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how

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Thugs loyal to Robert Mugabe have directly threatened Morgan Tsvangirai and attacked his office, and it is conceivable that they arranged a March 2009 highway “accident” that injured him and killed his wife.

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Fear and Loathing in Nairobi

The Challenge of Reconciliation in Kenya

John Githongo

The carnage that followed Kenya's disputed election in late 2007 shocked the world. A country once considered to be an oasis of peace and stability in a troubled region had suddenly degenerated into disorder and ferocious violence. For many in the West, Kenya, with its Anglicized urban population, modern cities, and relatively well-developed infrastructure, epitomized everything positive about Africa. A highly successful tourism industry in a land of breathtaking beauty and world-class athletes had served to consolidate the image of Kenya as somehow different.

The Kenyan middle class is particularly prone to this sort of exceptionalism. Due to an enduring sense of civic pride, middle-class Kenyans bristle when visitors from neighboring countries commiserate with them over their political troubles. Kenya has always been the African country that pitied others; being the object of pity in countries whose refugees Kenya has hosted is galling.

Kenyan exceptionalism was in many ways a myth waiting to be shattered.

Early in 2008, the Ugandan writer and commentator Kalundi Serumaga wrote about the Kenyan middle class' capacity to "normalize the absurd." If anything, the surprise was that it had taken so long for the bubble of normality to burst. Many factors helped foment the violence: rampant corruption from the president on down, some of the starkest economic inequalities on earth, fragmentation of an already corrupt ruling elite along ethnic lines, and a disproportionately young population. The cauldron simply boiled over in 2007.

The failure of the election was merely a trigger for events that would have taken place at some point in the future. There had long been an overwhelming sense of exclusion and alienation among large sections of the populace. For Kenya's alienated youth, the postelection violence was in a tragic way the most significant moment of collective empowerment they had ever experienced. This sense of empowerment explains the total lack of regret among the youths who carried out violent acts across the country.

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When the violence abated in February 2008, thousands were dead and over 300,000 had been displaced. Since then, Kenyans from various ethnic groups have quietly and steadily been streaming out of some of the country's most cosmopolitan provinces to live in regions dominated by their kin. This exodus betrays a catastrophic loss of confidence in the state's capacity to protect its own citizens.

The political crisis that followed the election finally ended on February 28, 2008, with a negotiated settlement that brought together the leaders of both feuding parties and formed a single cabinet. The controversial winner and incumbent, Mwai Kibaki, managed to hang on as president, and the opposition leader Raila Odinga became prime minister.

This model of negotiations leading to a coalition government in the wake of a violence-plagued election is being tried in Zimbabwe and has been recommended in Madagascar. The model is an inclusive one, and has been championed in some academic and political circles as the new model for African democracy. It is no such thing. These coalitions are the result of democratic failures, not successes. Throughout Africa, uniting belligerents under one roof has resulted in policymaking paralysis and resentful voters, angry that the governments they have are not the ones any of them elected. Kenya is a case in point.

FROM EUPHORIA TO CHAOS

In 2002, President Daniel arap Moi bowed out of office after 24 years in power. His candidate of choice, Uhuru Kenyatta of Moi's Kenyan African National Union (KANU) party, was defeated by a hastily cobbled together coalition led by the septuagenarian Kibaki.

A state of euphoria enveloped the country; a December 2002 Gallup poll found Kenyans to be the most optimistic people in the world. And they had reason to be happy after the end of the Moi era, especially considering the massive transformation that Kibaki's coalition government promised at the start of 2003.

In terms of tangible traditional development goals, the Kibaki administration seemed to deliver. A housing boom took off, especially in the larger urban areas; between 2003 and 2007, the Nairobi Stock Exchange grew by 400 percent and 500,000 Kenyans who had never owned shares bought them; within six weeks of the new government's coming to power, 1.3 million children went to school for the first time thanks to a new free primary-education program; within three years, the number of children enrolled in primary schools had almost doubled. The government also dramatically hiked the salaries of police officers and teachers, economic growth averaged 5.5 percent between 2003 and 2007, and by 2008 the government was collecting \$4.2 billion in taxes—almost double the amount from 2001.

Yet most of the benefits of the growth accrued to the wealthiest 25 percent of the population. Poor Kenyans' purchasing power declined dramatically as basic commodity prices rose. Between 2003 and 2007, the inflation rate for middle-income residents of Nairobi rose to 39 percent, but for low-income residents of the capital, it increased to 70 percent. The government did nothing to soften the impact of its policies on the poor, especially in urban slums and areas that had already been marginalized by previous administrations.

The optimism of early 2003 was the result of big dreams, most notably the

John Githongo

promise to fight corruption. However, within months of coming into office, the new government was embroiled in huge corruption scandals of its own. Public anger was fueled not only by the succession of scandals but also by the atmosphere of total impunity in which the ruling elite operated. Indeed, it was not so much the loss of money in scams that caused deep-seated unhappiness but the corporatization and spread of graft. Now, outright theft was accompanied by an air of white-collar arrogance and conspicuous consumption. Wrongdoing was excused by the political and business elite as “Africanized enterprise” and dismissed as something only Westerners, with their double standards, complained about.

Viewed from the poorest sections of Kenyan society, the line between graft and enterprise now seemed completely blurred. Within a year of the new administration’s coming to power, some of the most influential figures around Kibaki had transformed themselves into ostentatious millionaires. A seething resentment began to infect Kenyan politics.

KIKUYU POWER

In addition to being corrupt, the new government failed to fulfill its promise to form a politically inclusive administration to govern an increasingly ethnically riven country. President Kibaki hailed from the Kikuyu ethnic group—Kenya’s largest and historically economically dominant community. Other major groups that were part of the coalition included the Luo, led by the dynamic Odinga, and the Luhya and the Kamba.

The initial instrument of inclusivity was a memorandum of understanding between the different parties that comprised the

coalition that won the 2002 election.

These political parties represented all the major ethnic groups in the country save for the Kalenjin community of former President Moi, who remained close to the ousted ruling party, KANU. Kibaki and his closest supporters abandoned this admittedly imperfect instrument almost immediately on assuming office. The toxic perception of an administration that was both shamelessly ethnically exclusive and hostile to the poor spread across the country. As the service and telecommunications sectors boomed, the urban and rural poor got not jobs but inflation. Their resentment was soon politicized along ethnic lines with devastating effects. Kibaki’s lieutenants issued hysterical warnings of the dangers of a Luo-led country. Odinga and his allies argued that Kikuyu arrogance, greed, and dishonesty were on display everywhere. The new government had also promised to carry out comprehensive constitutional reform in order to rein in the president’s executive powers. It did no such thing.

The result of these broken promises was a fundamental breakdown in the social contract; Kenyans simply no longer trusted their government and its leadership. In an increasingly fragmented political landscape, the bulk of the population that did not hail from Kibaki’s region, in central Kenya, became increasingly alienated. Ironically, the public’s declining faith in the government also made the excesses of the old Moi administration look good in comparison. Moi’s administration was managerially incompetent, but it operated one of the most robust patronage networks on the African continent, which forced it to be crudely inclusive. Now, the perception was that the patronage

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network served only Kibaki and his ethnic group and allies.

In November 2005, Kibaki faced a constitutional referendum. In an ethnically polarized context, it functioned as a vote of no confidence against the head of state and the elite surrounding him. The resentments, parochialisms, and ethnic grievances of Kenya's more than 41 other ethnic groups were channeled into an energetic campaign led by Odinga that targeted Kibaki—and by extension the Kikuyu and other privileged groups. Kibaki lost the referendum by a landslide: 58 percent to 42 percent. Kibaki fired his entire cabinet immediately thereafter and did not appoint Odinga or his ministerial allies to his new government.

The 2005 referendum became a dress rehearsal for the 2007 election. The behavior of Kibaki and his lieutenants seemed to confirm the worst stereotypes about the Kikuyu elite that already loomed large in the Kenyan political imagination. The forces that mobilized against this elite were crude, simple, and ultimately deadly for poor Kikuyus in particular, who paid in blood for the incompetence and greed of “their” leaders.

The perceived arrogance of the political, bureaucratic, and commercial elite surrounding Kibaki had engendered an overwhelming nationwide sense of alienation—a sense of exclusion and loss of dignity among the majority of Kenyans who were not Kikuyu or from associated communities. In the run-ups to the 2005 referendum and the 2007 election, some politicians from the administration perpetuated this perception by uttering outrageous insults toward minorities—one minister essentially called all Kenyan Somalis a bunch of refugees. In turn, politicians from minority groups rallied

support by citing the rhetoric of their opponents and countering with their own tribalist invective. On the stump, they used language comparable to that heard in Rwanda before the genocide, describing outsiders as *madodoa* (Swahili for “spots”—needing to be removed or cleansed).

It became clear that Kenya could not grow its way out of this crisis economically. After all, the Kibaki administration had successfully delivered improvements in education, health care, access to water, and basic infrastructure in certain areas of the country. But a legacy of broken promises on the governance front, the failure to deliberately and transparently craft an inclusive administration, and the ethnic insults hurled by leaders all served to make dignity more important than development in Kenya.

A government that had succeeded in delivering the hardware of development—schools, roads, and growth—had failed to deliver on the software of nationhood. Ultimately, although the former mattered, most Kenyans valued the latter more. Indeed, had the 2007 election been a referendum on development achievements alone, it would not have failed as calamitously as it did.

Instead of entering the polls with the wind in its sails, Kibaki's coalition instead faced a contest of trust. Their opponents in Odinga's Orange Democratic Movement—essentially a union of all opposed to the president and his allies—including some of the most experienced and discredited political figures from the Moi administration, inflamed ethnic passions, and the president's supporters responded in kind. The end result was a failed election and a bloody aftermath that took away a sizable chunk of Kenya's sovereignty, as neighbors

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and the international community rushed in to negotiate the National Accord and Reconciliation Act and cobble together the so-called grand coalition government that rules Kenya to this day. It is a government that no one voted for and that is maintained only by the collective fear of international donors, the media, domestic civil-society groups, and Kenyans themselves.

VIVA THE YOUTH

As violence spread across the country in 2007, Kibaki and Odinga realized that they might lose control over their own respective foot soldiers. Indeed, the post-election violence was largely due to Kenya's particular demographic crisis—70 percent of the population is under the age of 30. Many of these young Kenyans feel helpless due to a failing higher-education system, unemployment despite economic growth, and heightened expectations and aspirations driven by the revolution in digital technology and mobile telephony and the spread of television and FM radio. Compounding all these factors was the rampant distrust of government institutions among the young.

The Swahili term for “government” is *serikali*, derived from the words *siri* (secret) and *kali* (fierce). The government in Kenya had always been an institution to be feared. This is no longer the case. In the past, political violence in Kenya was almost always carried out by young men taking orders from political actors. This changed after the 2007 election, when violence served as a hugely empowering event for many poor, young Kenyans.

For the first time in Kenya's history, the youth controlled entire sections of the country without direction from any legitimate authority. The country's rulers had

lost control, and the state was totally overwhelmed by the scale of the events. Its helplessness was broadcast live, shared by text message, and blogged endlessly on the Internet.

When confronted by the spiraling violence, the “big men” of Kenya did not call on the security organs of the state they ostensibly controlled to help contain the situation. Instead, they summoned their own armed youth groups, some of which had previously been banned as a menace to national security. Furthermore, there was a widespread perception that the ultimate resolution of the crisis was not affected by national leaders but forced on them by external actors.

All of this served to dramatically delegitimize the state, setting the stage for a massive shift of power from the center of government to the grass roots. The postelection violence devolved power to the youth suddenly, unintentionally, and organically, with implications that Kenyans are only just beginning to come to terms with.

The youth groups involved in the violence—from civil-society organizations to vigilantes—had their confidence buoyed by the violence and their potent part in it. Patronage and violence are the methods by which some of the most influential politicians in the Kenyan government today rose to prominence, and those who have mastered the art have tended to gain fantastic fortunes—a lesson not lost on the young. Indeed, several individuals implicated in the postelection violence have since been rewarded with cabinet positions.

The magnitude of Kenya's downward redistribution of power since the violence is apparent when one considers the sheer

amount of effort the government has devoted to bringing banned groups, such as the Mungiki, under its control. The Mungiki is comprised of members of the President's Kikuyu ethnic group and emerged in the 1990s initially as a self-help movement focused on youth economic empowerment in an increasingly unequal society. By the mid-1990s, it had expanded its activities to include providing protection against criminal gangs and controlling public transportation in the poorest parts of the capital and surrounding rural areas.

The government's current efforts to manage groups such as the Mungiki are unprecedented in Kenyan history. What is clear is that the state still controls the means of violence but is no longer perceived as having a monopoly on it or the capacity to induce paralyzing fear. Also, the power of the state's security forces has been seriously eroded: their legitimacy has been undermined, and they suffer from poor morale, a lack of coherence, political and ethnic polarization, systemic corruption, and a general lack of confidence. Only the military has managed to retain its discipline and command.

PARALYZED POLITICS

Despite its ambitious reform agenda, the Kibaki-Odinga coalition government has been undermined by a lack of legitimacy, and policy paralysis has reigned. The government's planned reforms fall under Agenda 4 of the National Accord: constitutional, institutional, and legal reform; land redistribution; poverty alleviation; the redress of inequality and regional imbalances; the reduction of unemployment among young Kenyans;

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John Githongo

national reconciliation; and greater transparency and accountability in the management of the affairs of state. In reality, Agenda 4 is a laundry list of every developing country's challenges. And in Kenya's case, a host of economic, political, and social injustices have been swept under the rug for so long that the nation now sits atop a mountain of its own unaddressed grievances.

Given these challenges, the coalition government has struggled to deliver change. Western ambassadors often demonstrate greater public enthusiasm for the reforms than do Kenya's leaders. The country simply has too many competing priorities: constitutional changes, reform of the disbanded electoral commission, a review of constituency boundaries, and ambitious judicial, civil-service, land, and parliamentary reforms, to name but a few. Inevitably, some will have to go. A constitutional referendum is due in August, and there is a great deal riding on its success in terms of the government's overall reform program.

Meanwhile, violence as a model of political action has become normalized to a disturbing degree in some of the most cosmopolitan parts of the country, where different ethnic groups are the most intermingled. Kenya's middle class—at home and in the diaspora—has been forced to choose whether to retreat into angry, humiliated ethnic cocoons or to step out of them, abandon hopes of joining a failed-state elite, and contribute to forging a new reality.

Unfortunately, the election and its violent aftermath revealed that some of the virulent ethnocentric views prevalent in Kenya today are held by the members of this middle class—including professionals, entrepreneurs, some sections of the

diaspora, and of course the governing elite and its direct beneficiaries. This is not the class that has to do the fighting when things go wrong.

Kenya's middle class will, however, be the key to forging Kenya's future. As the run-ups to the 2005 referendum and the 2007 election demonstrated, the diaspora is now a clear and present Kenyan political constituency that is capable of both playing a malevolent role and articulating an inclusive vision of what Kenya could be. It has the capacity to do considerable damage by financing violence and promoting hate speech. At the same time, some of the most altruistic and constructive nation-building efforts are emerging from the Kenyan diaspora—particularly in the United Kingdom and the United States.

THE ROAD TO RECONCILIATION

Fixing Kenya is not about building more roads, hospitals, and schools. It is about returning some semblance of confidence in the Kenyan state and imbuing the population with a sense of nationhood robust enough for Kenyans to believe that the current challenges will not overwhelm the country and lead to a gradual implosion as criminality spreads and becomes the norm.

Kenya has embarked on a wide range of governance reforms, but the elite's commitment to them is dubious. Repairing the electoral system and dealing with the corruption that exacerbates perceptions of inequality between different communities are essential. Furthermore, Nairobi must fix its broken security structure—the police and the intelligence services—and ensure the continuing integrity of the armed forces. The latter is essential to ensuring that graft based on ethnic favoritism does

Fear and Loathing in Nairobi

not enter the DNA of that proud and solid institution. A key test will be whether the government can gain enough legitimacy to guarantee the security of the hundreds of thousands of Kenyans departing from regions where they are ethnic minorities because they fear the next convulsion of violence.

For the United States, the cardinal principle must be to do no harm. Kenyan and U.S. interests align at the global level: a commitment to democracy with all its warts, a robust private sector, and concerns about the international drug trade, Islamic fundamentalism, and terrorism. Moreover, Kenyans celebrated U.S. President Barack Obama's 2008 election victory more energetically than did the people of any other country in Africa. This Obama mania carries with it great potential for promoting positive change in Kenya. Although his criticism of the Kenyan regime infuriates the elite, Obama has great moral authority in the country because of his Kenyan heritage.

Anti-Americanism in Kenya is mitigated by Obama's presidency and a history of close cultural, military, and political relations with the United States. But this should not be taken for granted. If it is, there is a distinct danger of the Pakistanization of Kenya—its transformation into a country plagued not only by stark economic inequalities and a venal elite but also by broad sympathies for policies and ideas inimical to U.S. interests. The manner in which the U.S. "war on terror" has been prosecuted has already alienated Kenya's Muslim population.

The threat to domestic stability remains as well. As the state has retreated—delegitimized by a botched election and

its inability to protect its own people—the appeal of youth gangs and what some would describe as Islamic fundamentalism have grown. No Tomahawk missile can destroy this ideology; Kenyan nationhood must become the more compelling idea.

A liberal democracy in the Western mold will not emerge from Kenya's current process of reinvention from below. In the 1990s, Kenyans allowed themselves to think it would, but the failure of the 2007 election exposed a far deeper rot. The sense of complacency among Kenyans has been dented; they are now beginning to craft a vision of what the country could become after the 2012 election. The process will not be neat, but Kenya's people have what it takes to think and work the nation out of its current rut, not only because they want to but also because the consequences of failure have implications too terrible to contemplate. 🌍

Mugabe Über Alles

The Tyranny of Unity in Zimbabwe

Robert I. Rotberg

More than a year into a supposed unity government between President Robert Mugabe's Zimbabwe African National Union–Patriotic Front (ZANU–PF) and Prime Minister Morgan Tsvangirai's Movement for Democratic Change (MDC), Zimbabwe continues to stagnate. There has been little unity, even less partnership, a wholesale denial of basic political and human rights, and only marginal economic improvements. Mugabe is holding tightly to the levers of power. As the MDC minister of finance, Tendai Biti, put it bluntly in February, “ZANU–PF cannot continue to urinate on us.”

The unity government was born in 2009, after Mugabe finally agreed to share power under pressure from the Southern African Development Community (SADC), a regional bloc. Tsvangirai reluctantly accepted the arrangement despite having won the March 2008 parliamentary election outright—a result that Mugabe's handpicked electoral commission refused to honor.

From the beginning, Mugabe has run roughshod over the unity compact. Although some ministries were assigned to the MDC and some to ZANU–PF, the key Home Affairs Ministry had to be shared between the two parties because Mugabe refused to relinquish control over it. Mugabe also reneged on a promise to consult Tsvangirai before appointing the head of the central bank and the attorney general. Nor has Mugabe sworn into office most of the MDC's nominees for other government posts. In an attempt to keep virtually all governmental authority in his party's hands, he has never fully constituted the Zimbabwe National Security Council, a new entity—on which Tsvangirai has a right to sit—that was intended to replace the powerful Joint Operations Command, a secretive body of high-ranking ZANU–PF security officials that continues to meet out of the public eye. He agreed to appoint judges in consultation with Tsvangirai but has not done so; meanwhile, he has simply ignored court judgments that

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have displeased him. And he continues to extract immense sums of cash from the central bank to fund his travels, his wife's travels, and the lavish spending of their entourages. (Mugabe took 66 people with him to a November 2009 United Nations meeting on hunger in Rome and another 59 to Copenhagen for the December climate summit.)

Mugabe has repeatedly permitted—if not directly approved—attacks by the regime's soldiers and police on defenseless MDC leaders. So far this year, there have been more than 200 attacks by the police and ZANU-PF vigilantes against local MDC officials, members, and presumed sympathizers. In March and April, to make sure that villagers backed a much-disputed draft constitution that Mugabe and his associates have been attempting to foist on Zimbabweans, ZANU-PF reopened so-called torture camps in four parts of the country. Meanwhile, thugs loyal to Mugabe have directly threatened Tsvangirai and attacked his office, and it is conceivable that they arranged a March 2009 highway "accident" that injured him and killed his wife. Mugabe's henchmen have also prevented the reestablishment of an independent daily newspaper and harassed the distributors of objective newsmagazines produced by Zimbabweans abroad. As a result, most Zimbabweans still obtain their news from Mugabe-controlled radio and television broadcasts.

The top brass of the army, the air force, and the police are all slavishly loyal to Mugabe. He has enmeshed the security forces in a dense web of state-sponsored corruption since 1998, when Zimbabwean troops entered the war in the Democratic Republic of the Congo and looted cadmium, cobalt, diamond, and gold as "payment"

for their intervention on the side of then Congolese President Laurent Kabila. By intervening there, Mugabe both won the security services' fealty and made them coconspirators in his misrule of Zimbabwe. Ever since, "securocrats" have assisted Mugabe in harassing the MDC and rigging elections.

I knew Mugabe in the 1960s and 1970s, when he emerged from prison and fled to Mozambique; I saw him in power in the 1980s and 1990s and finally appreciated that absolute power could indeed corrupt absolutely. Tirelessly ruthless, unscrupulous, and canny, Mugabe remains of sound and scheming mind, full of seductive charm, and widely feared. Like the former Haitian dictator François "Papa Doc" Duvalier, he intimidates his close associates by consulting with a coterie of traditional medicine men, whose spells his underlings fear.

Ten years ago, I wrote in these pages, "Venal leaders are the curse of Africa." Mugabe's destruction of Zimbabwe over the last decade testifies to the lasting power of that curse.

DESTROYING A NATION

In 2002, according to the census, Zimbabwe had 14 million people; today, there are only ten million left. Many have fled to neighboring Botswana, Mozambique, South Africa, or Zambia to look for work (upward of 90 percent of Zimbabweans are unemployed). Others have left due to severe hunger (a third of all Zimbabweans lack adequate food supplies, and the May maize harvest was 800,000 tons short, requiring the UN World Food Program to feed 1.6 million Zimbabweans); to flee the cholera epidemic of 2008–9, which killed approximately 4,000 people; or to

Robert I. Rotberg

escape the country's gravely inadequate schools. Approximately one million have perished since 2000—more than twice as many as would have been expected to die under normal circumstances—nearly all from starvation, a failing health system, or systematic brutalities.

The unity government was meant to end the economic ruin brought about by Mugabe's tyranny. Raging against a constitutional referendum that he lost in early 2000, Mugabe sent pro-regime thugs to oust white farmers, 70 percent of whom had purchased their farms in the 1980s with his government's permission. By 2005, most of the 4,500 white farm owners had been forced off their land, many fleeing to neighboring African countries and Australia. Despite the ruinous economic consequences of Mugabe's personal vendettas, ZANU-PF continues to endorse such invasions. In many cases this year and last, ZANU-PF youths have surrounded isolated white-owned farms, sent the workers away, maimed livestock, stolen machinery, and menaced the farmers and their families, forcing them to flee. Nearly all of the last remaining 400 commercial farms in Zimbabwe have been "appropriated" in this manner. The result of this pillaging of productive farmland has meant the end of Zimbabwe's commercial agriculture, once its main source of GDP and foreign exchange.

The farm invasions persist despite rulings against them in a SADC regional court and within the South African court system, where South African citizens ousted from farms in Zimbabwe have successfully claimed compensation. Although the farm invasions have been accompanied by Mugabe's anticolonial rhetoric, most of the victims have been

black. Along with the farm owners, about one million of Zimbabwe's 1.3 million farm workers and their family members have lost their jobs, their homes, and access to clinics and schools.

ZANU-PF has carried out an even bigger heist in the country's east. The area near Mutare holds a vast reservoir of alluvial industrial diamond deposits. Although the largest and most profitable deposit in the country, Marange, is officially owned by African Consolidated Resources, which is based in the United Kingdom, it is being systematically pillaged by First Lady Grace Mugabe; her close relative Gideon Gono, who is governor of the central bank; and a number of leading generals. In February, Obert Mpofu, the ZANU-PF minister of mines, was found with 29 kilograms of diamonds (worth about \$18 million), which he had removed from the central bank.

The toothless Kimberley Process, an international initiative meant to segregate "blood diamonds" from nonconflict diamonds, has failed to stop stolen Zimbabwean diamonds from entering the world market. Many of these diamonds find their way into neighboring Mozambique, and from there they often fall into the hands of Russian dealers, who buy and sell the stones on the international market. And in May, a Zimbabwean general began recruiting Chinese soldiers, with Beijing's approval, to help mine the diamonds.

Perhaps a third of Zimbabwe's GDP, to the extent that it can be measured, consists of remittances from abroad. The output of the commercial farming sector today is tiny compared with that of earlier years; tobacco production, once a mainstay, will probably never recover; horticultural

GREECE

BUILDING A NEW FOUNDATION FOR STABILITY AND GROWTH

Addressing thousands of supporters after leading his PASOK party to a landslide national election victory last October, George Papandreou proudly exclaimed, “Today, we set off to build the Greece we want and need,” adding, “Nothing will be easy.” The true poignancy of such words, however, would not be fully understood until months later, when the Greek economy would become an issue of unprecedented global importance. Today, after many months of turmoil, Greece remains committed to this pledge: to build an economy that is viable, sustainable, and a net contributor to global stability.

Just days after taking office, the Papandreou administration discovered that the Greek budget deficit was nearly twice what the previous government had reported—a public revelation that would quickly manifest itself into a full-blown sovereign debt crisis. Yet, through drastic measures aimed at boosting government revenues and controlling government outlays and a groundbreaking EU/IMF support package, Greece secured a climate of stability in which to lay new foundations for economic growth and expansion.

“The aid package has given Greece breathing space and time to bring its house into order again,” explains Alexander Tourkolia, general manager of corporate and investment banking at the National Bank of Greece. “It is now Greece’s responsibility to reverse the fiscal situation in the short term and implement much-needed changes to fix the country’s structural problem of loss of competitiveness in the medium to long term.”

The short-term fiscal measures that Greece has taken are already posting impressive results, with the budget deficit plummeting 42 percent year-on-year in the first five months of 2010. This figure is expected to improve as sweeping tax and pension legislation comes online, bringing Greece closer to its ambitious deficit-to-GDP targets of 8.1 percent by 2010 and 2.6 percent by 2014.

In the medium to long term, the government’s first priority toward addressing the nation’s competitiveness gap and returning to growth has been to create a supportive and conducive environment for business and investment in Greece.

“We have been cutting down on red tape for businesses,” Papandreou told a conference hosted by The Economist in April. “We are reducing [the] time required to open up a business in Greece from 38 days to one day, and from 15 steps to one.” Combined with a complete regulatory and incentive reform scheme designed to channel investment into priority sectors like renewable energy, high-value tourism, high-quality agriculture, information and communica-

tion technologies, and biotech, Papandreou estimates that Greece can climb 97 positions in the World Competitiveness Index.

“The country now has an opportunity to redefine its areas of excellence... [to] focus on developing them further by eliminating all the structural issues that have impeded their growth so far,” says Tourkolia.

Certainly, prospects in major sectors of the Greek economy are high. As a geostrategic investment hub, it is both the eastern gateway to the European Union and the southern passageway to the estimated 340 million residents of the Balkan/Black Sea region, where many Greek businesses, particularly banks, have long been successful. The National Bank of Greece, for example, expects to “ride out the current crisis” in Greece with strong performance from regional subsidiaries, including the bank’s highly profitable stake in neighboring Turkey’s Finansbank.

MOVING TOWARDS REGIONAL LEADERSHIP

National Bank of Greece (NBG) continues its successful course towards regional leadership in South Central Europe and the Eastern/Mediterranean.

With total assets of €117 billion, 576 branches in Greece, 1,224 branches in the region and more than 22 million customers in 39 countries with a foundation of 125 years, NBG is gradually strengthening its international position at the same time delivering value to its shareholders due to its high return on capital.

NBG boasts a number of competitive advantages, which are additionally important in the current turbulent markets, above all high liquidity, being one of the few banks internationally to have surplus liquidity on the open-to-deposits ratio remains below 100%. Moreover, NBG's total capital adequacy ratio is now standing at 12.2% after the € 1.25bn capital increase in July 2009 (Tier 1 ratio 12.2%), again among the highest levels for European banks. These advantages will allow NBG to continue to grow in the years to come.

NBG has quickly and efficiently integrated its most recent acquisitions, Finansbank in Turkey and Vojvodanska Banka in Serbia, and has begun to attract the many opportunities that derive from them.

1,800 BRANCHES
37,000 EMPLOYEES
12mn EMPLOYEES
112bn CAPITAL

NATIONAL BANK OF GREECE

Moreover, with an abundance of sun, wind, and geothermal heat deposits, Greece has the largest potential renewable energy sources throughout Europe. Papandreou's campaign commitment to a platform of green development has only been reinforced by the immediate need to stimulate areas of competitiveness. The government has radically streamlined the regulatory framework for investments in low-carbon infrastructure, and installed renewable capacity is set to soar in the coming years.

Not surprisingly, many Greek corporations and banks have seized upon this opportunity to capitalize on and contribute to this transition to a green economy. For example, to ensure that sustainable development projects remain online and viable during the economic downturn, TT Hellenic Postbank plans to establish a "Green Fund," earmarking loans exclusively for green development projects.

"This is not a corporate social responsibility program," says Executive Chairman Cleon Papadopoulos. "This is a rare but crucial opportunity for businessmen to play a key role in establishing our country's future competitiveness and sustainability. Green banking is not so much a conversation about saving a tree, but about financing a forest."

The emphasis on green development has also led to breakthrough cooperation and "green diplomacy" between Greece and Turkey, as both nations joined together recently in forming a unified front against climate change in the Mediterranean. During Turkish prime minister Recep Tayyip Erdoğan's May visit to Athens, the leaders of the two countries proposed joint-leadership efforts toward protecting the Mediterranean region's fragile ecosystem and coordinating a single Mediterranean voice ahead of December's


Convention on Climate Change COP 16 summit in Cancun, Mexico. The two leaders expect such cooperation to add much-needed jobs and investment into both economies while steadily improving diplomatic ties between the neighboring countries.

Papandreou hopes that the focus on green development will catch on in the Greek tourism sector as well. Greece has long been among the world's most cherished tourist destinations but has set its sights on moving decisively up the value chain, offering high-end sustainable tourist products to travelers from around the world. Recent proposals spotlight carbon-neutral development plans for Aegean islands and comprehensive tourist packages that fully immerse visitors in Greek culture, Greek cuisine, and the pristine Mediterranean environment. With an expected increase in global tourist arrivals and a lower valued euro, such investments in the tourist sector may go a long way toward improving the country's balance of payments and overall competitiveness.

But for many, restoring Greece's allure is also dependent on restoring much of the credibility that the country lost with the onset of the sovereign debt crisis. "The Greek people have unfortunately and unfairly been the target of the 'lazy Greeks' stereotype, both in Europe and in the United States," says Papadopoulos. "If you look at the OECD data, Greeks have one of the highest hours worked per year values in the world. This will be the source of our recovery once the necessary labor reforms come into effect."

As the country begins to realize its ambitious targets, the government is confident that negative impressions will begin to fade. "What we have to start doing is to rebuild the image of Greece," says Deputy Foreign Minister Spyros Kouvelis, recalling the respect Greece received upon successfully hosting the 2004 Olympic Games. "We have to give everyone the image that Greece is a special country again."

But as Greeks from Athens to Zakynthos roll up their sleeves and go to work recapturing the world's affection, there are greater lessons to be learned in the aftermath of the debt crisis—lessons on sustainable economic development and the importance of governmental accountability and transparency. Greece's travails reveal the need for stricter financial regulation and oversight, the need to match globalization with global economic governance, and the need to continuously replenish the strength of democratic institutions—the greatest challenges to the global economy in the post-2008 climate. In this, Greece believes it can serve as the bellwether and leader in bringing about much-needed global cooperation and solidarity in the EU, G-20, and beyond.

Greece may indeed have traveled to the "edge of the abyss," as Greek President Karolos Papoulias once lamented, but the ambitious course the country has charted back from the cliff may well set the tone for a shared and sustainable global economic recovery. As Prime Minister Papandreou once said, "This is our chance to make the Greek crisis a Greek miracle." 



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Mugabe Über Alles

exports have largely ceased because of water and power shortages; and the country's manufacturing capacity has shrunk to a small fraction of its former level. Skilled technicians have fled, leaving hardly anyone at home to keep the economy running and few companies able to find or train new workers. Roads are crumbling, the railways and the national airline barely function, and the country's main thermal power station produced no electricity in February. Nearly all Zimbabweans now seek livelihoods through the informal economy, much of which consists of barter.

Zimbabwe's mining sector (especially its platinum mines) could provide ample foreign exchange, but the Mugabe regime skims the profits from successful operations. Several profitable gold mines, such as the locally owned Gwanda facility, closed this year, despite high gold prices, because of official interference. And in January, Mugabe threatened to "indigenize" all foreign-owned enterprises worth more than \$500,000 by granting a 51 percent share to highly placed ZANU-PF apparatchiks. He subsequently followed through on his threat without consulting Tsvangirai or Parliament, and with no regard for the chilling effect it would have on the foreign investors Zimbabwe desperately needs to attract if it is to grow. In April, Tsvangirai and his ministers declared the indigenization program null and void, but Mugabe is still trying to make it official policy.

Despite its many flaws and weaknesses, the unity government has nevertheless helped make life in Zimbabwe a little less miserable. Last year, Biti, the finance minister, quickly abolished Zimbabwe's own dollar—and permitted the U.S. dollar, the South African rand, and other

foreign currencies to circulate freely. This was crucial, since for several years Gono had simply printed the local dollar in denominations of millions, billions, and trillions—rendering the currency almost valueless. By mid-2009, after Biti's reforms, previously empty shops had started filling up with food, and almost anything, even scarce gasoline and diesel fuel, became available to elites with hard foreign currency.

In late 2009, Biti also began paying civil servants \$250 a month (a paltry amount, but much more than before), inducing teachers, medical personnel, and bureaucrats to return to work. But earlier this year, they went on strike for higher pay. Unfortunately, too few engineers are willing to work for what little the government can pay, and power and water shortages continue to enrage consumers and disrupt mines and other business operations. Zimbabwe also owes more than \$100 million for energy supplies to the southern African electricity grid, a debt it cannot pay.

Overall, Zimbabwe's GDP expanded in 2009 by about five percent. Welcome as that increase was, it was far less than the eight percent annual growth needed to make up for the massive losses of 2001–8. Even if Zimbabwe grows steadily for the next decade at the unlikely rate of seven percent per year, living standards would only return to 2000 levels in 2020.

AVOIDING A BLOODBATH

Tsvangirai understands better than anyone how little the unity government has accomplished when it comes to curbing Mugabe's power and protecting MDC supporters from violence. Yet preferring to work from within and make incremental

Robert I. Rotberg

improvements to the country's governance, he has decided to remain prime minister. He does not believe that a Georgian- or a Ukrainian-style revolution is possible in Zimbabwe, however angry and resentful Zimbabweans are.

Mugabe's security apparatus is so strong and entrenched, Tsvangirai believes, that any active protest, whether in urban or rural areas, would be met with overwhelming force, resulting in thousands of deaths. Tsvangirai does not want to risk bloodshed, nor is he prepared to test these assumptions without first being convinced that enough sympathetic individuals within the security forces would hold their fire or defect. Probes by the MDC have found legions of supposed sympathizers in the military, but too few are prepared to risk their own lives by opposing the Mugabe regime.

Tsvangirai and others are now playing for time. Mugabe turned 86 in February and is rumored to have prostate cancer. If he dies soon of natural causes, there will be a battle within ZANU-PF to succeed him and retain the privileges and perquisites of power. One contender would be Emmerson Mnangagwa, currently the minister of defense and a close ally of China's official diplomats and military attachés in Harare, as well as of the Chinese investors who have crowded into Zimbabwe. Another would be Solomon Mujuru, a former general and the husband of Joice Mujuru, the current vice president and Mugabe's nominal successor. Several senior security figures could also try to muscle into the political battle, especially Constantine Chiwenga, head of the army, and Perence Shiri, head of the air force. Grace Mugabe, 40 years her husband's junior, may also seek office.

But none of these contenders has a solid political following. Tsvangirai and the MDC, by contrast, can claim to have vast popular appeal; they have won every national election since 2000 (although Mugabe rigged the results to make it appear otherwise). Tsvangirai calculates that if he remains the sitting prime minister, he will be seen as both an obvious and a credible successor by Zimbabwe's citizens and foreign leaders.

Many of Tsvangirai's supporters want him to be more assertive in opposing Mugabe and positioning the MDC as a true alternative government. They are not prepared to wait for Mugabe's death, particularly since the unity government has so far accomplished little. They want Tsvangirai to take a stronger stand against harassment and double-dealing. They also want him to police the MDC more thoroughly to avoid any traces of corruption or illegitimacy.

Some internal critics have urged Tsvangirai to turn his back on the unity government altogether. Doing so, they argue, could demonstrate to Zimbabweans and the world that the MDC is not yoked to unity just for the positions and incomes that it has delivered to Tsvangirai and Biti and a handful of others—a growing perception among ordinary Zimbabweans. But if the MDC left the government, Tsvangirai would lose what little leverage he currently has.

Tsvangirai may further calculate that South Africa and SADC would come to his aid if an internecine ZANU-PF bloodbath ensued after Mugabe's demise. After all, no country in the southern African region seeks chaos; they would prefer a legitimate Tsvangirai succession to a bitter scramble for power within the ruling

party. In May, Tsvangirai told an audience that he would not agree to a coalition government again, calling it “a very painful exercise” and “a bad precedent.”

Biti, believing that South Africa would not permit another fraudulent Zimbabwean vote, has called for early national elections. But Mugabe himself has asked for elections, promising to stand once more. If Mugabe indeed decides to declare a parliamentary election this year or next (a poll is required before 2013), he will likely rig it. Mugabe would not countenance losing again and having to cover up the defeat, as he and his party did in 2008. Instead, he is more likely to simply falsify the voters’ rolls in advance, intimidate potential MDC supporters, and depend on the theft of ballot boxes and fake tallies, even if SADC or other bodies insist on international observers. Biti’s hope of a level playing field is optimistic and misguided: change is not going to come to Zimbabwe via the ballot box.

SPINELESS SADC

The African Union, SADC, and South Africa prefer to coddle Mugabe’s Zimbabwe, despite the obvious harm that Mugabe has brought to the region and his own country. Had the UN placed human rights before sovereignty and made the so-called responsibility to protect a solid international norm, and had the General Assembly been willing in 2009 to clearly define the conditions under which collective action is permissible when states prey on their own people, the UN, the AU, and Zimbabwe’s neighbors might now be obliged to intervene to halt Mugabe’s despotic rule. After all, Tanzanian President Julius Nyerere dispatched his army to Uganda to end Idi Amin’s tyrannical reign in 1979, the Economic Community of West

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African States forcibly intervened twice in Liberia and Sierra Leone during the 1990s, and the AU sent troops into the Comoros to end an insurrection in 2009. But these interventions either involved minor nations or, in the cases of Nyerere and ECOWAS, required genuine political will.

So far, South Africa has refused to display the political will needed to curb Mugabe's excesses. President Jacob Zuma, like Thabo Mbeki before him, appears to fear that regional instability would follow Mugabe's ouster. Zuma also respects Mugabe as an elder statesman and senior anticolonialist. Additionally, he believes (as do other southern African leaders) that Tsvangirai is not a strong enough alternative. Finally, Zuma has demonstrated little willingness to be decisive at home or abroad.

Vacillation and tentativeness are the hallmark's of Zuma's "Vicar of Bray" tenure. Although some observers expected that his actions would be influenced by the sympathy of South Africa's trade union movement for Tsvangirai and the MDC, Zuma has preferred only mild censure of Mugabe, limited reprimands for those in the African National Congress who praise Mugabe, and the pretense of serious mediation. There are suggestions, too, that Zuma wants to avoid tangling with or bringing down Mugabe for fear of his exposing more ANC dirty dealing over arms purchases or the ANC's earlier connivance with nefarious elements in the Democratic Republic of the Congo. But there is no evidence that Zuma's lack of decisive action over Zimbabwe represents anything other than innate caution—particularly as South Africa prepares to host the soccer World Cup.

Pretoria has the ability to exert pressure on Mugabe—for example, by preventing overflights of Zimbabwean aircraft and limiting the travel of senior Zimbabweans to South Africa (where they purchase provisions, buy fuel, and receive medical treatment). But so far, South Africa has refused to take such measures or support the kinds of anti-Mugabe sanctions that have been enacted in Europe and the United States. Due to these restrictions, Mugabe and nearly 200 other Zimbabwean leaders are prohibited from traveling there (except for UN functions), and their assets have been frozen in European and U.S. banks.

Although the South African public and the ANC rank and file, including its affiliated Communist Party and trade union wings, are keen to end Mugabe's outrages, Zuma has continued to dither and prevaricate. South Africa is simply not ready to take meaningful action—which means that Mugabe will continue to run roughshod over his own people.

South African-sponsored talks between the MDC and ZANU-PF have dragged on since October, with no success in sight. A visit from Zuma to Mugabe brought reports of change, but by May it was clear that Mugabe would not appoint MDC provincial governors or remove Gono as the central bank governor or Johannes Tomana as the attorney general.

President Ian Khama of Botswana is the one exception in the region. He has criticized SADC's lackadaisical mediation efforts and has spoken out publicly against Mugabe's failure to adhere to the unity agreement, declaring, "Every day [Mugabe] has been in power, things have just gone from bad to worse. . . . He should have gone long ago." Khama has described

Zimbabwe as a country that has “literally become like one big refugee camp, full of people who are living lives of misery.” No other southern African leader has been so outspoken or has dared to mobilize the moral weight of SADC against Mugabe.

The European Union and individual European countries would like to act against Mugabe. For example, the United Kingdom’s government, which ZANU-PF regards as a hated former colonial power, is antagonistic to Mugabe and favors maintaining sanctions. But neither Brussels nor London can do anything of consequence without the cooperation of South Africa or the United States, and any heavy-handed action by Europe would require the imprimatur of the UN. China, however, which has supplied Zimbabwe with jet aircraft and army uniforms since 2006, would almost certainly veto any proposed UN Security Council action. In recent months, Chinese state-owned enterprises have begun purchasing land in Zimbabwe and establishing wide-spread agricultural operations to produce food for China’s ballooning population—while Zimbabweans continue to starve.

WHAT IS TO BE DONE?

The United States is not going to intervene in Zimbabwe, but it can still act as a positive catalyst for change. Secretary of State Hillary Clinton has spoken forcefully about the Zimbabwean situation and has asked Zuma for his help and cooperation. Johnnie Carson, assistant secretary of state for African affairs and a former ambassador to Zimbabwe, has also spoken out strongly—even, in 2009, to Mugabe’s face. (Mugabe famously called Carson “an idiot” and walked away.)

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Robert I. Rotberg

Clinton, whose voice is influential in key African capitals, could pressure Mugabe by promising to provide SADC leaders with meaningful financial assistance and positive publicity if they agreed to ban Mugabe's official aircraft from crossing neighboring airspace. This would end the Mugabe family's penchant for shopping trips to Dubai, Hong Kong, Kuala Lumpur, and Singapore. Confining Mugabe to Zimbabwe would also deny him medical treatment in South Africa or beyond.

Clinton should then appoint a strong regional envoy with ambassadorial status with the goal of ending violence and human rights abuses in Zimbabwe, transferring power to Tsvangirai, and loosening Mugabe's authoritarian grip. Such a roving ambassador would demonstrate Washington's commitment to the region and provide the kind of close personal attention to the issue that Carson, busy with so many other African concerns, cannot. The goal is not so much to pressure Mugabe as to influence South Africa and other neighbors so that they will hem Mugabe in.

Additional incentives could be offered to the Zimbabwean government as well, such as new funds with which to jumpstart the faltering economy and aid for agriculture, industry, and infrastructure. Dangling such incentives would entice potential successors to push Mugabe out now in order to get the benefits. A roving regional ambassador with Clinton's backing could make these offers persuasively and demonstrate finally that the United States seeks a democratic, fair outcome for the Zimbabwean people.

If the United States and its allies do not put renewed pressure on South Africa

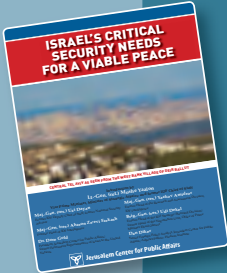
and SADC, Mugabe will continue to rule as a tyrant, disregard the unity pact, and enmesh all Zimbabweans, except himself and his cronies, in a web of deceit and corruption. Such an outcome would obviously not be good for Zimbabwe, nor would it benefit SADC or the rest of the continent.

A sad statistic demonstrates the full tragedy of Mugabe's misrule: in 1965, most of Africa was much more prosperous than East and South Asia; today, most Asian countries are ten times as wealthy as African ones. Zimbabwe is no exception. And Mugabe, the poster child for venal leadership, is at the root of the country's poverty. The more Mugabes there are—and the more the international community proves itself impotent or unwilling to stop them—the poorer Africans will remain. 🌍



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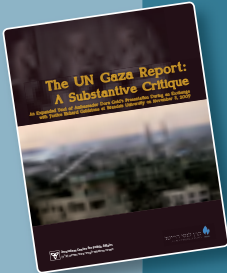


Israel's Critical Security Needs for a Viable Peace

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

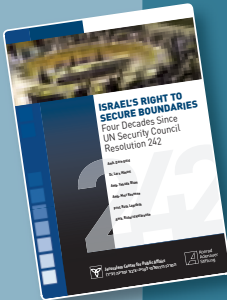
The Obama administration's intensive efforts to resolve the Arab-Israeli conflict are anchored in its policy to reconcile "the Palestinian goal of an independent and viable state on the 1967 lines...and the Israeli goal of a Jewish state with secure and recognized borders that reflect subsequent developments and meet Israeli security requirements." But what are Israeli security requirements?

While there has been significant public discussion about Palestinian demands in this diplomatic formula, there has been little in-depth analysis of Israel's needs. This study is intended to fill that vacuum, presenting a comprehensive assessment of Israel's critical security requirements, particularly the need for defensible borders.



The UN Gaza Report: A Substantive Critique An Expanded Text of Ambassador Dore Gold's Presentation During an Exchange with Justice Richard Goldstone at Brandeis University on November 5, 2009

The language used by the UN Gaza Report, with its allegations about "deliberate" Israeli attacks on civilians, reaches its conclusions on the basis of Palestinians interviewed in Gaza who argued that when civilians were killed, no Palestinian combat operations were underway. Yet the report contradicts itself by stating that the very same Palestinians who were interviewed were reluctant to report Palestinian military actions against the Israel Defense Forces. In its conclusions the report specifically condemns Israel, yet does not specifically blame Hamas for the war it imposed.



Israel's Right to Secure Boundaries: Four Decades Since UN Security Council Resolution 242

Amb. Dore Gold, Amb. Meir Rosenne, Prof. Ruth Lapidoth, Amb. Yehuda Blum, Amb. Richard Holbrooke

UN Security Council Resolution 242 of November 1967 is the most important UN resolution for peacemaking in the Arab-Israel conflict. The resolution never established the extent of Israel's required withdrawal from territories captured during the Six-Day War in exchange for peace with its Arab neighbors. The borders of any Israeli withdrawal were meant to reflect its right to live within "secure and recognized" boundaries.



Curbing the Manipulation of Universal Jurisdiction

Diane Morrison and Justus Reid Weiner

The principle of universal jurisdiction continues to be an essential tool for achieving justice for international crimes. Unfortunately, this principle is now being abused by highly-politicized NGOs that petition British courts to arrest Israeli officers using baseless charges, instead of directing attention to the perpetrators of genocide and ethnic cleansing for which universal jurisdiction was originally conceived.





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Essays



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The aftermath of a suicide bombing in Dagestan, Russia, in March 2010; the attack came just days after two female suicide bombers killed dozens in the Moscow metro

The Russian government seems to have few creative ideas about how to deal with the turmoil in the North Caucasus region.

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Prisoners of the Caucasus

Russia's Invisible Civil War

Charles King and Rajan Menon

THE EMPTY gymnasium of School No. 1 in Beslan is whipped by winds from the plains of North Ossetia, a republic in Russia's North Caucasus region. On September 1, 2004, the first day of classes, masked gunmen entered the elementary school and herded hundreds of children and their teachers onto the indoor basketball court. They held their captives for three days. In the stifling late-summer heat, some children died from dehydration. Many others were killed when a series of homemade bombs exploded, collapsing the roof and igniting a massive fire. Today, photographs of the more than 300 victims, including those of smiling girls outfitted in the ornate hair ribbons traditional on the first day of classes, line the walls of a makeshift memorial.

The Beslan siege was Russia's most heart-rending episode of carnage during the last two decades. But it was by no means unique. Two years earlier, gunmen interrupted a play at a Moscow theater and took the entire audience hostage; 170 people died when security forces attempted a rescue. A series of suicide bombings in and around Moscow killed

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Prisoners of the Caucasus

dozens in 2003 and 2004. In the days before Beslan, suicide terrorists brought down two Russian passenger airplanes. In November 2009, a bomb derailed the Nevsky Express, the high-speed train connecting Moscow and St. Petersburg, killing nearly 30 passengers. (Another bomb had derailed the same train in August 2007, although no one was killed.) And then, this past March, a pair of female suicide bombers blew themselves up in the Moscow metro during morning rush hour, killing nearly 40 people.

Even this grim tally is incomplete; it does not include the much higher level of violence that regularly occurs in the North Caucasus itself. The Russian government seems to have few creative ideas about how to deal with the turmoil in the region, which has become the epicenter of routine political violence in the country. It has tried to will the conflict into a sort of resolution, with little result. In April 2009, the Kremlin announced the end of the second Chechen war—or, in official parlance, the decadelong “counterterrorist operation”—thereby setting the stage for the withdrawal of the thousands of federal troops that had been dispatched to the republic. The following summer, however, the North Caucasus—where Chechnya is but one of seven multiethnic republics—experienced an upsurge in violence. A wave of assassinations, bombings, and suicide terrorist attacks spread well beyond the old war zone into the neighboring republics of Dagestan, Ingushetia, and Kabardino-Balkaria.

Federal and local officials frequently trumpet the capture and killing of the planners of these attacks. Shamil Basayev, the architect of the Beslan siege, was killed in 2006; Said Buryatsky, the alleged mastermind of the 2009 train bombing and trainer of the two female bombers who struck Moscow, was killed in Ingushetia just three weeks before the subway attack. But Russian officials also admit that the situation is getting worse. Earlier this year, Russian Interior Ministry officials announced that “terrorist crime” in the North Caucasus was up by 60 percent in 2009 compared to 2008. The chief prosecutor’s office for the North Caucasus region noted last fall that 80 percent of all terrorist incidents in Russia take place in this one small slice of land.

Moscow has attempted to secure order by adding intelligence agents and beefing up the presence of federal border guards, along with redeploying police from elsewhere in Russia—but to little avail.

Charles King and Rajan Menon

In October 2009, President Dmitry Medvedev told Russia's Security Council that the North Caucasus remains the country's foremost internal political problem.

Confronting the threats to internal security that bubble up from the southern frontier—both real and perceived—has been a constant in Russian history and culture. “Cossack! Do not sleep,” Aleksandr Pushkin wrote in the 1820s. “In the gloomy dark, the Chechen roams beyond the river.” But today, unlike in Pushkin's time, the intrigues and conflicts of the North Caucasus do not stay contained in a remote and restive borderland. They affect the Russian heartland itself.

As the violence has spread, Moscow has responded by relying on the playbook of imperial Russia, buying off provincial officials and deploying

The North Caucasus remains the country's foremost internal political problem.

the state's substantial repressive apparatus to sweep up suspected subversives. But the success of such a strategy depends on the good faith of local elites and the weakness of their rivals. It merely buys Moscow time without fixing the underlying problems of economic development and governance. Medvedev is

encountering the same dilemma that has confronted past Russian rulers: What happens when payoffs and raw power are no longer enough to stop those who seek to break the bargain with the center?

Particularly after Vladimir Putin became president, in 2000, the Russian government began burnishing its image as the redoubtable guardian of order. The smoldering politics of the North Caucasus—and the seepage of violence north of the Terek and Kuban rivers, which form a natural and symbolic barrier between central Russia and its southern republics—could tarnish this cultivated reputation, potentially eroding the government's legitimacy. If the Kremlin cannot contain the cycle of attacks and counterattacks, then Russian nationalist groups—many of which spew chauvinistic rhetoric demonizing Russia's non-Christian minorities—could gain traction in Russian politics. Such groups have already been involved in mob attacks and killings of Muslim migrants from the Caucasus and Central Asia. The possibility of street violence is very real and potentially destabilizing—Muslims make up as much as 15 percent of Russia's population, with more than two million living in Moscow alone.



A new upsurge in violence within and beyond the North Caucasus would also accelerate Russia's drift away from democracy, by providing fodder for politicians

who promise to avenge the victims and hammer the disorderly south. Just as Putin did during the second Chechen war, the government may invoke public safety to justify the further restriction of civil liberties and concentration of power inside the Kremlin. Both outcomes—increased nationalism and increased authoritarianism—would, in turn, hamper progress on arms control and make cooperation with the West on issues such as energy, Iran, and North Korea even more difficult.

MOUNTAINS BEYOND MOUNTAINS

ALTHOUGH THE North Caucasus is but a sliver of land in Russia's vast landmass, it is becoming the principal security problem of a state that knows how to rule but has little experience governing. Wedged between the Black Sea and the Caspian Sea, the region extends some 700 miles west to east and covers an area about the size of the U.S. state of Washington. The region's republics are unfamiliar to

Charles King and Rajan Menon

outsiders (and, indeed, to average Russians): Adygea, Karachay-Cherkessia, Kabardino-Balkaria, North Ossetia, Ingushetia, Chechnya, and Dagestan. Its population of six to nine million—estimates vary—is divided among a variety of ethnic and linguistic groups, including ethnic Russians, who account for a significant percentage of the population in some areas. The region's indigenous nationalities profess Islam as a cultural identity, if not a religious one (with the exception of the Ossetians, who are mostly Christian). Other than Dagestan, which boasts a dozen separate nationalities and over 30 languages, the republics are named for one or more “titular nationalities” and were created in the Soviet era as the homelands of distinct peoples: the Circassians (who encompass the Adyga, the Cherkess, and the Kabardians) and the Turkic-speaking Karachays and Balkars inhabit the three westernmost republics; the Ossetians inhabit North Ossetia; and the Ingush and the Chechens, Ingushetia and Chechnya, respectively.

Russia's complicated relationship with this multiethnic mosaic has involved a long history of border wars and imperial expansion. The indigenous peoples of the southern plains and the Caucasian foothills were in sustained contact with the grand princes of Muscovy—the predecessors of the Russian tsars—from at least as far back as the sixteenth century. Ivan the Terrible married a princess of Kabardia, a native of the hills and flatlands along the Terek River, in order to cement trade relations with the region and an alliance against nomadic raiders.

In the nineteenth century, Russia's relations with the Caucasus were defined by the explicit aim of empire building. The goal was to control the slopes of the Caucasus Mountains at the expense of the rival Ottoman and Persian empires. From 1801 to 1829, Russia replaced local monarchs and notables with a system of protectorates and provinces in the southern Caucasus, in modern-day Georgia, Armenia, and Azerbaijan. This phase of imperial conquest was relatively straightforward: with well-established political elites already in place (an ancient royal house in Georgia, for example, and a network of Muslim khans in Azerbaijan), Russia's strategy did not require the wholesale remaking of political structures but rather involved simply flipping the allegiances of individual powerbrokers.

The story was different, however, north of the mountains, where the tsars faced two core problems. First, rugged geography and extreme

Prisoners of the Caucasus

cultural diversity made it impossible to create overarching political institutions. Native princes or chieftains could make exaggerated claims about their hereditary lands, but in practice their rule extended over little more than whatever valley or village they could credibly secure. Second, the absence of broadly legitimate political leaders meant that there was always space for local upstarts to seek their own advantage. As a result, slave-taking, livestock raids, long-running clan feuds, and assassinations were all common.

Moscow's response to these twin problems was initially a strategy of unite and rule—pick a set of native elites, empower them with political authority, and hope that they could deliver a quiescent countryside. This approach proved difficult in practice—as challengers moved against these appointed rulers, the tsarist military was inevitably drawn into a series of civil wars. In the most famous case, the highland leader Shamil emerged from obscurity in the 1830s and, until his surrender in 1859, attacked pro-Russian rulers in Chechnya and Dagestan. With thousands of armed Muslim supporters, Shamil led the longest anti-imperial uprising in Russian history and inspired grudging respect among generations of Russian field commanders, becoming a Eurasian version of Geronimo or Sitting Bull. But Russia was a secondary enemy. Shamil's true concern was defeating the corrupt and impious Caucasian leaders whom he believed had betrayed both Islam and the interests of highland villagers by siding with the tsar. In fact, when Shamil ultimately surrendered, it was easier for him to make peace with the Russian imperialists than with his old Muslim neighbors. He took up a gilded captivity in central Russia as something of an exotic celebrity, carted around to mark the openings of sugar refineries and public buildings.

Although the North Caucasus was nominally pacified in the mid-1860s, when the last resistance among the Circassians was suppressed, the prospect remained of trouble rising from the mountains and spreading throughout Russia. In the 1920s, Bolshevik security forces launched campaigns of arrests and ethnic cleansing to eradicate “bandits” in Chechnya and other parts of the upland Caucasus who were said to resist Soviet authority. In 1943 and 1944, Stalin deported nearly half a million people from the North Caucasus—Balkars, Chechens, Ingush, and Karachays—to Central Asia, for allegedly

Charles King and Rajan Menon

assisting the Nazis during World War II. There is little evidence that these ethnic groups collaborated with the Germans any more than did others in the Soviet Union. Nevertheless, the accusations fit the timeless narrative of the disloyalty of Caucasian highlanders. The forced expulsions also produced what would become one of the region's epic stories of oppression under Russian rule, with generations of Chechens and others eulogizing their exile as a national tragedy.

After Stalin's death, in 1953, many of the deportees were allowed to return to their homelands, but the Soviet government's past misdeeds

Russia's conquest of the Caucasus has been the story of a modern state being pulled into a succession of local struggles.

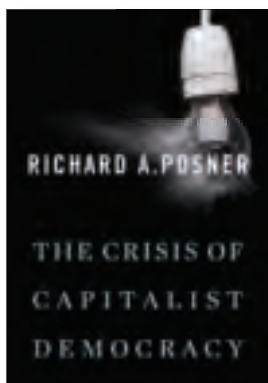
proved to have unanticipated consequences. Jokhar Dudayev, who led the rebels in the first Chechen war, in the mid-1990s, was born just as his parents and neighbors were being crammed into cattle cars for their exile to Kazakhstan. His political motivations were largely shaped by this experience of deportation and return, as were those of other leaders from the Caucasus in his generation.

When the Soviet Union collapsed, Dudayev emerged as the head of a group calling for Chechnya's independence from Russia. The result was similar to the political movements that had taken hold in the Baltic states and Ukraine prior to their independence: a secessionist cause infused with the narrative of historical oppression.

The first Chechen war was not about the Chechens suddenly deciding to rise up and slaughter their Russian neighbors because of ancient grievances. Instead, violence erupted in 1994 because then Russian President Boris Yeltsin, however justifiably, moved to prevent Chechen secession with military force. The results were ghastly. Indiscriminate Russian bombing exacted a heavy human toll, and ill-prepared Russian conscripts were mowed down as they tried to take Grozny, the Chechen capital. After nearly two years, Yeltsin negotiated a cease-fire, which gave Chechnya nominal autonomy but deferred a decision on its final status.

Three years of chaos followed. Dudayev was killed by a Russian missile, and local profiteers sought to steal whatever state resources remained. Islamist fighters, some indigenous to the Caucasus and others from the Arab world, looked to a religious revival—and not to

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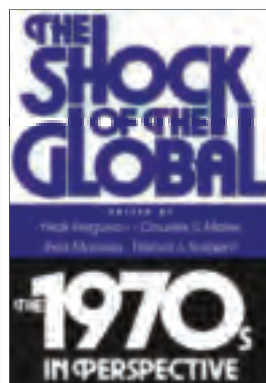
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Prisoners of the Caucasus

the nationalism of the Dudayev era—as a way of attracting recruits and redefining the struggle. In 1999, Basayev, the Beslan mastermind and at the time one of these younger, more Islamist-inspired field commanders, launched a raid into neighboring Dagestan. His aim was to foment a rebellion against local authorities loyal to Moscow.

In response, Putin, who was then prime minister, launched a second war in Chechnya—this time, however, with a larger and better-trained force. Just as the motives of the Chechen fighters had changed, so, too, had the Kremlin's. Putin was concerned not with preventing secession but with stamping out terrorism, much of which was directed against local politicians and security personnel who were allied with Moscow. By 2009, when the conflict was winding to a close, it was the Chechens who were doing most of the killing and dying. Some were dressed in the green headbands of Islamist rebels, whereas others wore the uniforms of Russian security services. Still more served in the personal militia of Ramzan Kadyrov, the local strongman picked by Moscow to be Chechnya's president.

In the end, Russia's conquest of the Caucasus has been the story of a modern state being pulled into a succession of local struggles as much as it has been an epic tale of an empire driven by notions of manifest destiny. The age-old imperial bargain—with the center buying off the periphery in exchange for loyalty and calm—could hold only until a new group, intent on breaking that bargain, arrived on the scene. In turn, the fragility of this gambit made for deep Russian apprehension about the North Caucasus. Today, when Russian news reports carry stories of crimes committed by *litsa kavkazskoi natsional'nosti*—the standard Russian phrase for “persons of Caucasian nationality”—the subtext is clear. The North Caucasus may be part of Russia by dint of history, but the peoples of the highlands are seen as inherently unreliable, congenitally fanatical in their religious beliefs, and culturally predisposed to discord.

THE INTERNAL ABROAD

IN SEEKING to confine terrorist violence to the North Caucasus, the Kremlin is calculating that failing to calm the region will be of minimal political consequence so long as most Russians are not touched by its

havoc. Moscow's current strategy, then, is defined by little more than turning over affairs to local satraps and hoping that Russian voters forget about the Caucasus.

Beginning with the second Chechen war and continuing to the present, this approach has involved what has come to be known as "Chechenization," although it has analogous variants in other ethnic republics. In Chechnya, at the same time the Kremlin was pursuing military operations against insurgents, it was ceding much of the responsibility for restoring order to local officials, who were entrusted with finishing off the insurgency. These local rulers were also told to reduce unemployment and quash corruption, which Medvedev, in particular, has identified as the chief sources of the instability.

This approach has several flaws. Devolution only works if those to whom Moscow delegates power use it in ways that increase public confidence. Kadyrov, the Chechen president, has overseen a massive reconstruction effort that has revived the local economy and restored a semblance of normalcy to his war-battered republic. But the Kadyrov regime's record of arbitrary arrests, kidnappings, torture, extrajudicial killings, and destruction or confiscation of property belonging to suspected guerrillas or their relatives has created a climate of fear. Human rights workers and journalists in the republic also face constant threats and harassment. Although there is no proof directly tying Kadyrov to the crimes, three prominent critics of his methods—the celebrated journalist Anna Politkovskaya, the human rights lawyer Stanislav Markelov, and Natalya Estemirova, who was the head of the Russian human rights organization Memorial in Chechnya—were assassinated between 2006 and 2009.

Since Kadyrov and his counterparts in the other republics are seen as Moscow's handpicked leaders, the Kremlin cannot shield itself from the resentment created by their lawless conduct. When they turn out to have neither competence nor legitimacy—and are crooked to boot—the federal government has little choice but to fire them. This creates even more instability. Kadyrov has managed to hang on through a combination of brutal rule and massive economic blandishments provided by Moscow—both of which have reduced security threats and bought local support. But in other republics, the changing of the guard has invariably been accompanied by violence, as local

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cliques and networks seek to exploit the vacuum. In Kabardino-Balkaria, the harsh and corrupt administration of President Valery Kokov yielded to that of a more liberal successor, Arsen Kanokov. But within several months of Kanokov's taking office, the republic experienced the greatest demonstration of violence it had ever seen: an October 2005 raid by armed insurgents on police and security posts in the capital, Nalchik. In Ingushetia, corruption and police brutality convinced Moscow to replace the republic's previous president, Murat Zyazikov, with the younger and more popular Yunus-Bek Yevkurov in October 2008. But rather than paving the way for good government and peace, this leadership change saw Ingushetia descend into a maelstrom of riots, car bombings, and assassinations.

Another drawback to relying on tough local leaders is that they tend to monopolize power—Chechnya's Kadyrov is an extreme example—and construct personalized polities that rest on their political or physical longevity. When Moscow, dissatisfied with their performance, moves to replace these leaders, their successors essentially have to start from scratch, cutting labyrinthine deals with powerful clans and political cliques. Given how strong and influential these opaque networks can be, it can be difficult for a newly installed leader to grasp how to govern. Ruslan Aushev, president of Ingushetia from 1993 to 2001, used his position in the republic to garner wide local support. But his public standing and independent power base made Moscow nervous; the Kremlin eased him out of office and installed the hard-line Zyazikov—resulting in a rotation of cadres that proved wildly unpopular among the Ingush.

Strongmen also inevitably end up as prized targets for assassins. In 2004, a bomb killed Ramzan Kadyrov's father, Akhmad, a former warlord who had become Chechnya's pro-Russian president and thus the insurgents' sworn enemy. At least one attempt has been made on Ramzan's life, too. Ingushetia's new president, Yevkurov, barely survived a suicide bombing in June 2009, less than a year after taking office.

The government in Moscow — no longer flush with cash after the fall in oil prices — is left with plenty of sunk costs but without any new ideas.

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Chechenization—and its equivalents in Ingushetia, Kabardino-Balkaria, and elsewhere—suffers from a problem common to all empires. The center seeks to entrust power to those who hail from the peripheries; after all, these people know the lay of the land, both literally and culturally. Yet their strong ties to localities give them the power to pursue their own priorities, which may not always comport with those of the center. The Kremlin has ceded considerable leeway to Kadyrov, largely tolerating—at times even encouraging—his habits of intimidation and violence because he has weakened the insurgency and presided over the partial rebuilding of Grozny. But there are persistent worries in Moscow that he has built his own state within a state—offering a model for how savvy Chechens, Circassians, and others might one day gain the kind of *de facto* autonomy, perhaps even independence, that previous generations failed to win. These suspicions have only heightened since March, when Kadyrov called on Moscow to stop sending police officers to Chechnya from elsewhere in Russia and instead leave local security to Chechen forces.

Moscow is understandably concerned about losing control over the local leaders it has empowered, which explains why it has oscillated between devolution and halfhearted attempts at recentralization. In early 2010, Medvedev focused special attention on the North Caucasus by creating a new North Caucasus Federal District with jurisdiction over the region. He installed Aleksandr Khloponin, a businessman and former governor who is considered an effective and tough administrator, as its head. Part of Khloponin's daunting brief is to keep local leaders loyal. But his new assignment—part prefect, part proconsul, part chief enforcer—essentially re-creates an old imperial post that disappeared with the advent of the Bolsheviks: viceroy of the Caucasus.

The creation of the new federal district also underscores the tension between the core and the periphery and local leaders' resentment of the Kremlin's long reach. A case in point is Moscow's decision to replace many local police officers in Ingushetia following a 2009 bombing in the republic's largest city and former capital, Nazran; the Kremlin also extended supervisory power in the republic to the federal Interior Ministry. These moves exacerbated the animosity between federal and regional law enforcement officials and irritated Caucasian leaders, who want to show that they can manage their own affairs—even if they cannot.

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Prisoners of the Caucasus

Russia's leaders in the North Caucasus have ample means and motives to conceal entrenched problems, especially those of their own making. One of these is corruption. Moscow recognizes that it must curb graft as part of any long-term solution to instability in the North Caucasus. Government employees on the take—from high-level republican officials to traffic cops—nourish organized crime and spark violent reprisals. Many Russian leaders claim that “Wahhabis”—the state's catchall term for Islamist fighters and Muslim preachers from the Middle East—are behind the upheaval in the North Caucasus, a claim echoed by local elites. But Medvedev recognizes that corruption, unemployment, and poverty (the region leads Russia in the last two categories) will continue to produce unrest. Attempts to root out “terrorists” or “fighters”—two labels Russian officials often use for those perpetrating violence in the region—will produce few long-term gains if the sources of social instability remain intact.

The central government already lavishes subsidies on the North Caucasus republics. Some 60 to 80 percent of their budgets depend on money from Moscow. The state has provided several billion dollars in additional funds to spur economic development. But central officials have long known that local leaders and their cronies systematically steal federal aid. The result is that the government in Moscow—no longer flush with cash after the fall in oil prices—is left with plenty of sunk costs but without any new ideas.

SINGLE-FACTOR FALLACY

EXPLANATIONS FOR the upheaval and violence in the North Caucasus tend to seize on a single root cause. The rise of radical Islam is often cited first. Islam has certainly reemerged as a powerful source of identity in the North Caucasus over the last 20 years, with the continuum of devotion running from young people studying the Koran and participating in a peaceful religious revival to armed rebels who have “gone to the forest”—the local euphemism for joining an antigovernment militant group. The North Caucasus has been opened to the Muslim world through travel, ties to diaspora communities in the Middle East and the West, and the Internet. These connections have reshaped the worldviews of younger Chechens, Circassians, Dagestanis, and

Charles King and Rajan Menon

Ingush by reducing their sense of isolation and increasing their ambitions and their awareness of their government's failings. Preachers and fighters from abroad have helped further the growth of Islamic religiosity and the radicalization of some parts of the population; in some cases, foreign proselytizers have encouraged suicide attacks as a measure of piety. The Riyad-us Saliheen (Gardens of the Righteous) Martyrs Brigade—formerly commanded by Basayev—claimed responsibility for the derailing of the Nevsky Express, as it had for another operation two years earlier. Similarly, the *jamaats*, or Islamic cells, that operate across the region see themselves as part of a movement aimed at creating an ill-defined and utopian “emirate.”

But Moscow's rhetoric of simply reducing the turbulence of the North Caucasus to the actions of “Wahhabis,” “terrorists,” and their foreign collaborators is wrong-headed. For centuries, the Islam of the North Caucasus has been syncretic, mixing elements of Christianity and folk religion based on various mystical Sufi traditions, which means that many hard-line Muslim clerics condemn it as apostasy. A mosque in the North Caucasus is less likely to be filled with militants seething with hatred than with young men dressed in knock-off Dolce and Gabbana clothing looking for a measure of spiritual relief from their unhappy personal lives and bleak job prospects. Yet when some of these men travel to Turkey for work or to Egypt for education and then return home, they are frequently targeted by ruthless local police and heavy-handed Federal Security Service bureaucrats who assume that they have imbibed Wahhabism while abroad. More than a few such men have joined Islamist groups as a consequence; still others are drawn into the insurgency by the desire to avenge family members tortured or killed by individuals wearing the badges and uniforms of the Russian state. Some women have followed similar paths: one of the suicide bombers who attacked the Moscow subway in March was a 17-year-old woman from Dagestan who reportedly joined a terrorist cell to avenge the killing of her husband by Russian security forces.

Reducing the problems of the North Caucasus to that other common villain, nationalism, is just as simple-minded. Highland cultures are almost universally prideful, clannish, and hospitable—as well as suspicious. National identity was overlaid on these traits during the

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Soviet era. Nationalism among the Chechens and the Circassians, in particular, is more a product of Soviet social engineering—particularly the formation of national republics staffed by local cadres—than it is a reflection of immutable ancient ways and martial traditions. Of course, both groups have a long history of accumulated grievances against Russia. In the 1860s, the tsarist government—in a deliberate policy of depopulating a rebellious enclave—exiled as many as 400,000 Circassians, mainly to the Ottoman Empire, in overcrowded vessels, causing thousands to die en route.

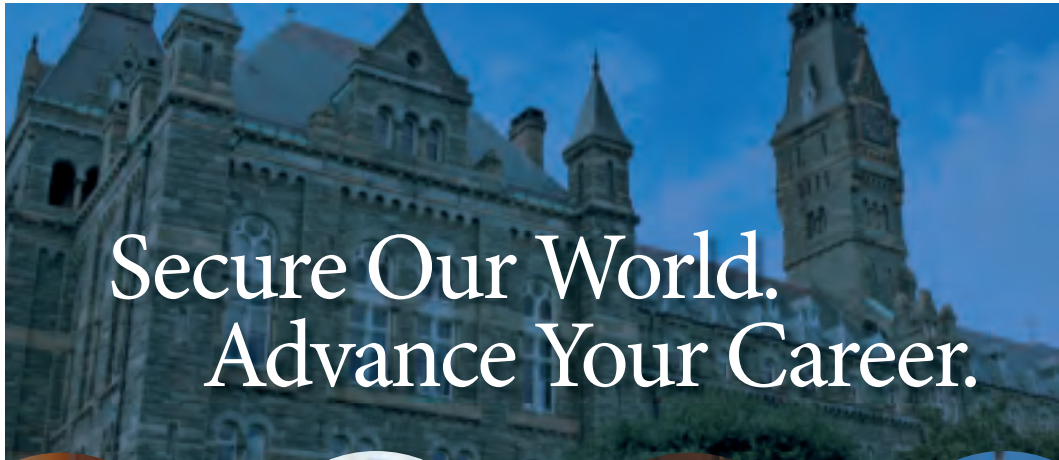
But ultimately, nationalism, much like Islam, is a weak predictor of mobilization and violence in the North Caucasus. The Ingush have long been considered the pious, scholarly cousins of the more rambunctious Chechens, thought of as lacking ideological and nationalist fervor. But today, Ingushetia is the region's most dangerous republic. Even ethnic groups that have similar narratives of national grievance reacted differently to the collapse of the Soviet state: the Circassians remained largely quiescent, whereas the Chechens took up arms and sought independence. And although Circassian nationalism has grown in recent years, its objective is not secession, nor does it rely on violence. Instead, it is nourished by the legacy of alleged genocide stemming from Russian conquest that local Circassians and a much larger diaspora believe has been intentionally forgotten. Circassian nationalists hope to attract wide attention during the 2014 Winter Olympics in Sochi, a port city on the Black Sea that was the scene of one of the final battles during the tsarist conquest of Circassian territory.

The idea that resistance to military occupation is the sole explanation for the suicide attacks is equally problematic. There were virtually no suicide attacks at the time when Chechnya was most clearly occupied by Russian forces—during the 1994–96 war—whereas suicide terrorism spiked just as the Russian state moved to devolve responsibility for counterinsurgency operations to local Chechens themselves. And when suicide bombers do strike, they tend to target local authorities who share their ethnic background and not Russian officials dispatched by Moscow. Moreover, suicide attacks have also been carried out by non-Chechens in other republics in the North Caucasus that have not seen an influx of Russian soldiers—indeed, two suicide bombings occurred in Dagestan two days after the March subway attacks.

REATTACHMENT SURGERY

THE PIVOTAL question for the North Caucasus is its place within the Russian Federation. So long as the Russian state relies on proxies, proconsuls, and raw power to ensure order, the region will revert to what it was in the tsarist era—a troublesome, exotic appendage. Today, for anyone traveling across the region, it is possible to forget that one is inside Russia—at least until one encounters the ubiquitous security checkpoints that make even driving from one republic to another something like crossing into another country. But it matters little if outsiders see the North Caucasus as a place apart from Russia; what matters is that Russians do, as well. As Aleksey Malashenko, a leading Russian specialist on the region, has observed, a common Moscow moniker for the North Caucasus is “the internal abroad.”

This perception cuts both ways. Although many of the political elites whom Moscow has empowered in the North Caucasus have made their fortunes within Russia, many ordinary citizens in the region increasingly look abroad—from Amman to Cairo, from Istanbul to New Jersey—for models of success. The future of the North Caucasus hinges on whether it can gain an equal place within the Russian polity—which itself, of course, remains a work in progress. If Moscow continues to focus its energies on insulating the rest of Russia from the ills of the North Caucasus, then an increasing number of the region’s inhabitants will wonder whether Russians can be anything other than distant, irrelevant overlords. 🌐



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The New Cocaine Cowboys

How to Defeat Mexico's Drug Cartels

Robert C. Bonner

THE RECENT headlines from Mexico are disturbing: U.S. consular official gunned down in broad daylight; Rancher murdered by Mexican drug smuggler; Bomb tossed at U.S. consulate in Nuevo Laredo. This wave of violence is eerily reminiscent of the carnage that plagued Colombia 20 years ago, and it is getting Washington's attention.

Mexico is in the throes of a battle against powerful drug cartels, the outcome of which will determine who controls the country's law enforcement, judicial, and political institutions. It will decide whether the state will destroy the cartels and put an end to the culture of impunity they have created. Mexico could become a first-world country one day, but it will never achieve that status until it breaks the grip these criminal organizations have over all levels of government and strengthens its law enforcement and judicial institutions. It cannot do one without doing the other.

Destroying the drug cartels is not an impossible task. Two decades ago, Colombia was faced with a similar—and in many ways more daunting—struggle. In the early 1990s, many Colombians, including police officers, judges, presidential candidates, and journalists, were assassinated by the most powerful and fearsome drug-trafficking organizations the world has ever seen: the Cali and Medellín cartels. Yet

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within a decade, the Colombian government defeated them, with Washington's help. The United States played a vital role in supporting the Colombian government, and it should do the same for Mexico.

The stakes in Mexico are high. If the cartels win, these criminal enterprises will continue to operate outside the state and the rule of law, undermining Mexico's democracy. The outcome matters for the United States as well—if the drug cartels succeed, the United States will share a 2,000-mile border with a narcostate controlled by powerful transnational drug cartels that threaten the stability of Central and South America.

THE MEXICAN CONNECTION

OVER THE last two decades, Mexican drug cartels have acquired unprecedented power to corrupt and intimidate government officials and civilians. Three factors account for their rise: preexisting corruption, the inability of weak law enforcement institutions to counter them, and the demand for illegal drugs in the United States.

Drug trafficking and cross-border smuggling certainly existed in Mexico before the 1980s, but the trade was chiefly confined to marijuana and small quantities of heroin and involved a large number of small trafficking organizations. Almost no cocaine was smuggled through Mexico into the United States before 1984; the vast majority of illegal shipments came through the Bahamas or directly from Colombia to Florida on propeller planes. This changed in the mid-1980s, after the United States shut down the direct flow of cocaine into southern Florida and the Bahamas and made it increasingly difficult to smuggle large amounts of cocaine through the Caribbean. In reaction to Washington's increasingly successful interdiction strategy, the Colombian cartels forged a connection with major Mexican trafficking organizations. They dispatched a representative to Mexico, Juan Ramón Matta Ballasteros, who came to an agreement with Mexican drug-trafficking organizations in 1984. In exchange for \$1,000 per kilogram of cocaine, the Mexican trafficking organizations would smuggle Colombian cocaine into the United States.

Within a few years, 80–90 percent of the cocaine being smuggled into the United States—hundreds of metric tons annually—was

The New Cocaine Cowboys

moving through Mexico. After the Mexican connection was forged, Colombian propeller planes—with extra fuel tanks and stripped of seats—began landing on remote airstrips in northern Mexico, carrying 600–800 kilos of cocaine per flight. The smuggling business added greatly to the overall revenues of the major Mexican trafficking organizations. As a result, powerful, more consolidated drug cartels began to emerge in Mexico, including the Gulf, Juárez, Sinaloa, and Tijuana cartels.

At first, the Mexican cartels acted primarily as transporters for the Colombian cartels and were paid in cash. But by the early 1990s, the Colombian cartels were paying them in powder cocaine, which led the Mexican trafficking organizations to create their own distribution networks in the United States and within Mexico, eventually eclipsing the Colombians' influence. Over the last two decades, these organizations have evolved into vertically integrated, multinational criminal groups. They are headquartered in Mexico, but they have distribution arms in over 200 cities throughout the United States—from Sacramento to Charlotte—and have established a presence in Guatemala and other Central American nations. Their major markets for cocaine are not just in the United States but also in Mexico itself and as far away as Europe. Although their primary business is cocaine and, more recently, methamphetamine, these groups also engage in other criminal activities, including human trafficking, kidnapping, and extortion.

In February 1985, when Enrique “Kiki” Camarena, a U.S. Drug Enforcement Administration agent, was kidnapped, tortured, and killed, the U.S. government began to grasp the full extent of the problem in Mexico. The Guadalajara cartel had murdered Camarena in an attempt to intimidate the United States. The DEA's investigation of the killing uncovered widespread corruption and complicity in drug trafficking at all levels of the Mexican government. A large portion of the Jalisco state police force, it turned out, was on the payroll of the Guadalajara cartel. Indeed, it was Jalisco state police officers who had abducted Camarena, at the behest of the Guadalajara cartel. The corruption

Police comandante positions in the northern Mexican states were going for several million dollars each.

Robert C. Bonner

extended beyond the state police and into the governor's office and even into the federal government, including the principal internal security agency, the Federal Directorate of Security. The investigation revealed that the *comandantes* of the Mexican Federal Judicial Police (MFJP), who at the time oversaw all federal police in each state, had been bought off by the drug cartels; *comandante* positions in the northern Mexican states were going for several million dollars each. The "bagman" was a senior official in the attorney general's office.

In 1986, the Mexican government took action against the Guadalajara cartel, arresting and imprisoning its leaders, Rafael Caro Quintero, Ernesto Fonseca Carillo, and, eventually, Miguel Félix Gallardo. The security directorate was dissolved, and ultimately there was an attempt to create a new federal police agency to replace the disgraced and corrupt MFJP. This effort at reform failed, however, and the Gulf, Juárez, Sinaloa, and Tijuana cartels remained intact.

The problem had become exponentially worse by the 1990s, as the major trafficking organizations began reaping enormous profits

More than 45,000 troops are currently dedicated to enforcing Calderón's anticartel policy.

from the cocaine trade. Mexico's one-party political system, which was dominated by the Institutional Revolutionary Party (PRI) for 70 years, permitted these major drug cartels to increase their influence and power. This was partially due to entrenched corruption and the government's lack of accountability. But it was also the result of weak law enforcement agencies, which could not take

effective action against major cartel leaders even when the political will to do so existed.

The cartels largely controlled the state and municipal police, and the federal police lacked the skills and authority to carry out effective investigations; they were also compromised by the cartels, which often paid for their housing and supplemented their incomes. In more than one instance, cartel kingpins were tipped off before the federal police could arrest them. Judicial and penal officials, too, were subject to outright bribery, as evidenced by the 2001 jailbreak of Joaquín "El Chapo" Guzmán, the head of the Sinaloa cartel, who paid off several prison guards to facilitate his escape.



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The New Cocaine Cowboys

During the 1990s, the governments of Carlos Salinas and Ernesto Zedillo made sporadic attempts to rein in the drug cartels, but they lacked any systematic strategy or sustained effort. To his credit, Zedillo tried to dismantle the Tijuana cartel, an endeavor that involved forming a joint task force with the DEA and U.S. Customs. He also created a national drug-control center with a powerful director to serve as a counterpart to the U.S. drug czar and oversee a federal crackdown. However, not long thereafter, in 1997, evidence was uncovered that the Mexican drug czar, Jesús Gutiérrez Rebollo, was on the payroll of the Juárez cartel.

THE PAIN IN JUÁREZ

A MAJOR TURNING point came in 2000, when the PRI lost power and Vicente Fox of the National Action Party, or PAN, became president. The end of one-party rule was profoundly important for Mexico's evolution toward true democracy, and it also signaled a new era for the drug cartels. The acquiescence of the federal government could no longer be taken for granted in a democratic state in which most of the public abhorred the drug cartels and the culture of impunity.

As Shannon O'Neil pointed out in the July/August 2009 issue of this magazine, the end of one-party rule set in motion a seismic political shift that undermined the cartels' cozy relationship with the government and their ability to intimidate its officials. Indeed, things began to change, albeit slowly, under Fox: he took initial steps to clean up the customs service and attempted to reform the federal police, and he dispatched the Mexican military to Nuevo Laredo in 2005 when the Gulf cartel, through its paramilitary assassins, the Zetas, threatened to take total control of the city. Most important, there was a sharp increase in extraditions of drug traffickers to the United States. This trend has accelerated under Felipe Calderón, who became president in December 2006. Before Fox, there had been only six extraditions of Mexican citizens to the United States ever; during Fox's six-year tenure, there were 133. And since Calderón came to power, there have been 144.

The government's campaign escalated dramatically after Calderón took office. Consistent with his campaign pledges, he released a

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national development plan declaring that his administration's main goal was to establish the rule of law by confronting organized crime and corruption. Calderón has relied heavily on the Mexican military, one of the country's few reliable institutions, to combat the drug cartels. One of his first moves as president was to deploy 6,500 Mexican army troops to his home state of Michoacán to curb the violence caused by dueling drug cartels there. More than 45,000 soldiers are currently dedicated to enforcing Calderón's anticartel policy, many of whom are stationed in Ciudad Juárez, the site of one of the most violent confrontations between rival cartels.

Calderón's initiatives have begun to destabilize the cartels, and many cartel leaders are now on the run. In December 2009, the Mexican navy—the country's least corrupt government institution—acting on intelligence, surrounded one of the cartels' kingpins, Arturo Beltrán Leyva, and killed him and a number of his bodyguards in a shootout in Cuernavaca, south of Mexico City. More recently, units of the newly constituted Mexican Federal Police captured Teodoro García Simental, the kingpin who had taken over the Tijuana cartel after the Mexican government captured the Arellano Félix brothers, the cartel's former leaders, and crippled their criminal network. Calderón has also taken action to tighten security at Mexican ports and along the country's southern border in order to disrupt the inflow of cocaine, weapons, and drug precursor chemicals. Although much remains to be done, Mexican authorities have seized over 80 metric tons of cocaine since Calderón took office. The recent seizures of four tons of pseudoephedrine, a precursor chemical used to make methamphetamine, and nearly a ton of cocaine at the ports of Veracruz and Manzanillo are evidence of Mexico's enhanced interdiction efforts.

Even so, the number of drug-related homicides has risen in the last few years. An estimated 22,000 drug-related murders have occurred since Calderón took office, with nearly 9,000 in 2009 alone. This has led some to conclude that violence in Mexico is out of control. Others have suggested that the country is on the verge of becoming a "failed state" (or, in the words of a 2008 U.S. military report, at risk of "rapid and sudden collapse"). The former is a gross exaggeration, and the latter is simply untrue.

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Ninety percent of the homicides have involved members of one drug cartel killing members of another. Most of the rest have been heavily armed cartel members murdering Mexican soldiers or police. Some innocent bystanders have been killed, but they represent a small fraction of the total. Violence in Mexico today is nothing like the carnage that plagued Colombia in the late 1980s and 1990s. Last year, Chihuahua, the state in which Juárez is located, had a homicide rate of 143 per 100,000—one of the worst in the Western Hemisphere, to be sure, yet less than one-third the rate in Medellín during the last years of Pablo Escobar and the Medellín cartel in the early 1990s. Indeed, Mexico's national homicide rate last year was ten for every 100,000 people, far lower than Brazil's (25) and Venezuela's (48). Mexico may be violent, but it is not out of control.

Nor is Mexico a failed state. Most of the drug-related homicides have occurred in just six of Mexico's 32 states, and the majority of them have been in the state of Chihuahua. The increase in the number of drug-related homicides, although unfortunate, is a sign of progress: a consequence, in part, of government actions that are destabilizing the drug cartels and denying them access to areas in which they used to operate with complete impunity. As a result, the cartels are starting to fight one another. The carnage in Juárez, for example, is largely the result of fighting between the local Juárez cartel and the Sinaloa cartel for control of the Juárez–Chihuahua corridor, one of the primary smuggling routes into the United States. (There was a similar, but worse, increase in violence in Colombia during the death throes of the cartels there.) Once these cartels are broken, public safety and security will follow, as was the case in Colombia. One need only look at Medellín today.

FROM MEDELLÍN TO MICHOACÁN

THE SITUATION Mexico faces today is in many ways similar to the one that Colombia confronted 20 years ago. In 1990, two enormously powerful Colombian drug cartels—in Cali and Medellín—dominated the world cocaine trade. Both cartels were made up of three to four large drug-trafficking organizations, each with its own kingpin and organizational structure. The cartels hid their cocaine

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labs in remote and jungle regions, where Marxist insurgents provided them cover; in exchange, rebel groups such as the Revolutionary Armed Forces of Colombia, or FARC, derived much of their funding from the cartels. In urban areas, the cartels worked by bribing police, politicians, and judges. Those who could not be bribed were intimidated; the cartels threatened to kill them and their families, and often they did. The phrase in Spanish is *plata o plomo?*—“money or lead?”

Two decades ago, the challenges faced by the Colombian government, even with U.S. support, seemed insurmountable. Colombia was on the verge of failure due to the two quasi-military drug cartels, spiraling rates of political violence, criminality, and an extraordinarily high national homicide rate of 80 per 100,000—eight times Mexico’s current rate. Today, neither cartel poses a threat to the Colombian state; both are gone.

In less than a decade,
the Cali and Medellín
cartels were destroyed.

There are several lessons to be drawn from Colombia’s successful campaign. First, since the cartels were vertically integrated, transnational organizations, the campaign against them required the involvement of more than just one country. A multinational approach, with strong support and assistance from the United States, was necessary. The provision of U.S. technical and operational assistance to the Colombian government, in particular the Colombian National Police and the Colombian military, was crucial. Likewise, Mexico’s cartels cannot be eliminated unless they are attacked from both within and outside the country.

Second, the goal must be clear. In Colombia, the objective was to dismantle and destroy the Cali and Medellín cartels—not to prevent drugs from being smuggled into the United States or to end their consumption. Indeed, there are still drug traffickers in Colombia, and cocaine is still produced there, but compared with the old cartels, the trafficking groups there today are smaller, more fragmented, and far less powerful—and, most important, they no longer pose a threat to Colombian national security. From a law enforcement perspective, the problem in Colombia today is manageable. The United States must accept that the goal in Mexico is

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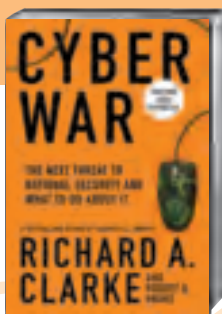
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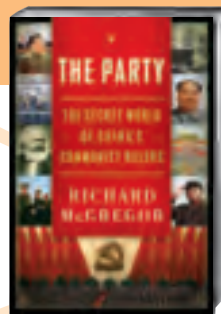
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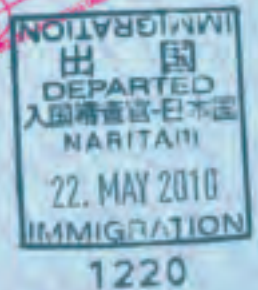
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similar: the destruction of the large Mexican cartels, nothing more and nothing less.

Third, a divide-and-conquer strategy can be effective. It worked in Colombia, and it can work in Mexico. The Colombian government wisely chose to attack one cartel at a time, rather than fighting a two-front war. The Medellín cartel was obliterated by the end of 1993, and the coup de grâce was the killing of Escobar, a key figure in the cartel. The Colombian government then turned its forces against the Cali cartel, which unraveled after the capture of the Rodríguez Orejuela brothers and the Urdinola Grajales brothers and the killing of José Santacruz Londoño, all of which was accomplished by the end of 1996. In less than a decade, the Cali and Medellín cartels, two of the most powerful criminal organizations the world has ever seen, were destroyed. The Colombian government's more recent successes against armed insurgent groups would not have been possible had the cartels not first been defeated.

Fourth, the United States and Mexico must rely on a proven strategy, such as the "kingpin strategy," which was used to defeat the Colombian cartels. Success in Colombia hinged on identifying, locating, and capturing the kingpins and key lieutenants of the organizations that made up the Cali and Medellín cartels and then imprisoning them in secure facilities. (Some were killed resisting arrest.) The strategy required attacking every vulnerability of the trafficking organizations at every step of the process: disrupting the cartels' flows of money and weapons, their ability to acquire drugs and drug precursor chemicals, and their distribution networks, while fully exploiting their communications vulnerabilities. The goal was to weaken these criminal organizations to the point where their leaders and potential future leaders could be captured and removed.

Contrary to popular belief, not anyone can effectively run a large, multinational drug-trafficking organization. Removing the kingpin and his potential successors is the death knell for such organizations.

Not anyone can run a large, multinational drug-trafficking organization. Removing the kingpin matters.

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In Colombia, the extradition to the United States of cartel leaders and potential leaders was therefore an indispensable part of the kingpin strategy. Focusing the efforts of various U.S. agencies on the same targets made the operations more effective, and using polygraph tests and other anticorruption measures to vet Colombian law enforcement officers helped ensure that the U.S. intelligence shared with Colombian counterparts was not compromised.

Fifth, law enforcement and judicial institutions must be aggressively reformed. Long-term success in Colombia required strengthening the capacity and integrity of the country's policing, prosecutorial, and judicial institutions, allowing criminals to be captured, prosecuted, and penalized. Before these reforms, Colombian judges lived in fear, and hundreds of investigative magistrates were killed when they did not succumb to bribery. With significant assistance from Washington, Mexico, like Colombia, could better protect its judges, prosecutors, and witnesses from corruption and intimidation. Moreover, the Colombian National Police worked to hire better-vetted and better-educated officers, pay them more, rotate personnel, and introduce the concept of internal-affairs investigations. Colombian laws were changed to permit prosecution for conspiracy and money laundering and to allow the use of informants and lawful wiretapping to produce evidence usable in court.

Sixth, the limits on the usefulness of the military must be understood. The Colombian military played an important part in the battle against the Cali and Medellín cartels, attacking and destroying remote cocaine labs and battling FARC guerrillas and other paramilitary groups in the countryside. Yet it did not play a decisive role in the defeat of the cartels—the Colombian National Police did. Militaries are ill suited to carry out the actions necessary to ultimately bring down criminal organizations. These include investigations to support prosecutions, the recruitment of informants, and the use of electronic surveillance to gather evidence.

In Mexico today, the military is taking the lead in the war against the drug cartels. They are doing so out of sheer necessity, but it is a stopgap solution. The country desperately needs to reform and overhaul its hundreds of separate state and municipal police forces. It will be several more years before the Mexican Federal Police are

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strong enough to take over this war from the army. And even then, the military will likely have to assist the police in confronting heavily armed paramilitary units of the cartels.

As Washington sends money south as part of the Merida Initiative, an effort to combat crime and drug trafficking in Mexico, it must be careful not to focus too much on military assistance and neglect other, more effective forms of aid that are essential to success. In Colombia, almost all the initial U.S. aid came in the form of military equipment, giving the Colombian government the erroneous impression that the cartels could be destroyed using military force alone. The United States has made the same mistake in Mexico. Virtually all of the first \$300 million of Merida funding—25 percent of the total so far—went to military equipment. Some of this equipment is useful, of course, but it is more important in the long run for the United States to concentrate its assistance on the development, training, and professionalization of Mexico's law enforcement officers. At the federal level, Mexico desperately needs to create a Mexican equivalent of the FBI, together with a real anticorruption and internal-affairs investigative capacity that can gain credibility through publicized prosecutions. At the state level, Mexico needs new police officers who are paid well enough to make them less susceptible to bribery. The best solution may be to abolish the municipal police departments altogether and have reformed state police agencies, comprised of officers trained at a national police academy, take over policing in the cities.

Finally, extradition is vital. Trial and imprisonment in the United States was the only thing that the Colombian drug traffickers truly feared. Once weakened, several cartel kingpins surrendered to Colombian authorities rather than face extradition. Although the Cali and Medellín cartels were destroyed in less than a decade, this could have been accomplished faster if costly errors, such as the temporary abolition of extraditions, had not been made along the way. (Colombian traffickers bribed Colombian lawmakers to secure passage of the extradition ban.)

ENDGAME

ALTHOUGH THE Colombian drug cartels of 20 years ago were even more powerful than the Mexican cartels of today, Colombia had some

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advantages that Mexico does not have. Colombia is one of the oldest continuous democracies in Latin America, whereas Mexico's democracy is still evolving. Colombia has a strong central government, whereas Mexico is a federal republic, with all the complexities and fragmentation that entails. It is far easier to reform and reorganize one national police force, as was done in Colombia, than to reform and reorganize two federal, 32 state, and over 1,500 municipal police agencies, as will be necessary in Mexico.

Still, virtually all the key lessons learned from the defeat of the Colombian cartels in the 1990s are applicable to the current battle against the Mexican cartels. Mexico's government is already reforming and professionalizing its federal police. Hiring standards and vetting have improved, and some anticorruption best practices are being adopted. And at long last, Mexico will soon have a federal police authority to parallel the U.S. Border Patrol, which will permit rapid exchanges of information between the United States and Mexico and provide better border security for both nations. The Calderón government is shoring up Mexico's own porous southern border, has plans to reform and transform its customs service, and is upgrading its information technology infrastructure, which will permit intelligence sharing through secure databases.

For its part, the United States must do more to rally its own law enforcement community around a common strategy to be sure the various Washington agencies involved play their assigned roles. Specifically, the United States should use much of the remaining Merida funding to help build the capacity of the Mexican federal and state police and develop a command-and-control center for intelligence sharing and communications. Washington should also improve its efforts to stanch the flow of weapons and cash across the United States' border into Mexico. A small binational group is needed to target, coordinate, and oversee the rapid implementation of a kingpin-style strategy. And as part of a longer-term effort, both nations, but especially the United States, should seek to reduce the domestic demand for drugs through education and treatment programs.

There are less than three years left in Calderón's presidency, and victory in the war against the drug cartels may not be achieved

The New Cocaine Cowboys

before his term ends. (Under the Mexican constitution, presidents are limited to a single six-year term.) There is a very real risk that the Mexican public will grow weary of the violence and turn against his strategy of defeating the cartels. Indeed, the former Mexican foreign minister Jorge Castañeda has called for the government to enter into a “tacit deal” with some or all of the drug cartels, under which the government would allow them to operate their illegal businesses with impunity in exchange for curbing public violence.

The United States knows from its own experience with organized crime that such a pact would be a serious mistake. The public will never believe in the rule of law if the government itself permits certain criminal groups to operate above it. Not only would this approach cause widespread public cynicism; it would also result in the return of large-scale graft, one of the very things that Calderón is trying to eliminate. It is the government that should enforce the peace and public safety, not organized criminal enterprises.

Victory can be achieved. Mexico’s drug cartels are becoming desperate. If Mexico takes the lessons of Colombia to heart and continues to show strong leadership and firm political will, it can, with U.S. assistance, rid itself of the cartels for good. 🌐

Defining Success in Afghanistan

What Can the United States Accept?

*Stephen Biddle, Fotini Christia,
and J Alexander Thier*

THE ORIGINAL plan for a post-Taliban Afghanistan called for rapid, transformational nation building. But such a vision no longer appears feasible, if it ever was. Many Americans are now skeptical that even a stable and acceptable outcome in Afghanistan is possible. They believe that Afghanistan has never been administered effectively and is simply ungovernable. Much of today's public opposition to the war centers on the widespread fear that whatever the military outcome, there is no Afghan political end state that is both acceptable and achievable at a reasonable cost.

The Obama administration appears to share the public's skepticism about the viability of a strong, centralized, Western-style government in Kabul. But it does not think such an ambitious outcome is necessary. As U.S. Secretary of Defense Robert Gates observed in 2009, Afghanistan does not need to become "a Central Asian Valhalla." Yet a Central Asian Somalia would presumably not suffice. Success in Afghanistan will thus mean arriving at an intermediate end state, somewhere between ideal and intolerable. The Obama administration must

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Defining Success in Afghanistan

identify and describe what this end state might look like. Without clear limits on acceptable outcomes, the U.S. and NATO military campaign will be rudderless, as will any negotiation strategy for a settlement with the Taliban.

In fact, there is a range of acceptable and achievable outcomes for Afghanistan. None is perfect, and all would require sacrifice. But it is a mistake to assume that Afghanistan is somehow ungovernable or that any sacrifice would be wasted in the pursuit of an unachievable goal. Afghanistan's own history offers ample evidence of the kind of stable, decentralized governance that could meet today's demands without abandoning the country's current constitution. By learning from this history and from recent experience in Afghanistan and elsewhere, the United States can frame a workable definition of success in Afghanistan.

CONSENT OF THE GOVERNED

FROM THE end of the Second Anglo-Afghan War in 1880 to the coup of Mohammad Daud Khan in 1973, Afghanistan underwent a relatively stable and gradual period of state building. Although the country was an absolute monarchy until 1964, Afghanistan's emirs, on the whole, needed the acquiescence of the population in order to govern. The central government lacked the strength and resources to exercise local control or provide public goods in many parts of the country. Instead, it ruled according to a series of bargains between the state and individual communities, exchanging relative autonomy for fealty and a modicum of order. Over time, as Kabul improved its capacity to offer services and to punish transgressors, this balance shifted, and local autonomy gradually eroded. But whenever this process went too quickly—most notably in the 1920s under Amanullah Khan and in the 1970s under the Soviet-backed People's Democratic Party—conflict in the periphery erupted and local power brokers challenged the central authority. The Soviet invasion in 1979 led to a fundamental breakdown of centralized authority and legitimacy, which resulted in the diffusion of political, economic, and military power across a number of ethnic and geographic groups. The era of dynastic control of the state by Pashtun elites is thus now over.

Stephen Biddle, Fotini Christia, and J Alexander Thier

Although war, migration, and the emergence of regional strongmen have destabilized the Afghan countryside, local communities remain a fundamental source of Afghan identity and a critical base of governance and accountability. This is especially clear in the case of the local *jirga* or *shura* (community council). Traditionally, the community council was a place to solve problems and negotiate over common goods and burdens, with its more prominent members serving as liaisons to the central government. These bodies may differ in their power and representation, but they are still found today in virtually every community. This traditional and local base of legitimacy offers a potential foundation for stable governance in the future.

Washington, of course, would prefer to see Afghanistan—much as it would like to see any country—ruled in accordance with the will of the governed, its people prosperous, and the rights of its minorities and women respected. But the United States' two main security interests in Afghanistan that justify waging a war are much narrower: one, that terrorists who wish to strike the United States and its allies not use Afghanistan as their base, and two, that insurgent groups not use Afghanistan's territory to destabilize its neighbors, especially Pakistan.

There are many possible end states for Afghanistan, but only a few are compatible with these national security interests. Afghanistan could become a centralized democracy, a decentralized democracy, a regulated mix of democratic and nondemocratic territories, a partitioned collection of ministates, an anarchy, or a centralized dictatorship. The first and the last are unlikely; partition and anarchy are unacceptable. But decentralized democracy and internal mixed sovereignty are both feasible and acceptable.

THE FAILURE OF CENTRALIZATION

SINCE 2001, Hamid Karzai's government, with international support, has pursued the model of centralized democracy. As first envisaged in the 2001 Bonn agreement and then codified in the 2004 Afghan constitution, this approach places virtually all executive, legislative, and judicial authority in the national government. It has created one of the most centralized states in the world, at least on paper.



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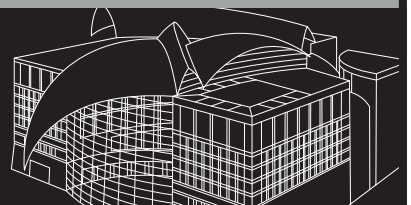
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Defining Success in Afghanistan

The president appoints every significant official in the executive branch, from provincial governors down to midlevel functionaries serving at the subprovincial level. All security forces are national forces. Although there are provisions to elect provincial, district, municipal, and village councils, only provincial council elections have been held thus far. Kabul holds all policy, budgetary, and revenue-generating authority. In March 2010, Karzai approved a new governance policy that devolves some local administrative and fiscal authority to appointed officials and provides modest auditing and budgetary powers to elected subnational bodies. Still, the Afghan state retains a remarkably centralized blueprint.

Political figures close to Karzai pushed for such a highly centralized government against the wishes of many non-Pashtun minorities—and despite Afghanistan's prior experience with failed, albeit non-democratic, centralization efforts. From 1919 to 1929, for example, Amanullah Khan aspired to be Afghanistan's Kemal Atatürk, but his strategy ultimately led to serious rural upheaval, which ended his rule. The radical attempts at centralization under the Soviet-backed regimes that followed the 1978 coup helped spark the mujahideen resistance and led to years of civil war.

After the Taliban were removed from power, in 2001, strong Pashtun support, combined with fears of a return to the civil war of the 1990s, created a majority in favor of a centralizing constitution. But Afghan central governments have never enjoyed the legitimacy required by such an organizing principle. The last 30 years of upheaval and radical devolution of political, economic, and military authority have only made this problem worse. Put simply, the current model of Afghan governance is too radical a departure in a place where the central state has such limited legitimacy and capacity. To create a lasting peace that includes the country's main ethnic and sectarian groups—as well as elements of the insurgency—Afghanistan will require a more inclusive, flexible, and decentralized political arrangement.

The United States will have to push for a more inclusive, flexible, and decentralized political arrangement.

STABLE DEVOLUTION

POWER SHARING would be easier under a decentralized democracy, in which many responsibilities now held by Kabul would be delegated to the periphery. Some of these powers would surely include the authority to draft and enact budgets, to use traditional alternatives to centralized justice systems for some offenses, to elect or approve important officials who are now appointed by Kabul, and perhaps to collect local revenue and enforce local regulation.

Increasing local autonomy would make it easier to win over Afghans who distrust distant Kabul and would take advantage of a preexisting base of legitimacy and identity at the local level. The responsibility for foreign policy and internal security, however, would remain with the central government, which would prevent even the more autonomous territories from hosting international terrorist groups or supporting insurrection against the state.

A decentralized democracy along these lines should be an acceptable option for the United States. Its reliance on democracy and transparency is consistent with American values. Individual territories with the freedom to reflect local preferences may adopt social policies that many in the United States would see as regressive. But the opposite could also occur, with some places implementing more moderate laws than those favored by a conservative center. By promoting local acceptance of the central government, this option would remove much of the *casus belli* for the insurgency. And it would preserve a central state with the power and incentive to deny the use of Afghan soil for destabilizing Pakistan or planning attacks against the United States.

A decentralized democracy would comport with much of the post-Cold War experience with state building elsewhere. A range of postconflict states in Africa (Ethiopia and Sierra Leone), Europe, (Bosnia and Macedonia), the Middle East (Iraq and Lebanon), and Asia (East Timor and, tentatively, Nepal) have used some combination of consociationalism, federalism, and other forms of decentralized democratic power sharing. Although it is too early to make definitive claims of success, to date not one of these states has collapsed, relapsed into civil war, or hosted terrorists. And some, such as Bosnia and

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Ethiopia, have remained tolerably stable for over a decade. This is, of course, no guarantee that decentralized democracy would work in Afghanistan. But its track record elsewhere and its better fit with the country's natural distribution of power suggests that it offers a reasonable chance of balancing interests and adjudicating disputes in Afghanistan, too.

A decentralized democracy in Afghanistan would face three critical challenges. The first, of course, is the Taliban, who oppose democracy on principle and are likely to resist this approach as aggressively as they now resist centralized democracy. The second challenge is the limited administrative capacity of the Afghan state. Decentralization would distribute power among a larger number of officials; for a state such as Afghanistan, which has a limited pool of competent bureaucrats, this could exceed the country's current human capital and require a major expansion of training efforts. Third, the country's malign power brokers would likely resist such an option. A transparent electoral democracy would threaten their status, authority, and ability to profit from corruption and abuse.

Yet decentralized democracy could actually offer some important counterbalances in each of these areas. Hard fighting will be required to marginalize the Taliban under any democratic system, decentralized or not. The odds of success are much higher, however, when the population supports the government. Counterinsurgency can be described as a form of violent competition in governance; it is much easier to win when the form of government offered is closer to the natural preference of the governed. And if the Taliban come to see their military prospects as limited, a decentralized system might entice some of their members to reconcile with the government in the hope of securing a meaningful local role in areas where their support is strongest.

It will not be easy to combat high-level corruption or to improve administrative capacity. But a transparent system in which locals make most decisions would allow Afghanistan's traditional community leaders to police the use of power and public funds. A faraway national ministry in Kabul is beyond the oversight of a village or district *shura*. In contrast, local councils can see how officials are spending money

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and can take issue with uses they find objectionable. Decentralization may also improve the Afghan government's basic competence by allowing local officials to focus on smaller, more local issues. For example, the most widely hailed development program in Afghanistan in the last eight years has been the National Solidarity Program, under which the central government provides grants to democratically elected community councils for local development projects. The NSP was designed at the national level but is administered locally. To date, it has been fiscally efficient and effective, reaching more than 20,000 villages.

Although decentralized democracy offers no easy guarantee of success, it has much better odds of success than a centralized model. But it would not come cheaply: the United States would have to wage a sustained counterinsurgency campaign, provide major administrative assistance to the Afghan government, and conduct vigorous anticorruption measures.

A MIXED BAG

MIXED SOVEREIGNTY is an even more decentralized model. Much like decentralized democracy, this approach would take many powers that are now held in Kabul and delegate them to the provincial or district level. But mixed sovereignty would go one step further, granting local authorities the additional power to rule without transparency or elections if they so chose—as long as they did not cross three “redlines” imposed by the center.

The first redline would forbid local authorities from allowing their territories to be used in ways that violated the foreign policy of the state—namely, by hosting terrorist or insurgent camps. The second would bar local administrations from infringing on the rights of neighboring provinces or districts by, for example, seizing assets or diverting water resources. The third would prevent officials from engaging in large-scale theft, narcotics trafficking, or the exploitation of state-owned natural resources.

Beyond these limited restrictions, local authorities could run their localities as they saw fit, with the freedom to ignore the will of the governed or engage in moderate-scale corruption. The central

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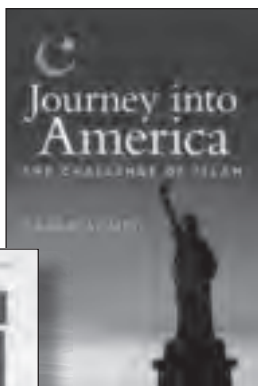
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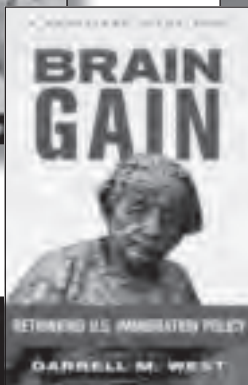


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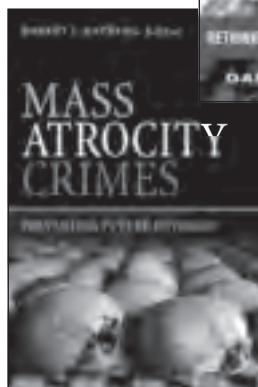
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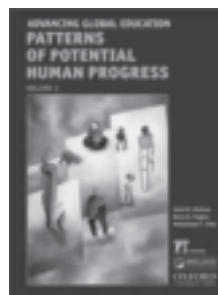
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Defining Success in Afghanistan

government in Kabul would retain total control over foreign policy and the ability to make war and enforce narcotics, customs, and mining laws and limited authority over interprovincial commerce. Under such an arrangement, sovereignty is mixed to a much greater degree than in the other possible systems, with many—but not all—of the ordinary powers of sovereign government delegated to the provincial or district level.

The mixed-sovereignty model would signal a more serious break with the direction of Afghan state building as it was conceived in 2001 than would decentralized democracy. But it would also be a partial acknowledgment of the *de facto* arrangements that have taken shape since 2001. Many of the governors and other local officials appointed by Karzai have ruled not by virtue of a legal mandate from Kabul but rather through their own local security and economic power bases, which operate outside the law but with the tacit acceptance of Kabul. In provinces such as Balkh (under Governor Atta Mohammad Noor) and Nangarhar (under Governor Gul Agha Sherzai), this has led to relative peace and a drastic reduction of poppy cultivation. Such warlords have settled into a stable equilibrium in which they profit from the theft of customs duties and state property but maintain order and keep their predation within limits so as to avert a mutually costly crackdown by Kabul.

In other areas, however, strongmen have caused instability. In Helmand, for example, several years of corrupt rule by Sher Mohammad Akhundzada alienated significant groups in the province and sent poppy cultivation soaring, fueling the insurgency. Even in Afghanistan's relatively stable north, the rule of warlords has led to ethnic violence and criminal excess. To ensure stability, mixed sovereignty cannot amount to partition under local strongmen who rule with impunity in private fiefdoms. Redline restrictions that forbid the sort of excesses that fuel insurgency are thus essential.

Mixed sovereignty has some important advantages: it is less dependent on the rapid development of state institutions and offers a closer fit with the realities of Afghanistan. Restricting the central government's involvement in local issues to a limited—but aggressively enforced—set of redlines could encourage the country's power brokers to moderate their excesses, which now drive many

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toward the Taliban. At the same time, a mixed-sovereignty system would depend less on transparency and efficiency, thus requiring less international mentoring, oversight, and assistance. Local autonomy would create incentives for Taliban members to participate in reconciliation negotiations, since a more purely democratic option would subject them to electoral sanction.

However, mixed sovereignty also carries risks and disadvantages that make it less consistent with U.S. interests than either centralized or decentralized democracy. First, governors would be free to adopt regressive social policies and abuse human rights. This would represent a retreat from nearly nine years of U.S. promises of democracy, the rule of law, and basic rights for women and minorities, with costs to innocent Afghans and the prestige of the United States.

Corruption would also be prevalent—indeed, for prospective governors, the opportunity for graft would be an essential part of the system's appeal. The Afghan government would have to contain the scale

Centralized governance matches neither the real internal distribution of power in Afghanistan nor local notions of legitimacy.

and scope of this corruption, lest official acceptance of abuse renewed support for the insurgency. To prevent this, Kabul would have to rein in the worst of today's excesses—if mixed sovereignty is merely a gloss for the status quo, it will fail. At the same time, the Afghan state would have to crack down on the narcotics trade, which if left unchecked could dwarf the revenues provided by foreign aid and make such aid a less convincing incen-

tive for compliance with the center. The central government would have to strike a bargain with the country's power brokers, requiring them to refrain from large-scale abuses in exchange for tolerance of moderate local corruption and a share of foreign assistance. Even this kind of bargain, however, would probably be resisted by the country's strongmen, who have grown used to operating without restraint. Thus, mixed sovereignty would not free Kabul from the need to confront local power centers, and even this limited confrontation could be costly and difficult.

Under this style of governance, there would be a potential threat of instability as powerful governors periodically tested the waters to

Defining Success in Afghanistan

see what they could get away with. The central government would presumably need to carry out periodic enforcement actions, including violent ones.

Mixed sovereignty is thus not ideal, but it could be viable and meet U.S. security requirements if Washington and Kabul were willing to fulfill their roles as limited but important enforcers. The model offers the central government two means of imposing the essential redlines. The first is the threat of punitive military action ordered by Kabul. This would require security forces that have the capability to inflict serious costs on violators. (They need not have a monopoly on violence, but a meaningful national military of some sort is necessary.) The other enforcement mechanism is Kabul's control over foreign aid and its ability to direct aid to some provinces but not others.

Washington would not be powerless, either—it would retain its influence through the disbursement of foreign aid and its deep engagement with the Afghan National Security Forces. In order to maintain Afghanistan's internal balance of power, the United States and its NATO allies would need to pay constant attention. Otherwise, the country could slip into unrestrained warlordism and civil war. A workable mixed-sovereignty model is not a recipe for Western disengagement: it would require not only continued aid flows but also sustained political and military engagement. Regional diplomacy would be particularly important. To keep Afghanistan from becoming a magnet for foreign interference and a source of regional instability, the United States would have to ensure that the country was embedded in a regional security framework. Such a framework would facilitate aid flows and discourage intervention by Afghanistan's neighbors.

As with decentralized democracy, internal mixed sovereignty has produced tolerable outcomes in the developing world. Afghanistan itself was governed under a similar model for much of the twentieth century: Muhammad Nadir Shah and his son Muhammad Zahir Shah ruled for five decades as nominally absolute monarchs, but with limited state bureaucracy and a certain degree of autonomy for the periphery. The rule of law was generally administered locally, and some Pashtun tribes in the south and the east were exempted from

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military service. Nevertheless, a national army and a national police force remained ready to enforce a few key royal prerogatives. The government earned revenue not from internal taxation but from foreign trade, foreign aid (starting in the late 1950s), and the sale of natural gas to the Soviet Union (beginning in the late 1960s). Over time, as the government's capacity and resources increased, it was able to extend its writ, trying criminals in state courts, regulating the price of staple goods, and bringing community land under its authority.

There are also external parallels. After the end of the Nigerian Civil War in 1970, Nigeria had a weak federal government and a strong regional system, in which individual governors were free to organize local administration as they wished. Even today, the country retains some traits of internal mixed sovereignty. States in the Muslim north have sharia law, whereas others use secular judicial systems. The central government intervenes selectively to suppress unrest, such as in the Delta region. Although there are signs that Nigeria may now be deteriorating, for most of the last 40 years it has functioned tolerably.

THE UNACCEPTABLE OTHERS

MANY OTHER outcomes for Afghanistan are possible—but would fail to meet core U.S. security requirements. The country could, for example, split up in a form of either de facto or de jure partition. The most likely such split would divide the Pashtun south from the largely Tajik, Uzbek, and Hazara north and west. Such a result could come about if a reconciliation deal with the Taliban granted the group too much leeway in the country's south, its historical power base. Any outcome that leaves the Taliban relatively free to operate in the south could create safe havens for cross-border terrorism and insurgency, similar to the use of Iraqi Kurdistan by the Kurdistan Workers' Party, or PKK, or the use of Congolese border havens by Hutu guerillas. Partition would also set the stage for regional proxy battles and internal competition for control of Kabul and key border areas.

If the Karzai government collapses, Afghanistan could break down into the kind of anarchy and atomized civil warfare of the 1990s. Such a state would resemble the one that was taken over by the Taliban

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in the 1990s, or present-day Somalia, where lawlessness has created an opening for al Shabab, a violent, al Qaeda–supported Islamist movement—with obvious consequences for U.S. interests.

Lastly, Afghanistan could become a centralized dictatorship, although this is hard to imagine. A single strongman is unlikely to be able to consolidate power in post-Taliban Afghanistan, where political, military, and economic might is dispersed among numerous power brokers. In this environment, any prospective dictator—whether pro- or anti-Western—would find it very difficult to prevent the country from descending into civil war. A coup d'état or other anti-democratic power grab (amending the constitution, for example, to allow for a president for life) is entirely possible but unlikely to yield stability in its wake.

SALVAGING THE GOOD

AFGHANISTAN HAS been a failing experiment in centralized democracy, heading toward de facto partition, with Taliban control in some areas and unstable, ill-regulated strongman governance in many others. This trend can be reversed. But clinging to the original, centralized model will not help. Centralized governance matches neither the real internal distribution of power in Afghanistan nor local notions of legitimacy. There can be no effective military solution if the intended political goal is so badly misaligned with the country's underlying social and political framework.

To its credit, the Obama administration appears to have recognized that centralized democracy is a bridge too far for Afghanistan. Current policy is moving toward decentralization—the question is how far this should go and whether Afghan and U.S. officials can manage the transition successfully.

This shift toward decentralization can work, although it is no panacea. A system of either decentralized democracy or internal mixed sovereignty would have its drawbacks, and each would involve sacrifice and risk. In Afghanistan—as in most places—the more optimal a system of governance, the longer and harder the fight to get it. The question of whether to strive for the preferable outcome of decentralized democracy or to accept the less appealing alternative

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of internal mixed sovereignty will largely be determined by the efforts and sacrifices the United States and its partners are willing to undertake. Yet for all their drawbacks, either approach would meet core U.S. national security requirements if properly implemented. And either model is more achievable than today's goal of centralized democracy.

Moreover, a decentralized democracy would not require the Afghan government to abandon or amend the existing constitution. The 2004 constitution is flexible enough to allow many powers to be devolved through legislation, as demonstrated somewhat by the new sub-national governance policy, which provides limited administrative and budgetary authority to local officials. A mixed-sovereignty model would clash with the spirit and letter of the 2004 constitution, but such a system would likely evolve on a *de facto* basis, averting the need for a new constitution in the near term.

Afghanistan is not ungovernable. There are feasible options for acceptable end states that would meet core U.S. security interests and place the country on a path toward tolerable stability. The United States will have to step back from its ambitious but unrealistic project to create a strong, centralized Afghan state. If it does, then a range of power-sharing models could balance the needs of Afghanistan's internal factions and constituencies in ways that today's design cannot, while ensuring that Afghanistan does not again become a base for terrorists. In war, as in so many other things, the perfect can be the enemy of the good. The perfect is probably not achievable in Afghanistan—but the acceptable can still be salvaged. 🌍

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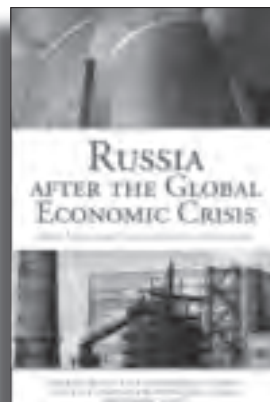
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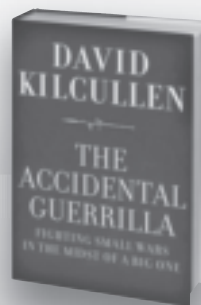
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Castrocare in Crisis

Will Lifting the Embargo Make Things Worse?

Laurie Garrett

CUBA IS a Third World country that aspires to First World medicine and health. Its health-care system is not only a national public good but also a vital export commodity. Under the Castro brothers' rule, Cubans' average life expectancy has increased from 58 years (in 1950) to 77 years (in 2009), giving Cuba the world's 55th-highest life expectancy ranking, only six places behind the United States. According to the World Health Organization (WHO), Cuba has the second-lowest child mortality rate in the Americas (the United States places third) and the lowest per capita HIV/AIDS prevalence. Fifty years ago, the major causes of disease and death in Cuba were tropical and mosquito-borne microbes. Today, Cuba's major health challenges mirror those of the United States: cancer, cardiovascular disease, obesity, diabetes, and other chronic ailments related to aging, tobacco use, and excessive fat consumption.

By any measure, these achievements are laudable. But they have come at tremendous financial and social cost. The Cuban government's 2008 budget of \$46.2 billion allotted \$7.2 billion (about 16 percent) to direct health-care spending. Only Cuba's expenditures for education exceeded those for health, and Cuba's health costs are soaring as its aging population requires increasingly expensive chronic care.

Cuba's economic situation has been dire since 1989, when the country lost its Soviet benefactors and its economy experienced a

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Laurie Garrett

35 percent contraction. Today, Cuba's major industries—tourism, nickel mining, tobacco and rum production, and health care—are fragile. Cubans blame the long-standing U.S. trade embargo for some of these strains and are wildly optimistic about the transformations that will come once the embargo is lifted.

Overlooked in these dreamy discussions of lifestyle improvements, however, is that Cuba's health-care industry will likely be radically affected by any serious easing in trade and travel restrictions between the United States and Cuba. If policymakers on both sides of the Florida Straits do not take great care, the tiny Caribbean nation could swiftly be robbed of its greatest triumph. First, its public health network could be devastated by an exodus of thousands of well-trained Cuban physicians and nurses. Second, for-profit U.S. companies could transform the remaining health-care system into a prime destination for medical tourism from abroad. The very strategies that the Cuban government has employed to develop its system into a major success story have rendered it ripe for the plucking by the U.S. medical industry and by foreigners eager for affordable, elective surgeries in a sunny climate. In short, although the U.S. embargo strains Cuba's health-care system and its overall economy, it may be the better of two bad options.

MEDICAL HELP WANTED

AFTER HALF a century of socialist rule, there remain clearly distinct social classes in Cuba. The most obvious difference is between those households that regularly receive money from relatives in the United States and those that have no outside source of hard currency. A mere \$20 a month from a cousin in Miami can lift a family out of poverty and provide it with a tolerable lifestyle. Elegant living is found in Havana's Miramar area, where architectural masterpieces of the nineteenth and early twentieth centuries have been restored and painted in pastels and are inhabited by diplomats or Cubans of mysteriously ample means.

When they take ill (or need liposuction), the more privileged residents of Miramar go to Havana's Clínica Central Cira García, a well-appointed clinic that is run by the government-owned tourism

Castrocare in Crisis

conglomerate the Cubanacán Group and that primarily serves foreigners. (The doctors, technicians, and nurses who staff the Cubanacán Group's health facilities all work for the Cuban Ministry of Public Health. Cubanacán's medical operations include a retinal surgery center, a dermatology clinic that specializes in skin treatments with human placental preparations, and abortion services.) Aside from the posters of Che Guevara and Fidel Castro, Cira García feels like a top European or North American clinic, as the thousands of patients who arrive every year from more than 70 nations could attest. Private suites and a variety of elective procedures are provided at modest prices. Sixty full-time physicians, 40 specialist adjuncts from neighboring public health hospitals, and many nurses work at Cira García. All of the clinic's equipment appears to work, the pharmaceutical supplies are plentiful, the daily patient loads are small, and the doctors feel as though they have the tools and the time to do what they have long trained to do. On average, the physicians at Cira García have 20 years of experience, including at least two years in another developing country.

The clinic's Canadian clients favor family package deals that allow children to play on local beaches while their parents get a new knee (\$6,850) or a titanium implant to correct a herniated vertebral disk (\$4,863). Spaniards and Italians tend to visit Cira García for thigh liposuctions (\$1,090) and face lifts (\$2,540). Some Latin Americans from countries with strict antiabortion laws travel to Cira García for the procedure (\$600). The clinic is so popular that its administrators are assessing how to find space in the crowded neighborhood to build a new wing with 50 more beds.

But a lot may change if the United States alters its policies toward Cuba. In 2009, a group of 30 physicians from Florida toured Cira García and concluded that once the U.S. embargo is lifted, the facility will be overwhelmed by its foreign patients. It takes little imagination to envision chains of private clinics, located near five-star hotels and beach resorts, catering to the elective needs of North Americans and Europeans. Such a trend might bode well for Canadians seeking to avoid queues in Ottawa for hip replacements or for U.S. health insurance companies looking to cut costs on cataract surgery and pacemakers. But providing health

Laurie Garrett

care to wealthy foreigners would drain physicians, technicians, and nurses from Cuba's public system.

And any such brain drain within Cuba might be dwarfed by a brain drain out into the rest of the world, as Cuban doctors and nurses leave the country to seek incomes that cannot be matched at home. Countries facing gross deficits in skilled medical talent

Once the embargo is lifted, private clinics at five-star hotels and beach resorts could cater to the elective needs of foreigners.

are already scrambling to lure doctors, nurses, lab technicians, dentists, pharmacists, and health administrators from other nations. In 2006, the WHO estimated that the global deficit of medical professionals was roughly 4.3 million, and the figure can only have grown since then. As the world's population ages and average life expectancies rise from the United States to China, millions more patients will need complex, labor-intensive

medical attention. And in countries with falling life expectancies and high rates of HIV/AIDS, donor resources aimed at combating the disease often have the unintended consequence of further straining meager supplies of human medical resources by drawing talent away from less well-funded areas of medicine, such as basic children's health care.

According to the American College of Physicians, the United States currently has approximately one doctor for every 2,500 patients and a critical shortage of nearly 17,000 doctors. The American Medical Association estimates that there is an especially grave deficit of primary-care physicians, with only 304,000 licensed—about 30,000 fewer than needed. And the recently enacted federal health-care reform law will put more than 30 million more Americans on insurance or public rolls, thereby dramatically increasing the need for physicians.

Primary-care physicians are the worst-paid doctors in the United States. Their average salaries have grown by less than four percent per year since 2000, compared with roughly ten percent per year for the salaries of surgeons and specialists, according to the American College of Physicians. Last year, primary-care doctors in the United States earned about \$173,000 on average, compared with \$344,000 for

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anesthesiologists and \$481,000 for orthopedic surgeons. With most U.S. doctors incurring debts of \$200,000 to complete their schooling, there is little hope that the acute primary-care deficit can be filled anytime soon by talent trained in the United States. Already, U.S. and Canadian medical institutions are trying to fill their human-resource gaps through recruitment from Africa, Asia, eastern Europe, and Latin America.

REVOLUTIONARY MEDICINE

THE TWO keys to Cuba's medical and public health achievements are training provided by the state and a community-based approach that requires physicians to live in the neighborhoods they serve and be on call 24 hours a day. In the wake of the 1959 Cuban Revolution, more than one-third of Cuba's doctors fled, mostly to the United States, leaving the country with just 6,300 physicians and a doctor-patient ratio of 9.2 per 10,000, according to the Cuban Ministry of Public Health. In response, Fidel Castro declared public health and doctor training to be paramount tasks for the new socialist state.

By the early 1980s, Cuba led the socialist world—including its patron, the Soviet Union—in all health indicators. Between 1959 and 1989, Cuba's doctor-patient ratio more than tripled, soaring to 33 per 10,000, and health-care expenditures rose by 162 percent. Cuba today has the highest doctor-patient ratio in the entire world, with 59 physicians per 10,000 people—more than twice the ratio of the United States. Cuba is the world's only poor country that can rightly say that basic health is no longer an existential problem for its people. Its achievement in this respect is unparalleled.

Cuba now boasts more than 73,000 practicing doctors (half of whom work in primary care), 107,761 nurses, and a total health-care work force of 566,365, according to government figures. About 12 percent of Cuba's adult population is employed by the state in the health-care sector. Because of economic exigencies that have limited Cuba's access to advanced technology for diagnosing and curing ailments, the Cuban health system has focused—successfully—on prevention. Between 1959 and 2000, Cuba reduced its infant

mortality by 90 percent, and the number of mothers who died from pregnancy-related complications dropped from 125 per 100,000 live births to 55 per 100,000.

Now, with its rapidly aging population, Cuba faces different challenges. In 1959, about half of Cuba's population was under 40 years of age; today, less than one-quarter is that young, and Cuba is the second-oldest country in the Americas. The government estimates that by 2018, one in every five Cubans will be over 60 years old. Handling this situation will be difficult

for Cuba, since shifting resources from the prevention of dysentery and malaria, for example, to the treatment of diabetes and age-related cardiovascular disease is proving costly in every country, rich and poor alike.

Cuba faces the additional challenge of trying to make that transformation even as its economy has not yet fully recovered from the contraction it suffered after the Soviet Union's demise. The recent global economic crisis has further dampened Cuba's trade and tourism, forcing the Cuban government to cut its forecast of 2009 GDP growth from six percent to 1.7 percent. The country's trade deficit soared by 65 percent in 2008, with imports totaling \$14.2 billion and exports just \$3.7 billion.

Today, more than 80 percent of Cuba's food is imported, largely due to gross inefficiencies in the agricultural sector. About 75 percent of





Cuba's arable land lies fallow, farm production fell by 7.3 percent in 2009, and meat production dropped 14 percent. And although the government has tried in recent years to boost agricultural productivity by giving 100,000 Cubans new rights to farm state land, output remains low.

In a second effort to increase agricultural productivity, the regime now allows farmers to sell some meat and produce in urban markets through third-party dealers. Goods sold in this so-called flea-market economy go for high prices relative to average earnings. And transactions are executed in Cuban convertible pesos (also called convertible units of currency, or cuc), which are pegged to the U.S. dollar. But most Cubans have few cuc: they are paid in Cuban pesos, which have no international value and are traded domestically at a rate of 25 to one against the cuc. Cuc-bearing Cubans are often connected to an elaborate network of relatives overseas, particularly in Florida.

Laurie Garrett

Cubans without foreign connections and access to remittances barely survive on an old Soviet-style food-rationing system that provides each household with coupons redeemable for basic foods and sundries. Worse, the government is now scaling back elements of its rationing programs, limiting the range of staples and cleaning products that it subsidizes. President Raúl Castro, who realizes that the Cuban economy is unsustainable in its current form, favors eliminating other government programs, including some that provide make-work jobs—in which Cubans are paid for unproductive labor to provide them with some wages and to keep the unemployment figures low.

“I’m always surprised by how many Cubans don’t work but receive salaries,” a senior United Nations official said recently.

Officially, unemployment in 2008 hovered at around three percent. But the actual unemployment rate has reportedly been as high as 25 percent in recent years. (At the peak of the hardship caused by the collapse of the Soviet Union, in 1993, unemployment was at 35 percent, according to the UN Economic Commission for Latin America and the Caribbean.) “I’m always surprised by how many Cubans don’t work but receive salaries,” a top United Nations official told me in Havana in November 2009. “It is a right to have a post, so everybody has one. Maybe they work every other day, maybe not at all. It costs a lot to the country.” But even for those with jobs, their salaries rarely cover their food costs. Cubans therefore hustle in the flea-market economy, which “isn’t illegal; it’s a-legal,” one foreign resident explained.

These changes in employment, the affordability of food, and agricultural productivity have had two profound implications for the health of Cubans. First, although Cubans’ average caloric intake is very high, the nutritional value of their diets is very low. According to one recent Cuban government survey, Cubans consume 3,250 calories a day on average, most of it in the form of starch and fatty pork. Obesity and diabetes are the fastest-growing causes of patient visits to government clinics and hospitals. And UNICEF has found that vitamin and mineral deficiencies, which stunt growth and contribute to learning deficiencies, are widespread among Cuban children.

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Castrocare in Crisis

The second profound effect that changes in basic living conditions in Cuba have had on health relates to the medical profession. Like all Cubans, health-care professionals are eager to obtain CUC, but they are paid in the worthless domestic peso, receiving an average equivalent of \$25 per month. These low wages give doctors a strong incentive to participate in international missions that earn them convertible currency. Of the 73,000 physicians licensed to practice in Cuba, 37,266 are now working overseas, under special bilateral agreements between the Cuban government and the governments of 77 other countries. Since 1963, Cuba has sent 126,321 health-care workers to 103 countries, according to the Cuban Ministry of Public Health. This overseas deployment of health-care workers benefits the Cuban state, as two-thirds of the doctors' overseas income goes to the state and only one-third goes to the individual.

The Castro government's largest and most extensive bilateral effort is with Hugo Chávez's leftist government in Venezuela. Under an "oil-for-doctors" program initiated in 2000, Venezuela provides 100,000 barrels of petroleum products to Cuba per day in exchange for three things: 31,000 Cuban doctors and dentists, training by Cuban doctors for 40,000 Venezuelan physicians, and Operation Miracle, an initiative funded by Venezuela under which Cuban doctors provide eye surgery, in Cuba, to thousands of poor Latin Americans annually.

The Cuban government benefits politically from this medical diplomacy, including by demonstrating the wisdom of its approach to public health. It is widely believed that health-care workers have become a top, if not the top, trade commodity for Cuba. Based on oil prices in February 2010, the Venezuelan oil exchange alone would have had a value of \$7.5 million per day, or nearly \$3 billion per year. Whatever the exact benefits of these exchanges, however, Cuba's medical diplomacy is taking a toll on the homeland.

MOUNTING STRAINS

FOR YEARS, Cuban hospital patients have needed to provide their own syringes, bed sheets, and towels. Some say they fear getting infections while visiting clinics because of shortages of soap, disinfect-

Laurie Garrett

tants, and sterile equipment. A preventable form of cancer, cervical carcinoma, now ranks as the fourth leading cause of death for Cuban women. In most of the world, cervical cancer is on the decline thanks to annual gynecological screenings (with the Pap test) and the use of the human papillomavirus vaccine. In Cuba, however, the number of routine Pap tests performed has fallen by more than 30 percent and the number of diagnosed cervical cancer cases has doubled since 1985, according to the country's 2008 *Annual Health Statistics* report. Cervical cancer is the number one malignancy for Cuban women aged 15–44. Some women told me last November that they no longer undergo routine gynecological exams and prevent their young daughters from doing so because they fear infection from unhygienic equipment and practices.

Another problem in Cuba's health picture is maternal mortality. Because the country's birthrate is low and its population is aging, the

Seven Cuban doctors recently sued the governments of Cuba and Venezuela, claiming they were victims of “modern slavery.”

state has placed great emphasis on infant care and survival. But this effort has meant paying insufficient attention to postpartum maternal care. “If a child coughs, they go to the doctor,” one senior doctor at the University of Havana told me, yet mothers often are forgotten after childbirth. Most deaths occur during delivery or within the next 48 hours and are caused by uterine hemorrhage or postpartum sepsis. Cuba also has unusu-

ally high rates of death among women with histories of induced abortion, a very common procedure there.

Cuba's doctors are increasingly strained. Physicians return from years abroad because they must, both contractually and to avoid repercussions for their relatives in Cuba. They then must accept whatever assignments the government gives them, including sometimes years of service in a remote village, a Havana slum, or a sparsely populated tobacco-growing area. Many doctors and nurses leave the health-care system altogether, taking jobs as taxi drivers or in hotels, where they can earn cucs. In February 2010, seven Cuban doctors sued the Cuban and Venezuelan governments, charging that the mandatory service they had performed in Venezuela

Castrocare in Crisis

in exchange for oil shipments to the Cuban government constituted “modern slavery” and “conditions of servilism for debt.” Large numbers of defections among doctors, meanwhile, have caused the Cuban regime to cut back on physician placements to some countries, such as South Africa.

EXODUS FEARS

ACCORDING TO Steven Ullmann of the University of Miami’s Cuba Transition Project, if Washington lifts its embargo, Cuba can expect a mass exodus of health-care workers and then the creation of a domestic health system with two tiers, one private and one public. The system’s lower, public tier would be at risk of complete collapse. Ullmann therefore suggests “fostering this [public] system through partnerships and enhanced compensation of personnel.” He also argues that officials in both governments should “limit out-migration of scientific brainpower from the country.” Properly handled, the transition could leave Cuba with a mixed health-care economy—part public, part locally owned and private, and part outsourced and private—that could compensate Cuban physicians, nurses, and other health-care workers enough to keep them in the country and working at least part time in the public sector.

The only U.S. policy currently in place, however, encourages Cuban physicians to immigrate to the United States. In 2006, the U.S. Department of Homeland Security created a special parole program under which health-care workers who defect from Cuba are granted legal residence in the United States while they prepare for U.S. medical licensing examinations. An estimated 2,000 physicians have taken advantage of the program. Although few have managed to gain accreditation as U.S. doctors, largely due to their poor English-language skills and the stark differences between Cuban and U.S. medical training, many now work as nurses in Florida hospitals.

The Castro government, meanwhile, is in a seemingly untenable position. The two greatest achievements of the Cuban Revolution—100 percent literacy and quality universal health care—depend on huge streams of government spending. If Washington does even-

Laurie Garrett

How Washington handles its half of the post-embargo transition will have profound effects on Cubans.

tually start to normalize relations, plugging just a few holes in the embargo wall would require vast additional spending by the Cuban government. The government would have to pay higher salaries to teachers, doctors, nurses, and technicians; strengthen the country's deteriorating infrastructure; and improve working conditions for common workers. To bolster its health-care infrastructure and create incentives for Cuban doctors to stay in the system, Cuba will have to find external support from donors, such as the United Nations and the U.S. Agency for International Development. But few sources will support Havana with funding as long as the regime restricts the travel of its citizens.

In the long run, Cuba will need to develop a taxable economic base to generate government revenues—which would mean inviting foreign investment and generating serious employment opportunities. The onus is on the Castro government to demonstrate how the regime could adapt to the easing or lifting of the U.S. embargo. Certainly, Cuban leaders already know that their health triumphs would be at risk.

The United States, too, has tough responsibilities. How the U.S. government handles its side of the post-embargo transition will have profound ramifications for the people of Cuba. The United States could allow the marketplace to dictate events, resulting in thousands of talented professionals leaving Cuba and dozens of U.S. companies building a vast offshore for-profit empire of medical centers along Cuba's beaches. But it could and should temper the market's forces by enacting regulations and creating incentives that would bring a rational balance to the situation.

For clues about what might constitute a reasonable approach that could benefit all parties, including the U.S. medical industry, Washington should study the 2003 Commonwealth Code of Practice for the International Recruitment of Health Workers. The health ministers of the Commonwealth of Nations forged this agreement after the revelation that the United Kingdom's National Health Service had hired third-party recruiters to lure to the country hundreds

Castrocare in Crisis

of doctors and nurses from poor African, Asian, and Caribbean countries of the Commonwealth, including those ravaged by HIV/AIDS and tuberculosis. In some cases, the recruiters managed to persuade as many as 300 health-care workers to leave every day. Although the agreement is imperfect, it has reduced abuses and compensated those countries whose personnel were poached.

Cuba's five decades of public achievement in the health-care sector have resulted in a unique cradle-to-grave community-based approach to preventing illness, disease, and death. No other socialist society has ever equaled Cuba in improving the health of its people. Moreover, Cuba has exported health care to poor nations the world over. In its purest form, Cuba offers an inspiring, standard-setting vision of government responsibility for the health of its people. It would be a shame if the normalization of relations between the United States and Cuba killed that vision. 🌐

No Good Deed Goes Unpunished

The Unintended Consequences of Washington's HIV/AIDS Programs

Princeton N. Lyman and Stephen B. Wittels

THE GEORGE W. BUSH administration increased annual U.S. assistance to Africa almost sixfold, from \$1.3 billion in fiscal year 2001 to \$7.3 billion in fiscal year 2009. One-time debt forgiveness and emergency humanitarian assistance contributed to this increase, but it was primarily driven by the President's Emergency Plan for AIDS Relief (PEPFAR), the United States' single largest continuing commitment to Africa. PEPFAR, which was originally expected to disburse some \$15 billion over its first five years, actually spent \$25 billion between 2003 and 2008. The program also kick-started a sharp increase in AIDS-related assistance worldwide and laid the foundation for the G-8's announcement, in 2005, that it would provide all those infected with HIV with access to life-saving antiretroviral (ARV) treatment.

This commitment will become staggeringly large. There are currently just over 33 million people infected with HIV, more than 22 million of whom are in sub-Saharan Africa. In 1998, only a few hundred

PRINCETON N. LYMAN, a former U.S. Ambassador to Nigeria and South Africa, is Adjunct Senior Fellow at the Council on Foreign Relations and a co-editor of *Beyond Humanitarianism: What You Need to Know About Africa and Why It Matters*. STEPHEN B. WITTELS is a Research Associate at the Council on Foreign Relations. For an annotated guide to this topic, see "What to Read on Foreign Aid" at www.foreignaffairs.com/readinglists/foreign-aid.

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thousand people with the virus received ARV treatment. By 2009, over four million were receiving treatment, with PEPFAR providing it for two million of them, according to the Kaiser Family Foundation. But UNAIDS, the Joint United Nations Program on HIV/AIDS, estimates that that year nearly ten million people needed treatment. If new infections continue to outpace AIDS-related deaths by 35 percent, as they did in 2009, this number will inevitably increase.

Because ARV therapy needs to be provided over a lifetime, treating HIV/AIDS patients is a serious long-term commitment. If universal treatment is to be achieved, some 30 million people worldwide will have to be kept on ARV treatment for three or four decades. Some countries may be able to shoulder the cost of such care for their own citizens, but those in sub-Saharan Africa—the world’s poorest region—will not. If the United States continues to lead the international community in filling this “treatment gap,” the magnitude of the commitment will steadily grow.

And so, too, will the foreign policy problems this kind of aid creates. More aid will limit Washington’s influence on issues other than HIV/AIDS in recipient countries. It will create a sense of entitlement in recipient countries and make patients directly dependent on the annual U.S. foreign aid appropriations process, which could spawn as much resentment as gratitude. Eventually, the U.S. government (and other donors) may grow disillusioned with the commitment. Its growing claim on the U.S. foreign aid budget is already sparking arguments over priorities within the development community. In reaction, the Obama administration is now trying to shift more of the cost of treating HIV/AIDS patients to African governments, but few, if any, of these governments will be able to pick up the slack. And these challenges are arising just as the Obama administration is seeking to make development and diplomacy “twin pillars” of U.S. foreign policy.

MORE AID, LESS LEVERAGE

THE UNITED STATES’ dramatic increase in humanitarian and life-saving AIDS assistance creates an acute paradox: it diminishes Washington’s leverage over the governments that get the aid. Aid that is so closely linked to individuals’ survival cannot reasonably be curtailed,

Princeton N. Lyman and Stephen B. Wittels

even if serious differences arise between the donors and the recipients. And now, this kind of irrevocable medical assistance, along with emergency food aid, makes up the bulk of U.S. aid to Africa. Ten years ago, humanitarian aid to Africa accounted for 40 percent of all U.S. assistance to the continent; in fiscal year 2008, some 80 percent of U.S. support to Africa came in the form of food and medical assistance, mostly to combat HIV/AIDS and to promote child survival. According to the U.S. State Department, the figure was even higher in some of Africa's most populous and geopolitically important countries: 91 percent of U.S. aid to Nigeria, 90 percent of U.S. aid to Uganda, 84 percent of U.S. aid to Ethiopia. U.S. security assistance, in theory a more flexible instrument, is minimal in Africa—just seven percent of total U.S. aid there—and most of it is committed to peacekeeping, another area in which it is difficult to scale back.

Relations with Ethiopia and Uganda, two of the largest recipients of U.S. aid in Africa, illustrate the limits of Washington's leverage. The Ethiopian government is a close ally of the United States on security issues in the Horn of Africa. But it has cracked down hard on political opponents since a disputed election in 2005. In the run-up to national elections this May, it arrested a prominent opposition leader, put tight restrictions on the press, limited the role of international election monitors, and took other repressive steps. Ethiopian and international human rights organizations are charging that the government has also been committing serious human rights violations in an ongoing campaign against dissidents in the province of Ogaden, which borders Somalia. Washington has expressed its concern about these issues to the Ethiopian government, and the Ethiopian government has reacted not only negatively but also insultingly—despite receiving \$533 million in U.S. assistance in fiscal year 2010 (some 77 percent of it, almost \$411 million, in the form of health and humanitarian assistance), according to the U.S. State Department. In March, Prime Minister Meles Zenawi compared the Voice of America's Amharic-language service to the radio station Radio Mille Collines, an instigator of the 1994 genocide in Rwanda, and ordered that its broadcasts be jammed. The U.S. State Department called the accusation "baseless and inflammatory," but the decision has stood. Meles also rejected outright the findings of the State Department's 2009 human

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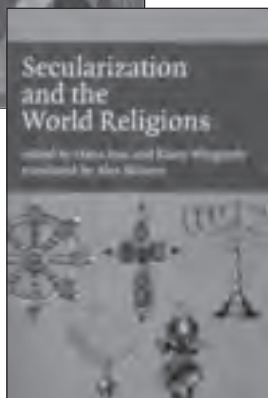
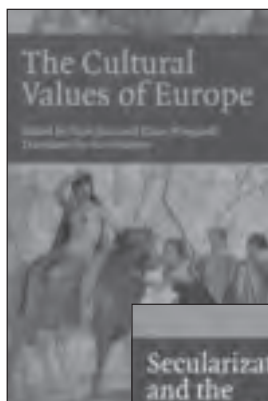
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rights report on Ethiopia. Whatever problems Washington has with the state of democracy in Ethiopia, it is not prepared to reduce its humanitarian aid to Addis Ababa. Neither those invested in the HIV/AIDS programs nor the American public would countenance doing so if it meant letting Ethiopians die.

The situation is similar in Uganda. In 2006, President Bush personally urged Ugandan President Yoweri Museveni, who has been in power since 1986, not to run in that year's election and to make way for a democratic transition. Museveni refused and won another term, and he is now contemplating running for reelection again this year. Although Museveni has done much to improve Uganda's economy and has played an important role in regional diplomacy, there is serious concern that instability could rock Uganda in the future. In over 20 years in power, Museveni's government has not developed any basic democratic institutions. Journalists who have criticized his regime have been charged with sedition, opposition parties have been systematically dismantled, and the country's military forces have frequently committed human rights abuses. Despite the \$456 million in U.S. aid it has allotted to Uganda for fiscal year 2010 (the vast majority of it for health and emergency assistance), Washington has little ability to spur democratization there.

There are more examples. In Zimbabwe, where current U.S. assistance, almost all of it PEPFAR and emergency aid, now reaches \$500 million a year, U.S. influence over Robert Mugabe's autocratic and economically destructive policies is negligible.

COMPETING CLAIMS

THE STEADY increase in spending on HIV/AIDS treatment presents a second problem for Washington: it creates competition for many other development objectives. In his first year in office, President Barack Obama promised to double aid to Africa over the next four years. But deficits and rising political concern about them have already put that goal in doubt. For fiscal year 2011, the U.S. State Department has reported a proposed increase in aid to Africa of only about eight percent and an increase in PEPFAR funding of only two percent. And it has offered to contribute only \$1 billion—\$50 million

Princeton N. Lyman and Stephen B. Wittels

short of the U.S. contribution for fiscal year 2010—to the Global Fund to Fight AIDS, Tuberculosis and Malaria, a much-touted multilateral prevention and treatment program.

To better address the president's health priorities, the administration has introduced the Global Health Initiative (GHI), a broader approach

Washington's massive HIV/AIDS assistance programs create an acute paradox: they diminish U.S. leverage over the governments that get the aid.

to global health that includes PEPFAR but focuses more on AIDS prevention and on investments in health-care infrastructure. Most experts have applauded the GHI's priorities, but these are now competing with the growing demand for ARV treatment. The Obama administration has promised to keep to its commitment to increase the number of patients receiving ARV treatment under PEPFAR to four million by 2014. Yet bowing to budgetary constraints, it has planned for virtually no increase in 2011. This decision

has prompted HIV/AIDS advocates to accuse the U.S. government of condemning people to death and has set the stage for disputes between proponents of HIV/AIDS relief and supporters of broader health and development programs.

In Africa, the reaction to the cap proposed for 2011 was almost immediate. The Office of the U.S. Global AIDS Coordinator announced the news to field missions in June 2009 in a message noting that treatment and other care costs accounted for more than half of PEPFAR program resources. Offices in the field were advised to “exercise great care and deliberation in planning support (especially direct support) for further treatment scale-up in FY 2010” because “the overall PEPFAR budget does not provide additional resources to address such situations.” This was understood as a prohibition on enrolling new patients, and it prompted a sharp retort. International research and health professional organizations from 30 countries issued a statement warning that “shifting funding from HIV [to other health programs] will not fill the yawning gaps in resources for health—this move is a cheap diversionary tactic that offers no genuine or long-lasting solutions for health.” According to Peter Mugenyi, the director of the Joint Clinical Research Center, which is in charge of AIDS relief in Uganda, halting

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the increase in PEPFAR funds for ARV treatment has already caused new AIDS patients to be turned away. This, in turn, has forced current patients to share their medication with family members who also are infected, a practice that could worsen the epidemic by diluting the effectiveness of the treatment and thereby lead to the development of more treatment-resistant strains of HIV.

The U.S. global AIDS coordinator, Eric Goosby, has responded by reiterating the Obama administration's commitment to treating four million persons under PEPFAR by 2014. The administration may be able to achieve that goal, but not without more competition between PEPFAR and other GHI initiatives. PEPFAR already accounts for \$51 billion of GHI's \$63 billion budget. In fiscal year 2009, about 45 percent of PEPFAR's budget was spent on treatment. That percentage will only rise in the years ahead as more people are treated and as those who have already begun treatment develop a resistance to first-line drugs and start needing more expensive second-line therapies. Thus, unless overall aid to Africa grows substantially—which is unlikely in these times of deficits and budget stress—PEPFAR, and especially PEPFAR's treatment programs, will increasingly crowd out other health efforts. The Obama administration's nonhealth initiatives, such as the Global Hunger and Food Security Initiative and programs to combat climate change, will also feel the pressure as PEPFAR consumes a steadily larger share of total aid.

SHIFTING THE BURDEN

WASHINGTON IS looking for ways out of this dilemma. Various guideline documents, including PEPFAR's *FY2010 Country Operational Plan (COP) Guidance*, issued by the Office of the U.S. Global AIDS Coordinator, suggest that Washington may soon ask governments that receive U.S. aid to shoulder more of the cost of HIV/AIDS programs. In Uganda and many other sub-Saharan countries in which the U.S. government covers as much as 75 percent of funding for national HIV/AIDS programs, this approach will surely meet resistance. Many sub-Saharan African countries depend heavily on foreign aid, not only for their HIV/AIDS programs but also for their entire health budgets. Having to assume a significant share of the ever-rising cost

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of treating AIDS would be a severe shock. Ongoing talks about such a shift are causing alarm even in South Africa, the wealthiest country in sub-Saharan Africa: half of its HIV/AIDS program is financed by outside sources.

South Africa's situation may be a harbinger of things to come elsewhere. President Jacob Zuma has reversed his predecessor's resistance to the public provision of ARV drugs, made it easier for South Africans with HIV/AIDS to become eligible for treatment, and set out to treat 80 percent of those now eligible by 2011. To pay for these measures, the South African government increased its spending on HIV/AIDS by one-third in its 2009–10 budget. But if the government successfully meets its 2011 treatment target, the number of people receiving ARV drugs from the state will more than double, to 1.5 million, in just one year. The projected five-year cost of this increase is \$6.4 billion, a sum that South Africa's health minister claims would prevent the funding of any other health programs. As the bioethicists Theodore Fleischer, Sebastian Kevany, and Solomon Benatar wrote in the *South African Medical Journal*, "It would be medically, politically and morally—and probably legally—unacceptable for expanded treatment of the HIV population to come at an unacceptable cost to patients who bear the burden of other chronic diseases and health conditions and could also benefit significantly from appropriate treatment." South Africans in the government and in the health community are now seeking even more donor assistance from other governments and from nongovernmental organizations. In light of this, it is difficult to imagine how poorer African states could take on the cost of HIV/AIDS treatment anytime soon.

THE WAGES OF AID

HOWEVER COMMENDABLE the commitment to address the HIV/AIDS pandemic, there is no doubt that the rising number of people in need of treatment and the rising expense of treating them will produce more concern, more debate, and more problems.

As the steep cost of treating all HIV/AIDS patients becomes clear, donors may begin to question the wisdom of the G-8's 2005 commitment to do so. This is especially likely if the number of new HIV infections continues to outrun the number of people newly placed on treatment.

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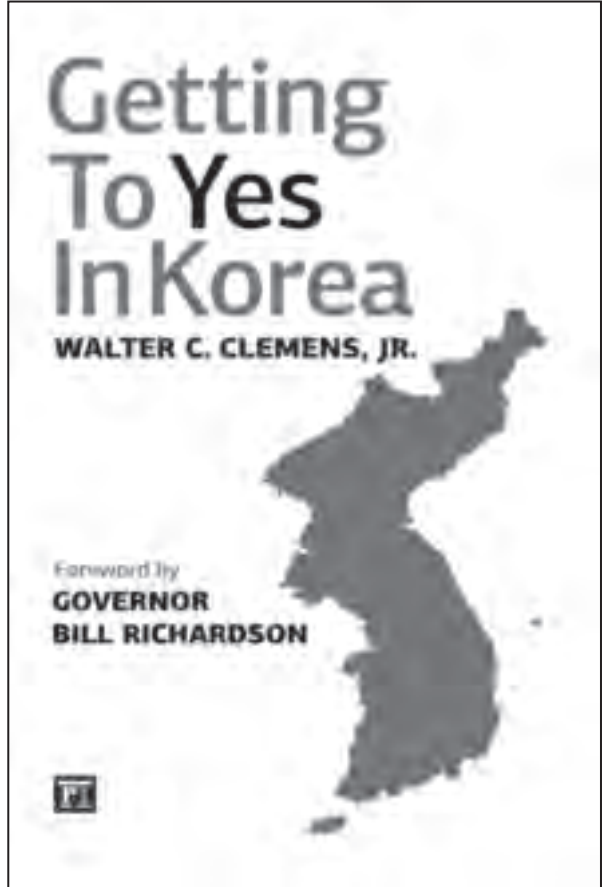
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No Good Deed Goes Unpunished

Faced with a never-ending and constantly increasing need for funds, donors might put severe pressure on aid recipients to improve prevention, perhaps going so far as to cap the funding for new patients in those countries where the rate of new infections does not start to fall. At some point, the commitment to universal treatment itself could be abandoned.

As the demand for treatment keeps rising, an uncomfortable debate will also likely intensify within the U.S. development community. The U.S. government designed the GHI to respond to criticism that PEPFAR put too much emphasis on HIV/AIDS, and especially on treatment, to the detriment of other health needs. But the controversy sparked by the Obama administration's decision to not increase treatment spending under the GHI in 2011 demonstrates just how sensitive the issue of HIV/AIDS treatment is when the demand for access to ARV drugs is pitted against other health needs. Africa's need for infrastructure, agricultural development, improved trade capacity, and environmental protection—all issues on the Obama administration's agenda—may fuel an even nastier debate and cause deep splits among members of the development community and the members of Congress in charge of foreign aid appropriations.

Another disturbing possibility is that those who live with HIV/AIDS may come to be resented by their compatriots. A key strategy of HIV/AIDS programs has been to combat the stigma associated with the disease and encourage those who are infected to call for more attention and better access to treatment. But as the cost of HIV/AIDS programs account for an ever-increasing share of U.S. aid, and perhaps also of the health budgets of the recipient countries, the growing appreciation of the plight of HIV/AIDS patients could give way to resentment. South Africa has the largest number of people infected with HIV—5.7 million—in the world. But that figure represents only about 11 percent of the country's total population, the vast majority of which suffer from poverty, unemployment, poor education, and inadequate health services. Impatience with the special treatment that people with HIV/AIDS in South Africa receive could rise. Things might even turn ugly, as with the riots against immigrants two years ago.

The United States, too, might suffer a backlash. The surge in Washington's assistance to Africa, particularly PEPFAR funds, has

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contributed to its strikingly favorable image in Africa in recent years, an image held even during the Iraq war, when the United States' popularity was plummeting elsewhere. But if the percentage of total aid tied to HIV/AIDS increases or if the U.S. government insists on

As the steep cost of treating all HIV/AIDS patients becomes clear, donors may begin to question the wisdom of that commitment.

shifting more of the burden of treating AIDS to other governments, those attitudes could turn. During the early years of this century, then South African President Thabo Mbeki accused the West of focusing on the HIV/AIDS pandemic in order to hook patients in African countries on expensive drugs produced largely by Western pharmaceutical companies. The West would then shift this obligation to African governments, Mbeki argued, crippling their efforts to reduce poverty or meet other development needs. At the time, Mbeki's argument was dismissed as an expression of his deep-seated resistance to recognizing the seriousness of the pandemic. Soon, African governments may begin to wonder if he was right.

Perhaps the most significant problem is that the G-8's commitment to universal treatment is making the survival of millions of people, mostly in Africa, directly dependent on annual aid appropriations by the U.S. Congress. If universal treatment is achieved and the U.S. government continues to finance half the effort, as it does now, by 2030 there could be as many as 11 million people in Africa alone whose lives would depend on the annual provision of U.S. aid. Another 11 million people in Africa would be dependent on other AIDS-related programs, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, to which the U.S. government is also a major contributor.

Support of this magnitude could create an unprecedented sense of entitlement. The implications are unclear. The effort might well produce gratitude among the patients benefiting from the aid, but as with other dependencies, it might also breed resentment, and African governments may be ambivalent, too. This dependence, moreover, will severely limit the flexibility of the U.S. Congress, with future aid appropriations already irrevocably committed to

No Good Deed Goes Unpunished

this single issue. Congress' underlying commitment to universal treatment could sour. These are uncharted waters.

LIVING WITH PEPFAR

NONE OF these issues should be allowed to undermine the commitment to treat all HIV/AIDS patients. This undertaking is one of the greatest humanitarian gestures in history and a statement by the developed countries that they refuse to deny life-saving treatments readily available in rich states to the millions elsewhere who need them. But the full implications of this commitment need to be addressed before they become more serious problems.

One useful step would be to recognize the aid's effects on Washington's leverage over recipient countries. Washington's influence derives not only from its aid programs, of course; the United States is the world's leading military and economic power and a beacon of freedom and democracy. Instruments other than aid, such as trade policy and public diplomacy, as well as commitments to humanitarian causes, also provide Washington with influence. But the American public and Congress, especially advocates of democracy and human rights, tend to assume that aid is a greater instrument of influence than it actually is.

The Obama administration will need to recognize the paradox that in the absence of increases in other forms of aid, more humanitarian assistance will mean less leverage. The notion that development and diplomacy will always reinforce each other, one of the principles of Secretary of State Hillary Clinton's plan to make them "twin pillars" of U.S. foreign policy, is questionable on many fronts. For one thing, development efforts typically last much longer than the more immediate demands of diplomacy, a disconnect that is particularly acute in the case of PEPFAR. Thus, Washington will need to develop a diplomatic strategy to advertise humanitarian commitments such as PEPFAR as evidence of U.S. goodwill, without hoping to use them to pressure recipient governments on unrelated issues. In order to exert that kind of pressure, other tools need to be strengthened: trade policy, other forms of assistance (insofar as these can be increased), and support for regional and continent-wide institutions in Africa and African civil-society organizations that advocate for democracy and human rights.

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Second, the United States should not allow the dependence of millions of people who rely on U.S. foreign aid to grow indefinitely. It should seek to internationalize the implementation of direct HIV/AIDS treatment programs before its support for such programs becomes too great a financial burden and too sensitive a political issue. The U.S. government should begin to build the capacity of the Global Fund to Fight AIDS, Tuberculosis and Malaria to take on this job. Placing the procurement of drugs and the task of distributing them under one international organization may also be more cost-effective. The global program to combat HIV/AIDS will continue to require international support, much of it from the United States, as will the effort to strengthen health institutions in poor countries, one of the GHI's major goals. But internationalizing treatment programs would attenuate the link between the sources of aid and the survival of its recipients, thereby limiting some of the uneasy dynamics of the United States' responsibility today.

Third, work must continue on the search for alternative means to combat HIV/AIDS. With no vaccine or cure for the disease at present, the only ways to tackle it are by preventing its spread through changes in social behavior and providing lifelong treatment for those who are infected. The prospects of developing a safe and effective vaccine are slim, and the chances of finding a cure are even smaller. Yet given the scale of the pandemic and of the commitment required to contain it, these searches must persist. The International AIDS Vaccine Initiative, a public-private partnership dedicated to developing an HIV vaccine, states on its Web site, "While there will never be a single solution to HIV and AIDS, we know from history that no major viral epidemic has ever been defeated without a vaccine." The Web site of UNAIDS does not even discuss the prospect of a cure, but that, too, must be on today's research agenda. Without a vaccine or a cure, the HIV/AIDS problem will, in just a few decades, be even greater than was ever imagined.

Taking these steps will not solve all the problems created by the developed world's commitment to providing all HIV/AIDS patients with access to ARV treatment. But acknowledging what the implications of it are and adopting measures that anticipate the problems it creates will attenuate the risks and help sustain this major undertaking. 🌐

Stopping Proliferation Before It Starts

How to Prevent the Next Nuclear Wave

Gregory L. Schulte

INTERNATIONAL EFFORTS to stem the spread of nuclear weapons typically focus on thwarting the atomic ambitions of North Korea and Iran. This, however, is a game that is unlikely to be won. North Korea has built and tested nuclear weapons, and Iran is on the threshold of being able to build them. The leaders of both countries remain unmoved by international condemnation and pressure. To them, the prestige, security, and influence presumed to derive from nuclear weapons seem more compelling than the weak penalties and uncertain inducements of multilateral diplomacy. Another round of sanctions or talks is unlikely to change this calculus.

Rather than fixating on the proliferation they are unable to prevent, concerned countries should pay more attention to preventing proliferation to states that have not yet decided to build nuclear weapons, particularly states in the Middle East. Such a strategy will require that the international community improve its ability to detect suspect

GREGORY L. SCHULTE was U.S. Ambassador to the International Atomic Energy Agency and the United Nations in Vienna from 2005 to 2009. He wrote this essay while a Senior Visiting Fellow at the Center for the Study of Weapons of Mass Destruction at the National Defense University. The views expressed here are his own. For an annotated guide to this topic, see “What to Read on Nuclear Proliferation” at www.foreignaffairs.com/readinglists/nuclear-proliferation.

Gregory L. Schulte

activities, strengthen the tools to disrupt networks for transferring nuclear technology, and actively dissuade other countries from going nuclear by enhancing those countries' security and devaluing nuclear weapons.

Since it is likely too late to reverse the nuclear ambitions of North Korea and Iran, the United States and its partners should also stop fixating on negotiations with them. Instead, they should concentrate on containing the regional effects of these states' nuclear programs while creating the conditions for rolling them back should future leaders prove more responsive to inducements and pressure.

International efforts can disrupt and delay the proliferation of nuclear weapons, but it is difficult to deny the ambitions of leaders dead set on acquiring them. This is why efforts to prevent the spread of nuclear weapons should look ahead to preventing the next generation of nuclear proliferation.

UNDER COVER

DETECTING SECRET nuclear activities has proved to be a nearly impossible task. It took years before national intelligence agencies pieced together an understanding of the Pakistani scientist A. Q. Khan's illicit nuclear-trafficking network. Libya's work on uranium enrichment was unknown until a ship carrying components provided by the Khan network and headed for Libya was stopped at sea and the Libyan leader Muammar al-Qaddafi decided to come clean. Syria's secret nuclear reactor was not discovered until five years after construction began.

The track record of the International Atomic Energy Agency, the organization responsible for verifying the peaceful use of nuclear technology, is not encouraging. Not only did the agency fail to detect Libya's and Syria's clandestine projects; it also failed to uncover Iran's uranium-enrichment facilities at Natanz and near Qom. (An Iranian dissident group revealed the first, and U.S. and allied intelligence agencies uncovered the second.) The IAEA's professional and highly competent inspectors are not to blame; rather, the agency's effectiveness is limited by its dependence on open-source information and the cooperation of member states. In most cases, it cannot enforce access

Stopping Proliferation Before It Starts

to suspected sites and sensitive information but must instead rely on the goodwill of both those subjected to inspections and those with good intelligence.

The difficulties of detection were illustrated by Syria's construction of a secret nuclear reactor from around 2001 until 2007, when it was destroyed by an Israeli air strike.

Syria had been known to possess offensive chemical weapons since the 1980s, but most analysts had concluded that the Syrian leadership had decided against seeking nuclear weapons because of the expense and technical difficulty involved. It thus came as a surprise when, in 2006, Syria was found to be building a nuclear reactor with no obvious purpose other than the production of plutonium for nuclear weapons.

Even today, the genesis of the project and the motivations behind it remain a mystery. Was Syria building the reactor to enhance its prestige or its security? Was the project conceived by Bashar al-Assad, who had just become Syria's president, in 2000, as a way to bolster his position domestically? Countering proliferation is not just a matter of finding nuclear facilities; it also requires understanding how domestic and regional considerations can cause a country's leaders to seek the nuclear option.

The story of the Syrian reactor brought another surprise: North Korea's involvement in its design and construction. The reactor in Syria had the same design as the reactor in Yongbyon, which once produced plutonium for North Korea's nuclear weapons. Iran, North Korea, and Syria have long been known to run a very active military procurement network that trades in conventional weapons, including missiles and their associated technology. Now, nuclear weapons technology may be its latest commodity. In the past, countries concerned about proliferation only had to worry about nationally produced nuclear weapons. Today, they also need to look out for multinational endeavors.

Future success in detecting such activities will depend largely on the work of national intelligence agencies, such as the exceptional

Nonproliferation efforts should focus on countries that have not yet decided to build nuclear weapons.

Gregory L. Schulte

efforts of the U.S. intelligence community in uncovering Iran's second enrichment site, near Qom. Intelligence agencies need to build on their success with Qom and look beyond North Korea and Iran to countries that are candidates for the next generation of proliferation. They must also seek out not just facilities but also the motives, interest groups, and deliberations that could result in decisions to go nuclear.

The IAEA's inspectors can also play an important role in deterring a new round of proliferation. They have routine access to facilities and information that are not available to others, and they can sometimes connect dots that individual countries cannot. In the case of Iran, IAEA inspectors have been able to piece together a mosaic of incriminating information about its weaponization activities, based on data from multiple countries.

Whereas IAEA inspectors once played the role of accountants, recording nuclear material at known nuclear facilities, they are increasingly required to act as detectives, looking for suspicious patterns in information from multiple sources. To assist in this work, the U.S. Department of Energy has launched the Next Generation Safeguards Initiative, a plan to develop new techniques for "fingerprinting" nuclear materials, new approaches for monitoring nuclear facilities, and new tools for integrating and analyzing information from multiple sources. The IAEA should be a primary beneficiary of this promising effort.

The IAEA's ability to detect clandestine activities would also be strengthened if governments increased the routine sharing of proliferation-related information with the agency's inspectors. Member states can be reluctant to share information derived from sensitive sources and methods. Such reluctance could be overcome by arrangements to protect the information and provide assurances that it will be used to advance—and not politicize—IAEA investigations. That said, the most sensitive information is not always the most useful. Mundane data, such as information that a country has sought to import sensitive technology, may provide important leads to the agency's inspectors.

Success in detecting future proliferation also depends on the authority granted to the IAEA. Syria built its secret nuclear reactor at

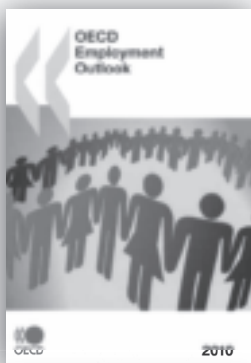
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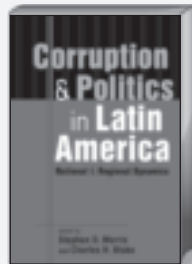
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Stopping Proliferation Before It Starts

a desert location far from the facilities it had declared to the IAEA under its Safeguards Agreement, which places facilities and material declared to the agency under the scrutiny of its inspectors. The eventual revelation of the Syrian reactor reinforced a lesson already taught by the experiences of Iran, Iraq, and North Korea: determined proliferators are likely to conduct their clandestine activities at undeclared sites. This underscores the importance of countries' signing and implementing the IAEA's Additional Protocol, which commits states to provide access and information beyond their basic responsibilities under their Safeguards Agreements. A state with the Additional Protocol in force would find it harder to hide a clandestine program and would need to worry more that one would be detected.

The Obama administration, as did the George W. Bush administration, has supported international efforts to make the Additional Protocol a universal standard. Over 120 countries have signed it, but some countries that possess or are planning significant nuclear programs, such as Brazil and Egypt, have refused to do so. These countries' officials explain their reticence in various ways: Brazil's profess a desire to protect commercial information; Egypt's say they are unwilling to accept additional obligations while Israel remains outside the Nuclear Nonproliferation Treaty. Both governments, however, have expressed support for U.S. President Barack Obama's vision of a world without nuclear weapons. Obama should explain to these leaders that this vision is ephemeral at best without a strong verification regime, of which the Additional Protocol is a necessary part.

The Additional Protocol model was introduced over ten years ago, before the revelations about clandestine nuclear activities in Iran, Libya, and Syria; the Khan network; and North Korea's help with Syria's covert reactor. It is time for the IAEA to start developing a next-generation protocol, one that broadens the scope of the nuclear-related activities that fall under the agency's scrutiny. This protocol should give IAEA inspectors more insight into activities related to weaponization—the fashioning of fissile material into nuclear explosive devices and their integration onto delivery systems. This would be

The IAEA is a technical verification agency, not a venue for nuclear diplomacy.

Gregory L. Schulte

a complex undertaking, since many member states would be reluctant to let the IAEA pry into their military activities.

In order to deter countries contemplating illicit nuclear programs, the IAEA must have not only the ability to detect nuclear activities but also the willingness to report them to the UN Security Council. The last director general of the IAEA, Mohamed ElBaradei, refused to characterize either Syria's secret reactor or Iran's enrichment facility near Qom as a violation of the IAEA's Safeguards Agreement with the country. He also declined to use the authority of the Security Council or the existing provisions for special inspections to require these states to open up all their sites for inspection. Instead, he sought to persuade them to cooperate voluntarily. This encouraged Iran and Syria to interpret their safeguards obligations narrowly and to minimize their cooperation with IAEA inspectors. Noncompliance became a way to avoid the scrutiny of inspectors, and selective cooperation a way to avoid international sanction.

The IAEA is a technical verification agency, not a venue for nuclear diplomacy. It should not allow political considerations to override its verification role. If a country is not cooperating, the IAEA must report the noncompliance and any violations to the Security Council. There are signs that the agency is returning to its technical role: Yukiya Amano, who took over as director general in late 2009, has issued reports on Iran and Syria that are refreshingly forthright in stating the inspectors' concerns and conclusions about the two countries' suspect activities. Preventing a new round of proliferation requires an IAEA that is technically focused, technically competent, and well supported by its member states.

STOPPING THE SPREAD

IMPROVED DETECTION abilities can help prevent the next generation of nuclear proliferation. But they may not be enough, particularly if the leaders of the countries involved view nuclear weapons as essential to their countries' security or their regimes' survival and are willing to risk being caught. As a result, the United States and like-minded countries must step up their efforts to obstruct the various paths to proliferation, including restricting the spread of bomb-making technology.

Stopping Proliferation Before It Starts

The most sensitive bomb-making technologies involve the enrichment of uranium and the extraction of plutonium from spent nuclear fuel. Uranium enrichment and plutonium reprocessing can be used for civilian nuclear power, but they can also be abused to produce material for a bomb. Restricting the spread of these technologies becomes more important, and potentially more difficult, as more countries look to invest in nuclear power. In 2004, President George W. Bush proposed that the Nuclear Suppliers Group, a 46-member organization dedicated to controlling the export of sensitive nuclear technology, agree to prohibit the transfer of technologies for uranium enrichment and plutonium reprocessing. Yet despite over half a decade of deliberation, the NSG has failed to reach an agreement on this sensible restriction—and even on a less stringent approach under which member states would consider transfers on a case-by-base basis.

The NSG has evolved from a restricted cartel of nuclear technology suppliers to a large collection of suppliers, recipients, and other interested participants, including countries opposed to nuclear power. Rather than finding ways to control sensitive technologies, the NSG has become bogged down in endless debates about abstract rights and subjective criteria. Some participants, even close U.S. allies with sterling non-proliferation credentials, have shown more interest in facilitating trade in sensitive technologies than in preventing proliferation.

Unless the NSG can reach a consensus on these restrictions, the United States should redirect its efforts toward the members of the group that possess these sensitive technologies. Washington has already taken a step in this direction through the G-8, which has agreed to implement rules that are only in the draft stage at the NSG, pending approval by all 46 members. One or two countries should not be allowed to block international efforts to contain the spread of bomb-making technology.

The United States should also gather like-minded nuclear suppliers to review whether their collective trade restrictions could be more effectively targeted at the next generation of potential

Eliminating nuclear weapons is an admirable aspiration, but it is not a safe strategy for the present.

Gregory L. Schulte

proliferators. This group should assess whether existing lists of sensitive exports, monitoring mechanisms, and information-sharing arrangements are adequate to disrupt nuclear black markets, such as the Khan network, or transnational nuclear enterprises, such as the recent cooperation between North Korea and Syria.

Another international effort to disrupt proliferation is the Proliferation Security Initiative, a program launched by President Bush and endorsed by President Obama to interdict illicit trafficking of weapons of mass destruction and missile technology. In 2003, multilateral interdiction efforts in the spirit of the PSI stopped a ship carrying nuclear equipment to Libya from the Khan network, thus helping expose the full extent of Libya's clandestine nuclear program and create the conditions for rolling it back.

Although the PSI has attracted an impressive number of adherents (95 at last count), it needs to be more vigorously implemented, and it should be targeted in particular at North Korea's proliferation activities. Moreover, some key countries remain outside, such as China, Indonesia, and Malaysia—all of which are well situated to interdict equipment and material leaving North Korea by sea. The PSI framework should also be used to disrupt not just the trade itself but also the financial networks that support it. That would make it easier for finance ministries around the world to put in place the type of targeted sanctions that the U.S. Treasury Department has used so effectively against proliferators.

THE ART OF DISSUASION

A COMPREHENSIVE APPROACH to nonproliferation should also seek to dissuade leaders from pursuing nuclear weapons capabilities in the first place, before they have made decisions that are hard to reverse or adopted policies of defiance that are hard to deflate. There are two sides to dissuasion: devaluing nuclear weapons as a source of national prestige and security and providing other means for a country to enhance its security, particularly in the face of a regional competitor that has acquired nuclear weapons.

Whether dissuasion works will depend on U.S. policies toward North Korea and Iran. The leaders of both countries hope that the

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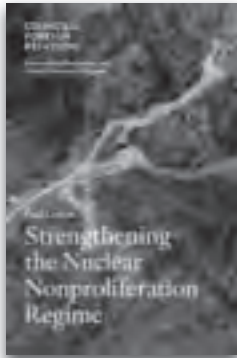
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world will eventually acquiesce to their nuclear status, much as it did to India's and Pakistan's. The United Nations, led by the United States and the other permanent members of the Security Council, must not let this happen. International sanctions should remain in place, as should pressure on both countries to comply with their international obligations. In devising sanctions today for North Korea and Iran, the United States and its partners should consider their effect not just on the leaders in Pyongyang and Tehran but also on those in other capitals where the nuclear option could come under consideration.

Devaluing nuclear weapons as a source of national prestige and security also requires the United States and other recognized nuclear powers to rethink the role of these weapons in their own defense strategies and diplomacy. President Obama's long-term vision of zero nuclear weapons, along with his recent Nuclear Posture Review, which narrows the role of nuclear weapons in U.S. defense policy, can help downgrade the perceived security value of nuclear weapons and reduce their cachet as symbols of great-power status. Steps such as expanding the permanent membership of the Security Council beyond the five recognized nuclear weapons states could also show that nuclear weapons are no longer a prerequisite to global power.

Another way to lessen the appeal of nuclear weapons is to provide states that might want a nuclear deterrent with alternative means of enhancing their security. A nuclear-armed Iran might prompt other countries in the Middle East to seek nuclear weapons. Even though a nuclear arms race in the region would probably be slow and fitful, it would nonetheless raise real risks of nuclear crises and escalation; newfound nuclear capabilities are just as likely to embolden as to deter. The United States and its NATO allies can help forestall such a dangerous dynamic by strengthening their security relationships with countries such as Egypt, Iraq, Saudi Arabia, and the other Persian Gulf states. Consultations, combined military exercises, missile defense systems, and capabilities to protect access to world energy supplies—these would help contain a nuclear-armed Iran, reassure those countries most exposed, and dissuade them from going nuclear.

Gregory L. Schulte

NATO is currently updating its “Strategic Concept,” the document in which the alliance’s 28 members lay out its role and mission. As part of that process, NATO needs to decide what role nuclear forces would play in extending deterrence to allies and partners threatened by a nuclear-armed Iran. NATO’s current nuclear posture arranges for members to be involved in the planning for and use of nuclear weapons committed to the alliance’s defense. By extending deterrence to non-nuclear-armed allies during the Cold War, these arrangements helped prevent proliferation inside the alliance. Now, NATO must consider whether a much-reduced nuclear posture can play a similar role, both inside and outside the alliance, in a very different context. Many NATO allies are ready to speed toward a nuclear-free world. Eliminating nuclear weapons is an admirable aspiration, but it is not a safe strategy for the present, when new nuclear dangers are mounting on NATO’s periphery.

FORMING THE FUTURE

THE ILLICIT nuclear pursuits of North Korea and Iran pose a serious challenge to the world’s nonproliferation regime. Reversing their programs will be difficult, if not impossible, in the immediate future. In the long run, however, there is still the possibility that their atomic ambitions can be thwarted. Since the first atomic bomb was assembled, 18 countries have chosen to dismantle their nuclear weapons programs. Countries such as Argentina, Libya, South Africa, and Switzerland made this decision for a variety reasons, but foremost among them was the desire to improve their international standing. Another important factor was foreign pressure, especially from the United States.

Keeping North Korea and Iran under international pressure will help create the conditions for such rollbacks. But the precedents suggest that the most important factor is the nature of the leaders in each country and the type of relationship they seek with the outside world. Rollback, in short, will likely require regime change. The diplomacy the United States and its allies pursue and the sanctions they impose should be quietly designed to encourage political change from within.

Stopping Proliferation Before It Starts

Because it is probably too late to convince today's leaders in North Korea and Iran to abandon their nuclear ambitions, Washington's strategy toward these countries should shift away from the current fixation with nuclear diplomacy. Not only are Kim Jong Il and Mahmoud Ahmadinejad unlikely to dismantle their nuclear programs; the United States' focus on the nuclear issue also gives these leaders more diplomatic leverage and domestic legitimacy than they deserve. Instead, Washington should focus on containing the regional effects of North Korea's and Iran's nuclearization and on setting the conditions for eventual regime change and nuclear rollback. The U.S. security relationship with the Gulf states is more important than the next UN Security Council resolution on Iran. Working with China to plan for North Korea's future is more important than setting the table for the next round of six-party talks.

In the meantime, more attention should be devoted to preventing the next round of proliferation. To that end, the international community must become better at detecting and disrupting any efforts to obtain nuclear weapons. It must also dissuade other countries, in the Middle East and elsewhere, from following the path of Pyongyang and Tehran—a goal that can be advanced by devaluing the perceived benefits of nuclear weapons and by making the countries most exposed to new nuclear threats feel more secure. North Korea and Iran must be the exception, not the new rule. 🌐

Coping With China's Financial Power

Beijing's Financial Foreign Policy

Ken Miller

CHINA'S APPROACH to economic development has turned the country into a lopsided giant, an export juggernaut with one huge financial arm. Following the reforms launched by Deng Xiaoping in 1979, Chinese businesses began using cheap labor and cheap capital to compete on the world market, with ever-increasing effectiveness. Today, Beijing continues to subsidize exports heavily. It does so directly, through favorable loans to businesses and favorable exchange rates to foreign buyers of Chinese goods. And it does so indirectly, through what economists call "financial repression," whereby the government imposes controls on the investment of Chinese citizens that allow it to funnel capital into Chinese businesses. The People's Bank of China has gathered a good portion of the enormous trade profits and cash inflows that have resulted. At the end of 2009, it held \$2.4 trillion worth of foreign exchange. This is the largest amount of foreign exchange owned by any central bank in the world—and it does not even reflect the reserves held by China's

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Coping With China's Financial Power

major commercial banks. What is more, the figure is likely to grow by another \$300 billion in 2010.

Never before has China had this much financial might, and it is now experimenting with how best to use it in its relations with other states. Reintegrating Taiwan is an essential goal of China's foreign policy overall, but the principal aim of China's financial foreign policy is to stimulate economic growth and job creation at home. In pursuing this goal, the government enjoys considerable legitimacy: it is supported by the pride of a nation that is finally moving to a central place in the world order. Corruption, rising inequality, restricted freedoms, and environmental damage are challenges to the Chinese Communist Party, but the ccp's hold on power is likely to remain secure so long as it can continue to develop China's economy and create jobs.

China is at an early stage of increasing its influence in international finance, and although it sometimes sounds ambitious, it is being prudent. In March 2009, the head of the People's Bank of China called for an end to using the dollar as the world's reserve currency in favor of a new currency to be created by the International Monetary Fund. Yet there is no sign that the Chinese government intends to push this policy anytime soon. Likewise, China's moves to internationalize its currency, the renminbi, have been very incremental. It has signed currency-swap deals with Argentina, Belarus, Hong Kong, Indonesia, Malaysia, and South Korea; it began allowing certain countries to use the renminbi to pay for Chinese imports; and it now lets enterprises based in Shanghai and in four cities in the southern province of Guangdong use it to pay for imports into China. But Beijing does not dare make its capital account convertible—that is, let the renminbi freely convert into foreign currency (and vice versa). China's leaders may be putting Chinese nationals in senior positions at the IMF and the World Bank, thinking of participating in new regional financial bodies, and promoting the convertibility of the renminbi in regional trade, but for now they remain trapped in a dollar world.

And so for now, too, China's financial foreign policy rests on two simple strategies: accumulating foreign currency reserves and sending money abroad—in the form of direct investment, aid, assistance, and loans—in order to secure the raw materials, new technologies,

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managerial know-how, and distribution networks that will bolster domestic growth and the CCP's legitimacy.

This policy makes those who are already wary of global trade imbalances fret about how China will use its growing financial clout in the future. Many U.S. government officials and China specialists think it is highly unlikely that Beijing would use its financial power to disrupt international capital markets. But power matters even when it is not exercised. And China's unprecedented financial clout now gives Beijing influence in every aspect of the global economy.

THE WEALTH AMONG NATIONS

CHINA'S OUTSIZED foreign exchange reserves are one manifestation of the country's very high savings rate and of the severe limitations placed on opportunities to invest these savings. Chinese people still cannot send much money outside of China: it is illegal, for example, for one to invest more than 350,000 yuan (about \$50,000) a year overseas. Chinese stock markets, which trade principally on rumors and changes in government policy, are highly volatile, and the speculative housing market suffers booms and busts. Bank deposits, which are the safest place for savings, pay negative interest when one takes inflation into account.

As China's economy became more productive and as the CCP's confidence in its domestic economic plan increased over the past decade, the Chinese government started laying the groundwork for expanding its financial presence overseas. The objectives of the People's Bank of China have consistently been capital preservation first, then liquidity and profitability. In the early days of the save-and-export model, the government purchased foreign government obligations and some gold. Then, over the last decade, with the massive amount of value that accumulated, it began to experiment with new approaches to investing overseas, such as purchasing nongovernment securities. The sheer size of China's foreign reserves today, combined with the perception that these reserves will keep growing, gives China an outsized influence in international financial markets relative to its low level of per capita income.

Such huge sums give China the power to disrupt the markets for U.S. Treasuries and euro-denominated debt. Even though such interference would be self-destructive and China has been participating

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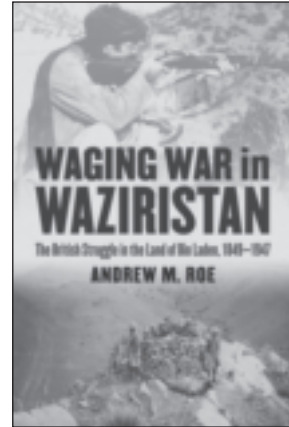
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Coping With China's Financial Power

in the world financial markets in a sophisticated and responsible manner, critics insist on its potential to undercut the world economy. They worry that the United States would be hurt if China stopped purchasing U.S. Treasury obligations or, worse, started dumping U.S. debt. At least according to public U.S. Treasury statistics, China has been lending money to the United States for increasingly shorter periods of time. (Because U.S. Treasuries are bought through intermediaries and the process is somewhat opaque, no one can be sure of the figures.) Of the \$281 billion in U.S. securities that China added to its total holdings in 2009, as much as \$130 billion went to short-term debt. The remaining \$151 billion represented the smallest annual increase in China's holdings of long-term U.S. debt since 2004. China's cache of U.S. dollars and other reserve currencies may diminish over time, but for now, it (along with China's trade surpluses) remains a major sore point for important constituencies in the United States and Europe.

In truth, however, the United States and China are holding each other hostage. The United States needs China to buy its obligations, and for the foreseeable future, China will have few other places than the U.S. dollar to store the foreign currency value it has accumulated. According to China's National Bureau of Statistics, the country's trade surplus for 2009 was \$196 billion, down from \$298 billion in 2008, but even in 2009 there was not enough euro-denominated debt, Swiss francs, Japanese yen, and gold in the world to absorb China's reserves. China might one day decide to keep its dollars out of U.S. Treasuries, especially when interest rates are low. But under most normal circumstances, this would cause so great a decline in the value of China's dollar holdings, and thus so much financial disruption, that the regime would never make the move in the first place. Likely retaliation from the United States, in the form of trade impediments, could hurt China's economy even more, since the Chinese government's ability to provide jobs for Chinese workers depends on access to U.S. markets.

Policymakers in Washington must, of course, consider the possibility that Beijing will act in self-destructive ways. But there is also a major

China's unprecedented financial clout gives Beijing influence in every aspect of the global economy.

Ken Miller

domestic check ensuring good financial behavior on the part of the Chinese government. The \$2.4 trillion held by the People's Bank of China is widely understood, both within the leadership in Beijing and among Chinese citizens, to be the people's money, the fruit of their incredibly hard work. The leadership suffers an avalanche of popular criticism whenever the savings are poorly invested. The only sentiment that might outweigh this is patriotic fervor—which is why the Chinese government goes to great pains never to appear to be yielding to foreign pressure. (Western governments have been no more successful at badgering Beijing to revalue the renminbi than Google was in securing unrestricted access to the Internet for its customers in China.) All of this means that the Chinese government could not wreak havoc in the international financial system and still stay in power unless patriotism trumped the people's concern about value—an unlikely scenario.

China's use of its foreign reserves in the international currency markets is aimed at managing the value of the renminbi—a normal part of any country's monetary policy. Much like that of the U.S. Federal Reserve, the job of the People's Bank of China is to create a financial environment that maximizes the likelihood of full employment and stable prices at home. Moreover, China's responsible management of its reserves to date has allowed Beijing to form valuable relationships with the leading financial managers across the global economy. Beijing's normal open-market activity, the daily buying and selling of billions of dollars of financial instruments, has put it in close contact with the other major players in the multitrillion-dollar foreign exchange market. And these daily financial flows have lowered interest rates while increasing the liquidity and stability of international financial markets.

GOING OUT

HAVING SET the stage for economic growth through its financial policies, Beijing tries to create jobs and secure the inputs it believes will stimulate domestic growth in its direct dealings with other governments. And in its bilateral foreign policy, Beijing prefers the somewhat blunt tools of direct investment, outright grants, and so-called concessional loans, loans with terms far more generous than those available on the market.

Coping With China's Financial Power

Direct investments overseas, often called “foreign direct investment” (FDI), allow a country to gain control over resources, access to technology, and information about what is happening outside its borders. The Chinese government began to encourage FDI from Chinese businesses in 1999, but this “go out” policy got off to a very slow start. At the time, China was focused on revamping its patchy state sector, and its private sector was still too weak to go out on a large scale. The policy ramped up in 2005, not long after reserves in the People’s Bank of China began their upward climb and state-owned enterprises found themselves in a better position to lead the charge in investing abroad. Then, as the need for energy and raw materials to feed China’s booming economy grew, the search for resources spread worldwide.

During the go-out policy’s first ten years, Asia was always an area of great interest for Chinese companies; Africa and Latin America have increasingly become so. The government has heavily promoted investments in oil and gas, mining and metals, and financial services, but also in virtually every other economic sector. Over time, the Chinese government has placed more emphasis on acquiring know-how: one of the objectives of the China National Offshore Oil Corporation (CNOOC) in trying to take over the U.S. energy giant Unocal in 2005 was to acquire technology for energy exploration and production.

Most of China’s FDI comes from state-owned enterprises. Although individual businesses are increasingly taking the initiative, all large investments are still coordinated by government institutions. In the policy’s early days, businesses tended to spend their own cash reserves, but today, large state-backed banks, such as the Bank of China and the Export-Import Bank of China, furnish the financial fuel. Whereas U.S. companies go out into the world in search of profits with minimal government interference or, for that matter, support, virtually all overseas investment by Chinese companies requires some level of state approval.

That said, Beijing’s backing has been forthcoming. Premier Wen Jiabao announced in the government work report (loosely, the equivalent of the U.S. State of the Union address) released in March that Beijing would support qualified companies in making mergers and acquisitions overseas and give them more autonomy to invest abroad. In order to maintain absolute stewardship of the currency’s value, the

Ken Miller

government tightly controls China's capital markets, which are mostly based on bank financing and plain vanilla equity issuance. Still, it is becoming easier for Chinese companies to get approval to invest abroad. Except for very large or politically sensitive deals, which require special prior review by Beijing, most projects are now given the go-

Considering Beijing's interest in promoting Chinese investment overseas, there is less of it than one might expect.

ahead by local bureaus of the Ministry of Commerce and the National Development and Reform Commission within a month and a half, and the foreign exchange needed to proceed is usually made available soon after that. The government seems ever more intent on encouraging investment abroad and encouraging it in more and more areas. In its latest work plan, the Ministry of Commerce for the first time detailed an interest in over-

seas manufacturing, high-tech industry, clean energy, and famous brands and the desire to process resources externally rather than shipping them directly back to China, as has been the case.

Considering this interest, there is less Chinese FDI than one might expect. During 2009, Chinese companies invested only \$48 billion overseas, around one percent of Chinese GDP; U.S. companies, in comparison, invested \$340 billion, around 2.4 percent of U.S. GDP. As of the end of 2009, China's total accumulated FDI was \$211 billion, about 4.3 percent of Chinese GDP, whereas the United States' was estimated to be \$3.245 trillion, about 23 percent of U.S. GDP. At current rates, China's FDI will not catch up to the United States' until 2047. Even if the statistics on China's FDI, which come from both the Ministry of Commerce and the State Administration of Foreign Exchange, understate the amount of capital invested abroad by Chinese nationals (because of hidden reinvested profits), they nonetheless reveal a significant gap between the scale of China's overseas investment and that of the United States'.

The difference results partly from various barriers to Chinese investment outside the mainland. One of them is resentment against Chinese state-owned companies because of the perception that they are responsible for having taken jobs, even homes, away from local residents in the countries in which they invest. Chinese companies

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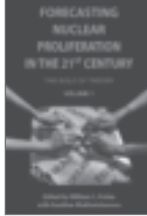
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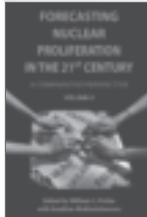


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have encountered fierce resistance to several high-profile attempts to acquire foreign firms, especially in the United States. Lenovo's friendly purchase of IBM's personal-computer business for \$1.7 billion in 2005 seems like an exception. That same year, Chevron launched a major public relations campaign to mobilize Americans' xenophobia against CNOOC, which was trying to acquire the California-based Unocal. In short order, Chevron convinced CNOOC that the U.S. Congress would oppose the sale and got it to drop its \$19 billion bid. When, in February 2008, the Australian natural-resource firm BHP Billiton attempted to take over the Australian firm Rio Tinto, the Chinese government made \$40 billion available to the Aluminum Corporation of China (Chinalco) to outbid it. It was seeking to thwart the deal because it believed that consolidation between BHP Billiton and Rio Tinto, two major suppliers of iron ore, a key ingredient in the production of the steel essential to China's infrastructure, might cause iron ore prices to shoot up. Two years later, Chinalco has managed to secure only a modest minority position in Rio Tinto's common stock, and BHP Billiton is now on track to combine its operations and Rio Tinto's in a joint venture. The Australians' chauvinistic desire to keep their largest companies out of China's sphere of influence has been a major force in this multiyear struggle. In Australia and elsewhere, Chinese companies are making some progress on small natural-resource deals, but they have encountered resistance to high-profile takeover attempts in developed economies.

Chinese FDI is also limited by skepticism about overseas investment opportunities among Chinese businesses. Many have grown wary after the dramatic failure of deals that seemed promising at first. In October 2004, the Shanghai Automotive Industry Corporation paid \$500 million for a 51 percent stake in the South Korean carmaker SsangYong Motor with grand plans for building a Chinese car that utilized South Korean technology and for turning the Shanghai Automotive Industry Corporation into a Fortune 500 company. But the investment ran into problems with unions from the start, and last year, after a series of rocky disputes with its workers, SsangYong Motor declared bankruptcy. The Shenzhen-based insurance firm Ping An hoped to gain expertise in asset management by investing in the Dutch company Fortis Group in late 2007, but in short order that

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attempt turned into a \$3.3 billion write-off. That year, TCL, a major Chinese television manufacturer, encountered similar misfortunes in a joint venture with Thomson Electronics in France, suffering major losses in Europe that eventually forced it to downsize, close, or sell most of its European operations.

Chinese investment abroad is further limited by the allure of better opportunities in the domestic market. The Chinese economy has grown so rapidly compared to others that it requires an unusual impetus for Chinese companies to invest elsewhere. Moreover, since English remains the international language of business and finance, the Chinese feel much more comfortable at home. They also believe that the renminbi is destined to strengthen against the other major currencies, which would impair returns on non-Chinese investments.

THE AID THAT TIES

PARTLY BECAUSE of these dynamics, the Chinese government decided early on that it could not rely exclusively on state-owned enterprises and private-sector entrepreneurs to invest overseas. In 2007, it set up a sovereign wealth fund, the China Investment Corporation, with an initial capitalization of \$200 billion. After a few early stumbles investing with the Blackstone Group and Morgan Stanley and, during the recent world financial crisis, losses in the supposedly safe Reserve Primary Fund, the CIC seems to have found its footing. It enjoyed a 17 percent return on investment in 2009, and it now has over \$300 billion under management, with more funds likely to be made available. The CIC is allocating capital to proven non-Chinese money managers and individual companies active in sectors such as natural resources and technology. Beijing has also established other smaller multibillion-dollar funds to invest directly in Asia and Africa. Both the State Administration of Foreign Exchange, which manages China's foreign exchange reserves, and China's national pension fund have begun to select foreign private-equity and hedge-fund asset managers.

Similarly, a key dimension of China's go-out policy is to award grants, aid, and concessional loans to foreign governments in support of specific projects and to require in exchange that they hire only

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specified Chinese companies to do the work. Numbers published by China's Ministry of Finance suggest that outright grants and foreign aid (excluding military assistance) from Beijing totaled less than \$2 billion last year (compared with \$28 billion for the United States). Pure aid from China takes the form of medical and technical assistance, scholarships, investments in Chinese-language programs, or funds for turnkey plants. Unlike the U.S. government, the Chinese government gives aid without any conditions relating to human rights or democracy promotion. Rather, its aid is tied to particular projects: the construction of a port, a railroad, a pipeline, a sports facility.

China treats the information about the amount and the beneficiaries of its grants and loans as a state secret. But based on 2007 figures (the most recently published) from the Export-Import Bank of China, the largest source of China's concessional loans, Beijing probably made some \$10 billion worth of such loans last year. A typical go-out project might involve both a direct investment by a state-owned enterprise and a concessional loan to a foreign business or government at below-market interest rates, with grace periods and long repayment terms. (To call these loans "concessional" is somewhat misleading: more than just offering favorable terms, they often provide capital for projects that could not be financed otherwise.) Like Beijing's grants and aid, its concessional loans usually require the recipients to hire Chinese companies to conduct the underlying projects. For instance, the Export-Import Bank of China is providing 85 percent of the \$1 billion of financing for a new port in Hambantota, Sri Lanka, which the state-owned enterprise China Harbour Engineering is building. The Chinese government has similarly supported the development of port facilities in Bangladesh, Myanmar (also known as Burma), and Pakistan; railroad lines in Nepal; roads and sports stadiums all over Africa; and other big infrastructure projects throughout Latin America. As many as 750,000 Chinese from mainland China may now be working outside of China proper on projects financed by the Chinese government.

In some ways, Beijing is behaving much like Washington in assisting its domestic businesses in overseas ventures. The U.S. Overseas Private Investment Corporation also has programs that insure and finance U.S. businesses operating in over 150 countries. But U.S. companies

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pursue profit more single-mindedly than do their Chinese counterparts. And if U.S. companies often benefit from their government's foreign policy, these companies, unlike their Chinese counterparts, are not its leading edge. The Chinese government, on the other hand, so thoroughly mixes government-to-government aid with various incentives for Chinese businesses to acquire assets abroad that its financial foreign policy can seem nakedly mercantilist. As many as half of the professionals in the Chinese Foreign Ministry are said to be working on economic matters.

The fact that these government-to-government agreements are undisclosed and that contracts for projects are awarded without an open bidding process creates concerns about corruption. Anecdotal evidence also suggests that China's tied-aid approach is encountering resistance in recipient countries as a result of some projects' environmental impact and relatively small lasting economic contributions. The requirement to employ imported Chinese labor means limited benefits to local economies, especially as the Chinese workers' pay is typically deposited into bank accounts in China. In the face of such worries and objections, Beijing may someday decide to change its ways.

MATURE DEBT

AS CHINA invests more and more savings abroad, it will likely project its financial power differently. It would be a big breakthrough, not to mention an immense help in redressing global imbalances, if China invested more in developed economies. Since Chinese businesses that invest abroad will continue to be seen as extensions of the state until China adopts a more open economic model at home, Chinese financiers would do well for now to make loans rather than buy equity when they invest in developed economies. And when they do buy equity, they should do so in companies that are not publically traded; it is easier to buy closely held companies without causing a brouhaha. This lesson appears to be slowly sinking in: since CNOOC's failure to buy Unocal, some Chinese bidders have started showing up at private auctions for closely held U.S. energy properties.

It would indeed help if Beijing played the role of creditor more often. Chinese commercial banks seem unsure about their ability to conduct

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credit analysis for foreign companies and feel more comfortable serving the Chinese community. But by becoming direct lenders to non-Chinese businesses, they would acquire just as much know-how and more influence than if they were minority shareholders. Since loans are not seen as power grabs, the transactions would probably encounter little political resistance. The capital would go directly into the borrower's business rather than to its shareholders, and it would provide jobs, as well as stimulate the local economy. As a creditor, the Chinese government would hold a more senior and safer position than as an equity owner.

As the Chinese economy matures and becomes more oriented toward consumption and services, changes should be expected. The CIC's September 2009 decision to acquire a debt-like instrument worth \$1.9 billion from Bumi Resources, Indonesia's largest coal company, is a sign that Beijing is beginning to adjust its go-out strategy. Right now, too many Chinese are too close to the poverty level for the leadership to support openly the use of national resources to achieve nonmercantilist objectives overseas. But down the road, Beijing may become less intent on using aid, grants, and concessional loans abroad so directly in the service of China's domestic economy. This may especially become the case if the regime could feel more secure in other ways, militarily, for example.

But this is not certain. No one knows, for instance, whether the Chinese government would allow capital to move in and out of the country without government involvement. Such liberalization, which would likely come with more leeway in investment decisions for individuals and companies, would be a drastic change in China's financial foreign policy. Were it to happen, business decisions would then be driven less by political considerations than by purely economic assessments of risks and rewards. Chinese companies would grow through mergers and acquisitions. National companies and national brands would emerge, with solid platforms for international expansion. At that point, China would begin to project the power of its domestic markets into the global arena, much as the United States and Europe do: through multinational corporations. This, in turn, would improve China's image in the developing nations in which it invested by limiting criticism from local populations who before suspected that its deals were motivated by the Chinese government's political objectives.

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Another open question is how soon Beijing will allow the renminbi to become an international unit of account, a medium of exchange, and a store of value, like the dollar and the euro. Capital account convertibility would increase the influence of China's international financial position immensely. Shanghai could become a major financial center, like New York and London, and Chinese financial institutions would be able to compete internationally. Today, Shanghai already boasts a good telecommunications infrastructure, which could readily be upgraded to world-class standards—a necessity if Shanghai is to become a major financial center. And there is plenty of Chinese human capital abroad trained in the global financial markets ready to be lured back to the motherland.

But only capital account convertibility and the ability to deal internationally in renminbi would give Shanghai a serious competitive advantage and a chance to become a global financial hub—and these are tricky propositions. One of the functions of the State Administration of Foreign Exchange is “to study and implement policy measures for the gradual advancement of the convertibility of the RMB [renminbi].” But the process has been slow. Without existing currency restrictions, Chinese capital would flow both within the country and overseas to investments that offered the highest returns, and cheap capital, one of the engines of the Chinese miracle, would disappear. Higher capital costs and stiffer competition would hurt export-dependent businesses in China, which could lead to considerable domestic disruption. Free capital flows would quite naturally create big agglomerations of economic power—and possibly a counterpoise to the CCP. These significant risks suggest that as fundamental a change as currency convertibility is probably a long way off.

NEW KID ON THE BLOCK

MANY OF the economic issues between the United States and China relate to currency policy, jobs, and associated financial imbalances. The Obama administration has announced plans to double U.S. exports over the next five years, an effort that is likely to create more competition for third markets and additional conflicts between Washington and Beijing. At worst, such a development could thwart

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the process of liberalization that China will naturally undergo as it continues to develop economically. Fortunately, Washington seems to understand that encouraging China to play an important role in international financial stability is very much in the United States' interest. It has made clear, for example, that it welcomes Beijing at the international financial table—as well it should.

So far, China's financial foreign policy has been good for other countries and less beneficial for China itself than first meets the eye. China is buying U.S. debt. It is helping make orderly markets. Its FDI is helping it learn about the outside world. As for Beijing's aid and assistance to developing countries, the amounts involved are small to begin with, and the Chinese government is generating a fair bit of resentment. Its mercantilist approach will not give the government any more real security over sources of supply than if it bought them at international prices on the open market, and in the fullness of time, as the Chinese government recognizes this, it is likely to shift its tack without external pressure. Thus, with the important exception of China's support for regimes that the U.S. government does not like, Washington should not worry much about Beijing's financial foreign policy.

As China stimulates its domestic demand and becomes a bigger player in international finance, its engagement will most likely contribute to healthy relations among nations. The developed economies' need for capital and China's surfeit of it will give China a natural path to invest in those states (even without capital account convertibility). Larger financial ownership positions in foreign companies will, on balance, be a good thing for Chinese companies and for the world, just as the United States' stock of foreign investments has been. And if Western capitalism continues to show vitality, China will likely evolve to be even more market-oriented. After all, the Chinese appetite for profit making has survived nicely despite over 60 years of communist rule.

A little bit of patience is in order. Policymakers in the United States should remember that China emerged as a financial power less than ten years ago. With a better understanding of China's domestic imperatives, Washington can encourage Beijing to project its financial power abroad in ways that contribute to the stability of the global economy. 🌐

Obama and the Americas

Promise, Disappointment, Opportunity

Abraham F. Lowenthal

INCOMING U.S. presidents, from John F. Kennedy to George W. Bush, have often announced a new policy initiative toward Latin America and the Caribbean. But few expected this from Barack Obama. His administration was inheriting too many far more pressing problems. During the presidential campaign, moreover, he had said little about the region beyond suggesting that the North American Free Trade Agreement (NAFTA) be renegotiated and expressing vague reservations about the pending free-trade agreements with Colombia and Panama.

Soon after Obama's inauguration, however, the administration organized high-level visits to Latin America and the Caribbean and announced various initiatives toward the region. Calling for a "new beginning" in U.S.-Cuban relations, it loosened restrictions on travel and remittances to Cuba by Cuban Americans, said it would consider allowing U.S. investment in telecommunications networks with the island, and expressed a willingness to discuss resuming direct mail service to Cuba and to renew bilateral consultations on immigration to the United States. The administration also backed away from Obama's earlier comments about the free-trade agreements with Colombia and Panama. In April 2009, the president announced that he would press for comprehensive immigration reform, a move that was

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welcomed throughout the region. He also won praise for his consultative manner and his interest in multilateral cooperation at the Fifth Summit of the Americas, in Trinidad and Tobago in April 2009.

In addition to the White House's preexisting commitment to attend the summit in Trinidad and Tobago, there were two main reasons for the Obama administration's surprising early attention to the Americas. One was the hope that it could score a quick foreign policy victory: people in the region had widely rejected George W. Bush's policies, but more because of style—a combination of neglect and arrogance—than because of any deep, substantive conflict. Obama aimed to do better.

Second, and more important, was the new administration's perception that although the countries of the region posed no urgent issues for the United States, some of them were increasingly important to its day-to-day concerns. Mexico drew U.S. policymakers' attention early on with a surge in homicides and in confrontations between its government and its narcotics cartels, as well as an abrupt economic downturn, a consequence of the U.S. economic crisis that was then exacerbated by an outbreak of the H1N1 virus. Washington faced a choice: try to quarantine Mexico, a neighbor with a population nearing 110 million and a shared border some 2,000 miles long, in order to insulate the United States from its problems or fashion a more effective partnership to help Mexico deal with those problems and mitigate their implications for the United States. The administration moved promptly to focus on working with Mexico. Mexico's crisis, moreover, had illuminated the increasing everyday importance of Latin America and the Caribbean to the United States, especially that of its closest neighbors in the region.

A POSITIVE VISION

IN PREPARING for the summit in Trinidad and Tobago, the Obama administration assessed the legacy of recent U.S. policies. Administrations of both parties had emphasized regionwide summits, but these had produced little besides rhetoric and an occasional new process of consultation. After 9/11, Washington mainly viewed the region through the prism of international terrorism—and therefore mostly as a low priority—instead of focusing on the issues that were, and still are, the most

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important to people there: poverty, education, income distribution, and citizens' security from street and gang violence and organized crime.

Many in Latin America and the Caribbean felt that a Cold War mentality lingered in Washington. They opposed some policies of the Bush years, including the invasion of Iraq and an ideological insistence on the benefits of the "Washington consensus." Venezuelan President Hugo Chávez, bent on restructuring the international system in favor of the Global South, took advantage of this sentiment by stepping up his flamboyant anti-American rhetoric. He also sought influence by subsidizing gasoline prices and offering other significant economic assistance throughout the region.

The challenge to U.S. leadership in the Americas was not limited to Venezuela and its Bolivarian Alliance for the Peoples of Our America (an organization that includes Bolivia, Ecuador, and five Central American and Caribbean states). Many other Latin American and Caribbean countries began deepening subregional integration, partly through new formal institutions, such as the Union of South American Nations and the South American Defense Council, but mostly through growing regional trade and investment, multinational corporations, and business networks.

As the self-confidence of Latin American and Caribbean nations has grown, support for Pan-American approaches to the region's problems has waned. The Organization of American States has often been ineffectual, and the Inter-American Democratic Charter, which is intended to strengthen democratic institutions in OAS member countries, has produced few meaningful results. The influence of the Inter-American Development Bank has also weakened in recent years, as liquidity in private international capital markets has increased and both the Andean Development Corporation and Brazil's National Bank for Economic and Social Development have gained importance.

Several countries—notably Brazil, Chile, Mexico, Peru, and Venezuela—have been vigorously building ties beyond the Americas, with countries of the European Union, the Asia-Pacific Economic Cooperation forum, and China, India, Iran, and Russia. Brazil has developed a strategic alliance with India and South Africa; strengthened its links with China and Russia; played a leading role in the G-20, the Doha Round of international trade negotiations, and the Copenhagen

talks on climate change; and offered to act as an intermediary to manage conflicts in the Middle East and with Iran. As actors outside the Americas have become more important to Latin American and Caribbean countries, Washington's influence has declined perceptibly.

Recent U.S. administrations assumed that the paths of Latin American and Caribbean countries were converging: with Chile showing the way, all (except Cuba) were thought to be moving toward free markets, democratic governance, sound macroeconomic policies, and regional integration. The Obama administration, however, recognized from the outset that the countries of the region are actually going in very different directions. This is the result of important structural differences among them, including the level of their demographic and economic interdependence with the United States; the degree and nature of their openness to international economic competition; the strength of key aspects of their governance, such as checks and balances, accountability, and the rule of law; the relative capacity of the state and of their domestic civil and political institutions beyond the state, such as political parties, the media, religious organizations, and trade unions; and their ability to integrate traditionally excluded populations, including the more than 30 million indigenous people, Afro-Latin Americans, and migrant workers in the region. Washington's policies would have to take account of these differences; clearly, one size would not fit all.

In reframing U.S. policy toward the diverse mix of Latin American and Caribbean countries, the new administration proceeded in line with its broader resetting of U.S. foreign policy: it would be more open to engagement, even with adversaries; more disposed to multilateral cooperation; and more respectful of international law and international opinion. Once these changes became clear, the Obama team posited, the international economic crisis might make inter-American cooperation attractive again.

In devising this approach, the incoming administration drew in part on policy changes that had been introduced during the second term of the Bush administration by Thomas Shannon, a career diplomat who became assistant secretary of state for Western Hemisphere affairs in 2005. In contrast to his predecessors, political appointees who had pursued Cuba-centric policies redolent of the Cold War, Shannon fashioned a carefully nuanced, case-by-case approach to the

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various populist and potentially populist regimes of Bolivia, Ecuador, El Salvador, Honduras, Nicaragua, Paraguay, and Venezuela. Shannon emphasized that social and economic inequities were the root cause of many of the problems in Latin America and the Caribbean.

This was in line with the prevailing view among many nongovernmental experts on the region. A series of think tank reports before and soon after the 2008 election had recommended more emphasis on poverty, inequality, citizen security, and energy; new approaches to narcotics and gun trafficking and immigration; increased cooperation with Brazil and Mexico; restrained, nonconfrontational, rope-a-dope responses to Chávez; and initiatives to move beyond the Cold War impasse with Cuba and to assist Haiti's development—all ideas that contributed to the new administration's thinking.

Instead of reverting to grand rhetoric, the Obama administration began working on a few concrete matters: bolstering financial institutions, restoring credit and investment flows, and meeting the challenges of energy security, the environment, and citizens' safety. Rather than unfurl broad Pan-American initiatives, the new administration sought to bring together different clusters of states with comparable concerns to deal with specific issues.

In its first months, the Obama administration refocused U.S. policy in Latin America and the Caribbean from the "war on terror" to challenges more salient in the region, including economic growth, job creation, energy, migration, and democratic governance. It also began to shift from the so-called war on drugs, which had concentrated on eradicating crops and interdicting narcotics, to focus instead on countering drug-money flows, reducing the demand for drugs, and offering treatment to addicts. (Gil Kerlikowske, the former Seattle police chief, who is known for treating the drug problem as a public health issue, not a criminal one, became the U.S. drug czar in May 2009.)

The new administration eschewed hemisphere-wide approaches and identified four priority regions: Mexico and the United States' closest neighbors in Central America and the Caribbean; Brazil, the region's largest and most powerful country; the diverse and troubled nations of the Andean ridge; and Cuba, a neuralgic issue for the United States long overdue for a new approach. It seemed to recognize that the realities of the region called not for smaller but for more efficient governments

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that would concentrate on combating crime and violence, expanding education, and providing infrastructure and other needs that are not adequately provided by market forces alone. The Obama administration also understood that progress on key issues affecting U.S. relations with Latin America and the Caribbean—immigration, narcotics, trade—would require efforts from the United States at least as much as efforts from states in the region. Washington began to acknowledge, for example, the role that the United States has played in fueling the drug trade and the associated traffic in small arms and bulk cash.

On all these fronts, the Obama administration introduced concrete first steps, without making bloated claims or using excessive rhetoric. The president's background, as an African American who grew up in modest circumstances, had already made a powerful positive impression. When Obama stated at the Americas summit in Trinidad and Tobago that he sought to develop a new relationship with "no senior partner or junior partner," that goal came across as fresh and attractive. According to various public opinion polls, Obama's popularity and that of the United States rose strikingly in Latin America and the Caribbean during the first half of 2009. Obama was off to a very promising start.

HOPES DASHED

BY THE end of the Obama administration's first year, however, the prevailing sentiment about its Latin America and Caribbean policy was turning to disappointment. Criticism came not only from the predictable sources—the Castro brothers in Cuba; Chávez; Evo Morales, Bolivia's president; the Kirchners, the Argentine first family; Daniel Ortega, the Nicaraguan president—but also from Luiz Inácio Lula da Silva, the Brazilian president, and many experienced analysts in both Latin America and the Caribbean and the United States. *The Wall Street Journal* and several Republicans, particularly Senator James DeMint of South Carolina, rejected Obama's entire approach. And think tanks on the left and some influential centrist observers who had been strongly sympathetic to his initial stance expressed disappointment as Obama seemed to back away from it.

In late 2009, U.S. Secretary of State Hillary Clinton seemed to dash hopes that the United States would drop its hegemonic attitude

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when she warned Latin American and Caribbean governments that might be tempted to “flirt with Iran” to “take a look at what the consequences might be.” Even Latin Americans wary of Iran were rankled. Obama’s welcome call for a new approach to Cuba produced little change. After reversing some sanctions imposed by the Bush administration, the Obama government indicated that Cuba would have to make the next move before Washington considered any more steps toward rapprochement. Far from ushering in a new beginning, the Obama administration seemed to revert to the stance of several previous U.S. administrations: it would wait for Cuba to change.

Obama’s promise to prioritize comprehensive immigration reform gave way to a more limited commitment to begin consultations soon—and even that modest goal then receded. And after the administration acknowledged the need to regulate the export of small weapons from the United States to Mexico, Obama himself suggested this objective was unrealistic because of the power of the U.S. gun lobby, especially in the politically contested mountain states.

The Obama administration’s approach to trade policy was confusing at best. First, it rejected protectionism; then, it accepted a “Buy American” provision in the stimulus package. Having signaled a willingness to proceed with the free-trade agreements with Colombia and Panama, it postponed taking any concrete action. It talked up energy cooperation with Brazil but continued subsidizing U.S. corn-based ethanol and maintained high tariffs on ethanol imported from Brazil. Even as it was actively promoting an enhanced U.S. partnership with Mexico, it let lapse an experimental program that allowed Mexican truckers to enter the United States, thus placing the United States in noncompliance with an important NAFTA provision.

Perhaps even more damaging than the failure to implement its own stated goals was the administration’s handling of two issues that were not on its original to-do list. Washington’s first response to the overthrow and deportation of the constitutionally elected president of Honduras, Manuel Zelaya, by the Honduran armed forces in June 2009 was to reject the move and push for a strong multilateral response through the OAS. But then Washington proved reluctant to apply the harsh sanctions that many Latin American countries—not just those it often disagrees with, such as Venezuela, but also Brazil, Chile, and

others—were calling for. Although its reticence reflected its general preference for less intervention and its assessment that restoring Zelaya would be widely unpopular in Honduras, Washington was also responding to criticism in the United States that intervening to restore Zelaya, an erratic leader and an acolyte of Chávez, would hurt those Hondurans who were longtime friends of the United States. Shannon, who was then still assistant secretary (he is now U.S. ambassador to Brazil), was sent to Honduras to break the impasse between Zelaya and the regime that had replaced him. He brokered an accord between the two parties, but each interpreted it differently.

No mutually acceptable solution took effect, and the de facto government, which had the explicit blessings of the Honduran Congress and the Honduran Supreme Court but was unrecognized by any other government, proceeded to organize previously scheduled national elections. Washington continued to deny the government recognition but also indicated that it would treat as Honduras' legitimate leader whoever won the election—so long as the new government established a truth commission, as mandated in the accord brokered by Shannon, and worked to ease the country's divisions. No Latin American government presented a practical alternative to the U.S. approach, but many nonetheless criticized it on the grounds that Washington's behavior had weakened the hard-won norm against condoning military coups in the region.

In August 2009, the Obama administration mishandled its communications with South American nations about a new ten-year defense cooperation agreement it had negotiated with Colombia. The plan would give U.S. military personnel in the country (capped at 1,400, as before) access to seven Colombian military bases. When news of the accord was leaked in advance of an official statement, Brazil and several other South American governments expressed concern, and some called for full disclosure of the deal's provisions and formal guarantees that U.S. military activities would be restricted to Colombian territory. Worry subsided when the U.S. and Colombian governments provided additional details and, earlier this year, Brazil reached its own security cooperation agreement with the United States. Still, the incident undercut the Obama administration's stated commitment to consultation and transparency.

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CONFLICTING CONCERNS

IT IS much too early to know how the Obama administration's policy toward Latin America and the Caribbean will develop or how U.S. relations with the region's diverse countries and subregions will ultimately evolve. This is partly because U.S. policy toward Latin America and the Caribbean is shaped less by strategic considerations than by the continuous interplay of various domestic pressure groups in a policy process that is open to so many external influences. On issues other than imminent threats to national security, it is often easier for various groups in the United States to influence U.S. policy toward Latin America and the Caribbean than it is for the U.S. government to coordinate or control it.

This tendency has been reinforced in recent years by the proliferation of U.S. government agencies involved in inter-American affairs. The Departments of State and Defense and the CIA no longer monopolize U.S.–Latin American relations, as they did from the 1940s through the 1970s. Today, the Department of the Treasury, the Federal Reserve, the U.S. Trade Representative, the Department of Homeland Security, the Department of Justice, and the Drug Enforcement Administration also have considerable influence in many Latin American and Caribbean countries. Congress, with its various committees and caucuses, is more relevant than the executive branch on many issues, including immigration, narcotics, and trade. Even state and local governments have a say—as was illustrated this spring, when Arizona passed a law authorizing the detention of anyone reasonably suspected of being an undocumented resident. The conflicting concerns of bureaucracies and interest groups generally have more impact on U.S. policy toward Latin America and the Caribbean than do grand foreign policy designs.

All this was clear during the Obama administration's first year. The White House's approach to Cuba was constrained both by pressure from Cuban Americans and by the procedures of the U.S. Senate. Lobbying from labor unions precipitated the trucking dispute with Mexico and stalled progress on the Colombian and Panamanian free-trade agreements (in the case of the deal with Colombia, human rights groups also interfered). Throughout 2009 and in early 2010, the administration failed to press forward with comprehensive immigration reform largely because

it feared that making an aggressive push would hurt its chances of getting congressional approval for its ambitious health-care plan and for a bill to stimulate job creation. Lobbying from agricultural groups in the Midwest ensured that both the subsidies for U.S. cotton and ethanol producers and the tariffs on ethanol from Brazil would be maintained. The clumsy handling of the Colombian bases agreement partly reflected a power imbalance between the Pentagon and the State Department, thanks to blocks in the Senate on nominations for top posts in the Bureau of Western Hemisphere Affairs. And Washington's ambivalent policy on Honduras was influenced by the anti-Zelaya lobby in the United States, which seemed motivated more by an eagerness to weaken Chávez and embarrass Obama than by any concern for Honduras itself.

The Obama administration has faced serious difficulties in implementing its incipient policy for Latin America and the Caribbean. Its accomplishments to date should not be overlooked; nor should one discount the possibility that many of these constraints could be at least partially overcome if the administration were to clearly articulate and vigorously pursue the approach implicit in its initial steps. More concretely, the Obama administration's tacit abandonment of regime change as the primary aim of U.S. policy toward Cuba may turn out to be much more important than its caution in moving toward normalizing relations with the Cuban government as long as Havana is unwilling or unable to reciprocate. Likewise, the Obama administration's high-profile commitment to working out a way to grant citizenship to millions of unauthorized immigrants in the United States could be of historic import. And its increasingly close day-to-day cooperation with Mexico on a wide variety of border, economic, social, health, and law enforcement issues may ultimately transform this crucial bilateral relationship.

LOOKING AHEAD

THE EVOLUTION of the Obama administration's policy toward Latin America and the Caribbean will largely depend on factors that are still difficult to gauge, including what the U.S. government does about homeland security, its budget deficits, interest rates, trade and currency issues with China, and Iran's nuclear program. A great deal will depend, for instance, on how well the U.S. economy recovers. A prolonged downturn

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would mean a loss of the U.S. public's confidence in the U.S. government. That, in turn, would undermine the Obama administration's leverage and make it more vulnerable to pressure from interest groups on several issues in U.S.–Latin American relations, ranging from trade and immigration to energy and narcotics. Whether Obama can build momentum now, after the passage of his health-care reform package, to increase his support in Congress and with the U.S. public will determine how much authority he can bring to bear on a host of other issues.

The initial hope for a new era in inter-American cooperation may very well continue to be dampened by the many pressures to which the administration is subject. But it is also still quite possible for the Obama team to carry out the innovative approach that it began to pursue but never clearly outlined during its first months: cooperating with different clusters of Latin American and Caribbean countries on shared transnational challenges and opportunities; developing innovative approaches to Mexico and the United States' closest neighbors in Central America and the Caribbean; forging a strategic relationship with Brazil; responding in carefully differentiated ways to the region's diverse populist and nationalist movements; moving cautiously toward a pragmatic working relationship with Cuba without ignoring concerns about fundamental human rights; and supporting efforts by Latin American and Caribbean governments to strengthen their effective democratic governance.

Obama's positive but never fully articulated vision for Latin America and the Caribbean can still be realized. It fits well with his overall internationalist approach, domestic priorities, and political coalitions. It is supported not only by the president's own foreign policy team but also by the career bureaucrats who specialize in Western Hemisphere affairs and by major groups outside government. In that regard, unlike the Kennedy, Carter, and Reagan administrations, the Obama administration is unlikely to see its policy for Latin America and the Caribbean torpedoed by infighting between political appointees and career officials. Interest groups in the United States will continue to press their views, but many of the most important ones—large corporations, religious organizations, environmentalists, human rights advocates—generally share the administration's vision.

Moreover, the 2008 elections weakened the groups that had been shaping U.S. policy toward Latin America and the Caribbean in the

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recent past. Hard-liners in Florida's Cuban American community have lost ground, while Cuban Americans born and raised in the United States and Latino voters of other backgrounds—groups that generally support the Obama administration's proposals on immigration and toward their countries of origin—have gained influence. The U.S. farm lobby has lost clout during this period of fiscal concern, and the trade unions' calls for protectionism have been weakened by the urgent need to increase U.S. exports in order to revive the U.S. economy.

The Obama administration may well have more room to maneuver than did recent U.S. administrations. Indeed, this is suggested by various steps it took in early 2010: Obama called for doubling U.S. exports worldwide within five years, he identified Colombia and Panama as important trading partners of the United States in his 2010 State of the Union address, there have been moves to resolve the trucking dispute with Mexico, there have been growing efforts on Capitol Hill to repeal the U.S. tariffs on ethanol from Brazil, the United States offered concessions to settle the dispute with Brazil over cotton subsidies, and there has been a push to produce a bipartisan plan for immigration reform.

Several Latin American and Caribbean governments, including some that differed sharply with the Obama administration over how to handle the coup in Honduras and the U.S.-Colombian defense cooperation agreement, may also be ready to reach out to Washington. Important groups in foreign and finance ministries and in the private sector understand that the chances of forging more positive relations with the United States are probably greater with the Obama administration than they have been in many years. Facing mounting difficulties at home, Chávez may not be able to exert as much pressure on Latin American governments to keep their distance from Washington. And significant moves by a few key Latin American and Caribbean governments, especially Brazil, toward closer ties with the United States could help revive Obama's initial approach.

READY, RESET, GO

THE CATASTROPHIC earthquakes that struck Haiti and Chile early this year were dramatic reminders that policies must often respond to the unexpected. The Obama administration quickly demonstrated its

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solidarity with the victims of the disasters by emphasizing multilateral cooperation in its participation in relief efforts. In Haiti, it worked with Brazil, Cuba, the Dominican Republic, Ecuador, Venezuela, and others under the aegis of the United Nations to provide rapid, substantial, and effective aid. High-level meetings between top U.S. officials and their counterparts in Argentina, Brazil, Chile, Costa Rica, El Salvador, Guatemala, Haiti, Mexico, and Uruguay in the first few months of 2010 provided another chance for the Obama administration to refocus on Latin America and the Caribbean. Considering how many other problems, domestic and international, the administration was facing at that time, this spurt of attention suggests that it is still eager to improve U.S. relations with the region.

In order to grasp that opportunity effectively, the Obama administration needs first and foremost to articulate a broad framework and compelling goals for its relationships in the Americas. It was prudent not to announce at the outset of the new administration an overly ambitious program, like the Alliance for Progress, John F. Kennedy's sweeping plan for economic cooperation in the Americas, and it was wise to attend the 2009 Summit of the Americas primarily in a listening mode. But this sensible restraint should not preclude the administration now from clearly setting forth why Latin America and the Caribbean matter to the United States; what interests, ideals, and concerns they all share; and how they can work together to pursue common aims. Elements of such a vision have been implicit in the Obama administration's approach to discrete issues, but they need to be expressed in a comprehensive and authoritative way.

Latin America and the Caribbean matter to the United States today not for the traditional security and ideological concern of limiting the influence of outside powers in the region but rather for much more contemporary reasons. Massive, sustained migration and growing economic integration between the United States and its closest neighbors in Latin America and the Caribbean have given rise to "intermestic" issues, complex issues that have both international and domestic facets: the narcotics trade, human and arms trafficking, immigrants' remittances, youth gangs, and portable retirement pensions, among others. U.S. cooperation with Latin American and Caribbean nations is critical in confronting these issues, as well

as transnational ones such as energy security, climate change, environmental protection, public health, and nuclear proliferation.

Latin American and Caribbean countries are also a prime source of energy and other natural resources for the United States and a major market for U.S. goods and services. About one-quarter of the energy the United States imports comes from Latin American and Caribbean suppliers, and there is great potential for expanded energy production in the Americas, from both renewable and nonrenewable sources. The region buys 20 percent of all U.S. exports, more than the European Union. U.S. firms—which still have a competitive advantage in Latin American and Caribbean markets thanks to proximity, familiarity, and demographic and cultural ties—see opportunities in expanding consumption among the region's fast-growing middle class, especially at a time of economic stress in the U.S. market.

Finally, the people of Latin America and the Caribbean share important values with the people of the United States, especially a commitment to human rights, effective democratic governance, and the rule of law. In an international environment that is often hostile to the United States, the Americas remain a largely congenial neighborhood.

For all these reasons, the Obama administration should reinvest in its relations with Latin America and the Caribbean. To do so, it should certainly help strengthen the Inter-American Development Bank, which has become more relevant in the wake of the international financial crisis and in these days of tight credit, and the OAS and other institutions that can take on select regional challenges on which there is broad consensus. But the administration should explicitly recognize that overarching Pan-American partnerships are less relevant today than cooperation with individual countries or clusters of countries on specific issues.

For example, Washington should explicitly recognize that U.S. relations with Mexico are unique because of the high degree of functional integration between the two societies and economies. Developing new concepts, policies, modes of governance, norms, and institutions in both countries to deal with this unprecedented integration should become a strategic priority. The United States should also invite Mexico and Canada to engage with the United States over the long term to assist in the development of the countries

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of Central America and the Caribbean with which they have strong demographic and economic ties and overlapping security, public health, environmental, and humanitarian concerns.

The administration should also work closely with Brazil to reform and reinforce international trade, finance, and investment rules; combat climate change; prevent and contain global pandemics; curb nuclear proliferation; and strengthen international governance arrangements. It is natural that these two large and complex countries with such different global positions and different domestic political exigencies will not see eye to eye on every question. But it should be a concern of high priority to negotiate and compromise on matters on which the interests of the two countries are compatible.

Finally, Obama should invite all the countries of the Americas to join in dealing with the hemisphere's main shared challenges: restoring sustainable economic growth while ensuring that the fruits of economic recovery are spread more broadly and more equitably; expanding employment opportunities, especially for young people, while increasing access to quality education so as to facilitate participation in the global knowledge economy; strengthening the institutions and practices that can curb the drug trade and organized crime; improving citizen security by examining its connections to poverty, social equity, political participation, community policing, and judicial and penal reform; and making the institutions of democratic governance more inclusive by incorporating large numbers of historically excluded people, especially the indigenous. All of these are issues on which the United States can learn as well as teach and gain from cooperation as well as offer assistance.

Obama became president of the United States at a critical time for the country, the hemisphere, and the world. In Latin America and the Caribbean, a region that is increasingly important for the future of the United States, the Obama administration can still make progress on many issues—but only if it clearly articulates and vigorously pursues a proactive, integrated strategy. That is the essence of Obama's opportunity in the region. It is not too late to seize it. 🌐

Ukrainian Blues

Yanukovych's Rise, Democracy's Fall

Alexander J. Motyl

IN FEBRUARY 2010, Viktor Yanukovych made a remarkable political comeback. In the 2004 Ukrainian presidential election, Yanukovych, who was then Ukraine's prime minister and the handpicked successor to President Leonid Kuchma, was accused of fraud and ousted by the Orange Revolution, which was led by Viktor Yushchenko and Yulia Tymoshenko. Just over five years later, surrounded by his party's blue-and-white banners, Yanukovych became president.

When it first came to power, Ukraine's Orange government seemed like it would fulfill popular demands for radical political reform and rapid integration into Europe. But those expectations were quickly dashed. Yushchenko, as president, and Tymoshenko, as prime minister, proved incapable of working together, continually clashing and publicly criticizing each other. Soon, Ukraine's dysfunctional political system became known to Ukrainians as a *durdom*, or "madhouse."

Then, the global economic crisis sent Ukraine's economy into a tailspin. In 2009, the country's GDP fell by about 15 percent, exports by 25 percent, and imports by just under 40 percent. The consumer price index rose by more than 12 percent. Popular anger and frustration set in. Yearning for stability, Ukrainians were willing to support anyone in this year's election who could fix the mess. Tymoshenko, Yanukovych's main challenger, was seen to share fault for Ukraine's problems and could not easily claim to be that person.

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Ukrainians expected Yanukovych to appoint professionals to government posts, but he did the opposite.

Wisely, Yanukovych presented himself as a moderate, democratic professional who could unify a country increasingly divided over whether it should align with Russia or the West. He claimed that he would be able to strike the right balance between the two and could transform Ukraine into an economic tiger, making it one of the world's 20 richest nations. Yanukovych's campaign slogan—"Ukraine is for people"—captured the right tone to counter his previously negative image. It suggested that he was a man of the people who would place the interests of citizens above his own, in contrast to the supposedly power-hungry Tymoshenko. Yanukovych also claimed to have learned from his mistakes in 2004. In December 2009, he wrote in *Dzerkalo Tyzhnya*, one of Ukraine's most widely read newspapers, that although he still believed that the real goal of the Orange Revolution had been "to weaken Russia," he accepted that it represented a popular call for democracy. He further noted that a government "cannot promote serious socioeconomic plans without the active participation of the entire society."

Whatever the reasons for Yanukovych's victory, it was a surprisingly narrow one. In the first round, Yanukovych received just over 35 percent of the vote and made it into the runoff round with Tymoshenko. He received just under 49 percent of the vote in that round, compared with Tymoshenko's 45 percent. But really he had won over only about one-third of Ukraine's electorate since turnout was around 69 percent. Moreover, had Yushchenko not encouraged his supporters to select the "against all" option on the ballot, Tymoshenko would probably have won.

With such a slim mandate, most expected Yanukovych to pursue a moderate course after the election, reaching out to the opposition and working toward economic stability and political reform. Instead, he immediately took actions that undermined democracy, neglected the country's badly broken economy, and aligned Ukraine too closely with Russia for the comfort of much of the electorate.

DEMOCRATIC ROADKILL

AFTER THE Yushchenko government was dismissed, on March 3, Yanukovich had 30 days to form his own. Because his Party of Regions lacked a clear majority of seats in the Verkhovna Rada, Ukraine's parliament, it needed a coalition partner and so began negotiations with the Our Ukraine–People's Self-Defense (NU-NS) Bloc, led by Yushchenko. The NU-NS knew that no majority coalition could be formed without it, and so it demanded control over a range of portfolios, including the prime ministership.

The Party of Regions responded by changing the Rada's rules so that it could form a coalition without the NU-NS by joining with willing individual deputies. In mid-March, Yanukovich's party formed a governing coalition called Stability and Reform with the Communists, the Lytvyn Bloc (the bloc allied with the Rada's Speaker, Volodymyr Lytvyn), and 16 individuals who crossed party lines to join the coalition. Those who crossed over have come to be known as *tushki*, a pejorative Russian term roughly meaning "roadkill." Although the *tushki* gave Stability and Reform just enough votes to form a government, Yanukovich's willingness to use unconstitutional measures to do so—in 2008, Ukraine's Constitutional Court explicitly outlawed the use of individual deputies to form coalitions, although it has now refused to challenge Yanukovich—set a disturbingly anti-democratic precedent. As the German political scientist Andreas Umland noted in late March in the *Kyiv Post*, "Ukraine is now less democratic than it was. . . . With their change of allegiance the *tushki* have grossly misrepresented the preferences of the Ukrainian voters."

After the coalition was formed, Ukrainians expected Yanukovich to live up to his campaign promises and appoint professionals, reformers, and moderates to government posts, but he did the opposite. Most of Yanukovich's political appointees hail from his home region, Ukraine's highly Sovietized rust belt, the Donbass, and have little experience with democratic politics or the technical know-how required to run a clean government and a functioning market economy. Like the old Donbass Communist Party bosses did, with whom many of these appointees cut their political teeth, Yanukovich acts as a patron. He doles out favors, provides access to power, and makes most decisions.

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The position of prime minister, for example, went to Yanukovych's longtime ally Mykola Azarov. As head of the Rada's budgetary committee and the State Tax Administration in the 1990s, Azarov turned a blind eye to government graft and imposed ruinously high tax rates on small businesses. His relationship with Yanukovych was cemented when he served as the first deputy prime minister and finance minister to notoriously unscrupulous cabinets headed by Yanukovych in 2004 and 2006–7. Together, Yanukovych and Azarov have doled out 29 cabinet seats to their cronies. Such a large cabinet, with two more members than even the ineffective Council of the European Union, is almost certain to become a talking shop that, like the Council of the European Union, is incapable of reaching consensus or making tough decisions. Meanwhile, the positions of economic minister and finance minister have gone to politicians who lack experience in either field but are dependent on Yanukovych for power and are thus unlikely to cross him. Contrary to his campaign slogans, reform and democracy are clearly not Yanukovych's priority.

To be sure, Yanukovych and his chief of staff, the economist Iryna Akimova, have created—and will be heading up—the new Committee

Political order is not
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on Economic Reform. Although there are some economists among the committee's 26 members, there are also many political appointees beholden to Yanukovych. The inclusion of political appointees and the committee's impractically large size suggest that it will be as ineffective as Yanukovych's cabinet.

And even if it does develop some real economic reforms, they are likely to fall victim to turf battles between the Economy and Finance Ministries and the committee itself. Parallel organizations with overlapping jurisdictions are doomed to tussle over control, even with wise, professional management—something Yanukovych is unlikely to provide.

Yanukovych's hub-and-spokes political system—with Yanukovych at the center and key political roles filled by yes men—has put the president “on top of [the] Ukrainian power pyramid,” as analysts at Kiev's Penta Center, a political think tank, have put it. Yanukovych even went so far as to redefine democracy as “order” in a press

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conference in Strasbourg on April 27. But political order is not democracy. Such hypercentralized political systems are rarely efficient and almost always corrupt. There is no reason to think that the Donbass-based dons who man the Yanukovych system will be able or willing to pursue the economic reform Ukraine so badly needs.

EASTWARD BOUND

JUST AS Yanukovych has failed to live up to his democratic and economic promises, he has acted against his campaign promise to unify the country. As president, Yushchenko actively favored his ethnic Ukrainian base by promoting the Ukrainian language, culture, and identity in schools, government, and the media. In the process, he alienated many of the ethnic Russians and Russian-speaking Ukrainians in the country's east and south. Most observers expected Yanukovych to calm the tense situation by neither advocating nor disparaging Ukrainian heritage. Instead, he surprised everyone by attacking it.

Dmytro Tabachnyk, Yanukovych's appointment for minister of education and science, has spearheaded this assault. Tabachnyk is an odious choice because, besides having a weak academic pedigree, he openly espouses anti-Ukrainian views. He claims that the ethnic Ukrainians in the west of the country are too westernized to be true Ukrainians. He believes that Ukrainian culture flourished in Soviet times, when it was in fact suppressed in favor of the colonial power's culture. He also insists that today the Russian language is discriminated against, even as Russian-language publications and broadcasts make up the overwhelming majority of media available in Ukraine. Since assuming his new position, Tabachnyk has reduced the role of Ukrainian in schools, urged the cessation of Ukrainian-language dubbing of foreign films, and expressed indifference to the construction of a statue of Stalin in the southern city of Zaporizhzhya. Unsurprisingly, his assault on Ukrainian identity has provoked demonstrations, student protests, and petitions—directed as much at Yanukovych as at Tabachnyk.

Yanukovych's overly centralized, anti-Ukrainian regime has been unable to forge a genuine national consensus on the country's political

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and economic direction, either. A case in point is the April 2010 Russian-Ukrainian pact, in which Yanukovich agreed to extend until 2047 the basing rights of Russia's Black Sea Fleet in Sevastopol, a port city on the southern part of the Crimean Peninsula, which juts off Ukraine and into the Black Sea, and Russian President Dmitry Medvedev agreed in return to lower the price Ukraine pays for Russian natural gas by 30 percent through 2019.

The agreement's critics charge that Yanukovich has sold out to Russia. This may be true, but the more damning criticism is that the agreement was pushed through the Rada without regard for transparency or democratic procedure.

As one senior Ukrainian diplomat told me, "The haste with



which the agreement was signed is daunting. There was no expert evaluation of the draft and no proper consideration of the issue in parliamentary committees. . . . The decision was taken by a small group of individuals, if not by one person."

There are four separate issues concerning the Sevastopol deal that the Rada should have had the opportunity to debate: the geopolitical implications for Ukraine of basing the Black Sea Fleet in Sevastopol, the fair rate that Russia should pay in rent for using the base, the price Ukraine should pay for Russian gas, and the cost to Russia of transporting gas through Ukraine's pipelines. But instead of airing these issues individually in the Rada, Yanukovich bundled them and thus



bartered away Ukraine's security by ceding informal control of the Crimea, its potentially vital sea-lanes, and the natural gas deposits that surround it to Russia for the foreseeable future. In return, Yanukovich secured gas prices that will likely save Ukraine some \$1–\$3 billion annually for only the next nine years. Worse, Russia merely agreed to cut its gas prices to current average world rates, pay below-market gas transit fees, and pay a long-term rent on the base that, at \$100 million per annum, is about one-fifth of what experts calculate it should be, based on rents for comparable bases around the

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world. With open consideration of the agreement's terms in the Rada and a team of professional negotiators, Ukraine could have gotten much more out of the deal: it should at least have demanded European-level transit fees and a higher basing rent.

The deal's passage unleashed a riot in the Rada, complete with egg throwing and smoke bombs. Yanukovich's subsequent negotiations with Russia over closer cooperation on aviation, nuclear energy, transportation, and gas transit have led to protests across Ukraine. Intellectuals and opposition leaders have accused Yanukovich of treason, declared unconditional opposition to his regime, and predicted that civil war was in the offing. Even if this response is exaggerated, it shows that a significant portion of the population—at least the one-third or more who are opposed to closer ties with Russia—now detests Yanukovich.

CAN'T HOLD US DOWN

THE RISE of such discontent matters. Ukraine is home to a politically conscious civil society that, thanks to the Orange Revolution, is more vigorous than at any time in Ukraine's almost 20-year independent existence. Professionals, intellectuals, students, and businesspeople will increasingly resist Yanukovich's efforts to establish strongman rule and will continue to protest if he kowtows to Russia or the economy grows worse. They have already started to organize: in mid-March, over 300 representatives of the so-called New Citizen movement met in Kiev to begin monitoring the activities of the Yanukovich government; in May, branches of the similar Save Ukraine Committee were operating across the country. Local elections in 2011 and parliamentary elections in 2012 could also mobilize the population against Yanukovich and his regime. If he continues on his current course, radical nationalists may be the big winners.

Faced with growing popular resistance, Yanukovich may contemplate cracking down on dissent. But such a move would likely provoke violence and destabilize Ukraine. Moreover, authoritarianism along the lines of Belarus in the mid-1990s or Russia at the start of this century is almost certainly not a viable option for Yanukovich. When Aleksandr Lukashenko became president of Belarus in 1994, he inherited

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an intact Soviet security apparatus. And former Russian President Vladimir Putin could rely on thousands of *siloviki*, political operatives in the secret police and the army, for support. Ukraine's security service and army are a far cry from those in Belarus or Russia. Without a strong coercive apparatus, Yanukovich cannot succeed even as an authoritarian.

Ukraine's first president, in office from 1991 to 1994, the generally cautious Leonid Kravchuk, has joined the chorus of Yanukovich critics. In an open letter published in March, he wrote, "Your team has many people who want to continue along the path of lawlessness, permissiveness and corruption. They're developing a taste for solving complex problems by force. This has nothing in common with democracy." Kravchuk's comments should worry Yanukovich. They demonstrate that even neutrally inclined Ukrainian elites (Kravchuk did not support the Orange Revolution) are turning against him.

SLEIGHT-OF-HAND REFORM

IF YANUKOVYCH keeps on his current course, he could very well provoke a second Orange Revolution. Lacking the ability, capacity, and will to change the system, Yanukovich will probably try to enhance his regime's legitimacy by continuing to rally the more radical of his constituents at the expense of the Ukrainian language, culture, and identity; do everything possible to appease the gas-hungry oligarchs of eastern Ukraine; and use the Union of European Football Associations (UEFA) championship, which Ukraine will host in partnership with Poland in 2012, to promote his image as a pro-European modernizer.

Viewed through this lens, Yanukovich's choice of the incendiary Tabachnyk as education and science minister makes some sense. As Tabachnyk antagonizes nationally conscious Ukrainians, he enhances Yanukovich's appeal among his pro-Russian constituents in the country's south and east. That said, this course risks encouraging ethnic violence between radical ethnic Russians and ethnic Ukrainians. Additionally, Yanukovich cannot provoke moderate ethnic Ukrainians without limit. They are the ones who took to the streets in 2004 to prevent him from coming to office and could do so again to kick him out.

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The lower natural gas price that Yanukovych negotiated with Russia will bring immediate benefits to the oligarchs who run Ukraine's heavily industrialized southeast. Lower gas prices will allow them to keep the costs of their products low and globally

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to Russia.

competitive without forcing them to modernize or become more efficient. This will certainly endear them to Yanukovych in the short term. In the medium term, however, Ukraine's overarching economic stagnation will eat into their profits. And even if the population welcomes lower gas prices

at first, the Yanukovych regime is likely to become more corrupt as it draws closer to Russia's notoriously unscrupulous energy business. Sooner or later, as their living standards stagnate or deteriorate, Yanukovych's working-class constituents may begin to realize that they got the short end of the deal.

Yanukovych's best chance to rally public support (and address some economic problems) might be the 2012 UEFA championship. Ukraine's roads are in terrible shape; its railroads, although efficient, require modernization; and its airports and hotels are in need of significant improvement. A state-led campaign to fix these problems before the influx of tourists in 2012 could generate economic activity, create jobs, and attract more capital. Unsurprisingly, readying Ukraine for the championship has become a priority for Yanukovych, who in April created a special committee to oversee the preparations.

The UEFA preparations will buy Yanukovych time but cannot fix Ukraine's underlying economic and political problems. To do that, Yanukovych would have to democratize his regime, control corruption, cease his anti-Ukrainian campaign, and persuade his compatriots to accept the economic pain that goes with serious reform. He may eventually come to realize that democracy is preferable to ignominy. Or oligarchs worried about their long-term economic interests may persuade him that hypercentralization will destabilize Ukraine. Rather than waiting for these eventualities to happen, however, Russia and the West should help Yanukovych change his course now, before it is too late.

HELPING YANUKOVYCH HELP HIMSELF

AT THE start of his presidency, Yanukovich laid out his foreign policy priorities: restoring Ukraine's close ties with Russia, European integration, and building relationships with strategic partners such as the United States. By playing to these priorities and, at the same time, pursuing their own interests in the region, Russia, the European Union, and the United States can help stabilize the Yanukovich presidency and Ukraine.

Russia considers Ukraine part of its sphere of influence and would prefer it to be a weak state rather than an independent, strong democracy. But although a weak Ukraine may be to authoritarian Russia's benefit, a deeply dysfunctional Ukraine on the verge of popular revolution is not. For his part, Yanukovich has said that he wants Ukraine to serve as a bridge between Russia and the West. But a bridge must be sturdy. With the gas and fleet deal, Yanukovich has amply demonstrated his fealty to Russia and solidified his pro-Russian credentials with his base. The Kremlin should return the favor by encouraging Yanukovich to fire the controversial Tabachnyk to appease some of his critics in the rest of the country.

The West has an even greater role to play in nudging Yanukovich in the right direction. The International Monetary Fund—which gave Kiev an emergency loan at the start of the global economic crisis and will likely need to do so again—should insist on strict conditionality. It should not only demand that Yanukovich balance his budget but also pressure him to undertake significant structural economic reforms, including reducing taxation, simplifying business registration procedures, raising the retirement age, and raising the cost of utilities.

Europe should hold to the European Parliament's February 2010 resolution, which reaffirmed Ukraine's strategic importance to the EU and stated that the country could apply for membership if it "adheres to the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law." As the European Parliament recommended, Europe should assist Ukraine in meeting these standards and should deepen ties between the two by working toward visa-free travel, better energy cooperation,

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and a free-trade zone. Yanukovych has affirmed that he is interested in further integration with the EU. Europe should take him at his word and offer Yanukovych the prospect of associate member status for Ukraine if he tackles some of the country's political and economic problems.

Washington must remind Yanukovych that Ukraine—especially a democratic Ukraine—remains important to the United States, even as the Obama administration works to improve U.S. relations with Russia. Historically, the U.S.-Ukrainian relationship has atrophied when the United States has pursued closer ties with Russia and has grown stronger when U.S.-Russian relations were strained. But President Barack Obama should resist this pattern. Just as a stable Ukraine is in Russia's interests, so, too, is a stable and democratic Ukraine in the United States' interests. If Yanukovych precipitates a government collapse or state failure, Russia may be tempted to step in, disrupting the balance of power in eastern Europe.

If no popular revolution intervenes, Russia and the West will have to deal with Yanukovych and his "blue counterrevolution" for the next five years. Unfortunately, during that time, Yanukovych will probably grow increasingly ineffective and embattled, destabilizing Ukraine. Yet it remains conceivable that Yanukovych could reverse course, democratize Ukraine, and enact genuine economic reform. But this is likely only if Russia and the West act soon to save Yanukovych from himself. 🌐

Reviews & Responses



STEPHANE MAHE/REUTERS

Tariq Ramadan speaking at a conference at the Er-Rahma Mosque in Nantes, France, April 2010

Ramadan may not be a liberal, but he offers a realistic vision of Muslims' full participation in public life that counters the rejectionist one posed by the ascendant corps of Salafi extremists.

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Veiled Truths

The Rise of Political Islam in the West

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The Flight of the Intellectuals. BY PAUL BERMAN. Melville House, 2010, 224 pp. \$26.00.

This spring, Tariq Ramadan arrived in the United States nearly six years after being denied a visa by the Bush administration. The U.S. government had previously refused Ramadan entry on the grounds that he had donated to a French charity with ties to Hamas. Then, last January, Secretary of State Hillary Clinton announced that Ramadan was welcome. His appearance in the United States seemed to manifest the White House's changing rhetoric about the Muslim world. In June 2009, President Barack Obama spoke in Cairo of reaching out to Muslims with "mutual interest and mutual respect." Figures such as Ramadan—symbols of a nonviolent Islamism long shunned as enablers of extremism—may

now represent a bridge across previously intractable divides.

Paul Berman will have none of this. His book *The Flight of the Intellectuals*, based on a 28,000-word essay published three years ago in *The New Republic*, mounts a furious counterattack from the bygone days of the Bush administration. Too many in the United States and Europe, Berman argues, are confronting the wrong enemy. Violent Islamists do not pose the greatest danger; instead, it is their so-called moderate cousins, who are able to draw well-meaning liberals into a poisonous embrace. Their rejection of violence is both partial—not extending to Israel or to U.S. troops in Iraq—and misleading. In Berman's telling, the Islamist project of societal transformation from below does profound violence to the individual

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Muslims who are forced to live in an increasingly constricted milieu. The only defensible response is to repel the stealth Islamism of putative moderates with a morally pure vision of liberalism.

But such a polemic, in fact, poorly serves those concerned about the rise of political Islam in the West. Berman does flag important debates about Islam's impact on Europe and the world, but he is an exceedingly poor guide to navigating them. His reading of Islamism, based on a narrow selection of sources read in translation and only a sliver of the vast scholarship on the subject, fails to grasp its political and intellectual context. He is blind to the dramatic variation and competition across and within groups—above all, to the fierce war between the Salafi purists who call for a literalistic Islam insulated from modernity and the modernizing pragmatists who seek to adapt Islam to the modern world. This blindness feeds the worst instincts of those hard-liners who are fomenting an avoidable clash between Islam and the West. His obsession with Nazism is distracting, and his dissection of Ramadan approaches the pathological. His caustic rhetoric toward writers such as Ian Buruma and Timothy Garton Ash does not suggest the liberal or tolerant ethos to which he claims allegiance.

This is a pity, for Berman does raise several powerful and troubling questions. Islamists, even nonviolent ones, do often challenge Western liberals by advocating social norms and political agendas that run against the historical tenets of liberalism. What accommodations can be made for religious conviction without betraying core Enlightenment principles? What to make of the popularity and electoral prowess of Islamist movements across the Muslim

world? It is impossible to support democracy without being prepared to defend the rights of Islamist movements to participate in and win elections. Yet the religious and cultural agendas of many of these groups should trouble Western liberals, even if these movements support the peaceful democratic aspirations of Muslims across the world. If a culture war against Islam is not the answer, then how should Western liberals respond to genuinely popular and nonviolent Islamist movements that are committed to working within democratic institutions but that promote values at odds with progressive standards of freedom, equality, and tolerance?

FATHERS AND SONS

Berman's lodestar for addressing these questions is Ramadan, a Muslim public intellectual born in Switzerland in 1962. Ramadan descends from vaunted Islamic stock: his maternal grandfather was Hasan al-Banna, who founded the Muslim Brotherhood in Egypt in 1928, and his father was Said Ramadan, a high-profile figure in the Muslim Brotherhood who fled repression in Egypt. Berman searches for the true Ramadan in his biography (researching Banna and Said Ramadan), in his intellectual influences (looking into the Doha-based Islamist Yusuf al-Qaradawi), in his (unpublished) dissertation, in his books, in his public exchanges, and in the growing library of critical books about him—but not, apparently, by speaking to him directly. Nonetheless, after years of effort and a couple hundred pages of inspection, Berman finds Ramadan to be an elusive figure. Berman is sure that Ramadan is hiding his true agenda, although he can never quite produce a smoking gun. He allows that Ramadan

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is not “engaged in some kind of elaborate conspiracy or . . . acting on a secret plan” and that his ambition, “so far as [he] can judge, is what he says it is.” But it is precisely that ambition—the nonviolent project of Islamic revival in Europe—which troubles Berman.

Berman’s unease lies in the very different notions found in the democratic societies of the West and the often authoritarian systems of Muslim-majority countries of how Muslims should understand their identities, practice their faith, and engage in politics. Ramadan is a pragmatist, seeking a way for European Muslims to be both fully European and fully Muslim. His 2003 book, *Western Muslims and the Future of Islam*, which Berman reads as concealing the truth beneath “a veil of euphemism,” in fact lays out a sophisticated argument for how Muslims can be full citizens of their countries while retaining their religious identity. In *What I Believe*, Ramadan is even more clear: “I state firmly that we have multiple, moving identities and that there is no reason—religious, legal, or cultural—a woman or a man cannot be both American or European and Muslim.” This is a positive obligation, he argues: “It is up to Muslim individuals to be and become committed citizens, aware of their responsibilities and rights.”

But this is an option from which Berman recoils. He prefers Muslims to be secular and does not want to see the kind of bridge Ramadan is constructing. His truncated understanding of the diversity of Islamic politics causes him to miss the significance of Ramadan’s exhortations to European Muslims to participate in politics as full, engaged, and equal citizens. Berman similarly underplays Ramadan’s doctrinal rejection not only of terrorism

but also of narrow, Salafi jurisprudence. Ramadan has little use for the puritanical versions of Islam that have taken root in many Muslim communities and crowded out other forms of piousness—a process that Khaled Abou El Fadl, a professor of Islamic law at UCLA, has called “the great theft.”

Berman gets Ramadan’s struggle backward. Ramadan’s primary adversaries are not liberals in the West but rather literalistic Salafists whose ideas are ascendant in Muslim communities from Egypt and the Persian Gulf to western Europe. For Salafists, a movement such as the Muslim Brotherhood is too political, too accepting of civil institutions, and insufficiently attentive to the formalistic and public rituals of Islam. They urge Muslims to separate from Western societies in favor of their own allegedly pure Islamic enclaves. The Muslim Brotherhood has encouraged women to wear the veil, but only so that they can demonstrate virtue while in universities and the workplace. The Salafists, meanwhile, want women at home and strictly segregated from men. True liberals should prefer Ramadan because he offers a model for Muslims of integration as full citizens at a time when powerful forces are instead pushing for isolation and literalism.

Ramadan has not couched his challenge to the Salafists in abstract language or kept it from public view. For example, when Salafi opponents have confronted him with Koranic verses dictating that women receive only half the inheritance of men, Ramadan has argued that these passages should be reinterpreted given the modern changes in family structure and the fact that many women today raise children alone. Therefore, Ramadan argues, Muslims should “try to keep the

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justice instead of literally implementing verses, pretending faithfulness to the Koran but in fact creating injustices on the ground.” This is a sharp challenge to the Salafists, the significance of which Berman does not recognize. Similarly, Ramadan’s call in 2005 for a moratorium on the implementation of *hudud* penalties—including the stoning of adulterers—is mocked relentlessly by Berman as too little, but in fact it posed an intensely controversial challenge to the heart of Salafi political agendas and jurisprudence.

Ultimately, Ramadan disappoints his liberal interlocutors because they are not his most important point of reference. He has made a strategic calculation that embracing the political passions of the Muslim mainstream is the only way for his reformist agenda to gain any sort of credibility or traction with the Muslim audiences that really matter. And although his vision may not be a classically liberal one, it is a fully legitimate guide for how Muslims—or any persons of faith—can participate in a liberal and democratic system. As Andrew March, a political theorist and professor at Yale University, has argued, the cultures of political liberalism in the West should be able to accommodate peaceful, law-abiding citizens who are motivated by explicit religious faith. The United States, which boasts its own powerful religious communities and fundamentalist political forces, should of all places be able to understand how this works.

This does not mean that liberals should not have misgivings about Ramadan’s project. He defines sharia—the system of Muslim jurisprudence—not as the law of the land but as a personal moral code, sustained by the faith of the believer.

Why should such a belief be alarming?

After all, this is how many people of faith have reconciled themselves to civic states. But in practice, this evangelical project of societal transformation through personal transformation—changing the world “one soul at a time”—is more deeply radical than what violent extremists envision. Anyone can seize state power through violence and then impose his will by force. True power lies in the ability to mobilize consent so that people willingly embrace ideas without coercion—so that they want what you want, not simply do what you want. Nonviolent Islamists excel at this level of soft power and, in doing so, have succeeded in transforming public culture across the Muslim world. Walking the streets of Cairo today, for example, it is hard to believe that only a couple decades ago, few women covered their hair.

LUMPERS AND SPLITTERS

In trying to understand Islamism, two approaches are possible. The first sees Islamism as essentially a single project with multiple variants, in which the similarities are more important than the differences. In this view, the Muslim Brotherhood and al Qaeda represent two points on a common spectrum, divided by tactics rather than by goals. Such an understanding makes it possible—if not unavoidable—to see Osama bin Laden lurking in the figure of Ramadan.

The second approach sees consequential distinctions in the ideology and behavior of various Islamist strands. In the years since 9/11, the United States has moved from the former camp to the latter. The United States’ experience of cooperating with nationalist Iraqi insurgents against al Qaeda in Iraq has led many U.S. policy-

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makers to favor a strategy that identifies differences among Islamists and uses them to accelerate al Qaeda's marginalization. Many observers in the United States and elsewhere adopted a similar tack after watching the Muslim Brotherhood contest elections and defend democracy in countries such as Egypt, even as the Brotherhood opposed U.S. foreign policy objectives.

Berman proudly takes the first approach, of lumping Islamist groups together. For him, the faces of Islamism range from the wild-eyed assassin of the Dutch filmmaker Theo van Gogh to the anonymous bearded radicals who terrorize their communities, and from the "monstrous" Qaradawi to the smooth Ramadan. Yes, Ramadan has criticized bin Laden and condemned terrorism—but Berman is unmoved, since he sees violence only as a manifestation of the deeper intellectual problem of the Islamist project. Liberals, Berman argues, should not be fooled by the mild rhetoric or democratic inclinations of nonviolent Islamists or think that engaging with them does Muslims any favors. "Muslim liberals take umbrage . . . at well-meaning observers from outside the world of Islam who, in a misplaced effort to sympathize with the oppressed and stigmatized Muslims, agree to regard the heritage of Hassan al-Banna as the authentic and respectable voice of Islam," he writes. He is right about the suspicion of Islamists among many Muslim liberals and secularists. But these groups—however much Berman and I both might wish otherwise—represent only a small slice of Muslim societies. By focusing on them, Berman disregards the more important battles that occupy the Muslim mainstream.

The evolution of these struggles can be seen in the experience of Qaradawi,

who plays a decisive role in Berman's book. Ramadan's "reverence" for Qaradawi, a preacher and television host linked to the Muslim Brotherhood, serves as Berman's coup de grâce. Qaradawi has achieved infamy for his fatwas in support of Palestinian attacks against Israeli civilians. If Ramadan reveres such a "monstrous" figure—and does not understand him to be monstrous—then surely Ramadan's worldview must be fundamentally flawed. But Berman renders Qaradawi so crudely that few Muslims would recognize him in the caricature.

In fact, Qaradawi is a pivotal figure who straddles the divides within today's Islamist world. He is a fierce advocate of democratic participation and a critic of al Qaeda, which makes him an icon to mainstream nonviolent Islamists and an object of outrage among Salafi jihadists. He is best known for his doctrine of *wasatiyya*, or "centrism," which lays out a middle ground between secularism and fundamentalism. He rejects the doctrinal extremism of the Salafists and the violent extremism of al Qaeda—in a recent book, he dismissed al Qaeda's efforts as a "mad declaration of war upon the world." At the same time, he often takes issue with U.S. foreign policy and is certainly hostile toward Israel, not to mention being a highly successful proselytizer of the Islamist worldview. This potent mixture may be troubling, but it largely defines the mainstream Muslim position. Indeed, one of the keys to Qaradawi's popularity is his ability to anticipate Arab and Muslim views; like Ramadan, Qaradawi is a barometer of Muslim opinion as much as a cause of it.

Berman argues that Ramadan's respect for Qaradawi prevents him from making the

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breaks with Islamist orthodoxy necessary to becoming a truly reformist figure. But Berman fails to notice that Ramadan has already made such breaks, at some personal cost to himself. Ramadan and Qaradawi have clashed several times in recent years. Ramadan has rejected Qaradawi's suggestion that Muslims in Europe should relocate to Muslim-majority lands; he has also criticized Qaradawi's defense of Palestinian violence against Israel, insisting that Palestinian opposition should take the form of nonviolent civil disobedience.

These arguments demonstrate not only that Ramadan is flexible but also how Qaradawi has changed. Over the last few years, his rulings have become more conservative, literalistic, and orthodox. Arguably, this is because the winds of Islamism have been changing. Salafists are gaining in influence everywhere, driven largely by the failure of the Muslim Brotherhood's model of political participation and the continued flow of Gulf oil money to literalistic institutions and individuals. The purity of Salafism offers simple answers to Muslims in Europe, many of whom are facing profound crises of identity and alienation. Qaradawi senses these changes but has struggled to adapt. This spring, he lost control over his own creation, the popular Islamist Web site Islam Online, when Salafists took over editorial control and forced out a number of staff members sympathetic to the Muslim Brotherhood. When Qaradawi tried to intervene, he was dismissed from the editorial leadership by the site's owners in Qatar—a startling fall for one of the pillars of Islamist activism over the last three decades.

Those, such as Berman, who see Islamism as flat and uniform claim that

Islamists of all varieties—despite differences over the use of violence or the value of democratic participation—ultimately share a commitment to achieving an Islamic state. But this is misleading. There is a vast and important gap between the Salafi vision of enforced social uniformity and the moderate Islamist vision of a democratic state, with civil institutions and the rule of law, populated by devout Muslims. The gap is so great as to render meaningless the notion that all Islamists share a common strategic objective. Ramadan stands on the correct side of this gap, and by extension, he stands on the right side of the most important battle within Islamism today: he is a defender of pragmatism and flexibility, of participation in society, and of Muslims' becoming full citizens within liberal societies.

Ramadan's defense of participation places him opposite the literalists and radicals with whom Berman attempts to link him. The hard core of the Salafi jihadists view all existing Muslim societies as fundamentally, hopelessly corrupt—part of a *jabiliyya*, which means “age of ignorance,” from which true Muslims must retreat and isolate themselves. Ramadan, by contrast, calls for change from within. Groups such as the Muslim Brotherhood offer clinics, charities, schools, and other services, while pursuing the *darwa*, or “spiritual outreach.” Their approach would be familiar to anyone who has engaged with American evangelicals—the polite conversation, the pamphlets and other literature, the self-presentation as honest and incorruptible. There is an obvious difference between a woman who is forced to wear a veil for fear of acid being thrown in her face and one who does so to show respect for God. But there are other forms

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of coercion—peer pressure, societal norms, and economic need—that can be difficult to detect from the outside. These are topics for serious study.

But Berman does not even try. He sees only a radical mob of fanatics, not individuals who find meaning in their lives given particular contexts and specific challenges. As Berman sees it, blank-faced cyphers impose a grim conformity on passive communities that are unable to resist (presumably because their will has been weakened by an Ian Buruma essay). It does not occur to him that Islamism might offer meaning to those who are confined to gloomy urban ghettos or that Islamist groups might be the only ones working on the ground to improve certain people's lives. For many Muslims around the world, Islamism may offer a better life in the here and now—and not just in the hereafter—than do many of the alternatives.

This point should not be misunderstood. Although the Muslim Brotherhood is clearly distinct from al Qaeda, it is not the uniformly “moderate” organization that its supporters often say it is. The organization's character and goals often vary from community to community, and its rhetoric sometimes betrays a number of worrisome “gray zones,” in the words of a 2006 study by the Carnegie Endowment for International Peace. Its members generally avoid making clear statements on contentious issues, such as the place of non-Muslims in the Islamic state, the toleration of secular Muslims, or where the authority to interpret Islamic law should reside. And the Muslim Brotherhood's rejection of violence at home does not extend to areas where Muslims live under occupation, such as the Palestinian territories or Iraq. Such positions may not please many Americans, but they

do—like it or not—represent the mainstream of much of the Muslim world.

DESERT FOXES

Many of the valuable debates that *The Flight of the Intellectuals* could have sparked are drowned out by Berman's ludicrous efforts to construct an intellectual and organizational genealogy linking Nazi Germany and contemporary Islamism. His insistence on the usefulness of the concept of “Islamic fascism”—despite the fact that virtually all Muslims consider it a profound insult to their faith and identity—is one of the surest clues to his indifference to Muslim reality in favor of intellectual gamesmanship.

In a lengthy chapter drawn almost entirely from the recent book *Nazi Propaganda for the Arab World*, by the like-minded historian Jeffrey Herf, Berman highlights what he calls the mutual admiration among Banna; Haj Amin al-Husseini, the grand mufti of Jerusalem; and Nazi leaders such as Adolf Hitler and Joseph Goebbels. Arabs had virtually nothing to do with the Holocaust, of course, but Berman attempts to create a trail of implication by devoting long passages to Husseini's connections to the Nazis and Banna's support for Husseini. In the 1930s, Husseini saw Nazi Germany as the most convenient ally in a war against the British mandate and the surging Zionist immigrant community; he then couched this alliance in Islamic terms in an effort to win over mass support. But such history is less titillating to Berman than is the idea that “the Grand Mufti of Jerusalem might have been onto something, and the mufti's case for an Islamic-Nazi alliance stood on reasonably solid theological ground.” Berman goes on to cite Mark Cohen, a professor at Princeton University and

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historian of Jews in the Muslim world, who posits (but ultimately rejects) the idea that “the mufti was engaged in a fundamentally perverse and unnatural effort to twist Islam in a new direction.” Berman dances to the brink and then backs away, leaving readers confident of where he hopes they will end up without actually saying where that is.

Berman’s cartoonish tale misses far more significant historical developments that shaped today’s Islamism. In the 1950s, the repression of the Muslim Brotherhood by Egyptian President Gamal Abdel Nasser, combined with the rise of Sayyid Qutb, the radical Islamic intellectual imprisoned and later executed by the Nasser regime, created a schism that was pivotal to the evolution of modern Islamism. Whereas Banna contested seats in the legislature and maintained an organized armed wing, much as did other political parties at the time, Qutb’s generation had to choose between fleeing Egypt or suffering the torture of its prisons. Banna hoped to work within the architecture of the state—he was a proto-Ramadan, truly, in this sense—but doing so was impossible for Qutb. To Qutb, contemporary society was populated by hypocrites and apostates who had substituted the rule of man for the rule of God. The Muslim Brotherhood eventually rejected Qutb’s views, and by the 1970s, it had turned to enthusiastic participation in the public realm across the Arab world. Qutb’s acolytes, meanwhile, retreated toward violence. Yet Berman simply dismisses this split. In response to the fact that Banna and Qutb never even knew each other, Berman concludes that they “knew” each other in the metaphysical sense. This is indefensible and cause enough to dismiss the entire enterprise.

Berman’s invocation of the Nazis is, of course, meant to validate the controversial concept of Islamic fascism. He demands that Ramadan denounce the roles played in World War II by people such as his grandfather and the grand mufti, and he takes Ramadan’s dismissal of such demands as evidence of something darker. But Ramadan’s exasperation with this line of questioning is easy to understand: the role Husseini played in World War II may be of burning concern to Berman, but it holds little relevance for Ramadan’s own thinking or beliefs. It is a pity that the truly important questions posed by nonviolent Islamist movements in liberal societies are lost amid the heat and noise of the polemics.

ACCEPTED AND DISCOVERED TRUTHS

Still, Berman highlights a very real dilemma. Put bluntly, Islamists have shaped the world around them in ways that many liberals in the United States and Europe find distasteful. Even moderate Islamists prioritize religion over all other identities and promote its application in law, society, culture, and politics. Their proselytizing, social work, party politics, and organization of parallel civil societies have all helped transform societies from below. This frightens and angers secularists, liberals, feminists, non-Muslims, and others who take no comfort in the argument that the political success of the Islamists simply reflects the changing views of the majority. The strongest argument against accepting nonviolent Islamists as part of the legitimate spectrum of debate is that they offer only a short-term solution while making the long-term problem worse. These Islamists may be democrats, but they are not liberals. Their success will increase the prevalence and impact of illiberal views and help shape

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a world that will be less amenable to U.S. policies and culture.

But this is precisely why Berman's lumping together of different strands of Islamism is so harmful. Ramadan may not be a liberal, but he offers a realistic vision of full participation in public life that counters the rejectionist one posed by the ascendant corps of Salafi extremists. Pragmatists who hope to confront the disturbing trends within the Muslim world do not have the luxury of moral purity.

There are other reasons not to simply shun all Islamists. First, there is the question of democracy and political freedom. In many Arab and Muslim-majority countries, the Muslim Brotherhood and similar Islamist movements represent the largest and best-organized political opposition. When there are free and fair elections, they tend to win. Their opponents are generally not liberals but authoritarians. The arsenal of repression that these regimes deploy against their Islamist challengers strikes against the democratic and political freedoms that liberals proudly defend. The Muslim Brotherhood may be a force for illiberal values, but its members are found in the prisons of repressive regimes. Defenders of human rights and democratic freedoms cannot overlook those depredations if they wish to remain credible and effective.

Second, nonviolent Islamists are among the most effective rivals of al Qaeda and similar organizations. This is one of the lessons of Iraq, where the rejection by nationalist jihadist factions of the more extreme, globalist cadre of al Qaeda's Iraqi franchise helped turn the tide in favor of the United States. In Egypt, the Muslim Brotherhood has helped keep al Qaeda from gaining a foothold in the country. In Gaza, meanwhile, Hamas protects its rule

from radical Salafi opponents who do not consider the group religiously conservative enough. Disciplined and politically organized groups such as the Muslim Brotherhood are well positioned to keep Salafi jihadists from moving into mosques. In this sense, moderate Islamic political movements can serve as a firewall against radicalization, capturing the pious with a disciplined and nonviolent organization and fighting off more extremist challengers.

Third, there is hope that these movements will become more progressive. Within groups such as the Muslim Brotherhood there are real struggles going on between reformists and traditionalists. The struggle within the Muslim Brotherhood burst into view a few years ago when, inspired by a political opening, a group of young Brotherhood bloggers pushed for more transparency, more sustained political engagement, increased cooperation with other protest movements across ideological lines, and a less austere approach to cultural issues. The mere fact that these movements can be influenced in positive directions offers a powerful reason to try and do so. To be sure, these currents move in both directions, which suggests the risks of disengagement: in places such as Egypt and Jordan, hard-liners have moved back into the leadership of Islamist movements after sustained campaigns of government repression against them. Political conditions clearly affect ideology: when such groups are allowed to participate, they generally become more moderate, and when they are excluded, they become more radical.

Fourth, there is the matter of the bruising battle within the Muslim world. Secular Muslims, such as Ayaan Hirsi Ali—the Somali-born writer and former Dutch politician—are a sideshow to the real

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struggles taking place between reformers and traditionalists, Muslim Brothers and Salafists, rulers and oppositionists. The real challenge to the integration of Muslims in the West comes from Salafists who deny the legitimacy of democracy itself, who view the society around them as mired in *jahiliyya*, and who seek only to enforce a rigid, literalistic version of Islam inside whatever insulated enclaves they are able to carve out. The liberals to whom Berman is drawn represent a vanishingly small portion of Muslim-majority societies. They are generally drawn from well-off urban elites that have become ever more detached from their surrounding environments and would not fare well in the democratic elections that the United States claims to want. Meanwhile, granting such prominence to ex-Muslims who support Israel and denounce Islam discredits other reformists in the real terrain where figures such as Ramadan must operate. Supporting them may offer the warm glow of moral purity—and they may be more fun at parties—but this should not be confused with having an impact where it counts.

At the end, Berman offers an impassioned defense of Hirsi Ali, whom he portrays as a classic dissident who has been betrayed by the leading lights of the liberal West. He feigns bewilderment at why these liberal authors, to whom he devotes so many pages, might find her problematic. Berman appears unbothered by the frightening march toward a clash of civilizations promoted by al Qaeda and fueled by anti-Islamic culture warriors in the West. Nor is he concerned that expressing extreme anti-Islamic views and embracing only those Muslims who reject Islam might help al Qaeda by antagonizing those hewing to the Muslim

mainstream and perhaps convincing them that bin Laden is right after all. Berman portrays himself, Hirsi Ali, and a select group of others as the defenders of moral courage in a world where too many have fallen short. But real moral courage does not come from penning angry polemics without regard for real-world consequences.

The most helpful strategic victory in the struggle against Islamist radicalism would be to undermine the narrative that the West is at war with Islam. There should be no tolerance for Islamist extremists who threaten writers, intimidate women, or support al Qaeda's terrorism. But defending Hirsi Ali from death threats should not necessarily mean embracing her diagnosis of Islam. Berman's culture war would marginalize the pragmatists and empower the extremists. Muslim communities are more likely to reject such extremists when they do not feel that their faith is being attacked as fascist or that they can only be accepted if they embrace Israel and the policy preferences of American conservatives.

The Muslims in the West are not going away. It is therefore imperative to find a way for these communities to become full partners in the security and prosperity offered by Western societies. If democracy has any meaning, it must be able to allow Muslims to peacefully pursue their interests and advance their ideas—even as the liberals who defend the right of Muslims to do so are also free to oppose them. Ramadan may not present the only path to such an end—but he does present one. And that is why his liberal proponents in the West, who so infuriate Berman for promoting Ramadan, emerge as more compelling guides to a productive future. 🌍

Review Essay

Honolulu, Harvard, and Hyde Park

The Making of Barack Obama

Walter Russell Mead

The Bridge: The Life and Rise of Barack

Obama. BY DAVID REMNICK. Knopf, 2010, 672 pp. \$29.95.

Barack Obama's appeal has always been something of a paradox. On the one hand, Obama's election as the United States' first African American president can be seen as a triumph for "identity politics" and a blow to the near hammerlock that white Protestant males have had on the presidency since George Washington. On the other hand, it moves the country closer to an era of nonracial or postracial politics, in which racial identity will matter less and less.

Obama is a clear break from past generations of black politicians. In the parlance of the civil rights movement, he is a member of "the Joshua generation"—a term drawn from the Bible that refers to the generation of Jews who did not remember the Exodus but lived to enter the

Promised Land. And he has embraced a very different political style from those of other black politicians, such as Jesse Jackson and Al Sharpton. With a white mother and a Kenyan father who lived in the United States only briefly, Obama had little personal connection to the forces and history that shape African American identity. Growing up in Hawaii and Indonesia, two places where black-white relations were a marginal and distant force, young Barry Obama's life was touched only tangentially by race. From this start, Obama emerged as the most commanding figure in African American politics ever and was the first Democratic presidential candidate to win a majority of the popular vote since Lyndon Johnson in 1964.

Who is Obama? What does he really believe? How has his quest to find and understand his place in American life shaped him and his vision for the United

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States? These are the questions that David Remnick, the author of *Lenin's Tomb* and the editor of *The New Yorker*, sets out to investigate in *The Bridge*, an intelligent and searching biography of Obama. Although he covers ground that has already been examined by other writers (most notably, Obama himself), Remnick nevertheless manages to frame important questions about the current occupant of the Oval Office. *The Bridge* is a significant accomplishment and a compelling read. At its best, it illuminates some very dark corners.

The book is not always at its best. Most readers will feel that Remnick spends entirely too much time on detailed accounts of the ultimately irrelevant candidates who tried and failed to stop Obama's march to the Senate in 2004. Instead, Remnick should have put his intelligence to work on the mostly white world of liberal Hyde Park activism, which had a profound effect on Obama during his years in Chicago. This is a regrettable oversight, since, as Remnick's narrative makes clear, white (and often Jewish) friends and associates formed a critical part of Obama's network. Remnick has a gift for laying bare the cultural and intellectual forces at work in a person or a milieu; had he turned that searchlight on Hyde Park, he would have produced a much richer account of the president's intellectual and political journey.

When it comes to the world of black Chicago, Remnick gets closer to the story. His portrait of Representative Bobby Rush, the former Black Panther who defeated Obama in a congressional primary, is particularly sharp; his take on Jeremiah Wright, the spellbinding preacher who built the church in which Obama found his faith, although good, leaves readers wanting more. The book's dominant

metaphor is a bridge—Remnick compares Obama's role in society to the bridge in Selma, Alabama, that was the site of one of the most significant struggles of the civil rights movement—and to some degree, the image closes as many doors as it opens. The image is a compelling one, but African American politics, religion, and culture are about much more than civil rights. By scanting this complexity, Remnick leaves readers with a less than totally satisfying depiction of Obama's encounter with the world of black Chicago.

THE PRESIDENT FROM NEW ENGLAND

Nevertheless, Remnick delivers some fresh insights about the president's personal and political odyssey that open up new perspectives on American society as a whole—particularly when it comes to understanding the degree to which Obama is a product of New England's commitment to social and global reform. The Bostonian vision of the United States as “a city on a hill,” whose government is the moral agent of a society of good people determined to suppress vice and establish virtue, has fueled some of the country's most important and lasting social movements, and it is this tradition that seems to have shaped Obama most profoundly.

The high school that Obama attended in Hawaii, the elite Punahou School, was founded in 1841 to educate the children of the New England missionaries who led the kingdom of Hawaii into both Christianity and the United States. In 1851, it was opened up to students from all racial and religious backgrounds, and today, like any good New England boarding school, it attempts to infuse its students with an ethic of service, along with solid academic skills. This Exeter of the Pacific did more than

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give Obama the academic skills he would need at Columbia and Harvard Law School; socially and culturally, it helped prepare him for both the ideas and the people among whom his lot was to be cast.

At its best, the tradition of New England reform, with its moral earnestness and its willingness to call on the full powers of a strong state, is a nonracial or postracial vision. Punahou's 1851 decision to open its doors to nonwhite and non-Christian students reflected more than the missionary ambitions of its founders; it represented the New England faith in the essential equality, and even similarity, of all people under the skin.

That same faith led more modern representatives of the New England spirit to promote the admission of increasing numbers of nonelite and nonwhite students to schools like Punahou and Harvard Law. But the goal of these powerful establishment reformers was less the celebration of diversity than its abolition. That is, just as the missionaries believed that given Christian values and education, the Sandwich Islanders would build their own version of a New England commonwealth, so modern reformers have believed that giving African Americans, Roman Catholics, and other formerly marginalized Americans greater access to better education would ultimately lead them to embrace New England's core values.

This seems to have worked in Obama's case. Just as President John F. Kennedy, the Harvard-educated scion of Boston Irish-ward politicians, out-wasped the WASPs by placing himself firmly in the line of high New England moral and political leadership, so Obama has used his eloquence and conviction to emerge as the leading representative of this old

and deeply American political tradition. Yet the perception among some Chicagoans that if pressed, Obama would say, like the narrator of the famous William Blake poem, "I am black, but O, my soul is white!" nearly ended his political career in 2000, when Rush humiliated him in a congressional race.

For Obama to emerge as a postracial candidate, he first had to become racial; he had to find a way to become culturally black. The quest to connect with African American history, culture, and values shaped much of his personal and political activity from adolescence through 2006. Remnick does a better job with this aspect of Obama's development than many writers because he grounds much of his story in Obama's struggle to find his place in black America. And for a white writer, he gives an unusually detailed and nuanced portrait of the intellectual and political world in which Obama had to find his way.

More would have been better. In particular, readers would have benefited from a fuller and richer treatment of Wright. He represents the road that Obama ultimately chose not to take: Wright's Afrocentric theology and impassioned black nationalist rhetoric offered a competing vision with which Obama had to come to terms to find his place in black Chicago—but that could never adequately express either the hopes or the vision that Obama brought with him from Hawaii and Harvard. Forced to choose between the spirit and legacy of New England reform as embodied in the likes of Oliver Wendell Holmes and McGeorge Bundy on the one hand and the Afrocentric vision of Wright on the other, Obama stands with Massachusetts every time.

Honolulu, Harvard, and Hyde Park

BLACK LIKE HIM

The path Obama had to navigate as he built an identity and found friends and allies within the world of Chicago's African American politics was a winding one. Remnick moves rather too quickly along it, but he does help readers appreciate the magnitude and difficulty of Obama's progress. Although the circumstances of Obama's need to connect his cosmopolitan upbringing and education with the hopes and fears of a particular community of voters were unique, the task is common. The U.S. educational system is largely deracinating: it aims to do more than take the boy out of Iowa; it wants to take the Iowa out of the boy. For those graduates who seek a career in electoral politics, the process must be reversed.

Returning to Arkansas after his years as a Rhodes scholar and Yale law student, Bill Clinton, the great chameleon of modern American political history, had to reconnect with an American vernacular. George W. Bush had to navigate the transition from Andover, Yale, and Harvard Business School back to the pork rinds of Texas. The declining political fortunes of the Kennedy dynasty seem connected to the way that each succeeding generation has been more Harvard and less South Boston; by contrast, each generation of the Bush clan has moved further away from its blue-blooded, bluenosed Connecticut roots toward a more total immersion in rising American subcultures.

Given the unique and uniquely charged history of black America, African American politicians face tougher challenges than their white, Latino, and Asian peers. The loyalties are deeper, the suspicions on all sides greater, the questions to be addressed

more explosive. Obama's success in finding a path through these obstacles and developing a political stance and style that has attracted both black and white voters to his side reveals a powerful intellect linked to a capacity for empathy and a receptiveness to others that recalls both Clinton and Ronald Reagan.

Reflecting on Obama's path from Harvard Law to the South Side of Chicago also helps one understand the limits of his political appeal. Learning to integrate his New England value system into a public persona that could reach Chicago's black voters gave Obama a potent and even mythic political appeal, but it also left him with a weak suit: the folks out in the hills clinging to their God and their guns. For many Americans, the New England vision of a strong state acting as the enforcer of a common moral purpose has always been something to resist. Jeffersonian and Jacksonian radicals fought to abolish the state establishment of religion in Connecticut and Massachusetts, the South fought the abolitionists and then the Freedmen's Bureau during Reconstruction, the white working-class South and North united in defiance of Prohibition, and so on.

Obama's effect on this populist tradition is like that of a red flag on a bull. As a New England reformer building a larger, more intrusive state, and as the most prominent beneficiary of New England's determination to broaden access to its most elite institutions, Obama represents forces that many populists instinctively oppose. At the same time, nothing in Honolulu or Cambridge or Chicago taught Obama what Clinton learned in Arkansas: how to reach out to these people and to know what, and what not, to say to them. The economic crisis of 2008 and the country's

Walter Russell Mead

unhappiness with the Bush administration gave Obama an opportunity to be heard by populist voters; since his inauguration, they have shown signs of retreating to their former loyalties and ideas. Obama's hopes for reelection in 2012 may turn on his ability to bridge yet another divide in America's soul and to reach out to a constituency that so far has proved resistant to his charms.

THE WORLD BEYOND

Students of foreign policy will be bemused and somewhat alarmed by the near-total absence of evidence in Remnick's book that Obama ever showed any interest in foreign policy before running for president. There is a casual mention of the human rights scholar Samantha Power as an adviser to and influence on Obama, and there are narrative descriptions of Obama's sojourns abroad with his mother and a fascinating account of his father's troubled career in Kenya. But to judge from this book, Obama spent little time dealing with foreign policy until he failed to get the Senate committee assignment he really wanted and was forced to make the best of an appointment to the Senate Committee on Foreign Relations. While traveling with Senator John Kerry and others in 2005, Obama saw the poor security surrounding Russian nuclear materials and was seized by the importance of getting the world's nuclear material under better control. This is a worthwhile idea, and it bore fruit at the recent Nuclear Security Summit, but one looks in *The Bridge* in vain for more clues to the future of U.S. foreign policy under the Obama administration.

It seems reasonable to infer that Obama's foreign policy instincts, like his domestic

policy ideas, are rooted in the New England tradition that blends a form of moralism tempered by pragmatism, a faith in strong government, and a commitment to leading by example. One could look to John Quincy Adams for an example of the foreign policy ideas to which Obama might aspire. Like Adams, Obama believes in American power and in an American destiny to do well by doing good; yet also like Adams, he prefers to hold power in reserve when he can and is conscious of the United States' capacity to err. Whether he can succeed in foreign policy as well as Adams did remains to be seen; Adams was immersed in diplomacy all his life, whereas Obama is still finding his way.

The Bridge is a biography of a life still being shaped; everyone, including Obama, will know much more about who he is and what really counts to him once his presidency has drawn to a close. This makes for a book that in some ways is frustratingly open ended and sometimes feels unfinished. Nevertheless, it accomplishes the one thing that it needed to do: it encourages readers to ask the right questions about Obama. 🌐

Review Essay

Empire Without End

Imperial Achievements and Ideologies

Charles S. Maier

Empires in World History: Power and the Politics of Difference. BY JANE BURBANK AND FREDERICK COOPER. Princeton University Press, 2010, 528 pp. \$35.00.

The Rule of Empires: Those Who Built Them, Those Who Endured Them, and Why They Always Fall. BY TIMOTHY PARSONS. Oxford University Press, 2010, 496 pp. \$29.95.

Empire for Liberty: A History of American Imperialism From Benjamin Franklin to Paul Wolfowitz. BY RICHARD H. IMMERMAN. Princeton University Press, 2010, 286 pp. \$24.95.

Many leaders of the American Revolution welcomed the idea that their new nation would grow up to be an empire. To them, the concept was compatible with a republic; it meant size and benign influence. David Ramsay, South Carolina's delegate to the Continental Congress, wrote as early as 1778

that the grandeur of the American continent provided the basis for a realm that would make "the Macedonian, the Roman, and the British sink into insignificance." George Washington thought of the new country as a "rising" or an "infant" empire. Thomas Jefferson, who secured the vast Mississippi and Missouri valley corridors, famously envisaged an "empire of liberty." But whose liberty? The idea of empire as conquest or subjugation was curiously absent from this postindependence reverie. Cheered by the euphemism of "manifest destiny" deep into the nineteenth century, Americans of European origin continued to enjoy the incredible lightness of empire.

Subsequent observers would contend that the process of building and managing an empire is often violent, unfettered by concerns about law and equality. Empire, as Joseph Conrad wrote and American

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anti-imperialists came to acknowledge, had a heart of darkness. As Jane Burbank and Frederick Cooper, the authors of the massive comparative study *Empires in World History*, argue, “Terror was the hidden face of empire.” And it has not always been so hidden, either.

The word “imperium” originally signified the authority delegated by the Senate of the Roman Republic to exercise command over the republic’s own citizens and subdue others. It came to be applied to Rome’s new territories throughout Italy and then beyond, even before Augustus founded the Principate, the first formal phase of the Roman Empire proper. More recently, in the United States, the growth of presidential power has periodically awakened concerns about what the historian Arthur Schlesinger, Jr., termed “the imperial presidency,” that is, the growth of executive authority at the expense of legislative supervision and public dissent.

Three recent books on empire—Burbank and Cooper’s comparative history, Timothy Parsons’ *The Rule of Empires*, and Richard Immerman’s *Empire for Liberty*—are less concerned with how nominally representative institutions can give way to authoritarian leaders than with how one state or national group extends its rule and often territory at the expense of others. This focus is hardly surprising, since much of the literature on empires has responded to the string of interventions the United States has undertaken since the Cold War.

People who object to applying the term “empire” to the United States point out that it has never established permanent colonies beyond its borders. Those who apply the term insist that the project of filling out the continent was imperial from the outset, since it involved the forced

displacement and ethnic cleansing of indigenous groups. As for American forbearance abroad, they argue, the United States has sought no permanent colonies or territories because it has not needed them. Occasional but decisive interventions have sufficed to protect U.S. interests, and hundreds of U.S. military bases continue to preserve a sphere of influence well beyond the United States’ borders.

Other commentators have argued that Washington should be unapologetic about using power this way. The historian Niall Ferguson suggested in *Empire: How Britain Made the Modern World* that British colonialism brought valuable experience in parliamentary and economic practices to the United Kingdom’s colonies, and he deplored the United States’ apparent unwillingness to take on the long burden of tutelage. The writer James Traub, among others, has suggested that Washington should intervene in central Africa to stop civil war and genocide—even if doing so would awake concerns about U.S. imperialism. And the historian John Darwin’s masterly *After Tamerlane: The Global History of Empire Since 1405* accepts frankly, without any moralizing, that the United States is the most recent in a long series of transoceanic empires.

History suggests that it is not easy to maintain the distinction between humanitarian and imperial interventions. Before Iraq devolved into protracted civil conflict, it was much easier for champions of a muscular foreign policy, such as the writer Peter Beinart, in the liberal camp, and the usual neoconservative suspects, to argue that the “empire of liberty” must awaken from the torpor of indifference and intervene abroad. Immerman’s history of the myopic intentions of U.S. leaders reflects

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the painful process of learning how difficult it can be to reshape other societies and institutions. To what degree meaning well mitigates historical responsibility remains a highly charged issue, although American society is relatively forgiving of policies whose major impact lies abroad and that exhibit the bravery of U.S. soldiers.

Such moral debates are unavoidable and important, but morality is hardly the only issue surrounding empire. Empires have existed since the organization of states in the river valleys of Africa and Asia. What characterizes them? How do they function? When do they arise? How and why do they collapse? The scientific study of empires has become a major inquiry. Burbank and Cooper's and Parsons' books are efforts to cover empires systematically; Immerman's is a more focused critique of the United States' imperial career. None is an apologia for the United States.

MANAGING DIFFERENCE

Cooper is one of the most perceptive historians of the late colonial period in Africa. His early work emphasized how the British and the French, by trying to allow civic and economic rights within their African possessions, only awakened more militant resistance, especially among colonial labor movements. Throughout his career, Cooper has sought to go beyond the simple dichotomy of collaboration and resistance among imperial subjects. He has proposed that colonial subjects develop various ways of pressing for equality and recognition within, and ultimately against, imperial rule. His co-author, Burbank, is an expert on imperial and twentieth-century Russia and editor of a volume that examines the impact of Russia's geographic vastness on its domestic institutions. In

Empires in World History, Burbank and Cooper survey almost the entire history of global empires, beginning in the third century BC with the Han dynasty and the Roman Empire. They follow the spread of Islamic empires, Byzantium, the Mongols, and their Central Asian successors and then devote much attention to the Ottomans, before turning to the Austrians, the Russians, the overseas European empires, and, finally, the German, Japanese, Soviet, and American empires.

Burbank and Cooper accept empire as the dominant form of governance over large spaces and explore different strategies (what they term "repertoires") of imperial control. The underlying problem for empires is how to impose unity over difference. An empire must preserve the differences among the peoples it yokes together but not at the expense of its overall structure—creating a tension that requires continually balancing power among contenders.

In the search for unity, successful imperial structures generate what might be called a big idea—whether it be cultural unity, as in the various Chinese dynasties; citizenship, in the Roman Empire; law, in the British Empire; or, for the Americans and the Soviets during the Cold War, economic development. Empires organized around a monotheistic religion—Islam or Christianity—have drawn on a particularly potent source of legitimacy but remain vulnerable to schism and dissent.

From the Han dynasty on, the Chinese recruited a class of scholar-officials who did not have the local resources to defy the center, thereby avoiding the problem Rome faced when its delegated princes or leaders became challengers. But palace factionalism, warlordism, and the threat that officials might defect to neighboring

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powers remained a danger to the Chinese dynasties. Rome and subsequent empires needed, indeed wanted, their soldiers to be posted at the frontiers, a long way from the capital. But the distance also allowed ambitious contenders to accumulate power locally. Empires continually required military exertions, which necessitated the regular extraction of resources from agriculture or commerce in far-flung provinces—a perpetual challenge. Of course, this has been the case for all types of states, which have centralized fiscal and military institutions as a response to international pressure. Still, with their extensive territory, empires experience a much greater tension between the center and the periphery. It would have been useful, then, for Burbank and Cooper to provide a more sustained discussion of the difficulties that the Mogul empire faced in South Asia. This wealthy and multi-religious empire gets strikingly short shrift even though it exemplified all the liabilities of empire: unruly frontiers, aggressive neighbors, fiscal crises, and an extremely confederal structure. It was the power in Asia most similar to the contemporaneous Holy Roman Empire.

As Burbank and Cooper stress, conflict at the boundaries, especially boundaries shared by empires engaged in a protracted competition, such as that faced by the Ottomans from the seventeenth century on, can lead to revenue scarcity, rebellion, and territorial shrinkage—all of which ultimately undermine even the most robust imperial structures. Indeed, imperial politics are uniquely determined at the perimeter, where challenges emerge. Borders can never remain entirely fixed or stable: even the Roman, Chinese, and Berlin walls were sites of turbulence. Often, brilliant and

ruthless commanders who seized imperial power—Julius Caesar, Genghis Khan, Napoleon Bonaparte—began their campaigns at the perimeters of power and pressed inward, toward the rich provinces in the heartland.

EMPIRE AS EXPLOITATION

Burbank and Cooper's decision to follow empires chronologically allows them to present a sustained, sequential narrative punctuated by targeted comparisons. At times, the individual stories flatten out into a general political account of the world's megastates, and the focus on imperial strategies fades. Although their narratives are rich in detail, it is not clear that it makes sense to follow empires individually, since the trajectory of each is affected by rivalry with others. Still, as the authors leisurely unfold their gigantic panorama, they return to the main requirements and achievements of successful empires—the management of differences within extensive territorial and ethnic realms.

The contrast with Parsons' large study of selected empires is revealing. Parsons, an Africanist by training, samples instructive imperial experiences: Roman Britain, Muslim Spain, Spanish Peru, the East India Company in Italy, Napoleonic Italy, British Kenya, and Vichy France. Like Burbank and Cooper, Parsons synthesizes a huge amount of global history, even though he does not claim the total coverage they seek. Also like them, he attributes the lightning conquests of the Spanish in Mexico and Peru to the fact that the Aztec and Incan empires they displaced had recently conquered other tribes who chafed under the Aztec and Incan yokes.

Although they are sometimes justified by grand ideas of civilizational supremacy,

empires are not really created by any cultural disparity; they arise from transitory technological and military supremacy. On this point, Parsons diverges from Burbank and Cooper, for whom ideologies must be taken seriously even when they serve as a rationale for hierarchy and domination. The notion that imperial rule is for the benefit of its subjects “was and always will be a cynical and hypocritical canard,” according to Parsons. “Empire has never been more than naked self-interest masquerading as virtue.”

Empires are cartels of multiethnic elites in which local leaders hold on to their regional power by deferring to the overriding authority of the center. Empires stabilize their rule horizontally across space by reinforcing vertical hierarchies within their diverse geographic holdings. (The United States’ effort to control tribal leaders in Afghanistan today is only the most recent example of this strategy.) Thus, the best way to study them is to examine how they lasted rather than how they came to be.

Like Burbank and Cooper, Parsons believes that empires work by recruiting intermediaries and making deals with local elites. But he thinks that the founding acts of conquest remain essential for historical judgment: “No one became an imperial subject voluntarily.” Hence, he tends to characterize the kind of collaboration that occurred in Vichy France as selling out, whereas Burbank and Cooper describe a far more fluid and equal set of transactions. For them, the intermediary is a creative political entrepreneur, be he Polybius, the Greek sojourning in Rome who made himself a preeminent political interpreter, or one of the Albanian, Armenian, or Greek civil servants among the Ottomans. Linguistic talent and intermarriage are the major strategies for attaining influence

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among the colonizers even when those in charge promote racial distinctions to inhibit mingling. (Think of the formidable roles played by Hernán Cortés' Marina, John Rolfe's Pocahontas, and Lewis and Clark's Sacagawea.) Burbank and Cooper also stress how indigenous elites can promote genuine economic innovation.

Readers familiar with Cooper's earlier, sympathetic focus on what are often termed "subaltern" groups in British and French Africa may be surprised by the mellowness of *Empires in World History*; Burbank and Cooper cannot help but admire the political and societal engineering that empires have sustained over vast regions and long centuries. Cooper and Parsons both began as historians of empires in Africa, acutely aware of states where the gulf between the rulers and the ruled was reinforced by race. But Burbank and Cooper also understand that the refined courts and capitals of the Byzantine, Ming, and Persian empires often softened the founding violence of the conquerors. Such imperial grandeur means little to Parsons. For him, empires, despite all their sophistication, remain structures of conquest, domination, and exploitation, and they are doomed to fail.

Unfortunately, Parsons seems to have selected only cases that reflect this particular trajectory. He studies Napoleonic Italy, Vichy France, and the sanguinary last phase of British rule in Kenya; had he covered the major Chinese dynasties or the Ottomans, he might have wound up adopting a less accusatory stance. Burbank and Cooper, for whom empires subsist as amazing structures of large-scale governance, accommodating difference without (or until) falling to forces of localism or alternative empires, have a different

perspective on collapse. Where Parsons sees the demise of empires as the inevitable result of a dialectic of resistance—force, counterforce—Burbank and Cooper believe that empires usually succumb because the intermediaries between the government and the governed gradually accrete their own power and form their own domains or defect to a another conqueror.

OF LIBERTY? FOR LIBERTY?

Immerman's brief study of six important architects of U.S. foreign policy argues that the idea of empire was inherent in the United States' national aspirations from the beginning. Restlessly articulated in terms of national ideals, the project was a thrust for a large national domain, not merely of liberty but also for liberty; indeed, Immerman suggests that democratic ideas continually justified expansion. He has little patience for those who hesitate to recognize the United States as an empire, and he shows the ideological contortions that accompanied the process of becoming one. His debt to critical historians, including Walter LaFeber and William Appleman Williams, is evident. Unlike them, however, Immerman sees political, legal, and racial ideas—not the capitalist search for markets—as motivating U.S. imperialism.

Engaging and informative as these six studies are, they do not establish a pattern. Benjamin Franklin, Immerman's first exemplar, conceives his imperial vision within the framework of a then still-viable joint British and U.S. enterprise of Western Hemispheric expansion. John Quincy Adams was probably the most articulate in fusing anticolonialism with continental expansion. William Seward and Henry Cabot Lodge were the most intent on pressing beyond continental borders;

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John Foster Dulles and Paul Wolfowitz, the most absolutist in their ideological ambitions. Immerman depicts Wolfowitz with considerable sympathy, even as he deplores the results of his project.

At the end of Immerman's biographies, conceptual questions remain. Is there really much of a distinction between an empire of liberty and an empire for liberty? Which territorial ambitions were understandably compelling for the early Republic, abutting, as it did, the overseas outposts of European empires? Must an ambitious foreign policy in pursuit of a national ideal inevitably degenerate into imperial interventions and acquisitions? The argument would seem less one-sided had such issues been probed more deeply.

It is normal enough that those who dominate should think their purpose enlightened and their mission natural. Empire could not exist without its intellectuals, who take on the task of explaining that goals pursued for self-interest are in fact justified by progress. Historians may find such rationales convincing, but it would be naive to forget that those who are ruled often do not. Somewhere, always, empire is sustained (and contested) by violence. Some apologists respond that the imperial conquerors impose peace or suppress barbaric practices—the conquistadors stopped Aztec priests from ripping out the hearts of their prisoners, the Americans ousted the tyrant who had gassed the Kurds. Others will say that all forms of government sometimes require violence, or at least surveillance and coercion. All this may be true, but in democratic states, citizens have some degree of control over their own regime. The essence of empire is that the power to participate in decision-making is bestowed very unequally.

THE END OF AN ERA?

Is the age of empires over, as many believe? In the aftermath of 1989, American observers celebrated “civil society,” believing that by stubbornly exercising their residual power, organized groups—churches, unions, protest movements—could bring down repressive bureaucratic apparatus. But since 9/11, civil society has faded as a compelling vision. Other nonstate actors have proved that violence and counter-violence still matter. In that milieu, empire will not easily fade, even if colonialism does.

The policy question, then, is whether states that have the power to act like empires can learn to work within an international system that, compared to the past, is less hierarchical and rests more on associations of interest. After 1945, the old imperial powers got caught in the contradiction of claiming to give their colonies a free choice while expecting them to stay in some form of associated subordination. Today, China, Russia, and the United States have the capacity to organize empires. But Europe is demonstrating that a new form of confederal association might emerge that in fact is more egalitarian and therefore more promising.

How the world can make the transition to a sort of comity of regions will be the overriding question for international politics in the decades to come. The world may be better off with no single superpower, even one that seems as benevolent as the United States does to many Americans. Such major transitions, however, are always risky; they create crises fraught with danger. The ride can be rocky, as future historians will no doubt document, and empire has seemed a plausible alternative in such turbulence for a long time. 🌐

Responses

The Containment Conundrum

How Dangerous Is a Nuclear Iran?

Overkill

BARRY R. POSEN

In “After Iran Gets the Bomb” (March/April 2010), James Lindsay and Ray Takeyh offer a carefully reasoned and persuasive argument that in the likely event that Iran gains a nuclear or near-nuclear capability, the U.S. government should adopt a policy of containment and deterrence. They outline the negative scenarios that might ensue if instead of pursuing such an effort, Washington simply let regional politics take their course. Although much of their analysis is correct, it has some peculiar qualities and offers some inconsistent advice.

The strangest aspect of the article is its alarmist and martial tone, which is at odds with its specific prescriptions. The authors grimly predict all the possible leverage that Iran would glean from having or almost having nuclear weapons and the negative consequences that the United States would suffer from its failure to stop Iran from obtaining such weapons. But the possible consequences of an Iranian nuclear capability are largely conjectural (save for one: nobody would think of invading Iran

anymore). And oddly, Lindsay and Takeyh follow their warnings of dire outcomes with persuasive arguments about why they are unlikely to occur.

On the whole, the article argues for prudent, low-key containment efforts and for resisting the urge to ramp up U.S. military deployments in the Middle East so as to avoid aggravating political sensitivities there. Yet its authors are willing to threaten preventive war for negotiating purposes, writing, “Military options to prevent Iran from going nuclear must not be taken off the table”—even though they concede that a strike would accomplish little. More ominously, Lindsay and Takeyh argue that Washington should be willing to threaten military action, including a nuclear attack, to deter a variety of Iranian actions, including the subversion of Iran’s neighbors.

These tensions between cool analysis and saber rattling suggest less about the problem posed by Iran than about the difficulty of having a reasoned strategic discussion in Washington today; hawkishness is now the ticket for admission. The mood music around Lindsay and Takeyh’s article sounds a warning about U.S. domestic politics: In the event that additional

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sanctions against Tehran do not elicit its cooperation—and they probably will not—proponents of preventive war will reemerge from hibernation. Advocates of containment should prepare for a bruising political fight.

Lindsay and Takeyh should have reviewed how a U.S. or an Israeli preventive attack might unfold and the range of military, economic, and political consequences that could arise. They do note that such an attack would, at best, delay Iran's nuclear program even as it hardened the regime's commitment to it. An attack might also render the program and the regime more popular at home, and it could make Tehran more popular in some corners of the Arab world, where standing up to the United States or Israel has a peculiar cachet.

On the military front, Iran has a number of retaliatory options. None of them would be devastating, since Iran is not a very advanced conventional military power, but all would be troublesome: the harassment of tanker traffic in the Persian Gulf, damage to oil infrastructure, attacks on U.S. forces in Afghanistan and Iraq by Iranian operatives or proxies, and terrorist strikes worldwide. Although the United States and its allies could deal with such ripostes, there would be no obvious military strategy to bring even a desultory exchange of strikes and counterstrikes to an end. Any military activity in the region would roil the international oil market—not least because such a conflagration would likely suspend Iran's oil exports. This would not be a catastrophic outcome, but it could be problematic given the present fragility of the global economy.

Of all these possibilities, the most disturbing are the political fallout in Iran and the Middle East, the possible attacks on

U.S. troops, and the difficulty of ending even a limited war. The case for preventive war is even weaker when one considers that an attack could not end Iran's programs once and for all; in other words, neither the United States nor Israel would gain much from it. Washington's frequent statements that preventive war remains "on the table," a threat it hopes will support negotiations, may come back to haunt the U.S. government when its bluff is called.

Lindsay and Takeyh rightly argue that the threat of nuclear force must be part of the United States' strategy of containment and deterrence. But they overreach when they recommend that the United States engage in "military retaliation by any and all means necessary, up to and including nuclear weapons" if Iran attacks another country with conventional weapons; transfers nuclear weapons, materials, or technology; or steps up its support for terrorism and subversion. The threat of a nuclear response should be reserved for deterring crimes that involve using or threatening to use nuclear weapons. Iran would be a legitimate nuclear target if it tried to coerce its neighbors with nuclear weapons or if it gave nuclear weapons away to nonstate groups that then used them. But this is as far as Washington's nuclear threats should go; the punishment should fit the crime. Relying on nuclear weapons beyond this in the effort to contain Iran would undermine the United States' broader goal of limiting the political salience of nuclear weapons.

The United States and its allies do need to be able to threaten tough and practical responses to deter a range of dangerous actions by Iran. But these need not include nuclear threats because the threat of a U.S. conventional response is

Barry R. Posen, Barry Rubin, and James M. Lindsay and Ray Takeyh

highly credible. If Iran invaded another country, its obsolescent conventional forces would be destroyed handily by the United States and its allies. And if Iran were to get into the business of exporting nuclear weapons or nuclear technology, it would suffer a range of damaging consequences, possibly including a military attack.

Most disturbingly, Lindsay and Takeyh recommend threatening nuclear retaliation to deter Iran from subverting its neighbors. But as their own analysis suggests, it would be very difficult to determine where to draw that “redline” because subversion is usually clouded in secrecy. Moreover, internal unrest in neighboring countries would likely have multiple causes, obscuring Iran’s hand. Given the ambiguities and the gravity of any decision to use nuclear weapons, Iran would not likely be deterred by such a threat because the United States would be unlikely to carry it out. In any case, the United States and its friends have good intelligence agencies, and so they ought to be able to combat Iran’s subversive activities directly. The provision of weapons, money, advice, and training are the tools of subversion; intelligence collection, covert interdiction, and overt police work are the countermeasures. Neither a conventional counterattack nor a nuclear response would be appropriate. And if Iran finds openings for subversion because its neighbors mistreat their own citizens or mistreat other states, perhaps domestic political or foreign policy reforms in those countries are in order, as the authors recommend.

Lindsay and Takeyh suggest that the United States should threaten nuclear preemption, writing that Washington should threaten to “strike preemptively, with whatever means it deemed necessary,”

in the event that Iran developed a nuclear force and put it on alert during a crisis. Although such a reaction would be unwise, both the United States and Israel would consider it, and Iran should know this. Nuclear alerts are a dangerous game. In any event, Washington and Tel Aviv should wield this threat with great care, lest mutual alarm prompt Iran to put its nuclear forces on alert out of fear, not aggressive intent, and noises about preemption provoke Iranian escalation. No one would want that to happen.

Realistically, neither the United States nor Israel ought to rely on preemption as the means to a meaningful victory in a nuclear war with Iran. Strategists should be honest: despite the United States’ impressive capabilities and Israel’s deep fears about Iran, the decision to use nuclear weapons to preempt a suspected attack from Iran would be very difficult. This is a long-standing problem. Even an extraordinarily successful preemptive attack might miss something, and the wounded and angry victim would probably respond. Unlike with conventional forces, in the world of nuclear forces, the remainders matter; even one surviving nuclear missile could destroy a city. This is an irreducible risk, and not even the expanded theater missile defense systems that Lindsay and Takeyh recommend would take it out of the calculation. Moreover, a decision to launch a nuclear first strike would sorely test not only the nerves of U.S. or Israeli policymakers but also their ethics. Intelligence indicating that Iran was preparing to launch its weapons is unlikely to be so compelling as to make a decision to use nuclear weapons for the first time since 1945 an easy one. Even conventional preemption is fraught with risk.

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Iran must instead be made to understand one simple thing: using nuclear weapons first or arranging for others to do so would be the path to certain annihilation. There is nothing Iran could do to prevent devastating retaliation from the United States or Israel. Making that point clear should be the underpinning of the United States' deterrence strategy.

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The Right Kind of Containment

BARRY RUBIN

Although the United States will need a containment policy if and when Iran gets nuclear weapons, such a program requires a clear understanding of the problems involved and a high level of commitment to make it work. James Lindsay and Ray Takeyh, while making a serious attempt to describe what a containment policy would require, understate the difficulties Washington would face.

By making containment sound too easy, this underestimation may serve to rationalize the Obama administration's lack of serious diplomatic effort to stop Iran from succeeding in its nuclear ambitions. In particular, their analysis makes four questionable assumptions.

First is the premise that the United States' willpower and credibility would be sufficient to make containment work. The authors correctly note that the United

States needs "to reassure its friends and allies in the Middle East that it remains firmly committed to preserving the balance of power in the region." But if Iran succeeds in obtaining deliverable nuclear weapons, these countries will have good reason to question the United States' commitment, given how little determination it will have shown in preventing Iran from becoming a nuclear state and its defeat by Tehran in this struggle.

The authors do point out that if Iran gets nuclear weapons, "friends [of the United States] would respond by distancing themselves from Washington," and "foes would challenge U.S. policies more aggressively." Yet they do not draw the obvious conclusion: Iran would emerge as the most powerful regional player, and the United States would become greatly weakened in comparison. Revolutionary Islamist forces in the region—taking note of Iran's power and perceived success—would become more aggressive, and many Arab and European governments would try to appease Iran to survive or to avoid trouble. Lindsay and Takeyh dismiss the danger that Arab states will begin appeasing Iran because "pursuing that strategy would mean casting aside U.S. help and betting on the mercy of Tehran." Appeasement, however, need not be an all-or-nothing strategy. Iran's neighbors would likely accept U.S. security guarantees but then hedge their bets by limiting cooperation with Washington while trying hard to please Tehran.

Israel, of course, cannot and will not appease Iran. Lindsay and Takeyh think that "the Israeli government's calculations about Iran would depend on its assessment of the United States' willingness and ability to deter Iran." Since the Obama

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administration's efforts against Iran have been unimpressive and U.S. support for Israel has become so uncertain, Israel's calculations will not assume confidence in U.S. policy.

In such an environment, merely issuing warnings to Iran, selling more weapons to Persian Gulf Arab governments, and declaring that the United States will protect other states in the region will not be sufficiently convincing to maintain peace and stability. Will Iran believe that Obama would go to war, especially nuclear war, to constrain it? Will Arab rulers bet their regimes' and their personal survival on this expectation? Will Israel entrust its security to a U.S. administration that arguably is the least friendly to Israel in history? To all these questions, the likely answer is no.

The second flawed assumption Lindsay and Takeyh make is that Iran can be expected to act rationally and to respond to pressure with moderation. This could be accurate, but it certainly cannot be assumed. Tehran may not be suicidal, but it is prone to risk taking, and as a highly ideological regime that profoundly misunderstands the West, it is likely to miscalculate in ways that could lead to war. It might underestimate the chance that it will suffer a nuclear attack if it uses nuclear weapons, or it might think that it can go to the brink without setting off a conflict or that it can fool its enemies by secretly transferring arms to others. Iran's nuclear weapons will be controlled by the Islamic Revolutionary Guard Corps, the country's most fanatical institution and the one with the closest ties to terrorist groups, and Iran's defense minister is an internationally wanted terrorist. The modern history of the Middle East is full of examples of less volatile regimes jumping off cliffs: Egypt

provoked the 1967 war with Israel, Iraq attacked Iran in 1980 and Kuwait in 1990, and the Palestine Liberation Organization chose war over peace and statehood in 2000. Iran's regime is the farthest thing from a rational state that the United States has confronted since Nazi Germany. Any policy that assumes self-restraint on its part rests on a shaky foundation.

Lindsay and Takeyh's excessive faith in Tehran's common sense leads them to questionable conclusions. They suggest, for example, that Iran would be unlikely to transfer any of its nuclear weapons to Syria or various terrorist groups for fear of the United States' wrath. Yet so far, Washington has responded passively to Iran's cooperation with al Qaeda and to its transfer of conventional weapons to Hamas, Hezbollah, anti-American Islamist groups in Afghanistan, and radical Shiite militias in Iraq. Lindsay and Takeyh argue that Iran's support for militias and terrorists is limited: "Iran has not provided Hezbollah with chemical or biological weapons or Iraqi militias with the means to shoot down U.S. aircraft." This is true, but what about reports that Iran helped with Syria's nuclear program? Their analysis also seems to forget that Iran has already provided advanced anti-aircraft systems to Hezbollah and bomb-making materials to Iraqi insurgents for attacking U.S. soldiers. Iran might never transfer weapons of mass destruction, but it is a greater possibility than containment optimists claim. If nothing else, a nuclear Tehran would undoubtedly escalate its transfer of other arms to its clients. Thanks largely to Iran, as U.S. Secretary of Defense Robert Gates recently pointed out, Hezbollah has more missiles than practically any country.

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A third misleading assumption made by Lindsay and Takeyh is that the threat posed by an Iran with nuclear weapons would be limited to the possibility that it would actually use those weapons. In fact, two other possible outcomes—an upswing in revolutionary Islamism inspired by Iran's apparent power and Tehran's use of nuclear arms to engage in subversive aggression—might prove to be far bigger problems.

Consider the effect of millions of Muslims concluding that mighty Iran got it right: that revolutionary, anti-American Islamism works and wins. Islamist movements everywhere, including in Europe, would likely become more violent and reckless. Lindsay and Takeyh contend that a U.S.-backed Israel would keep radical groups in the Middle East “in check.” Tehran, they claim, “will not risk a nuclear confrontation with Israel to assist” Hamas and Hezbollah. But Iran is already helping those groups at no cost to itself and can ramp up its support without any prospect of a nuclear confrontation with Israel.

Moreover, Israel has no leverage to defeat revolutionary Islamist groups outside the West Bank. Israel cannot overthrow Hamas in the Gaza Strip, thanks to a U.S. policy that in effect protects that regime by restraining Israel's efforts against it. In Lebanon, where Israel has no ability to roll back Iranian influence, the United States will not battle to stop Iran and Syria from taking over by using Hezbollah and other proxies. Once Iran is emboldened by its nuclear weapons and its growing popularity on the Arab street, the Palestinian Authority and other Arab governments will be too fearful of it to move toward peace with Israel. If somehow they do make

progress, Iran and its allies will be far better able to sabotage these efforts.

The second tremendous strategic threat will be that Iran would use its nuclear umbrella to protect itself and its clients in Iraq, Lebanon, the Palestinian territories, Yemen, and elsewhere from any attempts at deterrence by the United States or others. As Abdul Rahman al-Rashed, the general manager of the al Arabiya television network, has written, “An Iranian bomb . . . will not be put to military use; it will be used as a way to change the rules of the game.” Iran would not need to attack anyone; it would merely need to ensure that no one else threatened or pressured it as it stepped up its support for terrorism and its efforts to subvert neighboring governments.

A nuclear Iran might engage in brinkmanship, too, using the threat of a disastrous war to intimidate others into doing what it wants. As the Kuwaiti newspaper editor Ahmed al-Jarallah has put it, Arab states would be “hostage to fears of rash actions by Iran that could cause nuclear catastrophes.” They would do everything possible to keep Iran happy in order to avoid any risk of being obliterated. This would be true no matter what the United States promised: it would be cold comfort for these countries to know that Iran would also be flattened if it incinerated them.

Finally, Lindsay and Takeyh mistakenly assume that Washington can “persuade the Iranian ruling class that the revisionist game it has been playing is simply not worth the candle.” There is little chance that the current rulers could be convinced that they are losing when they clearly seem to be winning. It is far more likely that the revisionist game will yield

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fruit and that the bomb will make Iran more powerful, respected, and influential. This is especially so since the containment policy being proposed in the U.S. policy debate would cost Iran almost nothing compared to the gains it could be enjoying.

The authors conclude that Washington could live with an Iran that abandoned its nuclear ambitions and respected its neighbors' sovereignty. This is fine in theory, but such an Iran will not exist anytime soon. It took half a century and many proxy wars to contain the Soviet Union, and the Soviet Union was a far more cautious, status quo power at the beginning of the Cold War than Iran is today.

One fundamental problem with the plan for containment as put forward by the authors and the current U.S. government is that it is in basic conflict with the Obama administration's strategy to date. The plan is to contain Iran by scaring it—by persuading Iran's rulers that the U.S. government is so strong and daring that it will smash them if they cross its "redlines"—and by reassuring Arab regimes threatened by Iran that they are secure under the United States' nuclear umbrella. But the current U.S. government cannot project such an image of itself when it has decried the United States' past use of force and generally rejected the idea of strong U.S. leadership in the world. Without the requisite credibility and genuine toughness, a containment strategy is extremely dangerous. If a nuclear Iran acted aggressively, either the United States would fail to deter it (which would bring a strategic disaster) or it would surprise an understandably skeptical Tehran by retaliating in response to a move that Iran thought it could get away with (which would mean war).

Successfully containing Iran would be extraordinarily difficult and would require major changes in the U.S. government's thinking and behavior. It would first require understanding the inescapable conflict between U.S. interests and revolutionary Islamist movements and recognizing that a regional alliance led by Iran would be an extremely dangerous adversary, one more determined and more ruthless than the United States itself. To contain a nuclear Iran, the United States would have to do more than apply merely one element of its Cold War experience, nuclear deterrence. Instead, it would need to adopt a truly tough, energetic, and comprehensive posture; contest every country allied with Tehran and battle every revolutionary surrogate of Tehran; and employ a gamut of overt and covert military, diplomatic, and economic tools. Given the U.S. government's failure to contemplate such measures so far, it is all the more essential to stop Iran from obtaining nuclear weapons. And if Iran does obtain nuclear weapons, the United States is going to have to invoke a containment policy far costlier and bolder than what is now being considered.

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Lindsay and Takeyh Reply

Barry Posen and Barry Rubin offer two spirited, and diametrically opposed, critiques of our article. But their criticisms are unpersuasive. Posen underestimates

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the difficulties of containment, and Rubin overestimates them.

Posen accepts our central argument that if Iran goes nuclear, Washington could and should pursue a policy of containment and deterrence. Curiously, however, he misinterprets aspects of what we wrote. He argues that we undercut our measured claims with an excessively martial tone about the consequences of a nuclear Iran; he guesses that we must be playing to domestic politics. But it would in fact be a grave matter if Iran were to cross the nuclear threshold. It would inject new perils into an already volatile Middle East. And given that successive U.S. administrations have insisted that they would not accept a nuclear Iran, it would be a blow to U.S. power and credibility worldwide. Proponents of containment do no one a favor by dismissing these problems.

Having failed to grasp our motivation, Posen spends time arguing against a preventive military strike by the United States or Israel against Iran. Wherever one comes down on the wisdom of preventive military strikes, however, we began our article with the explicit assumption that neither military nor diplomatic options had kept Iran from getting the bomb. Our goal was to examine whether a policy of containment could work at that point, and if so, how.

Posen raises alarms about our argument that the United States should be willing to use any means necessary, including nuclear weapons, to contain a nuclear Iran. He agrees that the threat of nuclear force must play some role in U.S. strategy, but he suggests that we are too cavalier in our recommendation to use it. We agree that disproportionate threats will not work, which is why we emphasized

that U.S. policy should be to use any means “necessary.”

But more problematic than Posen’s selective reading of our argument is his failure to show how taking military options off the table would strengthen containment. In fact, doing so would likely undermine it. As the Obama administration’s recent Nuclear Posture Review correctly stressed, only states that violate their nonproliferation obligations and misuse nuclear technologies for military purposes need to be concerned with such retribution. Moreover, Iran’s entry into the nuclear club would alter the political dynamics in the Middle East. Iran would probably believe that it had gained the upper hand in the region, and U.S. allies and adversaries alike would doubt Washington’s word. Tentative measures and convoluted declarations would only make matters worse.

Unlike Posen, Rubin believes that Iran cannot be contained. Too often in his response, however, Rubin seems more concerned with President Barack Obama’s supposed failings than with what we actually wrote. He is, of course, entitled to his views on the Obama presidency. But it is a mistake to link the Iranian challenge to any one administration. It is a problem that began before Obama’s presidency and could extend well beyond it.

Rubin begins with one point we made: that the failure to prevent Iran from going nuclear would damage Washington’s credibility and complicate any containment strategy. However, he stretches the point too far in implying that the damage to the United States would be permanent and would render containment impossible. Should Iran go nuclear, U.S. interests in the Middle East would not evaporate,

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and Washington would not be at a loss for responses. Contrary to Rubin's claim, in seeking to navigate the turbulent politics of a region that had just become more dangerous, the United States would likely garner help from its European and even its Arab allies. They would share its concern about Iran's newfound power. U.S. allies would have to choose: help the United States address the challenge of Iran or appease the Islamic Republic. With a deft and committed diplomatic effort, the United States would ensure they opted for the former; that is the outcome they prefer.

Rubin's pessimism about containing Iran is rooted in his belief that Iran's leaders are irrational. Such claims should always be taken with caution. The fact that Iran might miscalculate its advantage is not a sign of irrationality. Deterrence can fail even with rational actors.

The critical question is whether Iran's leaders show evidence of being impervious to the costs of their behavior. Here the answer is no. The Islamic Republic is an aggressive, ideological, and even revisionist state, but its leaders' principal quest has consistently been to remain in power. A nuclear Iran would likely press its presumed advantages, assist its radical allies, and intimidate other states in the region. But it would still observe essential boundaries if it were convinced of the likelihood of retaliation by the United States. In other words, Washington faces the challenge of deterring a state that is aggressive but rational. This is hardly a cause for celebration, but it is a qualitatively different challenge from the one Rubin outlines.

Rubin contemplates Iran establishing a "nuclear umbrella to protect itself and its clients in Iraq, Lebanon, the Palestinian

territories, Yemen, and elsewhere." How would such a nuclear umbrella be enforced? What would Iran do if Israel were to strike southern Lebanon or the Gaza Strip? Does Rubin really believe that Iran would wage nuclear war with Israel to protect terrorist enclaves in Lebanon or Gaza? Does he believe that Iran would wage nuclear war with the United States if Washington used force in Yemen? In fact, despite its radical pretensions, a nuclear Iran would learn the lesson that other nuclear states have, that it is difficult to use nuclear weapons to gain strategic leverage.

Posen's and Rubin's comments highlight a point we made in our original article: that containing a nuclear Iran would not be easy. This is why, as we initially argued, it would be best if Iran did not obtain nuclear weapons. 🌐

Responses

Après Louis, Hamid

Can Afghan State Builders Learn From Louis XIV?

The Afghan Challenge Is Far Tougher

ARJUN CHOWDHURY AND
RONALD R. KREBS

Sheri Berman identifies important parallels between the circumstances confronting state builders in Afghanistan today and those their counterparts faced in seventeenth-century France (“From the Sun King to Karzai,” March/April 2010). But the differences between the two cases are as instructive as the similarities—and point to rather different conclusions.

Berman’s argument is plausible at first blush: just as French kings employed a combination of coercion and inducements to subdue and disarm the nobles while enmeshing them in court pomp and intrigue, Afghan state builders can (with assistance from the United States and its partners) use force, aid, and patronage to bring warlords to heel while giving them a stake in the new order.

But Berman is wrong that “state building . . . can be accomplished almost anywhere” as long as the state builders

are sufficiently patient and committed. Why? Because structure—international and domestic—matters, and the roots of France’s seventeenth-century state-building success lie in three structural factors that distinguish the case from that of contemporary Afghanistan.

First, Berman ignores the crucial relationship between a country’s external environment and its internal state-building imperative. Seventeenth-century France was almost constantly at war—in the Thirty Years’ War, then with the Hapsburgs, and, finally, with the Dutch. French nobles were reluctant to relinquish their autonomy, but the threat posed by external enemies and the resulting need to consolidate defenses made them more ready to accept centralized rule. By contrast, Afghanistan faces little threat of war from abroad. Although Taliban forces originating in Pakistan are responsible for some Afghan insecurity and instability, Afghans do not universally see them as foreign elements, since ethnic Pashtun and tribal affiliations cross state boundaries and often take priority over national citizenship. The warlords thus have little incentive to make common cause with the central government, and

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the benefits that the government can offer local power brokers pale next to what the French kings offered their nobles. In fact, with no external threat, the warlords perceive the government's centralizing efforts as the primary threat to their interests. Under such circumstances, the Afghan government will have to rely more heavily on coercion, which will only end up increasing instability.

The two cases also differ with respect to where the impetus for state building originates. In seventeenth-century France, it came from the French monarchs themselves: external threats led them to negotiate with their populations for resources and develop the extractive and administrative capacities needed to wage war. The burgeoning French state, better able to mobilize resources and coordinate action, in turn posed a threat to its neighbors, which would have been happy to retard the process. They feared a strong French state more than they feared a weak one. The opposite is true with respect to Afghanistan today, where it is outside forces that are pushing for a centralized state, fearing its current weakness more than its potential strength. These external parties are providing the resources needed to bring recalcitrant warlords to heel; to date, Afghans have not been heavily taxed, nor have they been responsible for much of the fighting. Because it benefits from foreign troops, money, and materiel, the Afghan government has had little reason to develop the strong institutions it needs to extract resources and project power.

Third, Berman also understates the differences between the populations of seventeenth-century France and twenty-first-century Afghanistan. Although both are mostly rural, the similarities end there.

France's rural masses were largely disconnected from, and ignorant of, politics. Conflicts between the king and nobles did not concern them (at least until the revolution), and by some accounts they remained oblivious of the national entity until the latter half of the nineteenth century. In Afghanistan, on the other hand, the rural population is politically aware and politically committed along existing ethnic lines. To be sure, state building can occur even when the public does not define itself as a single nation, as Berman correctly notes. But state building is significantly harder when there are substate political communities that command mass loyalty and define politically salient lines of division. Under these circumstances, ethnic communities see the central government as a party to, not above, communal conflict, and they view the state's coercion not as serving the common good but as furthering a particular agenda. Rather than snuffing out communal conflict, aggressive state building fuels it.

These are not merely historical quibbles: the differences between the French and the Afghan circumstances suggest that both current U.S. strategy and Berman's proposed revision are unsound. Aiming to build a capable centralized state in Afghanistan is a more modest, and seemingly more achievable, goal than seeking to establish a stable democracy or a cohesive nation. But it is not modest enough, given that Afghanistan faces no external threats, that the impetus and resources for state building come from outside the country, and that the ethnic and tribal lines that divide the Afghan population are politically salient. These factors present severe structural hurdles to state building in Afghanistan, and they make the

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Western coalition appear to local elites and rural publics as an imperial force allied with a dangerous foe—in this case, an ambitious, centralizing state.

The implication of this is not pretty: the United States should abandon its state-building dream in Afghanistan. Not only can Washington secure its limited interests in Afghanistan without establishing a capable Afghan state, but the process of trying to build such a state compromises those very interests. The United States seeks to box in al Qaeda and, secondarily, the Taliban; this means that regional warlords, local tribal leaders, and rural Afghans are crucial and necessary allies. State building risks alienating them.

Instead, the United States should embrace a balancing strategy that provides resources to those willing to fight al Qaeda and the Taliban. This would likely require subordinating both state building (since a balancing strategy would necessarily strengthen the warlords relative to the central government) and drug enforcement (since cracking down on opium production alienates farmers). Berman suggests that such an approach is nothing more than appeasement, but one man's appeasement is another's realistic and carefully calibrated diplomacy.

So confined a vision may be hard to swallow after years of grand and unfulfilled promises about the future of Afghanistan. But a balancing strategy holds out three notable benefits. First, unlike state building, balancing would bring local actors to the coalition's side, against the Taliban. Second, it would reduce the likelihood that coalition forces would be identified with ambitious—and, to local elites, odious—centralization efforts. And third, by working around the Afghan state and

channeling resources to its local rivals, a balancing strategy would avoid reinforcing state corruption.

Although Berman rightly cautions that state building is always “a long, hard slog,” she ultimately concludes that it can succeed in Afghanistan and at a tolerable expense. But the costs of state building are prohibitive, and its promise illusory. The United States' interests lie in limiting al Qaeda's reach and minimizing instability in Pakistan. A capable and effective Afghan state might be helpful in both regards, but it is not necessary. Moreover, the process of state building threatens to harm the United States' limited interests. State building in Afghanistan is a luxury that the United States cannot afford.

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Louis' Approach Would Ruin Kabul

JAMES A. NATHAN

In her comparison of French and Afghan state building, Berman makes various compelling points, including that “state building . . . is not a fantasy. . . . Nor is it a job for the impatient.” But by focusing on the process of winning over domestic opposition by bribing power brokers, peddling offices, and collecting taxes, she offers an incorrect impression of how state building worked in seventeenth-century France—and of how it could work in Afghanistan today.

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Berman suggests that the process of state building can be managed only if the state oversees a judicious system of controlled corruption. But Louis XIV's 72-year reign was made and nearly undone by relentless force—first against Louis' domestic Fronde opponents, then in ceaseless war against his neighbors and rival potentates.

The truth of Louis' reign was that, as the political scientist Charles Tilly observed, “war made the state, and the state made war.” From the outset of his rule, Louis was intent on ensuring France's military primacy. In a reign of unremitting war, he commanded a colossal army (of some 450,000 troops at its height) and a Treasury with huge sums to subsidize war abroad and promote the advance of the state at home. To Louis, a state without competence at arms lacked “*gloire*” and was contemptible.

As Louis aged, reform of the antiquated and ultimately ruinous tax system languished. The problem, complained his powerful finance minister, Jean-Baptiste Colbert, was that Louis thought “of war ten times more than he [thought] of finances.” In the end, although revenues decreased radically, it was easier to sell tax privileges and immunities than to change the complicated and corrupt collection process. Such tax farming and corruption weakened the state, as Berman implies, and was necessitated by Louis' costly, militarized policy. For Louis, as for Frederick the Great a century later, real power could come only from big battalions and big guns.

This view led Louis, only one day after taking power, to “request and order” that state officials not “sign anything, not even a passport . . . without my command.”

No Afghan president could even dream of such a decree.

The experience of seventeenth-century France leaves many other questions unanswered. Nothing Louis ever posited would help the United States decide, for example, whether to stop destroying poppy fields and begin buying the crop in order to keep money in the Afghan economy and away from warlords and the Taliban. This is but one sign that Louis' reign and the completion of the French state hold few lessons for solving Afghanistan's endemic problems. Relentless, unending war—Louis' central methodology of rule—would undo the Afghan state, not consolidate, strengthen, or secure it.

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Berman Replies

The authors of these responses and I agree that there are both similarities and differences between the challenges of state building in seventeenth-century France and the challenges in Afghanistan today. Unlike them, however, I do not believe that the differences are so significant as to render lessons from the former case inapplicable to the latter.

James Nathan argues that my emphasis on central governments' need to gain the cooperation of warlords is misguided because state building in France was primarily the result of “relentless force.” He notes that Louis XIV “commanded a colossal army (of some 450,000 troops at its height) and a Treasury with huge sums to subsidize war abroad and promote

the advance of the state at home.” But this puts the cart before the horse. When Louis came to power, he commanded probably no more than 20,000 men, and his Treasury was in dire straits; the larger army and wealthier Treasury Nathan cite were the result of his and his ministers’ successful state-building efforts, not the cause.

Similarly, the seemingly telling quote he cites—that on coming to power, Louis declared that state officials should not “sign anything, not even a passport . . . without my command”—is taken out of context. Louis certainly aspired to such power, but at the time of that declaration, he knew full well that neither he nor any previous French king possessed it. Coercion is a necessary part of state building, and there was plenty of it in the French case. But by itself, it is not an efficient or sufficient mechanism for creating a durable political order—as even the French state builders tacitly conceded by supplementing their use of sticks with the offering of expensive and bothersome carrots.

Arjun Chowdhury and Ronald Krebs, meanwhile, argue that three differences between the French and the Afghan cases obviate my conclusions. The first is that whereas “seventeenth-century France was almost constantly at war,” contemporary Afghanistan “faces little threat of war from abroad.” This supposed difference is overblown. Afghanistan has suffered through almost constant warfare since 1979, and the result has been to generate a popular desire for stability and order above all else. This is why so many Afghans were willing to accept the despotism of the Taliban—just as so many people in early modern France put their faith in centralizing monarchs. French nobles, moreover, often made alliances with foreign powers to secure

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their own spheres of autonomy, viewing the centralizing tendencies of their central government as the main threat to their power, just as many of their contemporary Afghan counterparts do.

Chowdhury and Krebs also argue that the French and Afghan populations are dramatically different. It may be true that the average rural Afghan today is more politically aware than his seventeenth-century French counterpart. But the localism of France at the time should not be underestimated. Traditions of local autonomy and identity were strong in early modern France and were embedded in diverse languages, legal systems, social mores, and, in some cases, even religions. It would be foolish to deny the difficulties of state building in such contexts, but it would also be inaccurate to argue that such challenges cannot be overcome.

French state builders, in any case, recognized them forthrightly, paying particular attention to the need to woo diverse local, regional, and provincial elites, who historically had been the furthest from central control. What is critical in such cases, as such scholars as Michael Hechter and Nika Kabiri have argued, is that state builders commit themselves to evenhandedness, offering all communities and elites incentives to accept (or at least acquiesce in) the building of a new political order.

Finally, Chowdhury and Krebs stress the difference between what one might call internal and external state-building capacities. It is true that much of the coercive power behind the state-building project in Afghanistan today comes from outside actors rather than from the Kabul regime. This does not change the fact, however, that the main challenge is centralizing

political authority and overcoming the resistance of local power holders, who have much to lose from the process.

What the French case shows is that centralizers need enough power and shrewdness to make a significant number of their domestic opponents consider cooperation and integration attractive. Chowdhury and Krebs are skeptical about the ability of the Afghan regime to pull off such a feat, even with outside help, and their skepticism may be justified. But their proposed alternative course is hardly promising or appealing. Abandoning centralization efforts and shifting to ad hoc counterterrorism collaboration with a coalition of various willing subnational actors is unlikely to advance U.S. interests in the long run. If Washington is committed to ensuring that neither the Taliban nor al Qaeda find a home in Afghanistan down the road, then state building will, unfortunately, be necessary. 🌐

Letters to the Editor

Mario Loyola on international law, Imran Gardezi on Pakistan's nuclear weapons, and Joseph Nye on imperial collapse

LEGALITY OVER LEGITIMACY

To the Editor:

Abraham Sofaer (“The Best Defense?” January/February 2010) argues that when the United States wishes to carry out acts of preventive self-defense or humanitarian intervention that are “technically illegal” under international law, it should seek justification according to a standard of international “legitimacy.” But this view underestimates the risks of ignoring legality. For one, gaining legitimacy will prove increasingly difficult if the United States does not have the law on its side.

The trouble stems largely from the problematic wording of the United Nations Charter. Article 2(4) prohibits “the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.” Virtually any use of force arguably violates the territorial integrity or political independence of some state. Hence, Article 2(4) is generally read as a blanket prohibition against using military force across borders, with only two exceptions: when the UN Security Council authorizes it and when it falls under the right of self-defense as outlined in Article 51.

But actual state practice shows that democratic governments do not consider

Article 2(4) so constraining. Instead, they have often used force that was justified only by the much broader “Purposes of the United Nations,” which are found in Article 1 of the charter and include “the prevention and removal of threats to the peace.”

Consider the Cuban missile crisis. When U.S. intelligence discovered the presence of nuclear missiles in Cuba, President John F. Kennedy imposed a naval quarantine and threatened to sink Soviet vessels headed for the island. The Soviets protested that these threats violated Article 2(4)—which was correct under the provision’s generally accepted meaning. Yet Kennedy pushed ahead.

Ignoring Article 2(4), most free governments at the time applauded Kennedy’s approach, and it has borne the color of legitimacy ever since. But those governments were heavily dependent on Washington. Had they not been, they might have withheld their support and left the United States with neither legality nor legitimacy on its side. The United States would have been painted as an international outlaw for taking necessary actions to prevent and remove grave threats to the peace—actions entirely consonant with the purposes of the UN.

International law matters, and the United States has a great interest in stable

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rules that command international adherence. Democracies depend on sustained political support at home and abroad for the success of their war strategies. This makes politics a limiting factor in the strategic power of democratic states. And because international law often defines the terms of political debate, it follows that strategic power often depends on international law. Indeed, questions of legality set the stage for the diplomatic debacle that the United States suffered in the months before the Iraq war—a debacle that almost undermined the entire war effort.

Sofaer's approach—giving up on stable rules in the hope of winning legitimacy on a case-by-case basis—entails significant risk. It would mean relying on political support from other governments just when that support is getting more elusive—and important—due to post-Cold War multipolarity and the rise of new powers with interests of their own. In a world of increasingly diverse and diverging strategic interests, legality will become even more important for marshaling political support at home and abroad. Unless the United States has legality on its side to begin with, the fountain of legitimacy is bound to dry up.

Sofaer acknowledges that international law should change and makes several good suggestions to that end. One is to judge the legality of military actions according to the purposes of the UN. This means construing narrowly Article 2(4)'s clause on "territorial integrity or political independence," in accordance with both the purposes of the UN and actual state practice. Laying the foundations for this change should be a priority for U.S. diplomats.

Weapons of mass destruction, terrorism, and failing states present threats that cannot be managed without the capacity to deploy preventive force and engage in humanitarian intervention. The right to use force in these cases is not merely the best defense, as Sofaer rightly argues; it will often be the only defense.

Today, these uses of force are technically illegal, and the United States is left with little choice but to ignore the law. But doing so delegitimizes international law, thereby weakening support for U.S. actions and the United States itself. It would be much better to change bad rules for good ones and insist that courts—and governments—stick to the letter of the law.

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PAKISTAN'S STABILIZING ARSENAL

To the Editor:

Based on hypothetical conjecture, Graham Allison ("Nuclear Disorder," January/February 2010) has fueled anxieties about the safety of Pakistan's nuclear arsenal.

Contrary to Allison's claims, international regulatory authorities have acknowledged the efficacy of Pakistan's comprehensive command-and-control structure, which has made the country's nuclear assets impervious to any threat, internal or external. Over the past decade, the Pakistani government has instituted many advanced security mechanisms, from tightened physical safety to technical controls on the nuclear weapons themselves. After the Pakistani nuclear scientist A. Q. Khan was discredited for his illicit dealings, Pakistan introduced a multilayered, fool-proof system of internal monitoring.

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The presence of militants on Pakistani soil, particularly on its western border, might raise alarms about nuclear safety. But even the most cursory knowledge of how nuclear states maintain their arsenals would make alarmists understand that extremists could not possibly come to possess a nuclear weapon, nor could non-state actors acquire such a device or the requisite delivery system. Moreover, the Pakistani army has recently carried out successful operations in Malakand, the Swat Valley, and Waziristan, putting the most feared extremists on the run and destroying their safe havens.

Pakistan stands committed to non-proliferation and disarmament and has taken effective measures to meet its international obligations. The government's wide-ranging regulatory instruments prevent the proliferation of weapons of mass destruction to any state—including, contrary to Allison's implication, Saudi Arabia. In addition, Pakistan continues to cooperate voluntarily with the International Atomic Energy Agency regarding its civil nuclear program.

The international community should recognize certain facts about Pakistan's nuclear program: it is based on minimum deterrence and self-defense, it has come of age and is here to stay, it was initiated and developed in response to regional asymmetry in both conventional and nuclear arms, and it is now a source of regional stability. It is in the interest

of regional and global peace that Pakistan be admitted into the fold of nuclear states.

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FISCAL CRISES RARELY FELL EMPIRES

To the Editor:

Niall Ferguson ("Complexity and Collapse," March/April 2010) is correct to caution that excessive debt could weaken the United States if it persists over a long period, but he is unconvincing in using complexity theory to warn of a sudden decline.

Ferguson argues that "most imperial falls are associated with fiscal crises," but his own evidence suggests otherwise. The swiftness of the decline of the Hapsburg, Ottoman, Romanov, and German empires was caused by war. Moreover, the end of a regime—the Ming dynasty, for example—is not always the end of a state's power. And it seems odd to describe the Western Roman Empire's decline as rapid when three centuries passed between its apogee and its demise.

The United States faces a number of problems (including debt) that may hinder its response to what the author Fareed Zakaria has called "the rise of the rest." But sudden collapse seems one of the less likely scenarios.

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