for climate negotiations at the UN Climate Change Conference in Bali, Indonesia, in 2007, dozens of countries and nongovernmental organizations have put forward a range of ideas. Most of these call for the creation of a global market that, like the European carbon-trading system, would allow industrial polluters to purchase carbon offsets generated by rain-forest preservation. Some environmentalists and social activists worry about the validity and longevity of such credits, as well as the prospect of banks and traders entering the conservation business. One fear is that "carbon cowboys," a new class of entrepreneurs specializing in the development of carbon-offset projects, would sweep through forests, trampling the rights of indigenous and poor people by taking control of their lands and walking away with the profits. This concern is valid, as there is always a danger of bad actors. But civil-society groups and governments, including Brazil's, are aware of the problem and are working on safeguards.

Brazilian officials have also expressed worries that the ability to simply purchase unlimited offsets would allow wealthy countries to delay the work that needs to be done to reduce their own emissions. An alternative backed by Brazil's climate negotiators and others would be a state-based funding system, in which money would flow from governments in the developed world to governments in the developing world, which would guarantee emissions reductions in return.

NORWEGIAN WOOD

In 2008, Lula, perhaps hoping to preempt an interminable debate over how best to design a global REDD system, announced the establishment of the Amazon Fund, calling on wealthy countries to contribute some $21 billion to directly fund rain-forest-preservation measures. The proposal went against the market-based approach being pushed by the Coalition for Rainforest Nations. Based on a more conventional system of government donations, the Amazon Fund would allow Brazil to control the money and manage its forests as it saw fit. To the fund's backers, the resulting reductions in emissions would represent offsets of a sort.

Only one country decided to take up Lula's challenge: Norway, which stepped forward with a commitment of up to $1 billion. Coming well in advance of any formal carbon market and the international treaty that many hoped would be signed at the UN climate summit in Copenhagen in 2009, Norway's pledge was largely an altruistic vote of confidence in Brazil's approach, with donations conditioned on measurable progress. Since 2010, when the funding began, the Brazilian Development Bank, which manages the fund, has undertaken 30 projects, costing nearly $152 million. These projects include direct payments to landowners in return for preserving forests and initiatives to sort out disputes over landownership, educate farmers and ranchers about sustainability, and combat forest fires.

Although environmentalists and scientists have criticized some delays in the program, Brazil's deforestation rate has continued to plunge. Each year from 2009 to 2012, the country registered a new record low for deforestation; in 2012, only 1,798 square miles of forest were cleared. That is 76 percent below the long-term baseline, leaving Brazil just four percent shy of its Copenhagen commitment with eight years to go. Recent calculations by Brazilian scientists suggest that the cumulative release of carbon dioxide expected as a result of deforestation in the Brazilian Amazon dropped from more than 1.1 billion metric tons in 2004 to 298 million in 2011—roughly equivalent to the effect of France and the United Kingdom eliminating their combined carbon dioxide emissions for 2011.

REDD remains a distant promise for most landowners and communities, and the precipitous drop in deforestation in Brazil is more a function of broader government policy than the result of any individual project. Still, the Amazon Fund is demonstrating the promise

and practicality of the REDD model. Although the actual cost of preventing emissions remains unclear, Brazil is offering donors carbon offsets at a discounted price of $5 per metric ton of carbon dioxide, intentionally underestimating how much biomass its forests contain in order to avoid arguments over the price. Of course, implementing the REDD model could prove significantly more expensive elsewhere. But the price would nonetheless be significantly cheaper than for many other methods of cutting emissions, such as capturing carbon dioxide from a coal-fired power plant and pumping it underground, which could cost upward of $100 per metric ton in the initial stages.

ROUSSEFF AND THE RURALISTAS

Lula was succeeded by his protégé and former chief of staff, Dilma Rousseff, in 2011. Although environmentalists have been critical of her broader development agenda in the Amazon and beyond, Rousseff has upheld Lula's deforestation policies. And she has done so despite intense pressure from the so-called *ruralista* coalition of landowners and major agricultural interests, which currently exercises tremendous influence in Brasília.

In the spring of 2012, the Brazilian Congress passed a bill that would have eviscerated the country's vaunted Forest Code by scaling back basic protections for land alongside rivers and embankments and offering outright amnesty to companies and landowners who had broken the law. Rousseff fought back, and a prolonged tussle ensued. The final result was a law that is generally more favorable to agricultural interests but that nonetheless retains minimum requirements for forest protection and recovery on private land.

More troubling than the new law itself, perhaps, is the political polarization that accompanied its passage. Brasília now seems divided into rigid environmentalist and agricultural factions. Fierce opposition to Brazil's rain-forest-preservation efforts is sure to persist, and many observers fear that landowners, impatient with the slow pace of progress on REDD, will ultimately begin to test the limits of the newly revised Forest Code. As if on cue, last September, Brazilian scientists announced that deforestation was 220 percent higher in August than it had been in August of 2011. But it is too early to tell what this latest outbreak might mean. After all, prior spikes have incurred a government response, and each time the damage has been contained.

It is also worth noting that not only has Brazilian deforestation decreased overall, but the size of the average forest clearing has also decreased over time. The powerful landowners and corporate interests responsible for large-scale deforestation have apparently decided that they can no longer cut down rain forests with impunity. The upshot is that for the first time ever, in 2011, the amount of land cleared in the Brazilian Amazon dropped below the combined amount cleared in the surrounding Amazon countries, which make up 40 percent of the basin. In those countries, the trend is not so encouraging: deforestation in the non-Brazilian Amazon increased from an estimated annual average of 1,938 square miles in the 1990s to 2,782 square miles last year, according to an analysis published by the World Wildlife Fund.

MISSING THE FOREST FOR THE TREES?

There was very little progress on REDD at the most recent UN climate summit, in Doha, Qatar, last November. Negotiators left the door open to a full suite of REDD-style models, from government-to-government financial transfers to a privatized carbon market, but failed to agree on the details. Regardless of which particular models are codified in a hypothetical future treaty on climate change, countries need to focus on making the money flow: some studies suggest that halving deforestation would cost $20–$25 billion annually by 2020. So far, governments have committed several billion dollars to forest protection through various bilateral and multilateral agreements. Through the UN, the industrialized countries have also made impressive commitments to combating climate change in the developing world, promising to contribute up to $100 billion annually by 2020, a portion of which could fund forest protection.

But it is not at all clear that this money will materialize, due in part to the current weakness of the global economy. And there is a limit to government largess. Advocates of rain-forest preservation are now trying to convince governments to commit money from revenue streams that do not depend on annual appropriations, which are more vulnerable to political and economic pressure. But that, too, is an uphill battle. Indeed, forest-preservation advocates cannot rely on governments alone; they will ultimately need to attract private-sector investment.

In the meantime, the fight against deforestation will rely on a patchwork of international partnerships and initiatives. Most significant, perhaps, Norway has transferred the model it developed with Brazil

to Indonesia, which now ranks as the largest emitter of carbon dioxide from tropical deforestation. Just as in Brazil, the promise of REDD helped inspire some bold political commitments by Indonesian authorities, who have agreed to reduce their greenhouse gas emissions—most of which come from deforestation—by up to 41 percent by 2020 if international aid materializes. But Indonesia has neither the monitoring technology nor the institutional wherewithal of Brazil, so Norway's $1 billion commitment is aimed at helping the country build up its scientific and institutional capacity. Progress has been slow, but the advantage of a results-based approach, such as REDD, is that these initiatives cost money only if they yield positive results.

Brazil's experience offers some lessons for other tropical countries. The first is that science and technology must be the foundation of any solution. Brazil's progress has been made possible by major investments in scientific and institutional infrastructure to monitor the country's rain forests. Nations seeking to follow suit must invest in tools that will help them not only monitor their forests but also estimate just how much carbon those forests store. Working with scientists at the Carnegie Institution for Science, the governments of Colombia and Peru are deploying advanced systems for tracking deforestation from readily available satellite data. Combined with laser-based aerial technology that can map vast swaths of forest in three dimensions, these systems will be able to more accurately calculate and monitor stored carbon across an entire landscape—a feat that could allow these countries to leapfrog Brazil.

Brazil's Amazon Fund also shows that it is possible to move forward despite lingering scientific uncertainty about how to quantify the carbon stored in forests. Some critics of the REDD model have worried that it could draw attention away from the enforcement of existing forestry laws, ultimately increasing the cost of conservation and rewarding wealthy lawbreakers. But Brazil's experience shows that the two approaches can go hand in hand. Indeed, most of Brazil's progress to date has come from simply enforcing existing rules. The government has also created formal land reserves, outlawing development on nearly half its territory, and environmental groups have played a role by rallying public opinion and partnering with industry groups to improve agricultural practices. Still, enforcement can go only so far with the smaller landholders and subsistence farmers who are responsible for an increasingly large share of the remaining

deforestation. Brazil must focus the Amazon Fund and other government initiatives on projects that will create more sustainable forms of agriculture for these small-scale farmers and ranchers.

The government also needs to look ahead. Cities in the Amazon are booming, and larger populations will translate into additional demands for natural resources and food. The Brazilian government has sought to increase agricultural productivity across the basin, recognizing that there is more than enough land available to expand production without clearing more of it. But Brazil should also encourage more forest recovery, which would bolster the Amazon's ability to produce rain and absorb carbon dioxide from the atmosphere. Globally, forests currently absorb roughly a quarter of the world's carbon emissions, thanks to the regrowth of forests cut down long ago in places such as the United States, and they could provide an even larger buffer going forward. Roughly 20 percent of the areas once cleared in the Amazon are already regrowing as so-called secondary forest. Scientists have calculated that if the government can increase that figure to 40 percent, the Brazilian Amazon will transition from a net source of carbon dioxide emissions to a "carbon sink" by 2015, taking in more carbon dioxide than it emits.

Deforestation is just one of many challenges buffeting the Amazon region, and improvements on this front should not obscure the ongoing problems of poverty, violence, and corruption. But at a time when expectations for progress on climate change are falling, Brazil has given the world a glimmer of hope. In many ways, the hard work is just beginning, but the results so far more than justify continuing the experiment.

Own the Goals

What the Millennium Development Goals Have Accomplished

John W. McArthur

For more than a decade, the Millennium Development Goals—a set of time-bound targets agreed on by heads of state in 2000—have unified, galvanized, and expanded efforts to help the world's poorest people. The overarching vision of cutting the amount of extreme poverty worldwide in half by 2015, anchored in a series of specific goals, has drawn attention and resources to otherwise forgotten issues. The MDGs have mobilized government and business leaders to donate tens of billions of dollars to life-saving tools, such as antiretroviral drugs and modern mosquito nets. The goals have promoted cooperation among public, private, and nongovernmental organizations (NGOs), providing a common language and bringing together disparate actors. In his 2008 address to the UN General Assembly, the philanthropist Bill Gates called the goals "the best idea for focusing the world on fighting global poverty that I have ever seen."

The goals will expire on December 31, 2015, and the debate over what should come next is now in full swing. This year, a high-level UN panel, co-chaired by British Prime Minister David Cameron, Liberian President Ellen Johnson Sirleaf, and Indonesian President Susilo Bambang Yudhoyono, will put forward its recommendations for a new agenda. The United States and other members of the UN General Assembly will then consider these recommendations, with growing powers, such as Brazil, China, India, and Nigeria, undoubtedly playing a major role in forging any new agreement. But prior to deciding on a new framework, the world community must evaluate exactly what the MDG effort has achieved so far.

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WORKING ON A DREAM

The MDGs are not a monolithic policy following a single trajectory. Ultimately, they are nothing more than goals, established by world leaders and subsequently reaffirmed on multiple occasions. The MDGs were not born with a plan, a budget, or a specific mapping out of responsibilities. Many think of the MDGs as the UN's goals, since the agreements were established at UN summits and UN officials have generally led the follow-up efforts for coordination and reporting. But the reality is much more complicated. No single individual or organization is responsible for achieving the MDGs. Instead, countless public, private, and nonprofit actors—working together and independently, in developed and developing countries—have furthered the goals. Amid this complexity, the achievements toward reaching the MDGs are all the more impressive. The goals have brought the diffuse international development community closer together.

Before the MDGs were crafted, there was no common framework for promoting global development. After the Cold War ended, many rich countries cut their foreign aid budgets and turned their focus inward, on domestic priorities. In the United States, for example, the foreign aid budget hit an all-time low in 1997, at 0.09 percent of gross national income. Meanwhile, throughout the 1990s, institutions such as the World Bank and the International Monetary Fund (IMF) encouraged developed and developing countries to scale back spending on public programs—in the name of government efficiency—as a condition for receiving support.

The results were troubling. Africa suffered a generation of stagnation, with rising poverty and child deaths and drops in life expectancy. Economic crises and the threat of growing inequality plagued Asia and Latin America. The antiglobalization movement gained such force that in November and December 1999, at what has come to be called "the Battle in Seattle," street protesters forced the World Trade Organization to cancel major meetings midstream.

The suspicions on the part of civil society carried over into policy debates. In the late 1990s, the Organization for Economic Cooperation and Development proposed "international development goal" benchmarks for donor efforts. The OECD's proposal was later co-signed by leaders of the IMF, the World Bank, and the UN. In response, Konrad Raiser, then head of the World Council of Churches, hardly a fire-breathing radical, wrote UN Secretary-General Kofi Annan to convey

astonishment and disappointment that Annan had endorsed a "propaganda exercise for international finance institutions whose policies are widely held to be at the root of many of the most grave social problems facing the poor all over the world."

That proposal never got off the ground, but the international community made other progress in the lead-up to 2000 that helped set the groundwork for the MDGs. Most notably, G-8 leaders took a major step forward when they crafted a debt-cancellation policy at their 1999 summit in Cologne, Germany. Under this new policy, countries could receive debt relief on the condition that they allocated savings to education or health. This helped reorient governments toward spending in social sectors after many years of cutbacks.

At the 2000 UN Millennium Summit, which was the largest gathering of world leaders to date, heads of state accepted that they needed to work together to assist the world's poorest people. Looking at the challenges of the new century, all the UN member states agreed on a set of measurable, time-bound targets in the Millennium Declaration. In 2001, these targets were organized into eight MDGs: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria, and other diseases; ensure environmental sustainability; and forge global partnerships among different countries and actors to achieve development goals. Each goal was further broken down into more specific targets. For example, the first goal involves cutting in half "between 1990 and 2015, the proportion of people whose income is less than $1 a day."

The MDGs are the first global framework anchored in an explicit partnership between developed and developing countries.

In practical terms, the MDGs were actually launched in March 2002, at the UN International Conference on Financing for Development, in Monterrey, Mexico. The attendees, including heads of state, finance ministers, and foreign ministers, agreed that developed countries should step in with support mechanisms and adequate financial aid to help poor countries committed to good governance meet the MDG targets. Crucially, leaders set a benchmark for burden sharing when they urged "developed countries that have not done so to make concrete efforts towards the target of 0.7 percent of gross national income

(GNI) as official development assistance to developing countries." At the time of the conference, the 22 official OECD donor countries allocated an average of 0.22 percent of GNI to aid. Thus, working toward a 0.7 target implied more than tripling total global support. The Monterrey conference established the MDGs as the first global framework anchored in an explicit, mutually agreed-on partnership between developed and developing countries.

THE GLOBAL CONVERSATION

These historic intergovernmental agreements have inspired much debate. Some NGO leaders, including participants in the annual World Social Forum, distrusted any agreement that involved international financial institutions and was negotiated behind closed doors. Human rights activists were dismayed that the MDGs excluded targets for good governance, which they considered a contributor to development and a key outcome unto itself. Some environmental activists were bothered by the narrow formulation of the targets, which ignored major issues, such as climate change, land degradation, ocean management, and air pollution.

To be sure, the MDG framework is imperfect. Several issues, such as gender equality and environmental sustainability, are defined too narrowly. The education goal is limited to the completion of primary school, overlooking concerns about the quality of learning and secondary school enrollment levels. In addition, some academics, such as the economist William Easterly, argue that the remarkable ambition of the goals is unfair to the poorest countries, which have the furthest to go to meet the targets, and minimizes what progress those countries do achieve. Sure enough, if the child survival goal were to cut mortality by half, instead of by two-thirds, 72 developing countries would already have met the target by 2011. Instead, the two-thirds goal has been achieved by only 20 developing countries so far. In addition, the MDGs' emphasis on human development issues, such as education and health, sometimes downplays the importance of investments in energy and infrastructure that support economic growth and job creation.

Nonetheless, the framework has provided a global rallying point. In 2002, with a mandate from Annan and Mark Malloch Brown, then the administrator of the UN Development Program, the economist Jeffrey Sachs launched the UN Millennium Project, which brought together hundreds of experts from around the world from academia,

business, government, and civil-society organizations to construct policy plans for achieving the goals. Sachs also tirelessly lobbied government leaders in both developed and developing countries to expand key programs, especially in health and agriculture, in order to meet the MDG targets.

In the lead-up to the 2005 G-8 summit, in Gleneagles, Scotland, advocacy organizations worldwide championed the MDGs. In developing countries, NGO leaders, such as Amina Mohammed, Kumi Naidoo, and Salil Shetty, encouraged civil-society leaders to hold their governments accountable for meeting the goals. In developed countries, organizations such as ONE, co-founded by the activist Jamie Drummond, the rock star Bono, and others, petitioned politicians and conducted public awareness campaigns to demand that world leaders step up their efforts to meet the targets. At the summit, British Prime Minister Tony Blair and Gordon Brown, then British chancellor of the exchequer, put the MDGs and foreign aid commitments at the top of the agenda. Leaders at Gleneagles committed to increasing global aid by $50 billion by 2010 and set the groundwork for larger commitments to be made by 2015. However, one powerful player on the world stage, the United States, remained hesitant to embrace the MDG agenda.

PLAYERS ON THE BENCH

U.S. President George W. Bush launched the Millennium Challenge initiative in 2002, promising a 50 percent increase in U.S. foreign aid within three years, with money going to countries committed to good governance. The initiative drew inspiration from the MDGs, as the name suggests, but confusingly, it did not directly link to the targets. Ten months later, in his 2003 State of the Union address, Bush launched the President's Emergency Plan for AIDS Relief, which has dramatically improved access to AIDS treatment in the developing world. This program was in many ways in line with the MDG effort but did not explicitly link to the goals. Bush even endorsed the UN Millennium Declaration and the Monterrey agreements, but he refused to support the MDGs, largely because his administration viewed them as UN-dictated aid quotas.

Holding a similar view, State Department officials regularly claimed that they supported the targets of the Millennium Declaration but not the MDGs, despite the fact that the MDG targets were drawn directly

Pump it up: children in the Central African Republic, March 2010

FLICKR / MARIELLE VAN UITERT

from the Millennium Declaration. U.S.-UN tensions over the Iraq war were a critical backdrop, with the Bush administration reticent to support a major UN initiative. Washington's aversion was so strong that many U.S. advocacy groups avoided using the term "Millennium Development Goals" for fear of losing influence. When John Bolton became the U.S. ambassador to the UN in August 2005, one of his first actions was to suggest deleting all references to the MDGs in the drafted agreement of the upcoming UN World Summit. The subsequent uproar from other countries and U.S. media outlets forced Washington to modify its position. In his summit speech, Bush finally endorsed the MDGs, using the phrase "Millennium Development Goals" publicly for the first time.

By refusing to directly engage with the MDGs in their early years, the United States missed an opportunity to highlight its contributions to development efforts and foster international goodwill. In the early years of this century, the United States helped revolutionize global health, a central pillar of the MDGs, first through Bush's AIDS initiative and later through efforts on malaria and other deadly diseases. Furthermore, by resisting a project on which most of the world was actively

collaborating, Washington missed easy opportunities to build political capital for solving much thornier and divisive international issues.

Diplomatic tensions have subsided under the Obama administration, which has given much stronger rhetorical support to the MDGs and has continued the previous administration's basic development policies, in addition to launching a major initiative to reduce poverty by supporting small farms around the world. Nevertheless, many officials in Washington remain either skeptical or disengaged when it comes to the MDGs, most likely because of a long-standing aversion to fixed foreign aid spending, especially when defined by an international agreement. This fear, however, is baseless. The MDGs do not dictate any aid commitments, and the only related figure, the 0.7 aid target, which countries agreed to work toward in Monterrey in 2002, was endorsed by Bush. It was only later that some countries, such as the United Kingdom, made timetables to meet this aid target.

The World Bank has similarly missed out. Although the bank has championed the framework at senior political levels, it has not adequately facilitated MDG efforts on the ground. Early resistance was in part due to bureaucratic resentment of the UN for its having been given such a prominent role on development issues. In addition, as an institution dominated by economists, the bank is prone to prioritize economic reforms over investment in social sectors. Even more, there is widespread distrust among the bank's staff that donor countries will provide adequate financing for the MDGs. Such concerns are not without merit, as the G-8 ended up falling more than $10 billion short on its Africa pledges for 2010 alone.

Nevertheless, the bank, as a main interlocutor with the developing world, should have helped poor countries assess how they could achieve the MDGs and sounded the alarm about donor financing gaps. Furthermore, the bank has a self-serving reason to get onboard: the MDGs spurred a major budgetary expansion for the International Development Association, the branch of the bank devoted to supporting the poorest countries. Fortunately, the United States and the World Bank are coming around on the MDGs, attracted by the proven success of the framework.

IT'S A SMALL WORLD AFTER ALL

As of late 2010, five years before the deadline, the world had already met the overarching MDG of cutting extreme poverty by half. The

estimated share of the developing-world population living on less than $1.25 per day (the technical MDG measurement of extreme poverty) had dropped from 43 percent in 1990 to roughly 21 percent in 2010. This statistic is somewhat skewed by progress that was under way in China and other Asian countries long before the MDGs were adopted. The framework is not solely responsible for all of the advancements of the past 12 years. Many other forces, such as the expansion of global markets and the creation of groundbreaking health and communications technologies, have helped the developing world. Moreover, the goals relating to hunger, sanitation, and the environment have not been met. Poverty reduction, however, has progressed in every region since 2000. Even excluding China from the global calculation, the world's share of impoverish people fell from 37 percent in 1990 to 25 percent in 2008, and forthcoming data should show an even greater drop.

The goals have kick-started progress where it was lacking, especially in Africa, where unprecedented economic growth and poverty reduction are now taking place.

Most important, the MDGs have kick-started progress where it was lacking, especially in Africa, where unprecedented economic growth and poverty reduction are now taking place. From 1981 to 1999, extreme poverty in sub-Saharan Africa rose from 52 percent of the population to 58 percent. But since the launch of the MDGs, it has declined sharply, to 48 percent in 2008. Much of this was likely driven by MDG-backed investments in healthier and better-educated work forces in the region. The global MDG campaign has also prompted support for small subsistence and cash-crop farms, which has boosted growth in many low-income countries, such as Malawi.

Primary education rates have increased around the world, too, with South Asia and sub-Saharan Africa experiencing particularly big jumps in enrollment. Much of this has been the result of funding from MDG-linked initiatives, such as the Global Partnership for Education, launched in 2002 by the World Bank and other development organizations to help poor countries "address the large gaps they face in meeting education MDG 2 and 3, in areas of policy, capacity, data, finance." These same efforts have helped nearly every world region achieve gender parity in classrooms.

The greatest MDG successes undoubtedly concern health. The MDGs have invigorated multilateral institutions, such as the GAVI Alliance (formerly called the Global Alliance for Vaccines and Immunization), which seeks to achieve MDGs "by focusing on performance, outcomes and results." The goals have also inspired a huge increase in private-sector aid. Ray Chambers, a respected philanthropist and co-founder of a New York private equity firm, first learned of the goals in 2005. Since then, working with Sachs and others, Chambers has coordinated a worldwide coalition of policy, business, and NGO leaders in an effort to help the developing world meet the goal for malarial treatment and prevention. Thanks in part to this global effort, malaria-related mortality has dropped by approximately 25 percent since 2000, with most of those gains probably occurring since 2005. Many pharmaceutical companies have also put forth major efforts to make their medicines more widely available in poor countries, and new initiatives are continuing to take shape. The MDG Health Alliance, founded in 2011, is comprised of business and NGO leaders around the world working toward the MDG health targets, including the elimination of mother-to-child HIV transmission.

The goals show how much can be achieved when ambitious and specific targets are matched with rigorous thinking, serious resources, and a collaborative global spirit.

The combined results of these campaigns are remarkable. For example, in Senegal, child mortality has plummeted by half since 2000. In Cambodia, it has dropped by 60 percent. Rwanda has recorded a ten percent average annual reduction since 2000, one of the fastest declines in history. Even China has seen a significant decrease in child deaths, possibly because the expanded global emphasis on health has encouraged the country's policymakers to pay more attention to relevant issues. Overall, despite rapid global population growth, there has been a decrease in children dying worldwide before their fifth birthdays, from 11.7 million in 1990 to 9.4 million in 2000 and 6.8 million in 2011.

No issue has been more closely interconnected with the MDGs than the HIV/AIDS treatment campaign. In 2000, nearly 30 million people were infected, the vast majority in Africa, where only approximately 10,000 people were in treatment and over one million people were

dying every year from the disease. The next year, the head of the U.S. Agency for International Development publicly deemed large-scale AIDS treatment in Africa impossible. Undeterred, Annan launched the Global Fund to Fight AIDS, Tuberculosis and Malaria, which aims to achieve "long-term outcome and impact results related to the Millennium Development Goals."

Spurred by the launch of the MDGs, Jim Yong Kim, then head of the World Health Organization's HIV/AIDS department, introduced the "3 by 5" initiative in 2003, which aimed to have three million people living with AIDS in the developing world receiving treatment by 2005. By the end of 2005, only 1.3 million people were receiving treatment—fewer than half of the target. But thanks to the interwoven AIDS-MDG campaign, the notion of service delivery targets has sunk in globally, helping expand AIDS treatment by orders of magnitude: also in 2005, the G-8 and the UN General Assembly endorsed a target of universal access to treatment by 2010, backed by major financial commitments. The MDG movement has expanded the world's ambitions in tackling health crises and made extraordinary progress. In 2011, more than eight million people worldwide were receiving AIDS treatment.

NEXT-GENERATION GOALS

The MDGs have proved that with concentration and effort, even the most persistent global problems can be tackled. The post-2015 goals should remain focused on eliminating the multiple dimensions of extreme poverty, but they also need to address emerging global realities. These new challenges include the worsening environmental pressures affecting the livelihoods of hundreds of millions of people, the growing number of middle-income countries with tremendous internal poverty challenges, and rapidly spreading noncommunicable diseases.

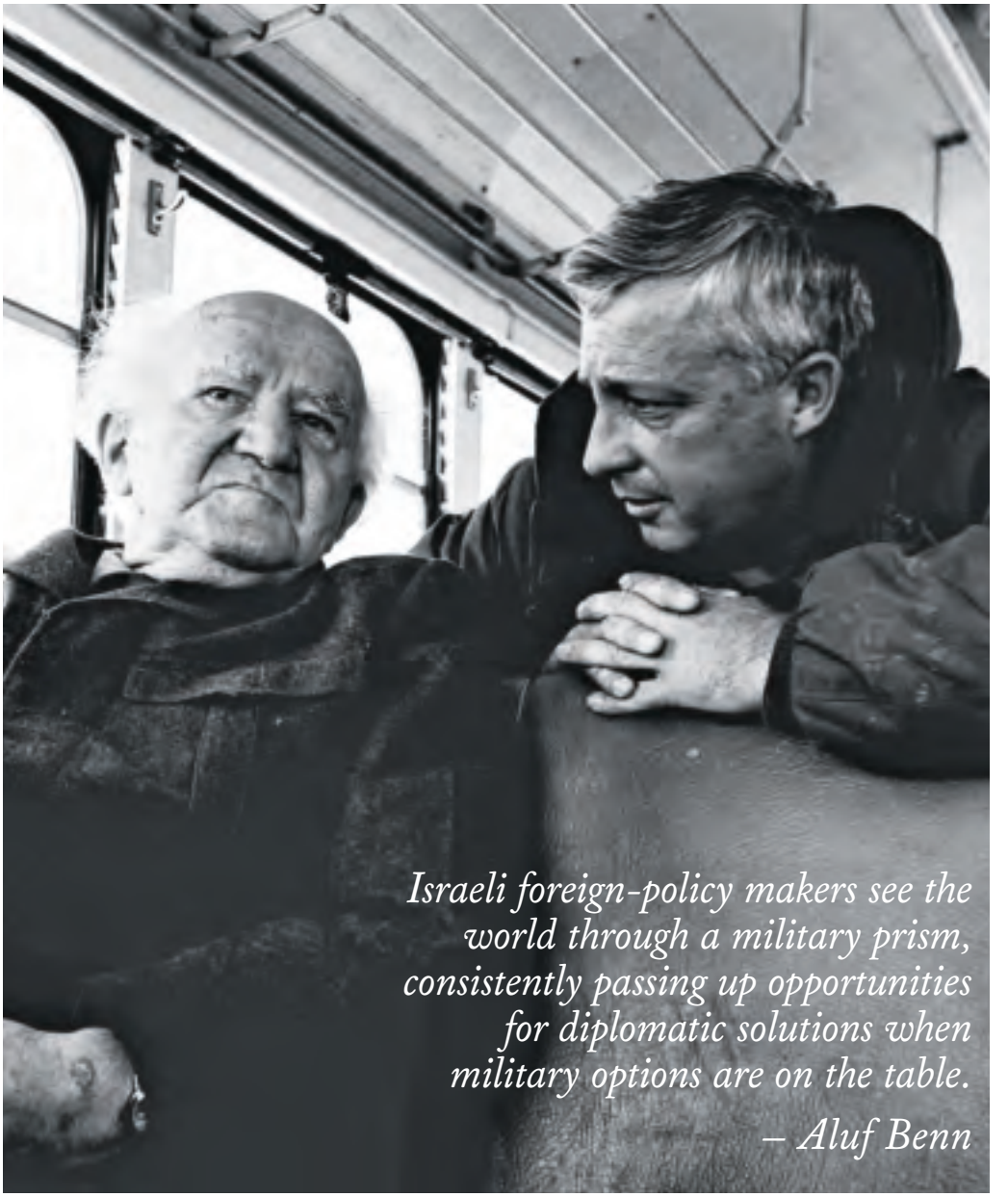
The new goals also need to be matched with resources. Without the Monterrey agreements of 2002 and the financial commitments made at the Gleneagles summit in 2005, the MDGs might well have faded from the international agenda. It is crucial that the post-2015 negotiations not be left solely to foreign and development ministries. Finance ministries will need an equal say on many of the most central issues and therefore need to be included from the beginning. Other relevant ministries, such as those that deal with health and environmental issues, should be consulted regularly. Additionally,

in preparation for 2015, multilateral organizations, such as the World Bank and UN agencies, should conduct independent external reviews of their contributions to the MDGs and identify benchmarks for post-2015 success based on the results. And the United States needs to join the international community in making a solid commitment to long-term, goal-oriented foreign aid.

The MDGs have helped mobilize and guide development efforts by emphasizing outcomes. They have encouraged world leaders to tackle multiple dimensions of poverty at the same time and have provided a standard that advocates on the ground can hold their governments to. Even in countries where politicians might not directly credit the MDGs, the global effort has informed local perspectives and priorities. The goals have improved the lives of hundreds of millions of people. They have shown how much can be achieved when ambitious and specific targets are matched with rigorous thinking, serious resources, and a collaborative global spirit.

Looking forward, the next generation of goals should maintain the accessible simplicity that has allowed the MDGs to succeed and also facilitate the creation of better accountability mechanisms both within and across governments. In addition, the new goals need to give low- and middle-income countries a greater voice in shaping the agenda. Most important, momentum matters. Just as progress in individual MDG areas has inspired other campaigns, so work done now, in the final stretch, will affect what happens in the future. The results achieved by 2015 will mark an endpoint, but even more, they will provide a springboard for the next generation of goals. There is no time to lose.

REVIEWS & RESPONSES



Israeli foreign-policy makers see the world through a military prism, consistently passing up opportunities for diplomatic solutions when military options are on the table.

– Aluf Benn

REUTERS / LUCY NICHOLSON

Israel's Warlords

How the Military Rules in War and Peace

Aluf Benn

Fortress Israel: The Inside Story of the Military Elite Who Run the Country—and Why They Can't Make Peace
BY PATRICK TYLER. Farrar, Straus and Giroux, 2012, 576 pp. $35.00.

Zion's Dilemmas: How Israel Makes National Security Policy
BY CHARLES D. FREILICH. Cornell University Press, 2012, 336 pp. $49.95.

In the early afternoon of November 14, 2012, an Israeli drone hovered over the Gaza Strip and zeroed in on its target: Ahmed al-Jabari, the military leader of Hamas. A precise missile strike blew up his car, leaving him and his fellow passenger dead. The assassination, which followed two Palestinian cross-border attacks in the previous days, marked the beginning of Operation Pillar of Defense, an intense weeklong campaign of Israeli air strikes on Gaza. Those were matched by a barrage of some 1,500 rockets that Hamas and other Palestinian organizations fired on Israeli cities.

Several hours before his fateful road trip, Jabari had received the final draft of a proposal for a long-term cease-fire between Israel and Hamas, mediated by an Israeli peace activist with ties to Hamas and Egyptian intelligence officials. Israel's defense minister, Ehud Barak (and possibly also its prime minister, Benjamin Netanyahu), was aware of the back-channel talks that had led to the offer. But rather than wait for Hamas' response, the leaders instead opted to kill their Palestinian interlocutor and launch a large-scale military operation, believing—as most of their predecessors had—that reprisals were the surest way to restore Israel's deterrence and calm the border.

This sequence of events could have served as the perfect epilogue to Patrick Tyler's *Fortress Israel*. Tyler, a veteran foreign correspondent and the author of several books on U.S. foreign policy, portrays Israel as the Sparta of the modern Middle East, a country that "six decades after its founding, remains . . . in thrall to an original martial impulse." Israel's leadership duo during the campaign against Gaza, Netanyahu and Barak, were simply carrying this legacy forward. The former rivals' decision to join forces after the 2009 election, Tyler writes, "revealed a common faith in military action as more likely to yield results than diplomacy or negotiation, which they held in low regard."

Netanyahu and Barak's Gaza policy would also have made a fitting case study for Charles Freilich's *Zion's Dilemmas*. A former Israeli defense official who served as deputy national security adviser in the government of Prime Minister Ariel Sharon, Freilich wrote his book in the hopes of improving the quality and effectiveness of Israeli decision-making. Israel, he laments, "has not unequivocally won a major military confrontation since 1967 and has failed to achieve its

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objectives in most of the major diplomatic efforts it has taken as well." Indeed, despite its military prowess, its dynamic economy, and substantial U.S. backing, Israel has neither integrated peacefully into the Middle East nor convinced the world to accept its occupation of and settlements in the West Bank.

Why? According to Freilich, Israeli policymakers are constrained by a "uniquely harsh" external environment, a parliamentary system that empowers fringe parties and produces unwieldy coalitions, and a security establishment in which the Israel Defense Forces (IDF) reign supreme. Freilich identifies five "pathologies" that characterize Israel's decision-making: it is unplanned, it is intensely political, it is informal, it is led by a prime minister who rules at the mercy of his party and his coalition, and it is driven by the military, which holds a virtual monopoly on policymaking.

That final pathology, in particular, shaped the recent Gaza operation. Back in the spring of 2012, General Benny Gantz, the IDF's chief of staff, had warned that renewed fighting in Gaza was imminent. But as the military analyst Amos Harel wrote in *Haaretz* after the operation ended, "It was not until the autumn that political decision makers recognized the necessity for action." Before any civilian leaders weighed in, Israel's security organs had already collected and analyzed the relevant intelligence, drafted operational plans, and prepared the necessary forces. During the campaign itself, Netanyahu practically stepped aside and allowed Barak and the generals to run the show.

Tyler and Freilich present valid criticisms of the military's dominant role in Israeli decision-making—and surprisingly similar ones, given their opposing views on other political questions. But their proposed fixes—for Tyler, stricter American restraint of Israel; for Freilich, stronger civilian national security bodies—would make little headway in addressing an issue that is deeply rooted in Israeli society. And in any case, both authors overestimate the impact that this one problem has had on Israeli history. The persistence of the Arab-Israeli conflict and Israel's strategic shortcomings are the result of far more than bureaucratic politics.

OF SABRAS AND SPARTANS

Tyler's narrative of the last 60 years of Israeli history emphasizes the unparalleled influence of the military establishment on war, peace, and politics. Tyler writes with disapproval that "the army and the intelligence services dominate the national budget, define external and internal threats, initiate policies, review their own performance, run a large portion of the economy, control vast tracts of land and airspace, and exert immense influence over communications and news media through censorship." Israeli foreign-policy makers, therefore, tend to see the world through a military prism, consistently passing up opportunities for diplomatic solutions when military options are on the table.

Tyler's story begins in 1955, when David Ben-Gurion, the country's founding father, returned to the helm as prime minister and pushed aside Moshe Sharett, who had briefly replaced him. Whereas Sharett, the founder of Israel's foreign service, believed in engaging the country's Arab neighbors, Ben-Gurion and his military disciples sought to "mobilize the

country for continuous war." Needless to say, Ben-Gurion won the debate. He proceeded to escalate the skirmishes along the border with Egypt, paving the way for the Suez crisis of 1956 (known in Israel as the Sinai War). Since then, all Israeli leaders have acted under the spell of militarism, endlessly fighting wars and relying on high-level assassinations to keep Israel's enemies at bay. Tyler criticizes the Arabs' rejection of the Jewish state only in passing, arguing that the real problem in the Arab-Israeli conflict is that Israel's ruling elite has preferred retribution and revenge to reconciliation and peace. By his lights, Israel, not its neighbors, bears responsibility for prolonging the conflict through its quest for regional hegemony.

This argument is hardly new: it has been a mainstay of left-wing Israeli and American criticism of Israeli policies for decades. But Tyler sharpens the critique by stitching together politics, diplomacy, and covert action into a single story. *Fortress Israel* fills out the history of Israel's wars and peace efforts by shedding new light on events that have been clouded by secrecy and censorship for years. The book shows just how preoccupied Israeli leaders have been with authorizing, supervising, and cleaning up after military and clandestine operations.

Tyler argues that Israel's reluctance to pursue diplomacy has been fueled since the 1960s by an ever-growing flow of American arms and political support. He describes Israel as a duplicitous client state that has never hesitated to put its own interests ahead of its protector's. Again, this is hardly a new assertion. But others who have made similar arguments in the past, such as Andrew Cockburn and Leslie Cockburn, Seymour Hersh, and John Mearsheimer and Stephen Walt, have emphasized chiefly that Washington's knee-jerk support for Israel has undermined American interests. Tyler, by contrast, argues that the U.S. underwriting of Israel's militarism is first and foremost bad for Israel.

Fortress Israel yearns for an idealized liberal Zionism, the same espoused—in Tyler's narrative—by early Israeli leaders such as Sharett, President Chaim Weizmann, and Prime Ministers Levi Eshkol and Golda Meir, who, Tyler insists, sought integration with Israel's neighbors. Yet he makes too much of the liberalism of these figures, all of whom failed to reach peace with the Arabs. In his telling, their vision once held sway but was hijacked by Ben-Gurion and his protégés, including the warriors turned politicians Moshe Dayan, Sharon, and Barak, their younger successor. His criticisms of this second group notwithstanding, Tyler clearly admires that generation of sabras—the tough, native-born Israelis known for their can-do mentality, their battlefield valor, and their cloak-and-dagger daring.

Still, in Tyler's view, Israel's use of force—even when it has achieved its goals at limited costs—has been counterproductive. He argues that the Israeli government should head down the road not taken of diplomacy and negotiations and, if it does not, that the United States should get tough and restrain Israeli aggression. His role model is U.S. President Dwight Eisenhower, who refused to supply Israel with arms throughout his two terms and, after the 1956 war, forced Ben-Gurion to withdraw from Gaza and the Sinai. Tyler takes Eisenhower's successors to task for failing to say no to their Israeli

counterparts when asked for more sophisticated weapons, UN vetoes, and other kinds of unconditional support. The United States only made matters worse by coming to rely on Israel's bullying as a tool in the Cold War and, later, in the "war on terror."

CIVILIAN DISOBEDIENCE

Unlike Tyler, Freilich is no opponent of Israel's use of force. According to his narrative, which reflects mainstream Israeli attitudes, the Jewish state is surrounded by threatening enemies and must occasionally go to war to escape a strategic bind. And sometimes even moves made in the interest of ending a war can backfire: Freilich echoes a common argument when he writes that Israel's unilateral withdrawal from southern Lebanon in 2000, when Barak was prime minister, was a humiliating failure that strengthened Hezbollah and helped spark the second intifada. In Freilich's opinion, Israel cannot—and should not—defend itself only from within its borders.

Zion's Dilemmas is the most detailed analysis to date of the inner workings of Israel's national security establishment. It presents seven case studies: the two Lebanon wars (1982 and 2006); the peace processes with Egypt and the Palestinians; the unilateral withdrawals from Lebanon, in 2000, and Gaza, in 2005; and the failed Lavi fighter jet project, an ambitious attempt to build an indigenous warplane with U.S. funding, which was canceled in 1987.

Freilich's main concern is the built-in weakness of Israel's civilian leaders, who have little formal authority over national security, preside over a dysfunctional cabinet, and, lacking decent staff support, must rely on the military for policy planning. That is not to say that the IDF's high command ignores the authority of its political masters: it opposed the withdrawal from Lebanon, for example, yet nevertheless followed the prime minister's directives. But executing policies inevitably involves the military, and particularly its planning branch, which effectively serves as the state's think tank. What ends up happening, according to Freilich, is that Israeli leaders are given only a narrow range of policy options by military personnel, who do not take a full view of the country's overall needs. After all, one cannot expect men in uniform to recommend defense budget cuts, even when other national priorities might make them necessary.

As a remedy, Freilich proposes strengthening Israel's National Security Council (where he served as deputy national security adviser), a small unit attached to the prime minister's office, and turning it into the equivalent of its U.S. counterpart. Under Netanyahu, the NSC has enjoyed a somewhat bigger role, but it cannot rival the superior influence of the military and intelligence services, whose chiefs demand direct access to the prime minister. (They are, after all, the scapegoats when something goes wrong.) Moreover, all the NSC chiefs to date and many of their senior staffers have come from careers in the IDF or the intelligence community, and so they can hardly be expected to offer an alternative, civilian point of view.

Freilich argues that Israeli leaders need to be presented with a wider range of policy options before deciding on issues of war and peace. Still, he acknowledges that even a better, more organized, and less politicized policymaking process

would not always produce better results. In his analysis, Barak's peace overtures at Camp David in 2000 were thoroughly prepared but failed, whereas Prime Minister Menachem Begin's negotiations with Egypt in the late 1970s were poorly prepared but resulted in a successful deal.

GENERAL WILL

The two authors disagree on who is right and who is wrong in the Arab-Israeli conflict. To Freilich, Barak's offers to the Syrians and the Palestinians in 2000 were "dramatic concessions," whereas Tyler describes them as mere tricks to avoid peace and blame the other side. Tyler sees the second intifada as a clear-cut case of Israeli brutality and overreaction; for Freilich, it was a Palestinian terror campaign aimed at destroying the Jewish state.

Still, both *Fortress Israel* and *Zion's Dilemmas* manage to come to strikingly similar conclusions about what ails the Israeli national security system. "The primacy of the IDF is the story of bureaucratic politics in Israel," writes Freilich, even if he would never call the high command a "junta," as Tyler does. Both would agree that the military needs broader political oversight and stronger checks and balances from civilian institutions, such as the Foreign Ministry.

Tyler and Freilich are hardly the first to lament Israel's handling of its military. Yet despite the fact that critics across the political spectrum have presented the same diagnosis, there is little push for change among the Israeli public at large. The truth is that most Israelis see nothing wrong with the status quo. The IDF remains the most important and trusted institution in Israeli society, despite demographic changes that are shrinking its recruitment base. (Arabs and ultra-Orthodox Jews, who currently make up a third of Israeli society and are the country's two fastest-growing minorities, enjoy draft exemptions.) Mandatory conscription operates as a rite of passage for young Israelis, and the connections they make in the army serve as the basis for social and professional networking later in life. Those who pursue longer careers in the military often retire in their mid-40s and move on to leadership positions in politics and industry.

In turn, the military uses its considerable popularity, political clout, and bureaucratic strength to protect its budgetary autonomy and to avoid civilian oversight. During crises, moreover, the IDF and its intelligence counterparts are the only national institutions capable of coming up with timely solutions and offering a way out to the political leadership. This bureaucratic reality, coupled with the Israeli public's ever-present sense of external threats, inevitably leads the government to rely on forceful solutions—the military's specialty—rather than diplomacy. Israel turns to diplomats only when the officers fail to deliver.

The military's dominance may be an unavoidable reality of Israeli politics, but both Tyler and Freilich overestimate its pernicious effects. For starters, Israel's military leaders, both in and out of service, do not always lobby for the use of force. At several critical moments in Israeli history, the generals have favored restraint. During the first intifada, which began in 1987, the IDF's chief of staff, Dan Shomron, argued that there was "no military solution" to the crisis, effectively preventing a brutal crushing of the Palestinian uprising. Most recently, in

the ongoing debate over how to respond to Iran's nuclear ambitions, the security establishment stood up to Netanyahu and Barak, offering an antidote to their hawkishness. Indeed, many of the country's most high-profile moderates have been retired generals and intelligence chiefs, from former Prime Minister Yitzhak Rabin to the former Mossad chief Meir Dagan, currently the country's most vocal opponent of an Israeli attack on Iran's nuclear facilities.

What is more, the IDF's outsized role can hardly be blamed on its own for the persistence of the Arab-Israeli conflict. Tyler argues that the IDF's aggressiveness and skepticism about the peace process have undermined negotiations with the Palestinians over the last two decades. This holds true to an extent, but it has not been the main obstacle to a political solution. The absence of peace is more aptly explained as a result of entrenched religious, ideological, and territorial disputes, made worse by turbulent domestic politics on both sides.

The military's influence over Israeli politics and society is unlikely to wither away in the foreseeable future. Governments on both the right and the left need the IDF's prestige to legitimate their policies, all the more so during polarized national debates. The growing size and political clout of the draft-exempt minorities—Israeli Arabs and ultra-Orthodox Jews—have only prompted the government to make a stronger push to raise the prestige of combat service. Meanwhile, a growing number of Israelis who identify as "national religious," many of whom hail from the settlements, are opting for careers in the military, seeing them as a path to power and influence.

No bureaucratic or constitutional reform can alter this reality. And contrary to what Tyler might hope, neither would an American cold shoulder, which would only entrench Israeli hawks—as Eisenhower's distant approach to Israel did to the hard-liners of Ben-Gurion's generation. The best way for Washington to moderate Israeli policies is to engage Israel's military and intelligence leaders and leverage them as an effective peace lobby. The Obama administration has essentially followed that script to prevent an Israeli strike on Iran, although it has proved insufficient in promoting an Israeli-Palestinian agreement. No matter what some may wish, Israel's generals are not going to retreat to their bunkers anytime soon.

Castlereagh's Catechism

A Statesman's Guide to Building a New Concert of Europe

Brendan Simms

Castlereagh: A Life
BY JOHN BEW. Oxford University Press, 2012, 752 pp. $39.95.

"The past," the novelist L. P. Hartley wrote, "is a foreign country; they do things differently there." There is certainly much that is alien about the world of Robert Stewart, better known as Lord Castlereagh (1769–1822), who helped usher in a new European order as British foreign secretary during and after the Napoleonic Wars. Nowadays, for example, one would not expect two senior politicians from the same party, both cabinet ministers, to fight a duel in the middle of a war, as Castlereagh and then Foreign Secretary George Canning did in 1809. And of course, there were some more fundamental differences: the British government of Castlereagh's day was elected by a narrow, all-male franchise determined by property ownership, and King George III, in his saner moments, was no mere constitutional figurehead but a power in his own right. Outside Great Britain, continental Europe would seem stranger still, with systems ranging from the Napoleonic tyranny in France to absolute monarchies in Austria, Prussia, and Russia. In international politics, wars of aggression and territorial annexation were still the norm.

But there is also much that is familiar about this world. Castlereagh's career played out in a parliamentary setting of intrigue and political maneuvering not dissimilar to those found in Washington and London today. In the international arena, Castlereagh confronted a landscape fractured by diverging national interests and profound ideological cleavages that would be recognizable to any modern diplomat. Given these resemblances, Castlereagh's successful management of competing great-power aspirations continues to resonate, inspiring statesmen such as former U.S. Secretary of State Henry Kissinger, who wrote his doctoral dissertation at Harvard on the subject; the former British foreign secretary Douglas Hurd, who wrote a book that favorably contrasted Castlereagh's careful diplomacy with the more unilateralist tendencies of his contemporaries and successors; and the United Kingdom's current foreign secretary, William Hague, who wrote a 2005 biography of Castlereagh's boss, Prime Minister William Pitt, the Younger. What draws modern statesmen to Castlereagh, Hurd wrote, is a shared belief "in quiet negotiation, in compromise, [and] in cooperation with other countries . . . which could span an ideological divide." The followers of Castlereagh distinguish themselves from proponents of "a noisier foreign policy," based on unilateral action, liberal sympathies, and a penchant for intervention.

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In a new biography, the historian John Bew revises this classic view, presenting Castlereagh as more ideological and less realist (but no less realistic) than the conventional portrait. The result is a magisterial guide to Castlereagh's life that should inform the general understanding of international politics today. Even among highly educated people, few remember more about Castlereagh than his name. But one can draw direct links between his ideas and many features of contemporary world affairs, including institutions such as the United Nations, disputes over sovereignty, humanitarian interventions, and wars of preemption and prevention. Castlereagh's career also offers many enduring lessons for Europe

in its current time of crisis: that the United Kingdom must play an active role on the continent, that Germany is the focal point of the European system, and that Europe should strive toward ever-greater unity in order to master its internal and external demons.

THE IMPORTANCE OF BALANCE

At the heart of Bew's narrative is a masterly account of Castlereagh's diplomacy, which was based on an unshakable belief that maintaining a balance of power in Europe was central to the United Kingdom's security. Like most members of the British political class, Castlereagh was deeply concerned about the growth of France's power: 20 years after the outbreak of the French Revolutionary Wars in 1792, Napoleon Bonaparte controlled the vast majority of continental Europe outside Russia. In 1812, Castlereagh became both foreign minister and leader of the House of Commons, which gave him almost as much authority in domestic affairs as he had in foreign policy. But the apogee of Castlereagh's career came in 1814, when he forged the coalition of states that finally defeated Napoleon and won the right to shape a new European order. "He has long governed England," Castlereagh's brother wrote at the time, "and is [now] . . . governing the continent."

In addition to his suspicions of France, Castlereagh was wary of the hegemonic pretensions of other powers—especially tsarist Russia, which bestrode Europe like a colossus by the time of the 1814–15 Congress of Vienna, the peace conference held at the end of the Napoleonic Wars. He thus teamed up with Klemens von Metternich, the Austrian foreign minister, to design a postwar settlement that kept the British in, the Russians out, and the French down, to adapt a famous quip about NATO. The final Vienna agreement enlarged Prussia's territory to deter invasions from both the east and the west; prevented Russia from annexing an even larger slice of Poland than it eventually did; and linked the United Kingdom to the continent by way of the Concert of Europe, an informal grouping of powers established to resolve international disputes. During the early summits, where diplomats tackled the problems of the post-Napoleonic era, Metternich conducted this orchestra, but Castlereagh played first violin. He rejoiced, as he told his prime minister, Robert Jenkinson, Lord Liverpool, in 1818, in the "new discovery in the European government . . . giving to the counsels of the Great Powers the efficiency and almost the simplicity of a single state."

Crucial to Castlereagh's conception of the European balance of power was the position of the German-speaking lands, which were largely occupied by France throughout the French Revolutionary and Napoleonic Wars but became something of a power vacuum after 1815. (Germany did not become a unified state until 1871.) As a strategically vital crossroads at the center of Europe, blessed with a large population and massive economic resources, the German-speaking lands needed to be strong enough to deter predators but not so powerful as to disturb the European equilibrium. The Congress of Vienna realized these objectives by creating the German Confederation, a loose collection of states that possessed some capacity for collective action, while keeping France and Russia as far away from German territory as possible.

Castlereagh's handling of defeated France was an exemplary lesson in diplomatic tact and moderation. Instead of rubbing salt into French wounds, Castlereagh sought to reintegrate France into the European order, supporting the country's admission to the Concert of Europe in 1818. "It is not our business to collect trophies," he wrote, "but to try . . . [to] bring back the world to peaceful habits." Napoleon himself was mystified at this leniency, and he remarked that Castlereagh had made a settlement little better than he would have received had he lost the war. But time was to prove Castlereagh's wisdom: France went on to partner with the United Kingdom in the containment of Russian expansionism throughout the nineteenth century, and London and Paris—which were at loggerheads for much of the period between 1689 and 1815—have not gone to war since. The Congress of Vienna laid the foundations for an unusually peaceful century on the continent, and the Concert of Europe provided an early blueprint for the League of Nations and, eventually, the United Nations.

Despite Castlereagh's internationalism, he believed in the importance of state sovereignty. In 1815, Tsar Alexander I of Russia formed the Holy Alliance with Austria and Prussia in an effort to propagate conservative values throughout Europe and nip any new flowering of revolutionary zeal in the bud. Castlereagh dismissed the Holy Alliance as "a piece of sublime mysticism and nonsense" and refused to involve the United Kingdom in its projects. In his legendary state paper of May 1820, he went on to reject the Holy Alliance's claim to act "as a Union for the government of the world or for the superintendence of the internal affairs of other states." For Castlereagh, a balance of power, not domination by the great powers, was the proper objective.

A MAN WITH MANY QUALITIES

Castlereagh's moderation was also evident in his policy toward the international slave trade. Although hostile to slavery as an institution, Castlereagh was wary of immediate unilateral action to end the slave trade, as abolitionists such as his fellow Tory politician William Wilberforce demanded. Castlereagh worried that such a move would jeopardize the United Kingdom's relations with its colonies—the loss of the United States was still fresh in people's minds—and "throw a source of wealth into the lap of our enemies, without effecting any one good purpose to the unfortunate objects of our solicitude." He rued the British people's misguided priorities, complaining bitterly about a public that organized meetings "in every small town and village" to discuss the slave trade—a "minor detail," in Castlereagh's view, "compared to the settlement of and adjustment of the equilibrium of Europe."

Castlereagh sought a middle path. A brash British response, he feared, would offend France and the Iberian states, which were still heavily involved in the slave trade, whereas total passivity might allow others, such as the quixotic Tsar Alexander I, to expand their influence in the guise of humanitarian action. After the Congress of Vienna, therefore, Castlereagh continued to refuse demands for immediate military action to disrupt the slave trade and instead worked to secure great-power cooperation on eventual abolition and consensual enforcement.

That faith in diplomacy has made Castlereagh a figure of reverence for noninterventionists and multilateralists ever since. But there was a dark side to his cautious multilateralism: it permitted the sustained traffic of hundreds of thousands of enslaved Africans across the Atlantic in the early nineteenth century. In this regard, it is possible to see a shadow of Castlereagh's legacy in the international community's reluctance to intervene in places such as Bosnia and Rwanda in the 1990s.

Yet as Bew brilliantly illustrates, Castlereagh was no doctrinaire noninterventionist; he also had a more ideological and unilateralist side. When he deemed it necessary, Castlereagh was willing to act alone and unprovoked with overwhelming force. As secretary of state for war in 1807, Castlereagh approved a preventive attack on Denmark merely to stop its fleet from falling into French hands. In addition to capturing the Danish fleet, the Royal Navy's shelling killed thousands of civilians and flattened much of Copenhagen. After the attack, Castlereagh congratulated one of the British commanders for having established "the natural respect that attaches to a vigorous exertion" of power.

His penchant for international cooperation aside, Castlereagh well understood that British influence in Europe depended ultimately on the application of raw military power, both at sea and on land. Beholding the fearsome might of the Duke of Wellington's army in France in 1815, Castlereagh was elated. "What an extraordinary display of power!" he exclaimed. And Castlereagh's delight was well justified, for without these 150,000 British soldiers, who composed a third of the total allied land force in the field against Napoleon, the French would never have been driven out of Spain all the way to the gates of Paris, even as the British-subsidized Austrian, Prussian, and Russian armies approached from the east.

Despite his opposition to the Holy Alliance, moreover, Castlereagh had neither unqualified respect for the internal affairs of other states nor an indifference to contemporary intellectual trends. In fact, he was a deeply ideological man who grappled with the great political and philosophical debates of his age. He was guardedly sympathetic to the French Revolution in its early stages, finding both "much to approve, and much to condemn," but he never veered from feeling "as strongly as any man, that an essential change was necessary for the happiness and dignity of a great people, long in a state of degradation." Nevertheless, he believed in the superiority of Great Britain's constitution and its more judicious pace of political reform. As the French Revolution grew increasingly tyrannical, he defended the British process of gradual change against challenges from reactionaries and revolutionaries alike. As Bew demonstrates, Castlereagh's objection to great-power intervention in other states' domestic affairs stemmed from the fear that it would be applied one-sidedly in favor of conservatism, thus preventing the peaceful evolution of absolutist systems into constitutional ones. If, as Bew rightly claims, Castlereagh believed in "enlightenment grounded in realpolitik," then he also practiced realpolitik grounded in enlightenment.

All these themes came together in Castlereagh's approach to the question of Ireland's future, which dominated his early career (he was born in Dublin) and remained with him until his death. As

the son of a major Presbyterian landowner, Castlereagh was born into the Protestant Ascendancy, which governed the island, in tandem with a British viceroy, through a parliament based in Dublin. (The majority Catholic population was excluded from participation.) As a devotee of the Enlightenment, Castlereagh was familiar with the republican argument for breaking Ireland's connection with Great Britain, and he was a staunch believer in releasing Catholics from the prejudicial and oppressive penal laws. Yet Castlereagh also grasped the bitter reality that the Irish, left to their own devices, would split along religious lines and turn against one another with pikes and pitchforks, as they had during the traumatic rebellion of 1798.

Most important, Castlereagh was determined to keep republican France out of Ireland, which both the French and the Spanish had long considered a backdoor to Great Britain. In his solution to the Irish question, therefore, Castlereagh sought to kill two birds with one stone. On the one hand, in order to mobilize Irish energies for the war against Napoleon, he sponsored the Act of Union between Great Britain and Ireland in 1800. But on the other hand, he pushed for Catholic emancipation, partly to give the Irish majority a greater stake in the new political arrangement and partly to keep them out of the French camp. King George III, however, was a rabid anti-Catholic; he thus frustrated the second half of Castlereagh's plan, and discriminatory legislation against Catholics remained in place for another three decades.

For all the method and rationality in his politics, there was something profoundly unstable in Castlereagh's personality. In 1809, as secretary of state for war, he

became embroiled in a bitter dispute with Canning, the foreign secretary, primarily over where British troops should be deployed to fight Napoleon in Europe. The quarrel grew so contentious that Castlereagh challenged Canning to a duel; in the event, he wounded his colleague in the thigh. Even by the standards of the day, such behavior was eccentric and irresponsible. Likewise, Castlereagh's gruesome and unexplained suicide (by cutting his throat with a razor), in 1822—variously attributed to fear of exposure as a homosexual and simple insanity—is at the very least evidence of an unsettled mind.

TUNING THE ORCHESTRA

Castlereagh's legacy is an ambivalent one. His most famous contribution—the settlement of the Napoleonic Wars and the creation of the Concert of Europe—paved the way for the founding of international bodies such as the League of Nations and the UN. Furthermore, Castlereagh's approval of the preventive strike against the Danish navy in 1807 helped establish a precedent for similar operations in later years, from the British bombardment of the French navy at Mers el-Kébir in 1940 (to stop France's ships from falling into Hitler's hands) to the United States' toppling of Iraqi dictator Saddam Hussein in 2003. Some of Castlereagh's other major decisions, including his opposition to the Holy Alliance and his reluctance to use unilateral intervention to end the slave trade, prefigured the fierce contemporary debates over the limits of national sovereignty and the necessary occasions for humanitarian intervention.

Castlereagh's most important legacy, however, is rooted not in any specific policy but rather in his overall approach to the European order. Castlereagh believed passionately not only that the United Kingdom must play an active role in Europe but also that maintaining a balance of power on the continent was a paramount British security interest. For the sake of this balance, if Castlereagh were alive today, he would strongly support the defense of Poland and the Baltic states against Russian intimidation. There is also no doubt that he would support the EU's Common Foreign and Security Policy, which attempts to rally the continent in support of the collective strategic good.

Above all, Castlereagh would be deeply concerned about the current travails of the eurozone. He would find familiar the role of Germany—weak in his own time, strong today—as the focal point of the whole European system. He would feel vindicated in his view that Europe, or at least the continental part, needed "the efficiency and . . . simplicity of a single state." He might well keep the United Kingdom out of the new fiscal and banking union that German Chancellor Angela Merkel is trying to create, but provided he was satisfied that it posed no threat to British interests—or at least that the dangers posed by chaos in continental Europe were far greater—there is every reason to suppose that he would vigorously support the enterprise.

If today's European leaders want to follow Castlereagh's example, they should remake the eurozone into a single federal state and form a reinvigorated confederation with their British cousins across the channel. And if they can accomplish that, there is a good chance that the present concert of Europe, which has sounded so badly off-key in recent times, can be reborn as a melodious duo.

Outgunned?

A Debate Over the Shifting Global Arms Market

Technology Matters

J. Thomas Moriarty

According to Jonathan Caverley and Ethan Kapstein ("Arms Away," September/October 2012), the United States' domination of the global arms market is disappearing, and as a consequence, Washington is squandering an array of economic and political benefits it has enjoyed as the foremost weapons dealer in the world. They argue that although the U.S. defense industry spent the last decade developing expensive, high-tech systems, such as the Joint Strike Fighter, also known as the F-35, foreign customers actually want cheaper, less advanced weapons. For Caverley and Kapstein, simpler is better.

Even if that were true, it would be a secondary concern. First and foremost, U.S. defense firms need to serve their most important client: the Pentagon. The U.S. military should not have to forgo stealth technologies, for instance, which better protect pilots and allow them to attack complex air defense systems, because the rest of the world is supposedly more interested in old airplanes equipped with outdated technology.

Moreover, the United States' declining market share in recent years is not a result of the Pentagon's pursuing cutting-edge technology, as Caverley and Kapstein argue. The landscape of global arms sales is shifting because medium-sized powers, such as India, South Korea, and Turkey, have enjoyed robust economic growth lately and are using that growth to reduce their dependence on Washington for military technology. Dozens of countries have built their own weapons-manufacturing industries in order to create high-paying jobs, generate profits, and address domestic security concerns, despite the fact that cheaper, more reliable systems are already for sale on the international market.

India, for example, has spent billions developing its own light combat aircraft, the Tejas, even though more economical alternatives are available from foreign sources. And Israel is producing its own precision-guided munitions and unmanned aerial vehicles, even though it could buy U.S. systems at discounted rates. Much of the decline in U.S. arms sales is a byproduct of foreign governments' decisions to do more business at home, not the result of misguided strategy in Washington. As a consequence, the United States should keep doing what it does best: building state-of-the-art weapons equipped with the latest technology.

Caverley and Kapstein point to France's success in selling its Rafale fighter jet in a $11 billion deal with India as proof that states aren't interested in "gold-plated" aircraft. The Rafale is indeed less expensive and less capable than the F-35, but it is by no means simple or cheap. The difference in price is negligible: recent estimates put the flyaway cost of a Rafale at $100 million, whereas the U.S. Government Accountability Office has estimated the F-35's

price tag at around $108 million. India's decision to purchase the Rafale over the F-35 had more to do with geostrategic concerns—such as a desire to avoid an overreliance on U.S. advanced weaponry—than financial or technological considerations.

Meanwhile, France has sold Rafales to just one country. Even if it wins pending contracts in Brazil and the United Arab Emirates, Paris will export only about 200 aircraft. By comparison, ten countries have pledged to buy the F-35 from the United States, and it is also expected to win contracts in Malaysia, Singapore, and South Korea. If all goes according to plan, Lockheed Martin will export at least 500 F-35s in the coming decades.

More misleading than the Rafale example is Caverley and Kapstein's reference to Sweden's Gripen. The Gripen's flyaway cost is only about $60 million, but the plane lacks the advanced capabilities of both the Rafale and the F-35. In the 1980s, Sweden bet that there would be a healthy market for a simple and cheap aircraft, because the United States and western Europe were focusing on expensive, high-tech models. If the Gripen had managed to capture a substantial part of the global combat-aircraft market, it would serve as conclusive empirical evidence that the "simpler is better" strategy works. But Sweden's projected buyers have not materialized: only three countries have purchased the Gripen, together buying about 60 of the planes from Sweden, and another two countries are leasing about 28 additional planes. In fact, the program has been such a flop that Stockholm is now debating whether it should spend several billion dollars more to upgrade the jet's technology. Meanwhile, Lockheed Martin is expected to export more F-35s to more countries and for more profit than sales of the Rafale and the Gripen combined.

Caverley and Kapstein are wise to caution against overindulgence in technology. Cutting-edge weapons systems are difficult to develop, as the case of the F-35 has shown, and this problem is hardly confined to the last decade. But the real dilemma for U.S. defense firms is that because they have become so adept at innovation, military officials are often overly ambitious in what they ask for. The solution is not to produce simpler weapons systems, as Caverley and Kapstein suggest, but rather to rationalize the procurement process so that it leads to useful innovations. Technology gives the United States its competitive edge today, and it will continue to do so in the future. It would be folly for Washington to relinquish its foremost advantage.

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Still on Top

Daniel Katz

Recently, the U.S. arms industry has enjoyed a string of banner years. So it was surprising to read Jonathan Caverley and Ethan Kapstein's claim that Washington has lost its dominance in the global arms market. Reports on conventional arms transfers from the Congressional Research Service contain the best public data on this topic, and the numbers reveal that the authors' core assertion is simply not true.

Some history is in order. In the early 1990s, with the Russian economy in disarray and the Gulf states rearming, the United States' share of the global arms market soared, peaking at 60 percent in 1993. Over the next decade, Russia's defense industry recovered, and Moscow ramped up its arms exports to China and India, whose economies were booming. At the same time, falling oil prices and the Asian financial crisis of 1997–98 took a toll on U.S. allies, and Washington's market share fell to somewhere between 30 and 50 percent. Finally, by 2005, it hit bottom, at 27 percent.

But contrary to what Caverley and Kapstein suggest, since 2007, the United States' market share has increased. As Beijing began illegally copying Russian technology and Washington broke into the Indian market, Moscow's exports declined. Meanwhile, U.S. customers in the Middle East and Asia increased their imports. Over the last five years, the U.S. weapons industry has accounted for 52 percent of global sales; in 2011, the U.S. share reached 77 percent, a record high.

Caverley and Kapstein see signs of dissatisfaction with U.S. weapons everywhere: Saudi Arabia's purchasing the Eurofighter, Pakistan's importing more arms from China, and India's selecting the Rafale. But in truth, none of these decisions stemmed from displeasure with U.S.-made equipment. Riyadh has long maintained defense ties to Europe, and the Eurofighters it purchased are replacing the Panavia Tornado, which is also European. The rest of Saudi Arabia's arms come almost exclusively from the United States, so the Eurofighter deal hardly threatens Washington's position as the kingdom's top weapons supplier.

Pakistan, likewise, has long maintained defense ties with China. In light of the recent tensions in U.S.-Pakistani relations, it should come as no surprise that Islamabad is increasing its imports from Beijing. As for India, seven years ago Washington did almost no business with New Delhi, which at the time purchased almost all its materiel from Russia. But since 2006, U.S. contractors have inked more than $8 billion in weapons deals with India, including for major purchases of aircraft, such as the C-17, the C-130, and the Apache.

Caverley and Kapstein concede that Washington dominates the Middle Eastern market, but they do not fully appreciate the region's strategic importance. If the White House decides it must strike Iran, heavily armed allies in the Gulf will help the United States defend its partners against Tehran's retaliation. The same logic holds true with regard to defending U.S. allies against potential aggression in Asia. Malaysia and Indonesia have purchased fighters from Russia, and Singapore imports ships from France, but the authors neglect to mention that during the last 15 years, Malaysia has bought F-18s, Indonesia has bought F-16s, and Singapore has bought F-15s, F-16s, and Apaches from the United States. In fact, according to the Congressional Research Service, during the last several years, Washington has regained its position as the top weapons supplier to developing countries in Asia.

Controlling 77 percent of the global arms market yields innumerable benefits for the United States: it decreases the costs of equipping American forces, emboldens U.S. allies to stand up to common enemies, and facilitates joint

operations. Although the theme of U.S. decline has gained popularity of late, in the case of weapons sales, at least, the facts do not bear it out.

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The Less, the Better

Lawrence J. Korb

Jonathan Caverley and Ethan Kapstein are correct that lax management and shortsighted decisions in the Pentagon have bloated the U.S. defense budget. But their proposed solution is misguided. Contrary to their argument, flooding the world with more weapons would not serve U.S. security interests.

Caverley and Kapstein fail to note the numerous downsides to Washington's global arms sales. They neglect to mention that the vast majority of the United States' more than 100 customers are developing countries, many of which are headed by authoritarian regimes that are both unpredictable and prone to instability. An unfortunate few, including allies such as Bahrain, are liable to use their American-made weapons against their own people.

Moreover, because the United States now leads the world in arms deliveries by such a wide margin, Washington has little credibility when it chides other governments for transferring weapons to U.S. enemies, such as Bashar al-Assad's regime in Syria. And although many countries buy U.S. arms using their own revenues, about one in every five dollars that Washington earns from arms exports is actually paid for by U.S. taxpayers (via foreign aid programs). That money could be better used to deal with global challenges such as disease, poverty, and malnutrition.

There is a solution on the table. The Arms Sale Responsibility Act, which awaits a vote by the House Committee on Foreign Affairs, would prohibit weapons transfers to countries where there is a substantial risk that the arms could facilitate human rights abuses. As the bill's supporters rightly point out, such a policy not only is morally sound but also would enhance long-term U.S. security strategy, which invariably relies on partnerships that can be undermined by resentment and anger born of shortsighted decisions about arms sales. These long-term concerns, not Washington's share of the global arms market, are what Caverley and Kapstein should be most concerned about.

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Caverley and Kapstein Reply

We appreciate our critics' feedback, but all three responses are deeply misguided, largely because each fails to understand the available data.

J. Thomas Moriarty agrees with our recommendation for a reformed procurement process for U.S.-made weapons systems. But the errors and contradictions underpinning his case make us hesitant to embrace his support. If middle-tier countries are successfully developing indigenous arms industries, why is the

sum of global arms transfers increasing? Moriarty's description of India as a success story only underscores the shallowness of his case. New Delhi's light combat aircraft program, begun in 1983 and still under development, has been an unmitigated disaster, marred by cost overruns and performance failures. And India's inability to develop a domestically produced engine means that the plane will be powered by General Electric. Missteps such as this help explain why India is now the world's largest arms importer.

Moreover, Moriarty's use of flyaway costs to compare the French Rafale and the F-35 is grossly misleading. This metric excludes the F-35's development costs, which will keep rising as technicians continue to refine the aircraft. The Rafale, by contrast, is a largely mature jet. Moriarty's low-ball price tag for the F-35 is based on a projected order of 3,159 planes, a number few believe will actually be realized. A more realistic price is therefore the Government Accountability Office's current F-35 flyaway cost estimate of $154 million per jet. As Moriarty himself states, "If all goes according to plan, Lockheed Martin will export at least 500 F-35s." That is a far lower number than the 716 planes slotted for export in the current plan and considerably less than the 2,000–3,000 originally envisioned. And when it comes to the F-35, little has ever gone according to plan.

Unlike Moriarty, we offer a solid policy recommendation to make the procurement process more efficient. If simply "rationalizing" the process were sufficient, the United States would have fixed its problems decades ago. We do not expect the Pentagon and the defense industry to reform if they do not have

to face the competition that comes from a mandate to export and outperform possible imports.

Daniel Katz's mistaken reliance on arms agreements, rather than arms deliveries, reflects the government complacency we are trying to overcome. The eye-popping sums cover varying numbers of years, frequently get revised downward, and are therefore useless for analyzing trends. Statistics about weapons deliveries provide a more accurate picture, because they are based on actual exchanges of goods and cash. Looking at the data on real transfers, there is clear evidence of a steady decline in the U.S. market share over the past decade.

Furthermore, arms deliveries can be compared with other measures, such as the Stockholm International Peace Research Institute's weapons transfer data, to show that over time, U.S. clients have paid increasingly more for the same capability. This finding—coupled with the fact that, as Katz points out, Washington's share of the global arms market is tightly tied to oil prices—speaks volumes about the United States' Gulf-dependent export model. The current strategy merely ensures plum profits for major U.S. contractors and allows U.S. allies to recycle petrodollars for jets that, given the historically low levels of Saudi and Emirati participation in U.S. military operations, will do little more than gather dust.

If the United States wants to increase its influence in Asia, it should reconsider this approach. In terms of Asian deliveries, U.S. market share has dropped from 27 percent to 24 percent between the periods of 2004–7 and 2008–11. If U.S. grand strategy is really making a "pivot" to Asia, Washington's arms export policy there needs to change.

Lawrence Korb's concern about the proliferation of weapons to undesirable regimes is legitimate. Indeed, that danger served as one of the reasons we wrote our original essay. But instead of cutting exports, the policy we recommend is more likely to keep American weaponry out of the wrong hands.

The Congressional Research Service's data on both deliveries and agreements contradict Korb's assumptions about what types of states buy weapons. Of the world's top ten importers in 2007–11, five were mature democracies. Four of the remaining states—Egypt, Pakistan, Saudi Arabia, and the United Arab Emirates (with China being the lone outlier)—are U.S. allies and do not use U.S.-made weapons to wage civil wars. On the contrary, these states' dependence on imports from Washington constrains their ability to resort to such activities.

We never suggested that the United States should sell weapons to a regime such as Bashar al-Assad's in Syria. However, Assad has bought and will continue to buy weapons from suppliers that do not care how those weapons are used. Our policy objective is to ensure that the large importers, such as those listed above, buy products from the United States rather than China, Russia, or even western Europe. If they do so, the United States can prevent competitors from developing and producing top-of-the-line weapons and selling them to smaller, dangerous rogue regimes.

Recent Books

Political and Legal

G. John Ikenberry

The Great Convergence: Asia, the West, and the Logic of One World
BY KISHORE MAHBUBANI. PublicAffairs, 2013, 328 pp. $26.99.

Mahbubani, a Singaporean scholar and diplomat, came to prominence a decade ago with his book *Can Asians Think?* which warned of a growing cultural and geopolitical divide between the East and the West. In this eloquent and searching portrait of today's transforming global order, he is more optimistic, arguing that the world is only a few steps away from a global governance system that will unite regions, civilizations, and great powers. Behind this "great convergence" is the transformative power of economic modernization and the birth of a global middle class. In Asia alone, 500 million people have recently emerged from poverty, and that number will swell to roughly 1.75 billion by the end of the decade. What Mahbubani finds striking is the consistency of middle-class values and aspirations in disparate settings: most of the world's people live outside of the West, but they increasingly want the same things and embrace the same ideals as people in the West. As Mahbubani might admit, the weak link in this optimist narrative is the actual hard work of diplomacy and the uncertain ability of states to act in their enlightened self-interest.

The End of Power
BY MOISÉS NAÍM. Basic Books, 2013, 320 pp. $27.99.

It has become commonplace to observe that power is shifting: from states to nonstate actors, from institutions to networks, and so on. In this fascinating book, Naím makes the more provocative claim that power is, in fact, declining. Naím focuses on the flagging ability of large organizations—government ministries, corporations, militaries, churches, educational and philanthropic foundations—to get their way. He acknowledges that wealth is now more concentrated than ever in the hands of elites and the institutions they control. But he argues that the ability of elites to use their assets to influence and shape the world has dissipated. This much is convincing, but the argument that power itself is slipping away or disappearing is less so. What Naím shows, rather, is that power now manifests itself in new ways and places. New technologies and novel social groupings have allowed inventors, activists, terrorists, and many other types of people to exercise more influence. Naím might overstate the significance of this change, but his book should provoke a debate about how to govern the world when more and more people are in charge.

Hot Spots: American Foreign Policy in a Post-Human-Rights World
BY AMITAI ETZIONI. Transaction, 2012, 391 pp. $39.95.

Surveying the hardest cases in U.S. foreign policy, Etzioni presents himself

as a sort of referee, clarifying the debates and identifying reasonable paths forward. In this collection, his essays on China are particularly penetrating. Etzioni sees China neither as a great threat to the Western-led global order nor as a reliable stakeholder in that order. China, he argues, is seeking to protect its national autonomy and pursue economic development, making it quite comfortable with Westphalian norms of sovereignty and suspicious of liberal interventionism. In the United States' confrontations with radical Islamist regimes, Etzioni counsels restraint in the hope that moderation will prevail in the end. To address the fiscal and political dysfunctions of the Western postindustrial world, especially in Europe, Etzioni urges a return to the traditions of political solidarity and collective governance within liberal democracies. If there is an overarching theme in the book, it is that the American-led world order is not in upheaval, nor breaking apart into a multipolar system, but rather devolving into more distinct regional groupings. The United States will have less control over events, but no rival state is emerging to impose a new order.

The Opportunity: Next Steps in Reducing Nuclear Arms
BY STEVEN PIFER AND MICHAEL E. O'HANLON. Brookings Institution Press, 2012, 160 pp. $24.95.

Nuclear arms control played an important role in stabilizing U.S.-Soviet relations and ending the Cold War. Negotiations over nuclear weapons reduced the risk of war and also provided a diplomatic framework for managing global affairs. In the last 20 years, however, the nuclear arms control agenda has all but disappeared, even as nuclear weapons have spread to more countries and regions. In this useful little book, Pifer and O'Hanlon call for reviving nuclear arms control, arguing that Washington should build on the 2010 New START agreement, between the United States and Russia, by ending its nuclear testing, engaging Russia on the issue of missile defense, pursuing a moratorium on the production of enriched uranium and fissile material, shrinking its stockpile of nuclear warheads, and bringing other countries, particularly China, into the nuclear arms reduction process. The book makes clear that nuclear arms control is still a core U.S. interest and must be extended beyond the United States and Russia to include newer nuclear states. In a multipolar nuclear era, multilateral arms control will be essential.

Special Responsibilities: Global Problems and American Power
BY MLADA BUKOVANSKY, IAN CLARK, ROBYN ECKERSLEY, RICHARD PRICE, CHRISTIAN REUS-SMIT, AND NICHOLAS J. WHEELER. Cambridge University Press, 2012, 302 pp. $29.99.

The centuries-old Westphalian state system has never resolved the tension between the principle of the sovereign equality of states and the idea that great powers enjoy certain privileges and bear special responsibilities. Here, a team of American and European scholars makes one of the best efforts yet to identify the norms of hegemonic and

great-power responsibility by examining three "problem areas" in contemporary world politics: nonproliferation, climate change, and international financial regulation. They find that problem solving in the post–Cold War international system has been accomplished not by appeals to the sovereign equality of states nor by the outright imposition of order by dominant countries. Rather, states have sought to establish a middle ground, in which the United States and other great powers are given more say over rules and institutions but are expected, in return, to make costly commitments and shoulder disproportionate burdens. It is a classic bargain: great powers are granted the legitimacy to exercise power on the global stage, but the price is a willingness to act—at least at the margins and consistent with their self-interest—for the common good.

Economic, Social, and Environmental

Richard N. Cooper

Is China Buying the World?
BY PETER NOLAN. Polity, 2012, 120 pp. $19.95.

Nolan, a British economist, answers the question in his title with a resounding no. It is true that in recent years China's state-owned enterprises have been engaged in what is often portrayed as an orgy of acquisitions around the world, particularly in the oil and mineral industries. But the author regards China's firms merely as latecomers to the extensive global consolidation of business enterprises over the past two decades. He helpfully documents increased global concentration in numerous industries, from brewing beer to building trucks. The national identity of many global firms has become blurred: headquarters are typically still in one place, but assets, employment, production, and sales are widely dispersed, increasingly to emerging markets. It is against this background that China's foreign investment must be assessed. While that investment has grown rapidly in recent years and many major acquisitions have attracted public attention, in 2009 it amounted to only 1.4 percent of the total direct foreign investments made by the world's rich countries, and two-thirds of it was directed to Hong Kong and Macao. Meanwhile, China remains largely dependent on foreign technology, and only one indigenous Chinese firm, Huawei, has so far made a global impact.

Fiscal Policy to Mitigate Climate Change: A Guide for Policymakers
EDITED BY IAN W. H. PARRY, RUUD A. DE MOOIJ, AND MICHAEL KEEN. International Monetary Fund, 2012, 208 pp. $28.00.

Without taking an institutional position, the IMF has performed a useful service in sponsoring this symposium on the use of fiscal instruments—specifically, a tax on emissions of greenhouse gases, especially carbon dioxide—to mitigate climate change. Such a tax would do so both by discouraging the use of fossil fuels, especially coal, and by encouraging the development of alternative, nonemitting

sources of energy. Drawing on a large body of research on the subject, the contributors contend that such a charge on greenhouse gas emissions would be easily the most efficient measure to address climate change. It would have the additional advantage of generating revenue, which could be used for a variety of purposes: to reduce budget deficits, to lower other taxes, to finance research and development, to fund the development of nonemitting sources of energy, to cushion the impact of higher energy prices on poor people, and to help poor countries reduce their emissions and adapt to the climate change that is already under way. The book is a valuable primer on the merits of such new and socially constructive taxes.

Energy for Future Presidents: The Science Behind the Headlines
BY RICHARD A. MULLER. Norton, 2012, 368 pp. $26.95.

Muller, a physicist, considers the future of energy use in terms of elementary physics (what is technically possible) and elementary economics (how much it will cost). He frames his highly readable book as a series of explanatory memoranda to a hypothetical U.S. president, covering all the proposals currently on the table and some not yet there and acknowledging that his conclusions and recommendations will infuriate some segments of the public. He is impressed by the high energy density and low cost of gasoline in the United States but troubled by the fact that the country needs to import so much crude oil. He is also pleased with the rapid development of shale gas and the bright prospects for shale oil. He urges the president to focus on energy conservation, hybrid cars, synfuels (liquid fuels made from gas or coal), and smart-grid electricity distribution. He also sees potential for wind power, photovoltaics, nuclear power, grass-based biofuels, and methane-based fuel cells. In his judgment, other alternatives—including electric or hydrogen-powered cars and solar thermal energy—cannot effectively compete.

Bull by the Horns
BY SHEILA BAIR. Free Press, 2012, 432 pp. $26.99.

Most history is about what happened and why. An attractive feature of this book about the financial crisis of 2008, written by the chair of the Federal Deposit Insurance Corporation (FDIC) at the time, is that it covers many official responses to the crisis that were considered but not carried out. In explaining why she preferred what happened to what did not happen, or vice versa, Bair has produced a useful, corrective addition to the already extensive literature on the crisis. Unsurprisingly, as the crisis unfolded, Bair wanted to protect the FDIC's funds, which back its guarantees of bank deposits, and she thought that some of the government support to large financial institutions was unwarranted. Her discussion of the practicalities of saving troubled banks is highly pertinent to the debate currently taking place over a possible banking union in Europe.

Global Trends 2030: Alternative Worlds
BY THE NATIONAL INTELLIGENCE COUNCIL. National Intelligence Council, 2012, 137 pp. Free online.

The National Intelligence Council (NIC), the forward-looking think tank of the U.S. intelligence community, has produced its latest quadrennial assessment of global trends, a forecast of how the world might change between now and 2030. It identifies a number of "megatrends" and "game-changers" before concluding with four quite different potential scenarios, thus underlining the inherent uncertainty in predicting the future. The first major trend will be an increase in individual empowerment, stemming from declines in poverty, the growth of a global middle class, and more widely available communications and other technologies, including destructive ones. Second, power among countries will become more diffuse, as emerging markets grow rapidly and many rich countries age and grow slowly. Third, demographic changes will take place slowly but inexorably, since aging in many countries will be accompanied by significant youth bulges elsewhere, urbanization, and major migrations. Finally, as populations grow and increased consumption levels strain existing resources, access to food, energy, and water will become ever more crucial and closely related. The NIC declines to attach probabilities to its various scenarios, but this is nonetheless a thoughtful exercise in futurology.

Military, Scientific, and Technological

Lawrence D. Freedman

The Long Walk: A Story of War and the Life That Follows
BY BRIAN CASTNER. Doubleday, 2012, 240 pp. $25.95.

The Invisible Wounds of War: Coming Home From Iraq and Afghanistan
BY MARGUERITE GUZMÁN BOUVARD. Prometheus Books, 2012, 250 pp. $18.00.

Soul Repair: Recovering From Moral Injury After War
BY RITA NAKASHIMA BROCK AND GABRIELLA LETTINI. Beacon Press, 2012, 174 pp. $24.95.

Three short, sad books report on the effects of war on those who fight. They tell of individuals damaged physically, mentally, and morally by what they have experienced; the guilt they feel over fallen comrades whose deaths they were unable to mourn; families struggling to cope with the depression and desensitization of returning warriors; the apparent indifference and banal preoccupations of the broader society; and the public's failure to respect what veterans have seen and done in the service of their country. Other complaints are also familiar: the military's inadequate preparations for war and inability to grasp alien cultures or the motives of enemies and the lack of physical and mental health care offered to veterans on their return. Among veterans, these costs of war are

reflected in widespread posttraumatic stress disorder (PTSD), alcohol abuse, divorce, and, all too often, suicide. These books rebuke those who wish to present war solely in noble and heroic terms. But they are not, nor do they try to be, balanced themselves: they do not tell the stories of those who have returned relatively unscathed.

Castner commanded an explosive ordnance disposal unit in Iraq. His is the most complete of the stories told here. The style is gripping, and the book is surprisingly informative about the history and practice of bomb disposal, but it is also chaotic, as he moves back and forth between his wartime experiences and his later struggles to cope with PTSD, which he refers to as his "Crazy." The "long walk" of the title is the one Castner had to take many times, donning a heavy Kevlar suit for a personal encounter with a bomb that robots and other arm's-length tools had proved unable to disarm. Challenging in different ways were his visits to the tragic sites of exploded bombs, where Castner had to look for forensic evidence amidst the carnage, always aware that animosity and danger lurked in the watching crowds. This sense of danger continues to grip him during the prosaic routines of his life back home and is eased only by intensive running or yoga.

Women have long found themselves grieving for the dead and caring for the wounded during and after war, but Bouvard's book reminds readers that as more and more women become war fighters themselves, they, too, face danger and see horrors, often with the added burdens of sexual harassment and worse at the hands of their fellow warriors—burdens aggravated by official indifference. What's more, on their return, the same women are expected to resume their roles as wives and mothers, as though they are unaffected by what they have been through.

Brock and Lettini focus on the moral injuries and crises of conscience caused by the gap between the patriotic urges and strong convictions that lead people to join the ranks during wartime and the realities of what they find, including cruel and unjust acts committed by their own side. Brock and Lettini's book movingly profiles four veterans as they enlist, experience war (two in Vietnam and two in Iraq), and then come home. One of those, a former U.S. Marine captain and Vietnam veteran, Camillo "Mac" Bica, observes that no one truly recovers from war. As he puts it, "The best that can be hoped, I think, is to achieve a sort of benign acceptance." The question raised by Brock and Lettini is how much a belief in the justice of the cause and how much the way the war is fought make a difference to the feelings of those who fight.

Over the Horizon Proliferation Threats
EDITED BY JAMES J. WIRTZ AND PETER R. LAVOY. Stanford University Press, 2012, 328 pp. $95.00 (paper, $29.95).

Sanctions, Statecraft, and Nuclear Proliferation
EDITED BY ETEL SOLINGEN. Cambridge University Press, 2012, 402 pp. $99.00 (paper, $32.99).

Wirtz and Lavoy assembled top experts to consider which countries might go nuclear next. They do not dwell on the

usual suspects but instead examine a number of unlikely prospects, such as Indonesia, Myanmar (also called Burma), Saudi Arabia, and Vietnam, and some that were once believed to be on the verge but are no longer, such as Argentina and Brazil. Warning lights do not really flash in any of these cases, although the Middle Eastern and Asian examples do indicate the problems that could develop if the United States were perceived to be withdrawing from its established security commitments. Later chapters look at the policy options available for heading off proliferation. The 1970 Nuclear Nonproliferation Treaty remains the centerpiece, but there are a variety of other means for warning would-be proliferators that they could struggle to realize their ambitions, and there are also positive inducements to persuade countries to forego nuclear arms.

Such efforts to coerce or cajole are the subject of Solingen's collection. To what extent did the nuclear disarmament of Iraq and Libya depend on the pressure and practical consequences of economic sanctions? Why have Iran and North Korea not buckled under pressure? The analyses contained in the book are underpinned by considerable conceptual innovation and methodological rigor, leading to a number of sharp insights—but no firm conclusions. Solingen's team makes the case for using both sticks and carrots but notes that positive incentives are harder to design. Moreover, for sticks and carrots to complement each other, what is required is not only a great deal of diplomatic choreography but also an understanding of their impact on the domestic politics of would-be proliferators.

Into the Desert: Reflections on the Gulf War
EDITED BY JEFFREY ENGEL.
Oxford University Press, 2012,
240 pp. $29.95.

It is unlikely that a book of essays published under the auspices of the Scowcroft Institute of International Affairs would be excessively critical of U.S. conduct during the 1990–91 Gulf War, during which Brent Scowcroft served as national security adviser. And indeed, at least one of the contributions falls prey to the temptation of complacent justification of the war leadership of Bush père at the particular expense of Bush fils more than a decade later. But the others are appropriately judicious, complex, and ambivalent. In retrospect, the war was far less the definitive and smashing success the administration claimed (and some of its former members still believe it to have been) and more a gateway to a different set of problems Saddam Hussein posed. Most college students today were not even born when the Gulf War occurred: this book is a good way of helping them think about what it meant.

ELIOT A. COHEN

The United States

Walter Russell Mead

Barack Obama: The Story
BY DAVID MARANISS. Simon and Schuster, 2012, 672 pp. $32.50 (paper, $18.00).

The Obamians: The Struggle Inside the White House to Redefine American Power
BY JAMES MANN. Viking, 2012, 416 pp. $26.95 (paper, $17.00).

Obama and China's Rise: An Insider's Account of America's Asia Strategy
BY JEFFREY A. BADER. Brookings Institution Press, 2012, 188 pp. $26.95.

The Oath: The Obama White House and the Supreme Court
JEFFREY TOOBIN. Doubleday, 2012, 352 pp. $28.95.

Obama's America: Unmaking the American Dream
BY DINESH D'SOUZA. Regnery, 2012, 272 pp. $27.95.

Students of American politics in search of clues about what President Barack Obama's second term will look like can consult a growing body of literature about his personal and political path.

Nobody has ever called someone a serial fabricator more politely than Maraniss does in his sympathetic but clear-eyed and deeply researched book into Obama's early life. The accuracy of the president's two autobiographical books comes under heavy fire; the president's memory appears to be a creative and inventive force. But the

"real" Obama whom Maraniss describes is ultimately a reassuring presence; Obama's political talent developed in unlikely ways as young "Barry" struggled to make sense of the multiracial, multicultural world into which he was born. Maraniss delves into the lives of Obama's ancestors in both Kenya and Kansas, and as a result, he deepens the reader's understanding not only of the president but also of the ways in which globalization is changing and challenging traditional cultures in Africa—and in the United States, too. At a time when hereditary elites and a political establishment appeared to have turned U.S. presidential politics into a dynastic rivalry, Obama's rise shook up the establishment and pushed the United States into a new era. Maraniss' book helps the reader understand that achievement and its importance.

If Obama's story reflects the dramatic ways in which the world has changed, it is reasonable to wonder how his presidency itself might contribute to those transformations through its approach to foreign policy. Mann's book, a portrait of Obama's foreign policy team, presents a group divided in two, with a group of older figures haunted by the Vietnam War and its effects on Democratic Party and national politics and a group of younger players (including the president) for whom the wars in Indochina are ancient history. Mann argues that even more than coping with the legacy of President George W. Bush and his "war on terror," the primary aim of the Obama administration is to erase the political advantage on national security issues that the Republican Party has enjoyed since the Reagan era. Mann's assessment of the administration's actual policies is balanced and nuanced, and readers looking for clues about the next four years will find much to consider in this brisk and well-crafted account.

Perhaps the most significant of those policies, at least so far, is Obama's "pivot" to Asia. Bader served as senior director for East Asian affairs at the National Security Council from 2009 until 2011 and has written the first insider's report on this important and underreported shift. His book suffers from the flaws that affect most such works by midcareer officials: it is discreet in all the wrong places, it settles bureaucratic scores in elliptical ways, and it tries slightly too hard to put the policies under question in the best possible light. But unlike many of these often-forgettable works, Bader's memoir offers genuine insights into some important decisions. The U.S. focus on the Middle East during the Bush years left U.S. allies in Asia unsure about the Americans' willingness and ability to protect them. At the same time, a triumphalist Beijing jettisoned its "peaceful rise" approach, and China increasingly sought to pressure its neighbors into more accommodating postures. The Obama administration has taken on the delicate and difficult task of restoring balance to the region, attempting to check Chinese assertiveness without stumbling into an awkward containment policy against Beijing. The jury is still out on whether this policy is working, but Bader's thoughtful account of its early stages should be required reading for anyone seriously interested in U.S. policy in the Pacific.

The renewed focus on Asia aside, many observers have remarked that the most striking aspect of Obama's foreign

policy is, in fact, its overall continuity with the approach of the Bush administration. It is certainly true that during the past four years, the most dramatic changes were on matters of domestic policy—and none was more dramatic or fraught than the arrival of Obamacare. Indeed, the most important victory Obama won in his first term was the 5–4 Supreme Court decision affirming the constitutionality of his health insurance reforms. With that vote, the administration entered history, having accomplished the kind of large-scale overhaul that had eluded presidents since the Truman era. Toobin, a strong opponent of what he sees as a conscious and deliberate Republican strategy to politicize the Supreme Court, tells the story of the Court's lurch to the right under Chief Justice John Roberts and argues that Roberts' vote to uphold Obamacare represented the triumph of a long-term conservative judicial strategy over a short-term political one. By affirming the health-care law, Toobin suggests, Roberts could protect the Court against the perception that it had become a partisan Republican tool, even as he and his allies continued to move the Court to the right. That is a plausible interpretation of what happened. Yet readers might consider a simpler explanation: facing the most important legal issue in a generation, the chief justice of the United States rendered an honest and impartial decision based on his understanding of the facts and the law in the case. That interpretation would not preclude an awareness on Roberts' part of the consequences of his ruling; as Chief Justice John Marshall understood, sometimes integrity is the subtlest and most effective strategy of all.

Obama's string of political victories has left his opponents off balance; D'Souza's attempt to grapple with Obama's success illustrates why. Although the conservative writer and filmmaker can be sharp, the heart of his book is an intellectual mistake: he fails to understand the role of liberal optimism in Obama's politics. D'Souza looks at Obama's affinities with some "anti-colonial" and "anti-American" figures and notes, correctly, that the president has a long record of sympathy for the aspirations of those inside and outside the United States who have not had the opportunity to share in the material abundance of the American dream. But D'Souza almost hysterically exaggerates the influence of some of these figures: for example, contrary to D'Souza's claims, Obama was never close to the Palestinian American scholar Edward Said, and Obama's views on Israel were clearly influenced more by liberal American Jews than by Palestinian activists. D'Souza fails to see the importance of Obama's belief that the relationship between "the system" and those it excludes is not zero-sum. Obama believes that with the right policies, the energy and dynamism of capitalism can help the poor. Unlike much of the global left, he does not see a contradiction between American power and a just world order. He believes that properly employed, American power can and should advance such an order, and he wishes to conserve that power precisely because he wants to use it to make the world a better place. D'Souza seems not to grasp just how mainstream and characteristically American this optimism is. Besides, the question to be answered in Obama's second term is not whether the president's philosophy is rooted in the American

political tradition but whether it can provide Obama with the intellectual and political resources he needs to meet the challenges of these interesting times.

Western Europe

Andrew Moravcsik

The Politics of Precaution: Regulating Health, Safety, and Environmental Risks in Europe and the United States
BY DAVID VOGEL. Princeton University Press, 2012, 332 pp. $39.50.

From 1960 to 1990, the United States led the world in rigorous health and safety regulations. European states struggled to catch up, often opposing regulatory protections. Around 1990, these roles were reversed. Today, Europeans enjoy the cleanest air, water, and land; the most natural food; the safest drugs and cosmetics; and the greatest commitment to a sustainable global environment. In Vogel's words, the EU has become a "global regulatory hegemon," driving corporate standards even in China and other far-flung jurisdictions. What explains this switch? In this engaging book, Vogel argues that extreme conservatives in the United States have brought regulatory innovation to a standstill, aided by decentralized and gridlocked U.S. political institutions. In Europe, by contrast, a more moderate consensus and centrist parliamentary systems maintain support for regulation, which the EU policy process tends to spread uniformly throughout the continent. This book might not be the final word on this fascinating subject, but it should be required reading for businesspeople, officials, and citizens interested in the role of government in the modern world.

The Sleepwalkers: How Europe Went to War in 1914
BY CHRISTOPHER CLARK. HarperCollins, 2013, 736 pp. $29.99.

This compelling examination of the causes of World War I deserves to become the new standard one-volume account of that contentious subject. Clark, a history professor at Cambridge University, concedes the importance of basic structural causes, such as rigid alliance commitments; the temptations of preventive war on a rapidly growing, militarized continent; and the peculiarities of authoritarian decision-making. Yet he believes that such forces alone cannot explain the war and might just as likely have led to peace. He argues that war emerged from a complex conjunction of factors, each of which was far from inevitable and in many cases even improbable, often because it involved decision-makers who behaved less than fully rationally. They indulged in illusions of power, stereotypes about their enemies, and outmoded conceptions of sovereignty; they succumbed to the demands of transient domestic coalitions; and they misperceived their surroundings, sometimes for no good reason. In all of this, such leaders were "sleepwalkers," generally unaware of the horrific consequences of the war they were about to unleash. This interpretation not only captures trends in

modern historiography on the Great War but also highlights striking similarities with (and a few differences from) the decision-making in contemporary conflicts.

Mapping the Extreme Right in Contemporary Europe
EDITED BY ANDREA MAMMONE, EMMANUEL GODIN, AND BRIAN JENKINS. Routledge, 2012, 344 pp. $150.00 (paper, $49.95).

There has been much written about the extreme right in Europe in recent years. The contribution this book makes is its analysis of specific movements in several dozen Europeans countries. Although the academic prose style and the authors' pursuit of personal research agendas are occasionally self-indulgent, an intriguing common theme emerges. Simply put, the extreme right seems to enjoy a position in European life that is more than the sum of its contradictory parts. European right-wing parties are in fact surprisingly fragmented, disagreeing over almost everything except ultranationalist sentiments and xenophobic opposition to non-European immigrants. The parties often change their views. They differ across countries, and labels fail to capture their beliefs. Still, although almost all of them are politically weak, they sometimes manage to force other parties to strategically adopt some of their positions. And although many of them appeal to atavistic notions of tradition, they are all quintessentially modern, skillfully exploiting the mass media to bolster their images and using the Internet to assist one another.

The Crisis of the European Union: A Response
BY JURGEN HABERMAS. Polity, 2012, 120 pp. $19.95.

Europe's most eminent public intellectual, the German social theorist Habermas, here addresses the most important problem facing the continent: the legitimacy of European integration. The EU is more than a classic international organization subordinate to its member states, yet less than a state with a monopoly of coercive force and a cohesive political identity. Many believe that Europeans are thereby saddled with a perpetual "democratic deficit." Habermas disagrees, arguing that the EU permits its member states to better govern their societies in the face of globalization, thereby expanding, rather than shrinking, genuine democratic control. This works as long as its members share common democratic values and as long as the right to final legal adjudication lies with national, rather than EU, constitutional courts. This is a surprisingly conservative vision. On the question of the current euro crisis, Habermas is more radical, favoring electoral reforms that he believes would enhance participation and deliberation. Europeans might thus come to realize that a fairer distribution of the gains from monetary integration is consistent with their values and interests. Wishful thinking, perhaps; still, this slim volume is crucial for understanding how influential Europeans are reflecting on their predicament.

Europe's Unfinished Currency: The Political Economics of the Euro
BY THOMAS MAYER. Anthem Press, 2012, 272 pp. $26.95.

Debates over the future of the eurozone have become polarized around two unrealistic alternatives: the formation of a political union and the breakup of the eurozone. Mayer suggests a middle path, arguing that European governments must avoid unlimited commitments to fiscal transfers and centralized control in favor of limited cooperation to construct a minimal regulatory framework. The European Union should move toward creating a banking union, he argues, in which the European Central Bank would increase its role in banking supervision and act as a lender of last resort to banks troubled by liquidity problems. Yet the EU cannot and should not handle its member states' fundamental solvency issues, particularly their sovereign debts, not only because the EU lacks a democratic mandate but also because this would undermine the European Central Bank's proper goal of price stability. One implication of Mayer's argument is that the eurozone is likely to shrink and some national currencies will likely reemerge in Europe. In Germany, with its emphasis on financial rectitude and price stability, this view is widely held, although mostly behind closed doors. Given Berlin's key role in European monetary decision-making, this vision is probably more realistic than other, more widely discussed scenarios.

Western Hemisphere

Richard Feinberg

The Fire Next Door: Mexico's Drug Violence and the Danger to America
BY TED GALEN CARPENTER. Cato Institute, 2012, 308 pp. $24.95.

The Drug War in Mexico: Confronting a Shared Threat
BY DAVID A. SHIRK. Council on Foreign Relations, 2011, 56 pp. Free online.

Carpenter bases his sharp criticism of current U.S. counternarcotics policies not on libertarian principles relating to consumer choice (as one might anticipate from a senior fellow at the Cato Institute) but rather on pragmatic grounds: four decades of the "war on drugs," as Carpenter demonstrates, have clearly failed to stem the drug trade, while horrendous collateral damage continues to mount. The United States' get-tough, penalty-based law enforcement approach fails for the obvious reason that repressing the market for drugs only raises prices and profits for criminal cartels. Carpenter rejects the hysteria that often accompanies this topic. Although worried by recent trends, he is not persuaded that Mexico is a "failed state" or that there has been a significant spillover of drug-related violence from Mexico into the United States. Unwaveringly clear-eyed, Carpenter dismisses "bogus solutions," such as programs to reduce the demand for drugs in the United States, efforts

to stem arms trafficking to Mexico, or plans to seal the border, as not realistic or beside the point. He wants the U.S. government to deprive the cartels of revenue by legalizing the manufacture, sale, and possession of illegal drugs, steps that would conserve law enforcement resources and also generate significant revenue for the government.

Shirk's report shares many of Carpenter's critical assessments, although his policy recommendations are not quite as bold. As Shirk puts it, "Over the last four decades, the war on drugs has lacked clear, consistent, or achievable objectives; has had little effect on aggregate demand; and has imposed an enormous social and economic cost." He agrees with Carpenter that the United States could do much more to bolster the dysfunctional Mexican judicial system and combat the recruitment efforts of drug cartels by fostering alternative opportunities through development assistance for at-risk Mexican regions. Shirk is more inclined to try to reduce arms smuggling and illicit drug consumption and to seek more effective interdiction methods. But he, too, advocates a dramatic shift in U.S. policy, urging the federal government to allow states to experiment with alternative approaches to reducing the harm caused by drugs, including by fully legalizing marijuana. In Shirk's view, the primary metric of policy success should shift from the amount of drugs seized to reductions in the level of drug-related violence.

From the Great Wall to the New World: China and Latin America in the Twenty-first Century
EDITED BY JULIA C. STRAUSS AND ARIEL C. ARMONY. Cambridge University Press, 2012, 236 pp. $38.99.

This compendium of sophisticated essays probes the rapidly evolving economic, diplomatic, and ideological links between China and Latin American countries. There is no single takeaway, but the thoughtful commentaries collected here note a number of opportunities to be seized and potential dangers to be averted. Striking an optimistic note, Enrique Dussel Peters imagines collaboration between China and Mexico in manufacturing hybrid and electric vehicles for sale throughout North America. Adrian Hearn draws attention to the Chinese diaspora living in Cuba and Mexico, speculating that its members could help broker transpacific cooperation. Particularly interesting is Ruben Gonzalez-Vicente's mapping of Chinese mining investments in Ecuador and Peru, where, rather than being the instruments of orchestrated Chinese diplomacy, Chinese firms are pursuing their individual commercial interests. Other essays examine Chinese perceptions of Latin America. Official Chinese state rhetoric praises Latin American progress, but some Chinese persist in viewing Latin America in utterly negative terms. Chinese "leftists" continue to romanticize the egalitarianism of Che Guevara, just as Chinese "globalists" criticize contemporary Cuba for the slow pace of its economic reforms.

Purpose: An Immigrant's Story
BY WYCLEF JEAN WITH ANTHONY BOZZA. HarperCollins, 2012, 288 pp. $26.99.

The rapper and hip-hop producer Jean recounts vivid, laugh-out-loud stories of his boyhood growing up poor in rural Haiti, then immigrating to the mean streets of Brooklyn's public-housing projects. Popular music was his escape from crime and discrimination, often at the hands of black Americans. Jean's hybrid musical style mixes Caribbean rhythms, gospel sermons, jazz, rock, and hip-hop but avoids glorifying "gangsta" violence. In his memoir, 'Clef (as he calls himself) comes off as energetic, entrepreneurial, brash, cocky, and self-promoting, repeatedly admitting moral missteps, as though his confessions absolve him of his sins. In many ways, the book is a get-even shot at his former lover and musical collaborator Lauryn Hill, who related her thoughts about their relationship on her acclaimed 1998 album, *The Miseducation of Lauryn Hill*. Jean fleetingly ran for president of Haiti but now supports his fellow musician Michel Martelly, the current president. Perhaps artistic license accounts for the contradictory statements that appear on page after page of Jean's book, such as his concession that there was some mismanagement of the now-shuttered charity fund he established to benefit Haiti, an admission followed by his confusing assertion that "the media didn't find anything wrong with our tax situation" even though "we were behind on our payments for a few years."

In the Wake of War: Democratization and Internal Armed Conflict in Latin America
EDITED BY CYNTHIA ARNSON. Stanford University Press, 2012, 320 pp. $65.00 (paper, $24.95).

Examining the cases of Colombia, El Salvador, Guatemala, Haiti, Mexico, Nicaragua, and Peru, the contributors to this timely edited volume explore how societies undergoing democratization in the aftermath of civil war can become mired in violent crime, poor governance, and illiberal political cultures. Despite the diversity of contexts among the seven cases explored, a similar dynamic appears in all of them: a history of political exclusion motivated armed actors and fueled wars that, in turn, limited the ability of the government to deliver basic services and weakened state institutions; this weakness hobbled postwar democratization processes intended to ameliorate the political exclusion that was so often at the root of the original violence. Corruption and a lack of basic security undermined public faith in democratic institutions, allowing for the rise of leaders with authoritarian tendencies. State-building projects promoted by international actors, such as truth-and-reconciliation commissions to address human rights abuses, have produced mixed results. By detailing the structural factors that have affected the prospects for democracy in these war-torn states, this book should be of keen interest to observers of postwar societies and democratization both within Latin America and beyond.

YUHKI TAJIMA

Eastern Europe and Former Soviet Republics

Robert Legvold

Capital, Coercion, and Postcommunist States
BY GERALD M. EASTER. Cornell University Press, 2012, 248 pp. $75.00 (paper, $26.95).

"The revenue of the state," as Easter quotes the political theorist Edmund Burke, "is the state." Or, to put it more directly, the state is coercion in pursuit, one hopes, of the public good, and coercion requires financing. The way capital and coercion intersect constitutes the core of Easter's explanation for why and how some postcommunist countries emerged with a "contractual" state and others with a "predatory" one. The first type, exemplified by Poland, checks the power of political leaders, disciplines the state's use of coercion, protects private property, and diversifies wealth. The other type, illustrated by Russia, unfetters the arbitrary power of political leaders, indulges their use of coercion, blurs the line between public and private, and plays fast and loose with wealth and property. Whether a state follows the path to one type or the other depends heavily on the outcome of battles over taxation, Easter contends in this lucid, well-argued book. Tracing the complex interplay among politicians, bureaucrats, corporate interests, and labor in the struggle to shape the state's capacity to finance itself is no simple task, and Easter does it deftly.

Edge of Empires: A History of Georgia
BY DONALD RAYFIELD. Reaktion Books, 2012, 512 pp. $55.00.

If any small slice of the globe matches the complex history of the largest and oldest countries, it is Georgia. For more than a millennium, a territory smaller than the U.S. state of the same name suffered a dizzying swirl of invasions as Cimmerians, Scythians, Greeks, Seleucids, Romans, Seljuks, Persians, Ottomans, and Russians battled for some or all of its land. These struggles with outsiders began centuries before the birth of Jesus and continued through the Russian war with Georgia in August 2008, and they were accentuated by near-constant warring among the separate dynasties that ruled Georgia's different regions during the long periods when the country was not united. Rayfield reconstructs every step of the way in often punishing detail. The onslaught eases and the reading becomes more rewarding when he gets to Georgia's "Golden Age" (1089–1213), under the reigns of David IV and Queen Tamara. His treatment of the turbulent eighteenth and nineteenth centuries, when the violent dance among the Ottomans, the Persians, and the Russians ended with Georgia's incorporation into the Russian empire, is particularly masterful. Sections on the country's more recent history, while efficient, are brief and less probing.

Former People: The Final Days of the Russian Aristocracy
BY DOUGLAS SMITH. Farrar, Straus and Giroux, 2012, 496 pp. $30.00.

In nineteenth-century Russia, it was possible for a single family to own

300,000 serfs and 1.9 million acres of land. Those were among the privileges enjoyed by the Sheremetev family, who consorted with the tsars and could trace their ancestry back to the boyars of the sixteenth century. They were at the top of the 100 families of the Russian nobility, the 1.5 percent of the population that dominated society. Smith, with a sure hand and graceful prose, traces what happened to them and to another illustrious family, the Golitsyns, during and after the 1917 revolution. Their fates were more complex than one might imagine. Nearly all perished, but in different times and circumstances. Some fell victim to the chaos and violence of the early years of Bolshevik rule. Others survived until the late 1920s but were shunted into cramped corners of their former mansions and reduced to menial labor. Still others were eliminated in Stalin's Great Purge of 1937–38. A very few lived out their lives in Paris, Southern California, or the post-Stalin Soviet Union. "Former people" was the official label applied to Russia's decimated nobility. Smith re-creates what they experienced with an intimacy that brings the whole history of these years vividly and grotesquely alive.

Deception: The Untold Story of East-West Espionage Today
BY EDWARD LUCAS. Walker and Company, 2012, 384 pp. $26.00.

Spy stories always fascinate, and Lucas has real ones to share. They center on the activities of a group of ten Russian spies in the United States whose discovery in 2010 created a media sensation. The tabloids were especially keen on Anna Chapman, a comely redhead who emerged as a pop-culture sex icon after she returned to Russia, along with the rest of the group, as part of a spy swap. Lucas also tells the more dramatic but less sensationalized tale of Herman Simm, an Estonian ex-policeman who later became the keeper of Estonia's top military secrets—and a Russian agent, until he was arrested by Estonian authorities in 2008. Simm prospered less in his post-spying career than Chapman did; he was convicted of treason and wound up in a Tartu prison. Lucas plugs this material, together with an interesting chapter on contemporary spycraft, into a fevered portrait of Vladimir Putin's Russia as a state thoroughly controlled by the successor agencies of the KGB, which are hell-bent on "rigging" the decision-making of U.S. and European policymakers, disrupting their alliances, and murdering the Russian regime's opponents.

Isaac's Army: A Story of Courage and Survival in Nazi-Occupied Poland
BY MATTHEW BRZEZINSKI. Random House, 2012, 496 pp. $30.00.

This is a story of heroism nonpareil, a heart-stopping account of the roughly one thousand young Polish Jews who, during the 1940s, organized violent resistance against the German ravaging of the Warsaw ghetto, a walled-off area "roughly the size of New York City's Central Park" into which the Nazis squeezed nearly all of Warsaw's 400,000 Jews. The Isaac of the title is Isaac Zuckerman, the young Polish-Lithuanian Zionist who willed into existence the Jewish Fighting Organization (ZOB).

Although little more than a small band of lightly armed conspirators, in April 1943, the ZOB trapped in fiery carnage the German SS units dispatched to carry out murderous deportations of the Jews. That assault and the supporting role the ZOB played in the 1944 Warsaw Uprising were the most dramatic moments of the five harrowing years the group spent fighting the Germans. Brzezinski narrates the group's feats in pulsating detail by following every step of a half-dozen principal members. Zuckerman died in Israel in 1981, having successfully arranged the passage to Palestine of 115,000 Polish Jews in the late 1940s despite British immigration obstacles—with Stalin's apparent assistance, ironically enough.

Forging Rights in a New Democracy: Ukrainian Students Between Freedom and Justice
BY ANNA FOURNIER. University of Pennsylvania Press, 2012, 232 pp. $59.95.

The character of the civic values embraced by the generation born after the collapse of the Soviet Union has obvious importance in understanding the prospects of post-Soviet societies. Fournier, an anthropologist, spent the turbulent year of Ukraine's 2004 Orange Revolution observing and interacting with teenagers and their teachers in two Kiev high schools, one public and one private. Depending on how much weight one places on the voices of 182 students and 43 teachers and administrators, the impression one gets is of a generation of young people with ideas that are inchoate and rather jaundiced, but at some level hopeful, in the hands of many teachers who miss the docile classrooms of the Soviet era and whose pedagogy favors rote memorization over the encouragement of independent thinking. If these young people manifest a pubescent cynicism, a sense of voicelessness in their education, and a personal style mimicking the gangster element in contemporary Ukrainian culture, it just might have something to do with the society in which they live.

Middle East

John Waterbury

Brokers of Deceit: How the U.S. Has Undermined Peace in the Middle East
BY RASHID KHALIDI. Beacon Press, 2012, 208 pp. $25.95.

Pathways to Peace: America and the Arab-Israeli Conflict
EDITED BY DANIEL C. KURTZER. Palgrave Macmillan, 2012, 240 pp. $30.00.

In Khalidi's view, the limits of the Israeli-Palestinian peace process were established in 1978, when Israeli Prime Minister Menachem Begin laid down markers for the Camp David negotiations. Ever since then, the United States, although occasionally tempted to stray from these rules, has carefully adhered to them and sometimes argued for them even more strenuously than the Israelis. The rules forbid sharing control of Jerusalem, allowing the return of Palestinian refugees driven from their

homes during the Arab-Israeli wars of 1948 and 1967, and granting the Palestinians sovereignty over the occupied territories and their inhabitants. Khalidi argues that the Madrid conference of 1991, the Oslo process of the 1990s, and U.S. President Barack Obama's peace initiative of 2009 were integral parts of a joint U.S.-Israeli strategy to buy time for the Israelis to expand their settlements in the West Bank and sever East Jerusalem from the Palestinian hinterland. Saudi Arabia could have anchored an Arab counterweight but has acquiesced to the status quo out of concern for its own security. Khalidi's book is as despairing as it is short; he sees no way out.

Kurtzer's collection tries valiantly to pierce Khalidi's gloom. The contributors are mostly veterans of the peace process. They believe in the two-state solution as the least bad alternative to the status quo. They recognize that the odds are against such an outcome but argue that U.S. interests will suffer if the United States does not engage in the effort—at the level of the president, or at least the secretary of state, as Aaron David Miller argues in his essay. But the contributors do not agree on how to reach a viable two-state solution, and most important, they fail to identify how U.S. interests would be harmed by continuing business as usual. They do not address the one-state solution at all, not even to dismiss it. Consequently, one cannot suppress the image of a horse frolicking on a distant hill as these authors ponder an open barn door. Each contribution, however, is full of the wisdom of experience. Marwan Muasher, a former foreign minister of Jordan, emphasizes the need to seek a comprehensive settlement involving all of Israel's Arab foes. Robert Malley, who served as a special assistant to U.S. President Bill Clinton, stresses that the Oslo process was too focused on solving the problems created by the 1967 Six-Day War, ignoring the deeper problems caused by the 1948 Arab-Israeli war. Samih Al-Abid and Samir Hileleh, experts on Palestinian economic development, suggest a possible reciprocal recognition, in which Israel would accept the Palestinians' right of return and, in exchange, the Palestinians would acknowledge the Jewish nature of Israel. Needless to say, it is doubtful that any current Israeli, Palestinian, or American leaders would find this proposal persuasive.

Israel's Security and Its Arab Citizens
BY HILLEL FRISCH. Cambridge University Press, 2011, 228 pp. $90.00.

Frisch usefully brings international relations theory to bear on the question of Israel's policies toward its Arab citizens. His conclusions are hardly surprising. Israel's strategic concerns about its Arab neighbors reflect back (negatively) on the minority Arab population within Israel. Israel's first prime minister, David Ben-Gurion, considered the Israeli Arabs to be a fifth column; Frisch believes that some portion of the community fits that description today, as well. Any meaningful dialogue between Jewish and Arab Israelis is stymied by Jewish insistence on loyalty to the Zionist state and dismissal of the Arab view of Israel's creation as a *nakba* (catastrophe) for Arabs and by Arab calls to transform Israel into a binational state. Frisch views the latter as a recipe for failure, citing the precedents of Cyprus and Lebanon. He notes an

interesting tension: on the one hand, Israel's economic liberalization and relatively liberal judiciary allow for some loosening of the screws on Israeli Arabs; on the other, the country's "deteriorating" geostrategic position leads to their tightening. Frisch concludes that compared with minorities in other ethnonational conflicts, the Israeli Arabs do relatively well. But that will be scant comfort to members of that community.

Going to Tehran: Why the United States Must Come to Terms With the Islamic Republic of Iran
BY FLYNT LEVERETT AND HILLARY MANN LEVERETT. Metropolitan Books, 2013, 496 pp. $32.00.

The Leveretts, former U.S. National Security Council staffers, argue that the Islamic Republic is a powerful, rational actor in the Middle East. In their view, it enjoys political legitimacy internally and is faithful to its constitution and accountable to its people. It is also the main impediment to the United States' hegemonic dominance in the region. Iran's nuclear program aims to force the United States to deal with it on an even footing. The Islamic Republic has sought a grand bargain but has been repeatedly rebuffed by Washington, which is intent on regime change. The Leveretts conclude that the United States needs a "Nixonian moment," in which Washington would seek strategic accommodation with Tehran, as it did with Beijing. The argument has merit, but the authors overargue it, straining the reader's credulity. To the Leveretts, the Iranian regime and its supreme leader are models of good political practice. They report unblinkingly that the establishment of the Islamic Republic was approved by 98 percent of voters in a 1979 referendum. They dismiss as groundless the allegations of fraud in Iran's 2009 presidential election. They insist that Iran's regional posture is purely defensive. Most telling, the Leveretts' list of those who get Iran wrong, from neoconservatives to liberal internationalists, leaves out almost no one except themselves.

Asia and Pacific

Andrew J. Nathan

Tombstone: The Great Chinese Famine, 1958–1962
BY YANG JISHENG. Farrar, Straus and Giroux, 2012, 656 pp. $35.00.

A growing scholarly literature has left no doubt that the greatest famine in history, with a death toll of around 36 million Chinese, was caused not by natural disasters but by excessive state levies ordered by Chairman Mao Zedong. But in China, these facts remain officially taboo. For Yang, a journalist and one-time believer in Mao's utopian vision, discovering the truth was a personal quest. This long book is an abridgement of an even longer work in Chinese that Yang intended as a memorial for his father and other victims. He fills it with hundreds of names of victims that he discovered in local archives during years of travel and research and with the stories of how they died. His painful

account reveals the cruelties ordinary people are capable of when they are pitted against one another for survival. Yang discovers that among famished Chinese in extremis, cannibalism was more widespread than previously known. He also demonstrates Mao's direct responsibility for the disaster; the slavish refusal of Mao's chief aide, Zhou Enlai, to challenge Mao; and the complicity of local officials who launched misconceived construction projects that exacerbated the grain shortage by taking peasants away from farm work.

Welfare Through Work: Conservative Ideas, Partisan Dynamics, and Social Protection in Japan
BY MARI MIURA. Cornell University Press, 2012, 224 pp. $39.95.

For decades, Japan avoided widespread poverty through a system of guaranteed lifetime employment, which made a European-style social welfare system unnecessary. But lifetime employment rested on a substructure of gender discrimination. Corporations could require long, flexible hours from male employees as long as wives stayed home, and they could adjust their labor needs around the edges by hiring and firing women when necessary. But beginning in the late 1990s, neoliberal reforms reduced the number of lifetime jobs without leading to corresponding improvements in social protections. The result was harder work conditions for both regular and irregular workers and growing income inequality, unemployment, and poverty. Miura traces the problem to the ideological hostility of conservative political elites to gender equality and social rights. Despite a growing awareness of the problem in the country, she sees little prospect for change, because the coalition comprised of corporations and protected workers has more clout than the growing cadre of the disadvantaged.

Making and Faking Kinship: Marriage and Labor Migration Between China and South Korea
BY CAREN FREEMAN. Cornell University Press, 2011, 280 pp. $35.00.

The flow of women from poorer parts of the world to fill gaps in the marriage markets of richer countries is one of the less examined features of globalization. A "Korean wind" swept northeastern China in the late 1990s as ethnic Korean female residents of that region left seeking to marry rural bachelors in South Korea. Seoul promoted the import of ethnic Korean brides from China instead of Vietnamese women or Filipinas because it believed Korean national identity would be threatened by racial mixing. This sensitive, revealing ethnographic study explores how matches hastily arranged during "marriage tours" to China came under strain when the brides arrived in their new homes. The husbands wanted their wives to adhere to traditional female norms that were no longer in vogue in China; the wives expected prosperity but found themselves laboring in the fields or in seafood-processing plants and caring for their new in-laws. In trying to maintain "racial purity" without inviting a flood of outside Koreans, the South Korean government created bureaucratic barriers to the very flow of brides it was trying to promote, which led to the forged claims of kinship

alluded to in the book's title and other attempts to game the system.

Sources of Vietnamese Tradition
EDITED BY JAYNE WERNER, JOHN K. WHITMORE, AND GEORGE DUTTON. Columbia University Press, 2012, 664 pp. $105.00 (paper, $35.00).

This addition to the venerable Introduction to Asian Civilizations series marks a major step in the maturation of Vietnam studies in the American academy. The book translates excerpts from more than 200 texts, many previously unavailable in Western languages, dating from the year 297 to 1991. Throughout their long history, people in the lowlands of Vietnam struggled to protect themselves against military incursions and cultural influences from minority peoples in the surrounding highlands and from Cambodia, China, Thailand, and, eventually, Europe. Many themes in this collection resemble those encountered in the *Sources of Tradition* volumes on China, Japan, and Korea. The imperial bureaucracy tried to control local society, Buddhism contended with Confucianism and eventually with Christianity and Marxism, women conformed to and resisted prescribed gender roles, nationalists debated how to resist Western incursions, and the South fought repeatedly with the North. The Vietnamese gradually forged a distinct civilization and a proud identity. The book lays a solid foundation for further teaching and research in many disciplines.

The Rise of China vs. the Logic of Strategy
BY EDWARD N. LUTTWAK. Belknap Press, 2012, 320 pp. $26.95.

Looking for Balance: China, the United States, and Power Balancing in East Asia
BY STEVE CHAN. Stanford University Press, 2012, 304 pp. $50.00.

China Goes Global: The Partial Power
BY DAVID SHAMBAUGH. Oxford University Press, 2013, 432 pp. $29.95.

These works concur in their skeptical assessments of the threat posed to the United States by China, but their reasoning is different. Luttwak invokes what he calls "the logic of strategy," which "applies in perfect equality to every culture in every age." Since aggrandizement generates resistance, he argues, China's economic and military rise is producing a seemingly paradoxical decline in its diplomatic influence. Behind a screen of anodyne communiqués and innocuous military meetings, he decodes evidence that China's neighbors are tightening their cooperation with the United States. This should send a message of caution to Beijing, but like all major powers, China is afflicted with what Luttwak tartly labels "great-state autism," which leads it to respond with more assertiveness, only accelerating the formation of the coalition against it. Luttwak believes that frictions might decrease, although not disappear, if China were to democratize. Meanwhile, he hints that China's rivals should take measures to slow China's rate of economic growth, although he is not clear about what those measures should be.

Chan challenges the application of balance-of-power theory to today's

Asia. Because Asian governments, including China's, need to foster prosperity to legitimize their rule, they have an incentive to cooperate with one another and with others. The United States also gets more benefit from economic relations with China than from strategic rivalry. Chan employs historical analysis and international relations theory to show that peaceful shifts in relative power are not unusual. A case in point is the lack of concerted resistance to the historical growth of U.S. power. Chinese self-restraint will be necessary to allow this optimistic scenario to play out: if China overreaches, Chan concedes, balance-of-power dynamics will kick in. But if Asia stabilizes through greater interdependence and gradually strengthened multilateral institutions, Chan believes that local states will have less and less need for U.S. protection. At that point, the potentially destabilizing factor in the region would be not China's rise but how well the United States handles the diminution—although not the eclipse—of its power in Asia.

Shambaugh's masterful survey of China's presence on the world scene shows that in every field—diplomatic, economic, military, and cultural—Beijing's influence, although growing, remains limited. China has global economic interests without dominating any market; it has a large military without being able project force very far beyond its borders; its sizable propaganda apparatus promotes cultural products and ideological values that few admire. Traveling in Europe, Latin America, and elsewhere, Shambaugh encounters officials who see Beijing as self-interested, risk averse, and reactive. China has engaged grudgingly with institutions of global governance, neither challenging them nor contributing to them in significant ways. At home, intellectuals are divided over what posture the country should take, and numerous poorly coordinated agencies pursue narrow policies that win China few friends abroad. Shambaugh dubs China a "lonely" and "partial" power that is "not ready for global leadership." He concludes that the West can afford to stay the course in its decades-long strategy of integrating China into the international system.

Africa

Nicolas van de Walle

External Mission: The ANC in Exile, 1960–1990
BY STEPHEN ELLIS. Hurst, 2013, 288 pp. £20.00.

The remarkably prolific Ellis has written a fascinating history of the internal politics of the African National Congress (ANC) in the 30 years during which it was banned in South Africa and was forced to operate from bases outside the country. Ellis' research suggests that the South African Communist Party enjoyed a higher degree of influence on the ANC's decision-making than has been acknowledged by the ANC's leadership. The link between the two organizations was inconvenient to ANC leaders, who denied it, not only because it risked undermining support in the West for the struggle against apartheid but

also because they feared that the mostly white leadership of the Communist Party would weaken the ANC's nationalist and anticolonial credentials among black Africans. The book also describes intense factional disputes within the exiled leadership, the tendency toward secrecy and fragmentation that the pressures of the struggle imposed and distance reinforced, and the corruption and repressive practices that inevitably resulted. Ellis recognizes that the ANC forged itself into an effective organization over time but insists that many of the flaws that have emerged since it came to power are the results of characteristics that were deeply ingrained during its period of exile.

Interventions: A Life in War and Peace
BY KOFI ANNAN WITH NADER MOUSAVIZADEH. Penguin Press, 2012, 512 pp. $36.00.

Annan devotes much of his memoir to the problems of international peacekeeping, which were central to his career, first as assistant secretary-general of the United Nations for peacekeeping operations, from 1993 to 1994, and later as UN secretary-general, from 1997 to 2006. In recounting some of the major conflicts of the recent past, his book provides a sensible, often humane defense of the critical importance of multilateral diplomacy. Recounting the UN's checkered role in troubled places, such as Somalia in the early 1990s, Rwanda in 1994, and Darfur in the early years of this century, he laments that a lack of resources and power prevents the UN from securing peace. Annan views the Western powers, and the United States in particular, as the primary culprits for this state of affairs. He repeatedly implies that greater resources would have allowed the UN to achieve its objectives, although he does not specify exactly what the organization would have done differently. A wide variety of powerful figures who do not share his vision come in for frank criticism, from John Bolton, the U.S. ambassador to the UN during the George W. Bush administration, to Sudanese President Omar al-Bashir.

Rêver à contre-courant (Dreaming Against the Current)
BY LÉONARD WANTCHÉKON. L'Harmattan, 2012, 250 pp. €20.90.

How does the son of farmers from Benin become a professor of political science at Princeton University? A natural aptitude for mathematics, fostered by Benin's surprisingly good rural primary schools, obviously helped Wantchékon. Young Léonard also appears to have benefited from a large number of relatives, friends, and mentors who believed in his talents and were willing to help him. His memoir's most evocative sections deal with his career as a left-wing pro-democracy activist at the University of Benin in the late 1970s, which made him a celebrity in student circles and a target of the military regime of President Mathieu Kérékou. Wantchékon captures well the disillusionment of a generation of his compatriots as the promise of independence was overwhelmed by economic crisis and political repression. After being arrested, tortured, and imprisoned in northern Benin, Wantchékon managed to escape to Nigeria, then immigrated as a political refugee to Canada, where he

discovered economics and began his ascent in North American academia. Disarmingly candid and generous to friend and foe alike, this book will leave readers with a smile.

The Politics of Water in Africa
BY INGA M. JACOBS. Continuum, 2012, 256 pp. $130.00.

Domestic Politics and Drought Relief in Africa: Explaining Choices
BY NGONIDZASHE MUNEMO. First Forum Press, 2012, 217 pp. $59.95.

Conventional wisdom holds that the African wars of the twenty-first century will be fought over resources, especially water. These two very different books inform readers about the political implications of water—and of its absence. Jacobs' book focuses on the international cooperation that has developed around the management of two major river systems in Africa, the Nile River basin and the Orange River basin. She finds that an array of international conventions and conferences have allowed a set of norms to be progressively internalized by most of the states involved, despite a great deal of variation in the ability and willingness that those states bring to the task of managing shared water resources. Jacobs is thus reasonably optimistic about the role of such resources in encouraging international stability on the continent. She grants perhaps too much space to academic theories that will not interest the general reader, but her empirical materials are rich, and the book provides a good introduction to the international dimension of these issues.

In contrast, Munemo's book on drought relief reminds one that for much of Africa's recent history, domestic politics have often been more conflict-prone than relations between countries. Munemo asks why African governments have responded to similar drought conditions in such different ways in recent years. He disagrees with the common assumption that limited resources and corruption prevent African governments from responding meaningfully to droughts and the attendant risk of famine. He contends that African governments do, in fact, put together coherent policies to respond to such crises. But why do these responses vary so widely in their efficacy? Munemo's sensible answer is that African states' responses to droughts are shaped more by the political situation of a government's leader and the strength of his or her hold on power than by agricultural policy or state capacity issues, the factors on which analyses of drought relief typically focus. Munemo tests his theory in three careful and very informative cases studies of droughts in Botswana, Kenya, and Zimbabwe.

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