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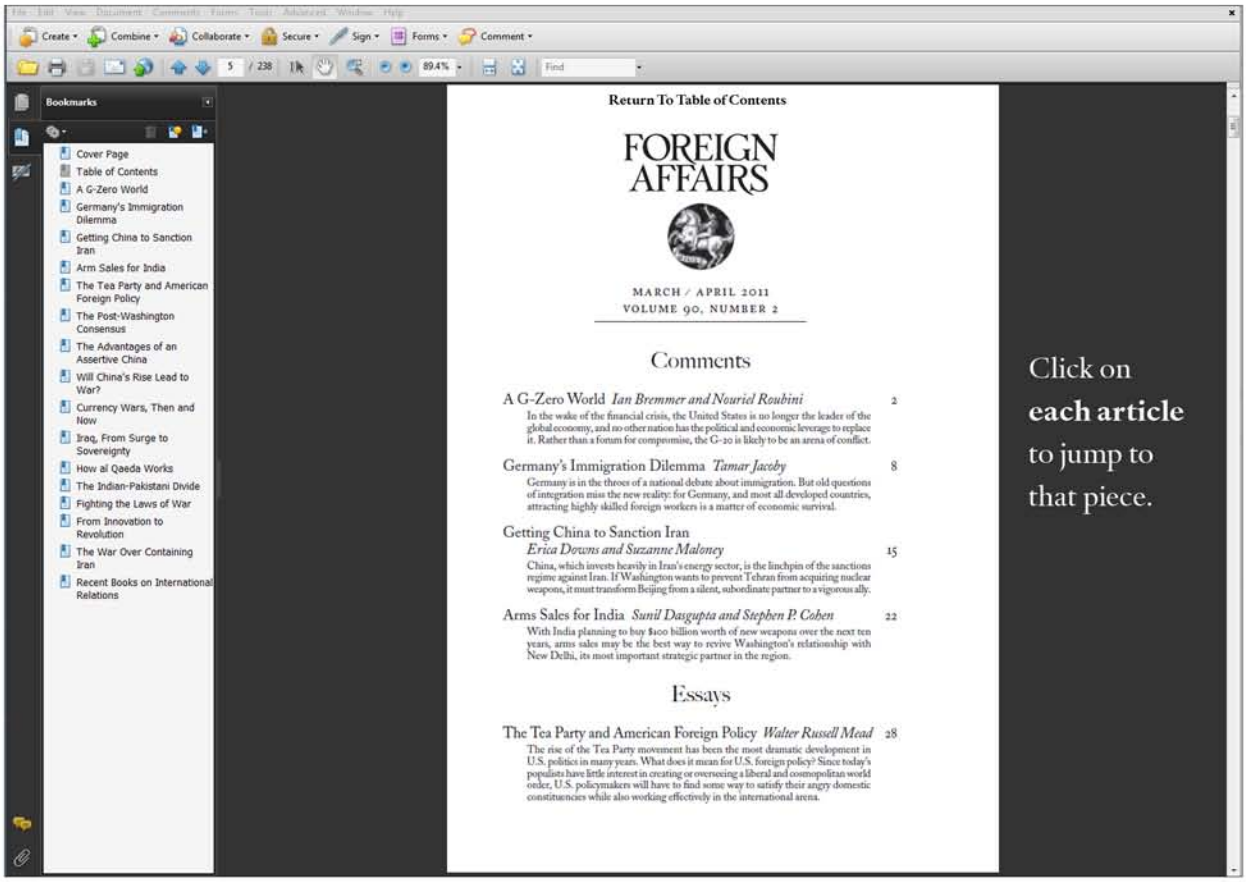

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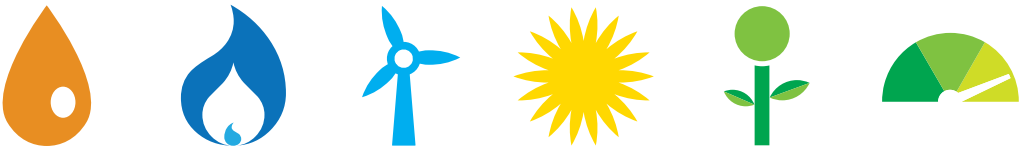

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Printed in the United States. Visit our Web site at www.foreignaffairs.com.

GST number 127686483RT.
Canada Post Customer #4015177 Publication #40035310.
Return mail in Canada should be sent to IMEX, PO Box 4332, Station Rd., Toronto, Ont. M5W 3J4

cfr Published by the Council on Foreign Relations

Comments

The best lessons for centralizing political authority in Afghanistan can be found in the paradigmatic case of state building: that of the ancien régime of seventeenth-century France.

From the Sun King to Karzai

Lessons for State Building in Afghanistan

Sheri Berman

In December 2009, U.S. President Barack Obama announced the fruits of his administration's lengthy review of Afghanistan policy: temporary troop reinforcements and a new military strategy designed to reverse recent gains by the Taliban, efforts to increase the quality of Afghan governance, and a stronger partnership with Pakistan. The troop increases and the proposed withdrawal starting date of July 2011 dominated the headlines, but in the long run the effects of what Obama called a "civilian surge" will be even more important.

As General Stanley McChrystal, the top U.S. military commander in Afghanistan, noted last August, Washington's mission will not be accomplished until the Afghan government can "sufficiently control its territory to support regional stability and prevent its use for international terrorism." But this would require a dramatic turnaround from the current situation, which, as McChrystal has put it, is marked by a "crisis of popular confidence that springs from the weakness of [government] institutions, the unpunished abuse of power by corrupt officials and power-brokers, a widespread sense of political disenfranchisement, and a long-standing lack of economic opportunity."

Calls for strengthening Afghanistan's state institutions have become a cliché, duly repeated in every major speech or report on the war. Yet there has been relatively little serious discussion about just what buttressing these institutions would actually entail. Perhaps this is because the deeper one digs, the more entrenched the obstacles appear. Powerful warlords; traditions of local, rather than central, governance; the dominance of tribal and ethnic identities over a national one; difficult terrain; a long history of internal conflict and violence—none of these augur well. Indeed, they were the reasons why many critics wanted Obama to pull back rather than escalate: since establishing even a minimally credible and effective central state in a country with such powerful centrifugal tendencies is a fantasy, they

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argued, any mission that depended on achieving this was doomed to failure.

Analysts on all sides have invoked various recent precedents to bolster their positions, from successful counterinsurgencies to unsuccessful imperial interventions. Yet none of the commonly cited analogies is ideal, because none provides an answer to the most pressing current question: whether and how a country such as Afghanistan today can acquire a reasonably well-functioning centralized state.

Looking deeper into the past turns out to be more useful. Early modern Europe, for example—the birthplace of the modern state—offers numerous lessons for contemporary policymakers to ponder. The paradigmatic case of state building in this era was that of ancien régime France, which managed to transform itself during the seventeenth century from a collection of localities into a unified polity. Exploring how such changes occurred provides grounds for both hope and concern. Hope, because many of the challenges facing Afghanistan turn out to be neither unprecedented nor insurmountable. Yet concern, because many of the state-building attempts throughout history have failed, and even those that succeeded did so only through long, bloody, and complex processes. State building, in short, is not a fantasy, even in conditions such as those of Afghanistan today. But nor is it a job for the impatient, the squeamish, or the easily frustrated.

THE PAST AS PRESENT

Since public debate often conflates several aspects of political development, clarifying concepts and defining terms is a crucial first order of business. The central challenge for Afghan politics right now is not democracy promotion (the development of political institutions representative of and responsible to the citizenry) or nation building (the development of a unified national consciousness among that citizenry). It is state building—the development of a national government that has a monopoly over the legitimate use of physical force throughout the country. As *The New York Times* reported recently, "The ability of the Afghan state to govern—to keep order, to build roads, to deliver basic services—is virtually nonexistent outside the capital." An essential characteristic of modern states is the centralization of authority, and, indeed, this is perhaps the greatest challenge President Hamid Karzai's government currently faces: extending the reach and writ of the government in Kabul across the full extent of Afghan territory and directing it toward effective governance.

Of course, the absence of a national political order does not mean the absence of all political order. In many countries without strong, modern states, local leaders or elites nonetheless monopolize force in specific areas. Authority exists, but it is fragmented and segmented, held and exercised by local powerbrokers. Today, such people are called warlords; in the past, they were simply lords. Whatever the term, the essence of state building involves destroying, undermining, or co-opting these actors so as to create a single national political authority.

This is precisely what happened in Europe, where modern states first arose

several hundred years ago. Up until the seventeenth century, the European continent was divided into many small political units with vague and porous borders. Where kings reigned, they usually were only titular leaders with little power outside a capital city. They had little contact with, or even direct impact on, their supposed subjects. The dominant authority figures in most people's lives were religious leaders or local notables, and popular identities were based on religion, locality, or community rather than anything that could truly be called nationality. Christian clergy exerted immense social, cultural, and political influence, and the church carried out many of the functions normally associated with states today, such as running schools and hospitals or caring for the poor.

Responsibility for security, meanwhile, lay chiefly with local or regional nobility, who maintained private fortresses, arsenals, and what would now be called militias or paramilitary forces. Political life in this prestate era was brutal: warfare, banditry, revolts, and religious and communal conflict were widespread. Even in England, where authority was centralized earlier and more thoroughly than elsewhere in Europe, one-fifth of all dukes met unnatural, violent deaths during the seventeenth century.

Around 1600, however, many European kings began to centralize authority. Their efforts were fiercely resisted by those with the most to lose from the process—namely, local political and religious elites. The resulting confrontations were so frequent and severe, and debates about the appropriate nature and locus of political authority so sharp, that many scholars consider them part of a "general crisis" that Europe experienced during the seventeenth century. The historian William Doyle notes that although "centralization may have been an essential step in the modernization of states . . . for those who attempted it, it often proved more trouble than it was worth." Across the continent, as the sociologist Reinhard Bendix put it, the result of national leaders' "efforts . . . to establish their authority over a country" was "bloody turmoil."

State building proved a greater challenge in some areas than others. It was particularly difficult where local, communal, and religious authorities were strong, the geography forbidding, and conflict and violence rampant. (Sound familiar?) But there were successes even under these conditions, including the most celebrated of all examples of activist state building, that of France under the ancien régime. France is often held up as the first modern, centralized state, and it was certainly the one contemporaries regarded with the greatest awe. The means French state builders used to outmaneuver the local notables and religious authorities that stood in their way, moreover, can speak across the centuries to policymakers facing similar challenges in the developing world today.

THE FRENCH CASE

Nation building in France was not completed until the early twentieth

century, and the country did not become a consolidated liberal democracy until the 1950s. Much of the development of a centralized French state, however, had occurred long before. The Bourbon monarchs Henry IV, who died in 1610, and Louis XV, who became king in 1715, shared blood, religion, and culture. But the former was not much more than first among political equals in his immediate area, whereas the latter inherited a centralized national administrative apparatus that was the envy of Europe. The French state, in other words, was largely built during the reigns of the monarchs in between.

When Hugh Capet, the first king of the dynasty that would eventually create what is now known as France, came to power, in 987, he ruled over a few hundred square miles around Paris and Orléans. Much the same was true for his successors over the following several centuries. Some nearby provinces were ostensibly part of France, but local nobles and the clergy held most of the property and the political and administrative power there; others were independent polities ruled by princes, counts, and dukes. French kings gradually expanded their authority over more territory, but up through the sixteenth century, France was essentially a collection of loosely affiliated communities with independent institutions, customs, and even languages. It was primarily during the reigns of Louis XIII (1610–43) and, especially, Louis XIV (1643–1715) that the monarchy expanded its armed forces, legal authority, and bureaucracy and took control of the country.

This process was remarkably conflictual. Its first several decades were marked by peasant revolts, religious wars, and the obstinate resistance of provincial authorities, which culminated in the series of conflicts known as the Fronde (1648–53) and threatened to plunge the country into complete chaos. Louis XIV eventually defeated the recalcitrant nobles and local leaders on the battlefield, but the costs of victory were so high that he decided to complete the process of centralizing power by co-opting his remaining rivals rather than crushing them.

During the second half of the seventeenth century, accordingly, he and his ministers focused on buying off and winning over key individuals and social groups that might otherwise obstruct their state-building efforts. Adapting and expanding a common practice, for example, they repeatedly sold state offices to the highest bidders; by the eighteenth century, almost all the posts in the French government were for sale, including those dealing with the administration of justice. These offices brought annual incomes, a license to extract further revenues from the population at large, and exemptions from various impositions. The system had drawbacks in terms of technocratic effectiveness, but it also had compensating benefits for the crown: selling off public posts was an easy way to raise money and helped turn members of the gentry and the emerging bourgeoisie into officeholders. Rather than depending on local or personal sources of revenue, these new officeholders eventually developed new interests connected to the broader national system.

Louis XIV and his ministers also adopted what would now be called targeted

tax breaks. Nobles were freed from the hated taille (a direct levy on property), and the church was allowed to keep the revenue it earned from the land it owned (between six and ten percent of the country's territory) in exchange for modest gifts to the king. The church was also permitted to collect the tithe—one tenth of every person's livelihood.

Such material incentives were deployed to build up an elaborate clientelistic system dominated by Paris. Rather than abolish the existing patronage networks, officials put them at the service of the new French state. Cardinals Richelieu and Mazarin, the chief ministers to Louis XIII and XIV, respectively, studied the relationships that allowed local elites to control their underlings and reward their supporters and tried to supplant those with new relationships centered on the king and his ministers. They selected provincial brokers who had excellent contacts in far-flung areas but whose loyalties were to Paris and then gave these brokers money and benefits that could be channeled to others in turn, thus expanding the reach of the crown throughout the periphery.

Another tactic designed to secure the state's authority was the construction of Louis XIV's glittering palace at Versailles, which was officially established as the seat of the French court in 1682. The luxury of the palace was more than merely a celebration of the wealth and power of the Sun King; it was also a crucial weapon in his battle to domesticate the obstreperous French nobility. Louis XIV made the aristocracy's presence at Versailles a key prerequisite for their obtaining favor, patronage, and power. By assembling many of the most important local notables at his court, he was able to watch over them closely while separating them from their local power bases. The tradeoff was clear: in return for abandoning their local authority and autonomy, nobles were given handsome material rewards and the opportunity to participate in the court's luxurious lifestyle.

Over time, these tactics helped increase the power of the king and his state while decreasing that of his rivals. By the time Louis XIV left office, the national government had defeated its internal enemies and had at its disposal a powerful military apparatus and a loyal bureaucracy. It was finally able to control and govern the territory now known as France. This process was not a zero-sum game, however. Although the political power of local elites was undermined, their social status and economic advantages remained largely intact. Similarly, Louis XIV left enormous financial resources in the hands of the Catholic Church, even as he asserted the king's right to make ecclesiastical laws, approve papal declarations, control French bishops' travel, and shield royal officials from excommunication. Nonetheless, one might say that the two Louis and their ministers essentially bribed their way to power. The result, as Alexis de Tocqueville noted, was that although by the end of the eighteenth century the nobility had ceased to "act as leaders of the people," they had "not only retained but greatly increased their fiscal immunities and the advantages accruing to them individually."

BACK TO THE FUTURE?

Looking at weak states in Afghanistan and elsewhere today, and the conflict and poverty they engender, observers tend to mourn a putative long-lost era when state building was straightforward and less problematic. Such nostalgia is often accompanied, consciously or not, by undertones of ethnic or cultural superiority—as if the struggles today in the developing world stem from unique or intrinsic characteristics of the communities living there.

The truth, however, is that modernization has almost always been traumatic and the emergence of strong centralized states has almost always been fraught with difficulties. This makes perfect sense when one considers what is actually involved: the breakdown of a traditional order and long-standing patterns of authority and their replacement by a new social and political framework. The decidedly mixed record of contemporary state-building efforts should also come as no surprise, since that has been a historical constant as well: the vast majority of the political units that existed in early modern Europe eventually disappeared, even in the area known today as France—just ask any Breton, Gascon, or Norman.

Despite all the ways the contemporary world differs from the past, there is little reason to expect that history's lessons about state building no longer apply: it can be accomplished almost anywhere, but only after a long, hard slog. This leaves policymakers looking honestly at the challenge of state building in Afghanistan today

with two options. The first is essentially to abandon the attempt, on the grounds that success would be difficult to achieve and even in the best-case scenario would take too much time and effort to be worth it. The second is to grasp the nettle and dig in for the long haul.

Adherents of the latter position can take comfort in the thought that there is no reason to believe state-building efforts are doomed to fail, even in places such as Afghanistan. Contemporary officials even have a potential advantage over their historical predecessors, because they can learn from the past and can see where they are heading. But in order to have a chance at succeeding, they need to think carefully and concretely about what state building actually entails.

Whether in seventeenth-century France or twenty-first-century Afghanistan, a crucial prerequisite for state building is the centralization of political authority. A key challenge facing state builders, therefore, is how to deal with the local elites who stand to lose out in the process. In France, this meant managing the nobility and the clergy; in Afghanistan, it means handling warlords, tribal chiefs, and the Taliban.

How to do this best is a subject of debate. Appeasers advocate trading money or land for peace; hard-liners decry making any deals with corrupt, brutal, or fanatical opponents. The example of seventeenth-century France suggests that both these positions are misguided and that both sticks and carrots are required.

Would-be centralizers need enough military power to raise the costs of resistance and scare their opponents into contemplating cooperation. In France, the monarchy's hard power played an important role in persuading many nobles to consider making peace with the growing state rather than continuing to confront it. In Afghanistan, this strategy is presently being carried out by the International Security Assistance Force, the NATO-led mission in the country, but in the long run it will need to be performed by local forces loyal to the government in Kabul.

But coercion alone is insufficient, both because it is extremely costly and because the rapid destruction of traditional social, political, and economic relationships leads to chaos unless paired with corresponding efforts at stabilization and the rebuilding of authority and order along new lines. Alongside their coercive efforts, therefore, centralizers need to find other ways of bringing their rivals into the fold and keeping them there. In France, the king and his ministers recognized—even after their military victory in the Fronde—the high costs of trying to complete centralization by force alone. So they gradually bought off their opponents, inducing them to give up local power bases and independent political aspirations in return for social and economic payoffs.

Merely handing out goodies to local power brokers, however, is not a viable state-building strategy. Unless material incentives are carefully designed and targeted, they will simply end up increasing the resources of local elites and hence their ability to confound the state-building process. French kings before Louis XIII

and XIV had been offering payoffs and privileges to local elites for centuries, but it was only in the early modern era that leaders in Paris deliberately designed and dispensed such benefits to facilitate significant centralization.

Successful state builders in France and elsewhere have confronted their domestic rivals with a choice: continue to struggle and be crushed in war or make peace with the centralizing enterprise in return for various benefits. The dispensing of such benefits can cost authorities a lot—in money, in forbearance, and in functional effectiveness. Today, they also cost a great deal in honor and principle, since the local power brokers in question are often brutal thugs who routinely violate a broad range of human rights. Still, the returns can be significant—a clearer path toward the development of the centralized national administrative structures that a functioning, modernized polity needs. With state building a necessary prerequisite for order, stability, and growth, the costs may be worth paying.

In Afghanistan, this would mean recognizing the need to deal with warlords, tribal chiefs, and members of the Taliban. Such dealings need to start from a position of strength, so that local elites realize that the costs of noncooperation are real. But they also need to be informed by a strategy for using material resources to reshape local and national political relationships, so that over time the center can gradually extend its reach over the periphery.

The Obama administration has undertaken a sober analysis of the difficult national security problem posed by Afghanistan. Its decision to bet on a combination of counterinsurgency and efforts at improving Afghan governance has historical resonance, and given enough time, effort, and resources, it might conceivably achieve its goals. But given the challenges that Afghan state building will involve, the attention devoted to the military and nonmilitary elements of the policy has been inversely proportionate to their respective long-term significance. What everybody should recognize up front is that counterinsurgency will be the easy part.

Empty Promises?

Obama's Hesitant Embrace of Human Rights

Kenneth Roth

After eight years of the Bush administration, with its torture of suspected terrorists and disregard for international law, Barack Obama's victory in the November 2008 U.S. presidential election seemed a breath of fresh air to human rights activists. Obama took office at a moment when the world desperately needed renewed U.S. leadership. In his inaugural address, Obama immediately signaled that, unlike Bush, he would reject as false "the choice between our safety and our ideals."

Obama faces the challenge of restoring the United States' credibility at a time when repressive governments—emboldened by the increasing influence of authoritarian powers such as China and Russia—seek to undermine the enforcement of international human rights standards. As he put it when accepting the Nobel Peace Prize, the United States cannot "insist that others follow the rules of the road if we refuse to follow them ourselves." His Nobel speech in Oslo also affirmed the U.S. government's respect for the Geneva Conventions. "Even as we confront a vicious adversary that abides by no rules," Obama argued, "I believe the United States of America must remain a standard bearer in the conduct of war. That is what makes us different from those whom we fight. That is a source of our strength."

When it comes to promoting human rights at home and abroad, there has undoubtedly been a marked improvement in presidential rhetoric. However, the translation of those words into deeds remains incomplete.

AN INCOMPLETE REVERSAL

Obama moved rapidly to reverse the most abusive aspects of the Bush administration's approach to fighting terrorism. Two days after taking office, he insisted that all U.S. interrogators, including those from the CIA, abide by the stringent standards adopted by the U.S. military in the wake of the Abu Ghraib debacle. He also ordered the shuttering of all secret CIA detention facilities, where many suspects "disappeared" and were tortured between 2001 and 2008. Finally, he promised to close the detention center at Guantánamo Bay, Cuba, within a year.

But it is not enough for the government to stop using torture; perpetrators must also

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be punished. The Obama administration has so far refused to investigate and prosecute those who ordered or committed torture—a necessary step to prevent future administrations from committing the crime. While in office, as he did during the campaign, Obama has repeatedly spoken of wanting to "look forward, not back." And although Attorney General Eric Holder has launched a "preliminary review" of interrogators who exceeded orders, he has until now refrained from prosecuting those who ordered torture or wrote the legal memos justifying it. This lets senior officials—arguably those who are most culpable—off the hook.

Meanwhile, Obama's one-year deadline for closing Guantánamo has slipped because of congressional opposition and the complexity of deciding how to handle the cases of more than 200 detainees. The real issue, however, is less when Guantánamo will close than how. Human Rights Watch and other nongovernmental organizations (NGOs) have urged the administration to prosecute detainees in regular federal courts, repatriate them, or resettle them in safe countries willing to accept them. However, the White House has insisted on maintaining two other options: prosecuting suspects before military commissions or continuing to hold them indefinitely without charge or trial.

The Obama administration's military commissions would avoid the most problematic aspect of the Bush administration's commissions—the power to introduce at trial statements obtained through coercion and abuse. But the Obama commissions, as approved by Congress, continue to suffer from a lack of independence (their judges are military officers, who must report to superiors in the chain of command), controversy about the offenses they cover (some are not clearly war crimes or were not clearly criminal at the time they were committed), and untested rules of procedure (unlike regular courts or even courts-martial, which have well-established procedures, the rules for military commissions are being constructed largely from scratch). These due process shortcomings are likely to keep the public and the press focused on the fairness of the trials accorded suspects, rather than the gravity of their alleged crimes.

Obama has also tried to distinguish himself from Bush in his approach to detaining suspects without charge or trial. The new administration has abandoned Bush's claim of inherent executive authority and relied instead on an interpretation of Congress' 2001 authorization to use military force against al Qaeda, the Taliban, and associated groups. But both approaches still permit the detention of suspects not captured on a traditional battlefield, such as in Afghanistan. That is a controversial approach because it permits U.S. soldiers or law enforcement officials to indefinitely detain suspected terrorists anywhere in the world without regard to the due process standards of the United States or any other country.

Obama's refusal to end the use of military commissions and detention without trial risks perpetuating the spirit of Guantánamo even after the physical facility has been shut.

STREET CRED

The Bush administration had difficulty encouraging foreign leaders to respect human rights because of its perceived arrogance, hypocrisy, and unilateralism.

Since taking office, Obama has worked hard to restore U.S. credibility.

Obama's speeches in Accra, Cairo, Moscow, Oslo, and Shanghai have been a key vehicle for promoting a renewed U.S. human rights agenda. Rather than merely preaching abstract principles, Obama has drawn examples from the United States' checkered history and his own life story to encourage other nations to respect human rights. The humility in this approach avoids Bush's hectoring tone and places the United States squarely within the community of nations as a country that, like others, struggles to respect human rights and benefits when it does so.

In Accra, in a rebuke to President Bill Clinton's embrace of authoritarian African leaders in the 1990s, Obama observed, "Africa doesn't need strongmen, it needs strong institutions," such as "strong parliaments; honest police forces; independent judges; an independent press; a vibrant private sector; a civil society." However, Obama has not put sustained pressure on such U.S. allies as Paul Kagame of Rwanda or Meles Zenawi of Ethiopia to reform their increasingly authoritarian rule. Forceful U.S. condemnations have been largely limited to such pariahs as Robert Mugabe of Zimbabwe, Omar al-Bashir of Sudan, and the military junta in Guinea.

In Cairo, Obama rejected Bush's attempt to justify the invasion of Iraq as an exercise in democracy promotion, declaring that "no system of government can or should be imposed by one nation on any other." But he insisted nonetheless that the United States remains committed "to governments that reflect the will of the people." He stressed the importance of principled conduct even when it works against short-term U.S. interests, suggesting that, unlike Bush, he would accept an electoral victory by Egypt's Islamist opposition group, the Muslim Brotherhood.

Frustrating as that comment might have been to the government of Egyptian President Hosni Mubarak, Obama has generally shown too much deference to his hosts. He has not publicly criticized U.S. allies in the Middle East that violate democratic principles, nor is there any evidence that he has privately encouraged these authoritarian governments to move in a more democratic direction. For example, Washington has promised Cairo that there will be no human rights conditions placed on U.S. economic assistance to Egypt and has acquiesced in the Egyptian government's demand that all funds from the U.S. Agency for International Development earmarked for NGOs go only to those groups that comply with the Mubarak government's onerous restrictions. Obama's desire to maintain close relations with Mubarak, especially in the hope that he might assist in resolving the Israeli-Palestinian conflict, seems to have taken precedence over the human rights principles Obama articulated in his Cairo speech.

In Moscow, Obama met with civil-society representatives and praised the vital role they play in Russian society. He explained that criticisms and tough questions from U.S. civil-society organizations help him make better decisions and strengthen the United States—a bold statement in a country where NGOs monitoring human rights or promoting government accountability are routinely harassed. Yet his administration has not applied sustained pressure on the Russian

government to stop trying to silence leaders of NGOs. Nor has Obama warned Russian leaders that serious abuses, such as the brazen murders of activists and journalists fighting human rights abuses in the North Caucasus, could damage the bilateral relationship.

Similarly, in China, Obama followed in the footsteps of successive U.S. presidents by downplaying the importance of human rights in favor of promoting trade, economic ties, and diplomatic cooperation. Before a handpicked audience of "future Chinese leaders" in Shanghai, he spoke of the United States' journey up from slavery and the struggles for women's and workers' rights, making clear that the United States, too, has a far-from-perfect human rights record. He affirmed the United States' bedrock belief "that all men and women are created equal, and possess certain fundamental rights." However, in a question-and-answer session, he seemed to suggest that China's draconian "great firewall" on the Internet was a reflection of different "traditions," rather than demanding that it be torn down. That remark led to a storm of criticism from Chinese bloggers, and Obama left the country appearing to be in thrall to Chinese economic power and barely interested in risking anything to protect the rights of the 1.3 billion Chinese still living under a dictatorship.

In a speech at Georgetown University a few weeks later, Secretary of State Hillary Clinton justified this approach as "principled pragmatism," and administration officials have spoken privately of building up political capital to press China on human rights in the future. But there is no such pressure today. From Clinton's February 2009 statement that human rights "can't interfere" with other U.S. interests in China to Obama's refusal to meet with the Dalai Lama in October, Washington has consistently failed to confront China's authoritarian rulers on questions of religious and political freedom.

MULTILATERALISM LITE

During the 2008 election campaign, Obama promised to replace Bush's notorious unilateralism with a greater commitment to cooperation, alliance building, and engagement with adversaries. One early symbol of this new approach was the decision to reverse Bush's policy and authorize U.S. participation in the UN Human Rights Council—an important step toward trying to salvage that troubled institution. The 47-member council has been dominated by authoritarian governments since its inception in June 2007. Its members have incessantly criticized Israel and have generally seemed more concerned with protecting abusive leaders than condemning them for human rights violations.

But the positive step of joining the council was significantly offset in September, when Washington distanced itself from a council-sponsored report—written by the respected South African jurist Richard Goldstone—that accused Israel (as well as Hamas) of war crimes during its December 2008–January 2009 invasion of the Gaza Strip and called for the perpetrators to be brought to justice. Washington's strong criticism of the report called into question Obama's commitment to the impartial application of human rights principles to friends and foes alike. The move was particularly unfortunate because the report broke new ground for the council by criticizing an Israeli

adversary, Hamas. Obama had it right in Oslo, when he said that "only a just peace based on the inherent rights and dignity of every individual can truly be lasting." Unfortunately, he has not yet applied that insight to Israel.

The Obama administration has also taken a more positive approach to international law than the wary and often hostile Bush administration did. Accelerating a trend that began in the late Bush years, Obama has actively supported the work of the International Criminal Court, especially in Darfur and the Democratic Republic of the Congo, as well as, more recently, in Kenya. For the first time, U.S. officials have participated as observers in deliberations about the tribunal's future.

The United States is also embracing certain UN human rights treaties, after an eight-year hiatus. It signed the new Convention on the Rights of People with Disabilities. In October, when Israeli Prime Minister Benjamin Netanyahu suggested that the laws of war should be amended to make it easier for states to fight irregular armed groups, Susan Rice, the U.S. ambassador to the United Nations, pushed back by reaffirming Washington's commitment to the Geneva Conventions—a position that Obama himself reiterated in Oslo.

Yet there have been limits to Obama's commitment to international law. His administration has sent mixed signals about a 1997 treaty banning antipersonnel land mines, first announcing that it would not sign the treaty and then saying that a policy review was still ongoing, even though the United States has not used, produced, or exported these weapons in the 12 years since the treaty was established. The administration has so far failed to seize this easy

opportunity to embrace an important multilateral treaty. Similarly, the administration has not yet joined many of its NATO allies in endorsing the 2008 Convention on Cluster Munitions, which bans the use of these indiscriminate weapons, even though the U.S. military has not used them since 2003 and recognizes the danger they pose to civilians. And although the Obama administration has declared that it plans to ratify the UN Convention on the Elimination of All Forms of Discrimination Against Women, it has not pressed for Senate ratification of it, nor has it pressed for Senate ratification of the UN Convention on the Rights of the Child. The United States has the dubious distinction of being the only country other than Somalia not to have ratified the children's rights treaty and finds itself in the unenviable company of only Iran, Nauru, Somalia, Sudan, and Tonga when it comes to the treaty on women's rights.

DESTRUCTIVE ENGAGEMENT

Obama has rightfully rejected Bush's policy of dealing with repressive governments mainly by refusing to talk to them. His new approach has been most visible in Myanmar (also called Burma) and Sudan, where U.S. envoys have increased communication with senior officials without abandoning pressure on their governments to curb repression. In the case of Sudan, despite some mixed signals, the administration has managed to engage the government on the importance of curbing violence in Darfur and southern Sudan without speaking directly with President Bashir, who has been indicted as a war criminal.

In Central Asia, however, this emphasis on engaging authoritarian regimes has yielded disappointing results. In the highly repressive nations of Turkmenistan and Uzbekistan, where the dominant U.S. concern is sustaining military supply lines into neighboring Afghanistan, the Obama administration has refrained from publicly articulating specific human rights concerns. It has limited itself instead to general statements about U.S. support for democracy and the rule of law while stressing U.S. respect for the sovereign prerogatives of these countries' autocratic leaders. The administration has also largely squandered the opportunity to push for reform in Kazakhstan, despite the fact that its repressive government was particularly susceptible to pressure in the months before it assumed the rotating chairmanship of the Organization for Security and Cooperation in Europe.

In Afghanistan, Obama administration officials recognized from the outset that abusive and corrupt warlords linked to President Hamid Karzai's government were fueling the Taliban's popularity throughout the country. After Karzai's tainted electoral victory in August, the administration pushed his government to distance itself from some officials with blood on their hands or ill-gotten gains in their pockets. However, it is not yet clear whether Washington is prepared to sever its own ties with some of these tainted officials, such as the president's younger brother, Ahmed Wali Karzai, a powerful figure in Kandahar who is reportedly on the CIA payroll despite being connected to drug traffickers. Nor is there any indication that U.S. Special Forces will abandon the abusive militia they have hired in provinces such as Herat and Uruzgan.

Across the border in Pakistan, the Obama administration has been providing

conditional military aid to the elected government—a more principled approach than its predecessor's, which unconditionally supported the autocratic rule of General Pervez Musharraf. Washington also accepted the reinstatement of ousted Supreme Court Chief Justice Iftikhar Chaudhry, even though his constitutional rulings and his revival of corruption charges could imperil President Asif Ali Zardari, a U.S. partner. Still, Obama has not taken up the cases of thousands of people who disappeared during Musharraf's rule. Nor has he pushed for human rights abusers from the Pakistani military, including Musharraf himself, to be held accountable.

Closer to home, in Latin America, Obama has cooperated with regional allies far more than his predecessor did. Unlike Bush, who tacitly accepted the 2002 coup attempt against Venezuela's Hugo Chávez, Obama was quick to join regional allies in condemning the ouster of Honduran President Manuel Zelaya last June and calling for his reinstatement—even if the administration did not adequately pressure the de facto government to accept Zelaya's return.

The White House has rightly deferred consideration of a much-sought-after free-trade agreement with Colombia, whose government has failed to dismantle the highly abusive paramilitary forces responsible for the murder of hundreds of trade unionists and others. Genuinely dismantling those paramilitary forces, and holding their leaders and accomplices accountable, should be a prerequisite to any free-trade agreement. At the same time, however, Obama has continued the misguided Bush-era policy of certifying the Colombian military's compliance with the human rights standards necessary to receive U.S. military aid—despite an ongoing atmosphere of impunity for the soldiers and officers responsible for widespread extrajudicial executions.

Obama has similarly fallen short in Mexico, where the U.S. government promised to contribute $1.35 billion over several years to the government for equipment and training to combat drug trafficking. Roughly 15 percent of these funds are dependent on Mexico's compliance with certain human rights requirements, including bringing military abuses under the jurisdiction of civilian courts. Mexico has utterly failed to meet that requirement, but the State Department has nevertheless allowed a portion of these funds to be delivered. All of this calls into question Obama's commitment to curbing military abuses and ending official impunity south of the border.

WALKING THE WALK

From a human rights perspective, there is no doubt that the Obama White House has done better than the Bush administration. As one would expect from so eloquent a president, Obama has gotten the rhetoric largely right. The challenge remains to translate poetic speeches into prosaic policy—and live up to the principles he has so impressively articulated. Making that shift will not be easy, but the consistent application of human rights principles is essential if Washington is to redeem its reputation and succeed in promoting the global values that Obama rightly believes are the key to prosperity and stability throughout the world.

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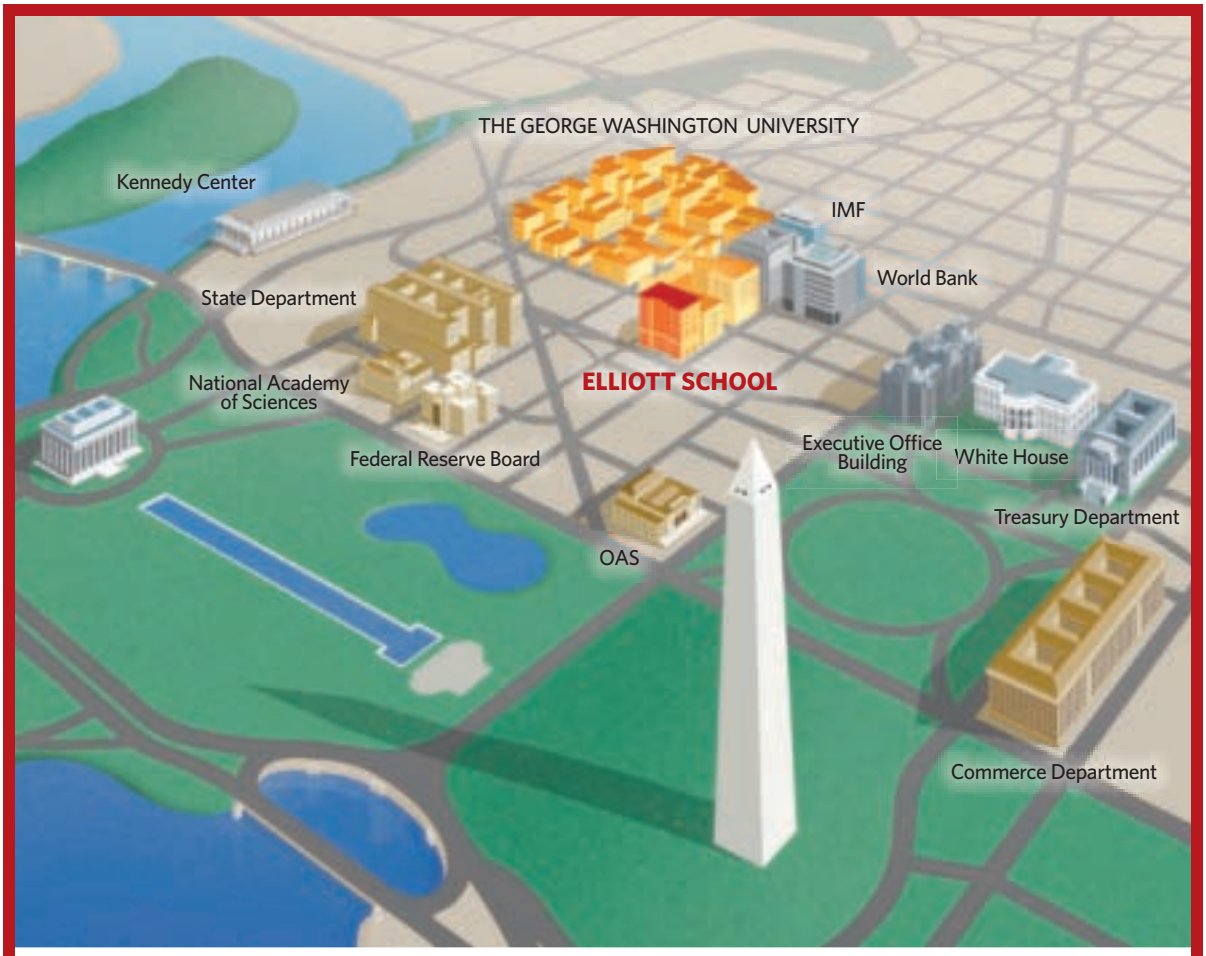

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Essays

The shift from consummation to destruction and then to desolation is not cyclical. It is sudden.

Complexity and Collapse

Empires on the Edge of Chaos

Niall Ferguson

There is no better illustration of the life cycle of a great power than *The Course of Empire*, a series of five paintings by Thomas Cole that hang in the New-York Historical Society. Cole was a founder of the Hudson River School and one of the pioneers of nineteenth-century American landscape painting; in *The Course of Empire*, he beautifully captured a theory of imperial rise and fall to which most people remain in thrall to this day.

Each of the five imagined scenes depicts the mouth of a great river beneath a rocky outcrop. In the first, *The Savage State*, a lush wilderness is populated by a handful of hunter-gatherers eking out a primitive existence at the break of a stormy dawn. The second picture, *The Arcadian or Pastoral State*, is of an agrarian idyll: the inhabitants have cleared the trees, planted fields, and built an elegant Greek temple. The third and largest of the paintings is *The Consummation of Empire*. Now, the landscape is covered by a magnificent marble entrepôt, and the contented farmer-philosophers of the previous tableau have been replaced by a throng of opulently clad merchants, proconsuls, and citizen-consumers. It is midday in the life cycle. Then comes *Destruction*. The

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city is ablaze, its citizens fleeing an invading horde that rapes and pillages beneath a brooding evening sky. Finally, the moon rises over the fifth painting, *Desolation*. There is not a living soul to be seen, only a few decaying columns and colonnades overgrown by briars and ivy.

Conceived in the mid-1830s, Cole's great pentaptych has a clear message: all empires, no matter how magnificent, are condemned to decline and fall. The implicit suggestion was that the young American republic of Cole's age would be better served by sticking to its bucolic first principles and resisting the imperial temptations of commerce, conquest, and colonization.

For centuries, historians, political theorists, anthropologists, and the public at large have tended to think about empires in such cyclical and gradual terms. "The best instituted governments," the British political philosopher Henry St. John, First Viscount Bolingbroke, wrote in 1738, "carry in them the seeds of their destruction: and, though they grow and improve for a time, they will soon tend visibly to their dissolution. Every hour they live is an hour the less that they have to live."

Idealists and materialists alike have shared that assumption. In his book *Scienza nuova,* the Italian philosopher Giambattista Vico describes all civilizations as passing through three phases: the divine, the heroic, and the human, finally dissolving into what Vico called "the barbarism of reflection." For Hegel and Marx, it was the dialectic that gave history its unmistakable beat. History was seasonal for Oswald Spengler, the German historian, who wrote in his 1918–22 book, *The Decline of the West,* that the nineteenth century had been "the winter of the West, the victory of materialism and skepticism, of socialism, parliamentarianism, and money." The British historian Arnold Toynbee's universal theory of civilization proposed a cycle of challenge, response, and suicide. Each of these models is different, but all share the idea that history has rhythm.

Although hardly anyone reads Spengler or Toynbee today, similar strains of thought are visible in contemporary bestsellers. Paul Kennedy's *The Rise and Fall of the Great Powers* is another work of cyclical history—despite its profusion of statistical tables, which at first sight make it seem the very antithesis of Spenglerian grand theory. In Kennedy's model, great powers rise and fall according to the growth rates of their

industrial bases and the costs of their imperial commitments relative to their GDPs. Just as in Cole's *The Course of Empire*, imperial expansion carries the seeds of future decline. As Kennedy writes, "If a state overextends itself strategically . . . it runs the risk that the potential benefits from external expansion may be outweighed by the great expense of it all." This phenomenon of "imperial overstretch," Kennedy argues, is common to all great powers. In 1987, when Kennedy's book was published, the United States worried that it might be succumbing to this disease. Just because the Soviet Union fell first did not necessarily invalidate the hypothesis.

More recently, it is Jared Diamond, an anthropologist, who has captured the public imagination with a grand theory of rise and fall. His 2005 book, *Collapse: How Societies Choose to Fail or Succeed*, is cyclical history for the so-called Green Age: tales of past societies, from seventeenth-century Easter Island to twenty-first-century China, that risked, or now risk, destroying themselves by abusing their natural environments. Diamond quotes John Lloyd Stevens, the American explorer and amateur archaeologist who discovered the eerily dead Mayan cities of Mexico: "Here were the remains of a cultivated, polished, and peculiar people, who had passed through all the stages incident to the rise and fall of nations, reached their golden age, and perished." According to Diamond, the Maya fell into a classic Malthusian trap as their population grew larger than their fragile and inefficient agricultural system could support. More people meant more cultivation, but more cultivation meant deforestation, erosion, drought, and soil exhaustion. The result was civil war over dwindling resources and, finally, collapse.

Diamond's warning is that today's world could go the way of the Maya. This is an important message, no doubt. But in reviving the cyclical theory of history, *Collapse* reproduces an old conceptual defect. Diamond makes the mistake of focusing on what historians of the French Annales school called *la longue durée*, the long term. No matter whether civilizations commit suicide culturally, economically, or ecologically, the downfall is very protracted. Just as it takes centuries for imperial overstretch to undermine a great power, so, too, does it take centuries to wreck an ecosystem. As Diamond points out, political leaders in almost any society—primitive or sophisticated—have little

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The Savage State, *from Thomas Cole's* The Course of Empire (1833–36)

incentive to address problems that are unlikely to manifest themselves for a hundred years or more.

Did the proconsuls in Cole's *The Consummation of Empire* really care if the fate of their great-great-grandchildren was destruction? No. Would they have accepted a tax increase that would have financed a preemptive strike against the next millennium's barbarian horde? Again, no. As the UN Climate Change Conference in Copenhagen last December made clear, rhetorical pleas to save the planet for future generations are insufficient to overcome the conflicts over economic distribution between rich and poor countries that exist in the here and now.

The current economic challenges facing the United States are also often represented as long-term threats. It is the slow march of demographics—which is driving up the ratio of retirees to workers—and not current policy, that condemns the public finances of the United States to sink deeper into the red. According to the Congressional Budget Office's "alternative fiscal scenario," which takes into account likely changes in government policy, public debt could rise from 44 percent before the financial crisis to a staggering 716 percent by 2080. In its "extended-baseline scenario," which assumes current policies will remain the same, the figure is closer to 280 percent. It hardly seems

to matter which number is correct. Is there a single member of Congress who is willing to cut entitlements or increase taxes in order to avert a crisis that will culminate only when today's babies are retirees?

Similarly, when it comes to the global economy, the wheel of history seems to revolve slowly, like an old water mill in high summer. Some projections suggest that China's GDP will overtake the United States' GDP in 2027; others say that this will not happen until 2040. By 2050, India's economy will supposedly catch up with that of the United States, too. But to many, these great changes in the balance of economic power seem very remote compared with the timeframe for the deployment of U.S. soldiers to Afghanistan and then their withdrawal, for which the unit of account is months, not years, much less decades.

Yet it is possible that this whole conceptual framework is, in fact, flawed. Perhaps Cole's artistic representation of imperial birth, growth, and eventual death is a misrepresentation of the historical process. What if history is not cyclical and slow moving but arrhythmic—at times almost stationary, but also capable of accelerating suddenly, like a sports car? What if collapse does not arrive over a number of centuries but comes suddenly, like a thief in the night?

WHEN GOOD SYSTEMS GO BAD

GREAT POWERS and empires are, I would suggest, complex systems, made up of a very large number of interacting components that are asymmetrically organized, which means their construction more resembles a termite hill than an Egyptian pyramid. They operate somewhere between order and disorder—on "the edge of chaos," in the phrase of the computer scientist Christopher Langton. Such systems can appear to operate quite stably for some time; they seem to be in equilibrium but are, in fact, constantly adapting. But there comes a moment when complex systems "go critical." A very small trigger can set off a "phase transition" from a benign equilibrium to a crisis—a single grain of sand causes a whole pile to collapse, or a butterfly flaps its wings in the Amazon and brings about a hurricane in southeastern England.

Not long after such crises happen, historians arrive on the scene. They are the scholars who specialize in the study of "fat tail" events—the low-frequency, high-impact moments that inhabit the tails of

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The Arcadian or Pastoral State, *from Thomas Cole's* The Course of Empire (1833–36)

probability distributions, such as wars, revolutions, financial crashes, and imperial collapses. But historians often misunderstand complexity in decoding these events. They are trained to explain calamity in terms of long-term causes, often dating back decades. This is what Nassim Taleb rightly condemned in *The Black Swan* as "the narrative fallacy": the construction of psychologically satisfying stories on the principle of *post hoc, ergo propter hoc*.

Drawing casual inferences about causation is an age-old habit. Take World War I. A huge war breaks out in the summer of 1914, to the great surprise of nearly everyone. Before long, historians have devised a story line commensurate with the disaster: a treaty governing the neutrality of Belgium that was signed in 1839, the waning of Ottoman power in the Balkans dating back to the 1870s, and malevolent Germans and the navy they began building in 1897. A contemporary version of this fallacy traces the 9/11 attacks back to the Egyptian government's 1966 execution of Sayyid Qutb, the Islamist writer who inspired the Muslim Brotherhood. Most recently, the financial crisis that began in 2007 has been attributed to measures of financial deregulation taken in the United States in the 1980s.

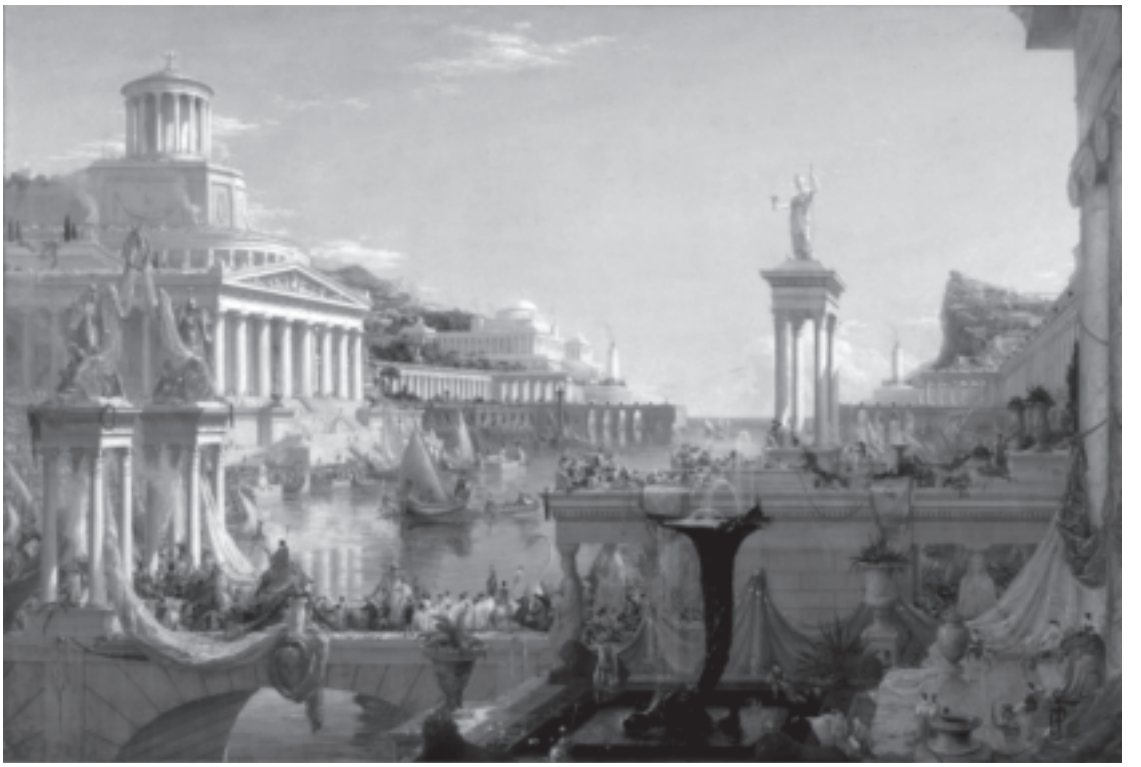
In reality, the proximate triggers of a crisis are often sufficient to explain the sudden shift from a good equilibrium to a bad mess. Thus,

World War I was actually caused by a series of diplomatic miscalculations in the summer of 1914, the real origins of 9/11 lie in the politics of Saudi Arabia in the 1990s, and the financial crisis was principally due to errors in monetary policy by the U.S. Federal Reserve and to China's rapid accumulation of dollar reserves after 2001. Most of the fat-tail phenomena that historians study are not the climaxes of prolonged and deterministic story lines; instead, they represent perturbations, and sometimes the complete breakdowns, of complex systems.

To understand complexity, it is helpful to examine how natural scientists use the concept. Think of the spontaneous organization of half a million ants or termites, which allows them to construct complex hills and nests, or the fractal geometry of water molecules as they form intricate snowflakes. Human intelligence itself is a complex system, a product of the interaction of billions of neurons in the central nervous system, or what Charles Sherrington, the pioneering neuroscientist, called "an enchanted loom."

The political and economic structures made by humans share many of the features of complex adaptive systems. Heterodox economists such as W. Brian Arthur have been arguing along these lines for decades. To Arthur, a complex economy is characterized by the interaction of dispersed agents, a lack of central control, multiple levels of organization, continual adaptation, incessant creation of new market niches, and the absence of general equilibrium. This conception of economics goes beyond both Adam Smith's hallowed idea that an "invisible hand" causes markets to work through the interactions of profit-maximizing individuals and Friedrich von Hayek's critique of economic planning and demand management. In contradiction to the classic economic prediction that competition causes diminishing returns, a complex economy makes increasing returns possible. In this version of economics, Silicon Valley is a complex adaptive system; so is the Internet itself.

Researchers at the Santa Fe Institute, a nonprofit center devoted to the study of complex systems, are currently looking at how such insights can be applied to other aspects of collective human activity, including international relations. This effort may recall the futile struggle of Edward Casaubon to find "the key to all mythologies" in George Eliot's novel *Middlemarch.* But the attempt is worthwhile,



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The Consummation of Empire, *from Thomas Cole's* The Course of Empire (1833–36)

because an understanding of how complex systems function is an essential part of any strategy to anticipate and delay their failure.

Whether the canopy of a rain forest or the trading floor of Wall Street, complex systems share certain characteristics. A small input to such a system can produce huge, often unanticipated changes—what scientists call "the amplifier effect." A vaccine, for example, stimulates the immune system to become resistant to, say, measles or mumps. But administer too large a dose, and the patient dies. Meanwhile, causal relationships are often nonlinear, which means that traditional methods of generalizing through observation (such as trend analysis and sampling) are of little use. Some theorists of complexity would go so far as to say that complex systems are wholly nondeterministic, meaning that it is impossible to make predictions about their future behavior based on existing data.

When things go wrong in a complex system, the scale of disruption is nearly impossible to anticipate. There is no such thing as a typical

or average forest fire, for example. To use the jargon of modern physics, a forest before a fire is in a state of "self-organized criticality": it is teetering on the verge of a breakdown, but the size of the breakdown is unknown. Will there be a small fire or a huge one? It is very hard to say: a forest fire twice as large as last year's is roughly four or six or eight times less likely to happen this year. This kind of pattern—known as a "power-law distribution"—is remarkably common in the natural world. It can be seen not just in forest fires but also in earthquakes and epidemics. Some researchers claim that conflicts follow a similar pattern, ranging from local skirmishes to full-scale world wars.

What matters most is that in such systems a relatively minor shock can cause a disproportionate—and sometimes fatal—disruption. As Taleb has argued, by 2007, the global economy had grown to resemble an over-optimized electrical grid. Defaults on subprime mortgages produced a relatively small surge in the United States that tipped the entire world economy into a financial blackout, which, for a moment, threatened to bring about a complete collapse of international trade. But blaming such a crash on a policy of deregulation under U.S. President Ronald Reagan is about as plausible as blaming World War I on the buildup of the German navy under Admiral Alfred von Tirpitz.

EMPIRE STATE OF MIND

REGARDLESS OF whether it is a dictatorship or a democracy, any large-scale political unit is a complex system. Most great empires have a nominal central authority—either a hereditary emperor or an elected president—but in practice the power of any individual ruler is a function of the network of economic, social, and political relations over which he or she presides. As such, empires exhibit many of the characteristics of other complex adaptive systems—including the tendency to move from stability to instability quite suddenly. But this fact is rarely recognized because of the collective addiction to cyclical theories of history.

Perhaps the most famous story of imperial decline is that of ancient Rome. In *The History of the Decline and Fall of the Roman Empire*, published in six volumes between 1776 and 1788, Edward Gibbon covered

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Destruction, *from Thomas Cole's* The Course of Empire (1833–36)

more than 1,400 years of history, from 180 to 1590. This was history over the very long run, in which the causes of decline ranged from the personality disorders of individual emperors to the power of the Praetorian Guard and the rise of monotheism. After the death of Marcus Aurelius in 180, civil war became a recurring problem, as aspiring emperors competed for the spoils of supreme power. By the fourth century, barbarian invasions or migrations were well under way and only intensified as the Huns moved west. Meanwhile, the challenge posed by Sassanid Persia to the Eastern Roman Empire was steadily growing.

But what if fourth-century Rome was simply functioning normally as a complex adaptive system, with political strife, barbarian migration, and imperial rivalry all just integral features of late antiquity? Through this lens, Rome's fall was sudden and dramatic—just as one would expect when such a system goes critical. As the Oxford historians Peter Heather and Bryan Ward-Perkins have argued, the final breakdown in the Western Roman Empire began in 406, when Germanic invaders poured across the Rhine into Gaul and then Italy. Rome itself was sacked by the Goths in 410. Co-opted by an enfeebled emperor, the Goths then fought the Vandals for control of Spain, but this merely shifted the problem south. Between 429 and 439, Genseric led the Vandals to victory after victory in North Africa, culminating in

the fall of Carthage. Rome lost its southern Mediterranean breadbasket and, along with it, a huge source of tax revenue. Roman soldiers were just barely able to defeat Attila's Huns as they swept west from the Balkans. By 452, the Western Roman Empire had lost all of Britain, most of Spain, the richest provinces of North Africa, and southwestern and southeastern Gaul. Not much was left besides Italy. Basiliscus, brother-in-law of Emperor Leo I, tried and failed to recapture Carthage in 468. Byzantium lived on, but the Western Roman Empire was dead. By 476, Rome was the fiefdom of Odoacer, king of the Goths.

What is most striking about this history is the speed of the Roman Empire's collapse. In just five decades, the population of Rome itself fell by three-quarters. Archaeological evidence from the late fifth century—inferior housing, more primitive pottery, fewer coins, smaller cattle—shows that the benign influence of Rome diminished rapidly in the rest of western Europe. What Ward-Perkins calls "the end of civilization" came within the span of a single generation.

Other great empires have suffered comparably swift collapses. The Ming dynasty in China began in 1368, when the warlord Zhu Yuanzhang renamed himself Emperor Hongwu, the word *hongwu* meaning "vast military power." For most of the next three centuries, Ming China was the world's most sophisticated civilization by almost any measure. Then, in the mid-seventeenth century, political factionalism, fiscal crisis, famine, and epidemic disease opened the door to rebellion within and incursions from without. In 1636, the Manchu leader Huang Taiji proclaimed the advent of the Qing dynasty. Just eight years later, Beijing, the magnificent Ming capital, fell to the rebel leader Li Zicheng, and the last Ming emperor hanged himself out of shame. The transition from Confucian equipoise to anarchy took little more than a decade.

In much the same way, the Bourbon monarchy in France passed from triumph to terror with astonishing rapidity. French intervention on the side of the colonial rebels against British rule in North America in the 1770s seemed like a good idea at the time—a chance for revenge after Great Britain's victory in the Seven Years' War a decade earlier—but it served to tip French finances into a critical state. In May 1789, the summoning of the Estates-General, France's long-dormant representative assembly, unleashed a political chain reaction that led to

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Desolation, *from Thomas Cole's* The Course of Empire (1833–36)

a swift collapse of royal legitimacy in France. Only four years later, in January 1793, Louis XVI was decapitated by guillotine.

Although several narrative fallacies suggest that the Hapsburg, Ottoman, and Romanov empires were doomed for decades before World War I, the disintegration of the dynastic land empires of eastern Europe came with equal swiftness. What was impressive, in fact, was how well these ancient empires were able to withstand the test of total war. Their collapse only began with the Bolshevik Revolution of October 1917. A mere five years later, Mehmed VI, the last sultan of the Ottoman Empire, departed Constantinople aboard a British warship. With that, all three dynasties were defunct.

The sun set on the British Empire almost as suddenly. In February 1945, Prime Minister Winston Churchill was at Yalta, dividing up the world with U.S. President Franklin Roosevelt and Soviet Premier Joseph Stalin. As World War II was ending, he was swept from office in the July 1945 general election. Within a decade, the United Kingdom had conceded independence to Bangladesh, Bhutan, Burma, Egypt, Eritrea, India, Iran, Israel, Jordan, Libya, Madagascar, Pakistan, and Sri Lanka. The Suez crisis in 1956 proved that the United Kingdom could not act in defiance of the United States in the Middle East, setting the seal on the end of empire. Although it took until the 1960s

for independence to reach sub-Saharan Africa and the remnants of colonial rule east of the Suez, the United Kingdom's age of hegemony was effectively over less than a dozen years after its victories over Germany and Japan.

The most recent and familiar example of precipitous decline is, of course, the collapse of the Soviet Union. With the benefit of hindsight, historians have traced all kinds of rot within the Soviet system back to the Brezhnev era and beyond. Perhaps, as the historian and political scientist Stephen Kotkin has argued, it was only the high oil prices of the 1970s that "averted Armageddon." But this did not seem to be the case at the time. In March 1985, when Mikhail Gorbachev became general secretary of the Soviet Communist Party, the CIA estimated the Soviet economy to be approximately 60 percent the size of the U.S. economy. This estimate is now known to have been wrong, but the Soviet nuclear arsenal was genuinely larger than the U.S. stockpile. And governments in what was then called the Third World, from Vietnam to Nicaragua, had been tilting in the Soviets' favor for most of the previous 20 years. Yet less than five years after Gorbachev took power, the Soviet imperium in central and Eastern Europe had fallen apart, followed by the Soviet Union itself in 1991. If ever an empire fell off a cliff—rather than gently declining—it was the one founded by Lenin.

OVER THE EDGE

If empires are complex systems that sooner or later succumb to sudden and catastrophic malfunctions, rather than cycling sedately from Arcadia to Apogee to Armageddon, what are the implications for the United States today? First, debating the stages of decline may be a waste of time—it is a precipitous and unexpected fall that should most concern policymakers and citizens. Second, most imperial falls are associated with fiscal crises. All the above cases were marked by sharp imbalances between revenues and expenditures, as well as difficulties with financing public debt. Alarm bells should therefore be ringing very loudly, indeed, as the United States contemplates a deficit for 2009 of more than $1.4 trillion—about 11.2 percent of GDP, the biggest deficit in 60 years—and another for 2010 that will not be

much smaller. Public debt, meanwhile, is set to more than double in the coming decade, from $5.8 trillion in 2008 to $14.3 trillion in 2019. Within the same timeframe, interest payments on that debt are forecast to leap from eight percent of federal revenues to 17 percent.

These numbers are bad, but in the realm of political entities, the role of perception is just as crucial, if not more so. In imperial crises, it is not the material underpinnings of power that really matter but expectations about future power. The fiscal numbers cited above cannot erode U.S. strength on their own, but they can work to weaken a long-assumed faith in the United States' ability to weather any crisis. For now, the world still expects the United States to muddle through, eventually confronting its problems when, as Churchill famously said, all the alternatives have been exhausted. Through this lens, past alarms about the deficit seem overblown, and 2080—when the U.S. debt may reach staggering proportions—seems a long way off, leaving plenty of time to plug the fiscal hole. But one day, a seemingly random piece of bad news—perhaps a negative report by a rating agency—will make the headlines during an otherwise quiet news cycle. Suddenly, it will be not just a few policy wonks who worry about the sustainability of U.S. fiscal policy but also the public at large, not to mention investors abroad. It is this shift that is crucial: a complex adaptive system is in big trouble when its component parts lose faith in its viability.

Over the last three years, the complex system of the global economy flipped from boom to bust—all because a bunch of Americans started to default on their subprime mortgages, thereby blowing huge holes in the business models of thousands of highly leveraged financial institutions. The next phase of the current crisis may begin when the public begins to reassess the credibility of the monetary and fiscal measures that the Obama administration has taken in response. Neither interest rates at zero nor fiscal stimulus can achieve a sustainable recovery if people in the United States and abroad collectively decide, overnight, that such measures will lead to much higher inflation rates or outright default. As Thomas Sargent, an economist who pioneered the idea of rational expectations, demonstrated more than 20 years ago, such decisions are self-fulfilling: it is not the base supply of money that determines inflation but the velocity of its circulation, which in turn is a function of expectations. In the same way, it is not the debt-to-

GDP ratio that determines government solvency but the interest rate that investors demand. Bond yields can shoot up if expectations change about future government solvency, intensifying an already bad fiscal crisis by driving up the cost of interest payments on new debt. Just ask Greece—it happened there at the end of last year, plunging the country into fiscal and political crisis.

Finally, a shift in expectations about monetary and fiscal policy could force a reassessment of future U.S. foreign policy. There is a zero-sum game at the heart of the budgetary process: if interest payments consume a rising proportion of tax revenue, military expenditure is the item most likely to be cut because, unlike mandatory entitlements, it is discretionary. A U.S. president who says he will deploy 30,000 additional troops to Afghanistan and then, in 18 months' time, start withdrawing them again already has something of a credibility problem. And what about the United States' other strategic challenges? For the United States' enemies in Iran and Iraq, it must be consoling to know that U.S. fiscal policy today is preprogrammed to reduce the resources available for all overseas military operations in the years ahead.

Defeat in the mountains of the Hindu Kush or on the plains of Mesopotamia has long been a harbinger of imperial fall. It is no coincidence that the Soviet Union withdrew from Afghanistan in the annus mirabilis of 1989. What happened 20 years ago, like the events of the distant fifth century, is a reminder that empires do not in fact appear, rise, reign, decline, and fall according to some recurrent and predictable life cycle. It is historians who retrospectively portray the process of imperial dissolution as slow-acting, with multiple overdetermining causes. Rather, empires behave like all complex adaptive systems. They function in apparent equilibrium for some unknowable period. And then, quite abruptly, they collapse. To return to the terminology of Thomas Cole, the painter of *The Course of Empire*, the shift from consummation to destruction and then to desolation is not cyclical. It is sudden.

A more appropriate visual representation of the way complex systems collapse may be the old poster, once so popular in thousands of college dorm rooms, of a runaway steam train that has crashed through the wall of a Victorian railway terminus and hit the street below nose first. A defective brake or a sleeping driver can be all it takes to go over the edge of chaos.

FOREIGN AFFAIRS

World Traveler

"The world is a book, and those who do not travel read only a page."
— St. Augustine

The value of international travel can vastly exceed its short-term costs; the benefits of exposure to a wide range of cultures and history are often profound and enduring. The past two years have brought financial challenges, and travel is often one of the first expenses to be cut from corporate and household budgets. But for many, trips to extraordinary destinations become some of the most memorable occasions of their lives.

This World Traveler sponsored section introduces readers to some examples of the experiences that are available—travel opportunities that not only change the scenery but also broaden perspectives and deepen understanding. This kind of travel is intellectually adventurous—it opens up cosmopolitan Shanghai and culturally rich Beijing. It encourages travelers to connect with historic events, like so many did in 2008 for Israel's 60th anniversary and in 2009 for the 20th anniversary of the fall of the Berlin Wall. It places travelers in unforgettable experiences, taking them from Peru's metropolitan Lima to its ancient sites like Machu Picchu on the luxurious Hiram Bingham Train, from Costa Rica's active volcanoes to its rainforest's vast biodiversity, and from South Africa's renowned Cape Town winelands to its wild landscapes on elephant-back safaris. Other opportunities combine education with exploration—for example, an immersion trip to the Middle East with the experts and world leaders who help shape policy. The variety of new travel experiences available today makes travel opportunities more accessible than ever before.

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Discover the richness of Cape Town's colonial and cultural history at the **Steenberg Hotel**, built in 1682 and since painstakingly restored with modern luxuries. Minutes from Cape Town, miles from the world, the hotel is a haven overlooking the Steenberg Vineyards, a sculpture garden, False Bay, and the mountains. Stay in one of three Heritage Suites, designed with exquisite antiques and like no other guest rooms in South Africa. The original wine cellar is now Catharina's Restaurant, one of Cape Town's finest. Play the eighteen-hole championship golf course, recognized as the best in the Western Cape. Try the award-winning wines. Relax in the luxurious spa, or take an excursion to Cape Town's Waterfront.

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Saxon Hotel

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Ranked in 2009 by *Travel & Leisure Magazine* as the third best hotel in the world, **Sabi Sabi Private Game Reserve**, located next to Kruger National Park, offers world-class standards in luxury accommodation, exceptional close wildlife encounters, personal service, and delicious cuisine. You have a choice of four uniquely styled five-star lodges: The environmentally sensitive Earth Lodge is sculpted into a slope of the earth and uses texture, light, and space like no other; Bush Lodge, famed for its warmth, vibrancy, and legendary hospitality, is casual with its exquisite ethnic décor; and, embodying a sense of history with today's comforts, Selati Camp reflects the romance of a bygone era. Conservation is a core philosophy at Sabi Sabi.

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traveler programs are able to earn and redeem miles on all SAA flights. For more information, call (800) 722-9675 or visit *www.flysaa.com*.

Anchors Aweigh

The cruise industry has adapted quickly and effectively to the global economic downturn in order to keep ships sailing at full capacity through 2009 and expects continued growth in 2010.

The Cruise Lines International Assoc. (CLIA), whose members own/operate virtually every passenger ship at sea, reports that mobility is a major factor in keeping things afloat. If there are problems in one area, ships can quickly be moved to more favorable waters—a feat that resorts simply cannot accomplish. And despite the economic turmoil of 2009, the cruise industry continued to grow. A total of 13.445 million guests are forecast to have sailed last year, with U.S. and Canadian residents accounting for 76.5 percent of guests. CLIA forecasts a total of 14.3 million passengers in 2010—10.7 million from North America and 3.6 sourced internationally—a 6.4 percent growth.

After introducing fourteen new ships representing a total investment of $4.7 billion in 2009, the CLIA fleet will invest an additional $6.5 billion and introduce twelve new vessels this year, with capacities ranging from 101 to 5,400 passengers. A mind-boggling array of amenities await cruisers on large liners, and smaller ships will continue to sail the waters of Europe's most famous rivers and the coastlines of North America. Cruising ranks at the top when it comes to perceived value for money spent.

Caribbean cruises are currently the most popular, with the Mediterranean emerging as a cruising "hot spot." Currently, Alaska is the second most popular destination, followed by the Mediterranean and Greek Islands/Turkey, Europe, Hawaii, Panama Canal, West Coast of Mexico, and the Bahamas.

Couples dominate cruise demographics, although travel agents report continued growth in families, extended families, and friends traveling together. The average age of passengers is decreasing and now hovers around forty-seven years old. Theme and "affinity" cruises are also growing, including those for knitters, birdwatchers, and members of the GLBT community. Seniors also continue to be an important constituency. The average cruise length is 7.2 days and shore excursions featuring history and cultural are the most popular.

Approximately thirty domestic ports of embarkation mean that half the residents of the United States are now within driving distance of cruises sailing to all parts of the world, eliminating the cost and inconvenience of flying.

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Sustaining the Bounce

With so many world events happening this year—the FIFA World Cup (the world's most watched sports event) in South Africa and the Olympics in Vancouver, to name two—the question arises: will they be able to keep up the momentum regarding future travelers visiting those two nations?

Both Vancouver and South Africa have gone to extraordinary lengths to boost their infrastructures to accommodate visitors and participants in the games. It will be worth it to wait and see if these events will translate into increases in future travel to these destinations.

In 2009, Copenhagen was the site of several big events and hopes to keep up the travel momentum in 2010.

"Despite the financial crisis, the U.S. is still one of the countries that spends the highest amount of money per tourist while in Denmark. The American economy shows a slow recovery. Still, it is with caution that we expect a slight increase in 2010 in tourism from the U.S. to Denmark. Throughout 2009, Denmark benefited from much exposure and increased knowledge of our destination in connection with important events such as the World Outgames, the IOC Conference, and COP15. Our marketing and PR efforts have supported these events and awareness of our destination has increased as a result of a higher level in media exposure, e.g., Oprah's extensive coverage of the Danes, 'the happiest people in the world.' It is still too early to say whether this exposure will continue to increase tourism to Denmark in 2010, but we are optimistic," comments Susanne Nordenbæk, director of VisitDenmark North America.

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Better City, Better Life

China seems to have done quite well after the 2008 Summer Olympics. In 2009, Northeast Asia recorded a year-on-year increase of 4 percent in international visitor arrivals for August 2009, with growth in China (+3 percent), Hong Kong (+6 percent) and Macau (+7 percent) pushing the aggregate figure into positive territory (at least in relative terms).

World Expo 2010 will be held from May 1 to October 31, in its Shanghai, China, debut. The World Expo aims to promote the exchange of ideas, concentrating on world economy, culture, science, and technology; to give exhibitors the opportunity to publicize and display their achievements; and to improve international relationships.

China is preparing for the Expo with great enthusiasm, innovative devotion, and an outstanding capacity to host this event. The theme is "Better City, Better Life," whereby 192 countries and 50 international organizations will gather in Shanghai to display their most advanced achievements in the development of urban civilization and to provide a vivid example for building a harmonious society.

Shanghai, as the host city, is a world-class destination unto itself, with its international vogue and Chinese charm. The Expo will provide the opportunity not only for the city of Shanghai to showcase its unique attractions to the world, but for China at large to offer visitors from all over the world a look at Chinese culture, its welcoming people, and its UNESCO heritage sites. Shanghai and China welcome you!

Shanghai, as the host city, is a world-class destination unto itself, with its international vogue and Chinese charm.

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Travel With a Purpose

Many museums, universities, and organizations offer extensive travel programs, through which travelers can learn about art and culture via themed tours that circle the globe. One such provider of tours is World Leaders Travel, which collaborates with *Foreign Affairs* magazine to offer extraordinary travel programs.

World Leaders Travel specializes in creating extraordinary educational travel events defined by a compelling combination of experts, access, and insight. Under the banner "Explore the world with the people who shape it," each travel event is built around a prominent leader and a timely theme, with highlights including a comprehensive educational program, exclusive access, private events, customized excursions, and the highest level of luxury and service.

This exclusive collaboration between *Foreign Affairs* and World Leaders Travel offers one-of-a-kind travel events that bring the pages of *Foreign Affairs* to life.

This year's program features:

The Much Too Promised Land
Israel & the Palestinian Authority
May 1–13, 2010

World Leaders Forum featuring James Hoge, Aaron David Miller, Sam Donaldson, and Walter Russell Mead, among others—Traveling with leading experts, go beyond the headlines to explore the ideas and issues that both drive the Israeli-Palestinian conflict and shape a possible solution. Based in Jerusalem, this extraordinary thirteen-day travel event includes opportunities to engage with leaders from all sides of the peace process, and to visit Tel Aviv, Haifa, the Sea of Galilee region, the Golan Heights, the Dead Sea, and the West Bank. Extensions to Jordan and to Syria and Lebanon are also available.

Russia & the Black Sea
Russia | Georgia | Azerbaijan | Ukraine | Turkey
August 30–September 15, 2010

World Leaders Symposium featuring Condoleezza Rice, William J. Perry, and Mikhail Gorbachev, among others—From Moscow to Istanbul, travel in the company of distinguished world leaders as you delve into the people, places, and possibilities shaping this fascinating region. Highlights of this seventeen-day travel event include visits to historic sites, a compelling educational program led by a team of experts and scholars, high-level meetings and behind-the-scenes access, and a ten-day cruise aboard the luxurious, all-suite Silver Wind.

The Middle East
Jordan | U.A.E. | Kuwait | Saudi Arabia | Qatar
December 29, 2010–January 12, 2011

World Leaders Symposium featuring James A. Baker III, Bill Moyers, Zalmay Khalilzad, and Aaron David Miller, among others—This seventeen-day journey from Amman to Dubai, including a seven-night cruise in the Persian Gulf, will explore the complex and often misunderstood realities of the modern Middle East. Highlights include a fascinating educational program, a New Year's celebration on the Dead Sea, a wide range of optional and specially arranged daily excursions, and special access to historic and culturally significant sites.



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For more information or to book today, contact a sponsoring organization, your professional travel advisor, call **1-800-395-3288**, or visit **WorldLeadersTravel.com**.

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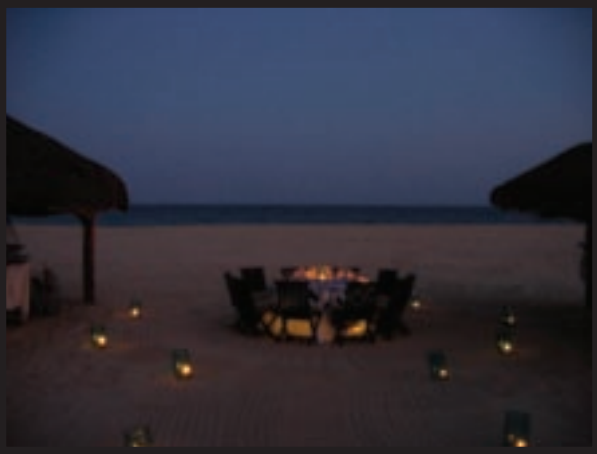
Optimism for 2010

On a final note, Mexico has been presented with extraordinary challenges in recent years, but high-end resorts such as Las Ventanas al Paraíso, the Rosewood resort in Los Cabos, Mexico, have a particularly optimistic outlook for 2010. Managing Director Lionel Álvarez says, "A slow but steady recovery is underway in Los Cabos, and Las Ventanas is one of the resorts that is helping lead the way. Our occupancy levels are edging higher each month, fueled by both past guests returning and new guests coming for the first time. Our outlook is brighter every day, with expectations that 2010 will be a much better year—for both Los Cabos and Mexico in general." This optimistic analysis typifies the outlook for the travel world in 2010 and beyond.

Text and Photography by
Clint Brownfield



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After Iran Gets the Bomb

Containment and Its Complications

James M. Lindsay and Ray Takeyh

The Islamic Republic of Iran is determined to become the world's tenth nuclear power. It is defying its international obligations and resisting concerted diplomatic pressure to stop it from enriching uranium. It has flouted several UN Security Council resolutions directing it to suspend enrichment and has refused to fully explain its nuclear activities to the International Atomic Energy Agency. Even a successful military strike against Iran's nuclear facilities would delay Iran's program by only a few years, and it would almost certainly harden Tehran's determination to go nuclear. The ongoing political unrest in Iran could topple the regime, leading to fundamental changes in Tehran's foreign policy and ending its pursuit of nuclear weapons. But that is an outcome that cannot be assumed. If Iran's nuclear program continues to progress at its current rate, Tehran could have the nuclear material needed to build a bomb before U.S. President Barack Obama's current term in office expires.

James M. Lindsay is Senior Vice President, Director of Studies, and Maurice R. Greenberg Chair at the Council on Foreign Relations. Ray Takeyh is a Senior Fellow at the Council on Foreign Relations and the author of *Guardians of the Revolution: Iran and the World in the Age of the Ayatollahs*. For an annotated guide to this topic, see "What to Read on Iranian Politics" at www.foreignaffairs.com/readinglists/iran and "What to Read on Nuclear Proliferation" at www.foreignaffairs.com/readinglists/nuclear-proliferation.

James M. Lindsay and Ray Takeyh

The dangers of Iran's entry into the nuclear club are well known: emboldened by this development, Tehran might multiply its attempts at subverting its neighbors and encouraging terrorism against the United States and Israel; the risk of both conventional and nuclear war in the Middle East would escalate; more states in the region might also want to become nuclear powers; the geopolitical balance in the Middle East would be reordered; and broader efforts to stop the spread of nuclear weapons would be undermined. The advent of a nuclear Iran—even one that is satisfied with having only the materials and infrastructure necessary to assemble a bomb on short notice rather than a nuclear arsenal—would be seen as a major diplomatic defeat for the United States. Friends and foes would openly question the U.S. government's power and resolve to shape events in the Middle East. Friends would respond by distancing themselves from Washington; foes would challenge U.S. policies more aggressively.

Such a scenario can be avoided, however. Even if Washington fails to prevent Iran from going nuclear, it can contain and mitigate the consequences of Iran's nuclear defiance. It should make clear to Tehran that acquiring the bomb will not produce the benefits it anticipates but isolate and weaken the regime. Washington will need to lay down clear "redlines" defining what it considers to be unacceptable behavior—and be willing to use military force if Tehran crosses them. It will also need to reassure its friends and allies in the Middle East that it remains firmly committed to preserving the balance of power in the region.

Containing a nuclear Iran would not be easy. It would require considerable diplomatic skill and political will on the part of the United States. And it could fail. A nuclear Iran may choose to flex its muscles and test U.S. resolve. Even under the best circumstances, the opaque nature of decision-making in Tehran could complicate Washington's efforts to deter it. Thus, it would be far preferable if Iran stopped—or were stopped—before it became a nuclear power. Current efforts to limit Iran's nuclear program must be pursued with vigor. Economic pressure on Tehran must be maintained. Military options to prevent Iran from going nuclear must not be taken off the table.

But these steps may not be enough. If Iran's recalcitrant mullahs cross the nuclear threshold, the challenge for the United States will be to make sure that an abhorrent outcome does not become a catastrophic

one. This will require understanding how a nuclear Iran is likely to behave, how its neighbors are likely to respond, and what Washington can do to shape the perceptions and actions of all these players.

MESSIANIC AND PRAGMATIC

Iran is a peculiarity: it is a modern-day theocracy that pursues revolutionary ideals while safeguarding its practical interests. After three decades of experimentation, Iran has not outgrown its ideological compunctions. The founder of the Islamic Republic, Ayatollah Ruhollah Khomeini, bequeathed to his successors a clerical cosmology that divides the world between oppressors and oppressed and invests Iran with the mission of redeeming the Middle East for the forces of righteousness. But the political imperative of staying in power has pulled Iran's leaders in a different direction, too: they have had to manage Iran's economy, meet the demands of the country's growing population, and advance Iran's interests in a turbulent region. The clerical rulers have been forced to strike agreements with their rivals and their enemies, occasionally softening the hard edges of their creed. The task of governing has required them to make concessions to often unpalatable realities and has sapped their revolutionary energies. Often, the clash of ideology and pragmatism has put Iran in the paradoxical position of having to secure its objectives within a regional order that it has pledged to undermine.

To satisfy their revolutionary impulses, Iran's leaders have turned anti-Americanism and a strident opposition to Israel into pillars of the state. Tehran supports extremist groups, such as Hamas, Hezbollah, and the Islamist militias opposing U.S. forces in Iraq. The mullahs have sporadically attempted to subvert the U.S.-allied sheikdoms of the Persian Gulf. But the regime has survived because its rulers have recognized the limits of their power and have thus mixed revolutionary agitation with pragmatic adjustment. Although it has denounced the United States as the Great Satan and called for Israel's obliteration, Iran has avoided direct military confrontation with either state. It has vociferously defended the Palestinians, but it has stood by as the Russians have slaughtered Chechens and the Chinese have suppressed Muslim Uighurs. Ideological purity, it seems, has been less important

than seeking diplomatic cover from Russia and commercial activity with China. Despite their Islamist compulsions, the mullahs like power too much to be martyrs.

Iran's nuclear program has emerged not just as an important aspect of the country's foreign relations but increasingly as a defining element of its national identity. And the reasons for pursuing the program have changed as it has matured. During the presidencies of Hashemi Rafsanjani and Muhammad Khatami, nuclear weapons were seen as tools of deterrence against the United States and Saddam Hussein's regime, among others. The more conservative current ruling elite, including President Mahmoud Ahmadinejad and the Revolutionary Guards, sees them as a critical means of ensuring Iran's preeminence in the region. A powerful Iran, in other words, requires a robust and extensive nuclear infrastructure. And this may be all the more the case now that Iran is engulfed in the worst domestic turmoil it has known in years: these days, the regime seems to be viewing its quest for nuclear self-sufficiency as a way to revive its own political fortunes.

Going nuclear would empower Iran, but far less than Tehran hopes. Iran's entry into the nuclear club would initially put Tehran in a euphoric mood and likely encourage it to be more aggressive. The mullahs would feel themselves to be in possession of a strategic weapon that would enhance Iran's clout in the region. They might feel less restrained in instigating Shiite uprisings against the Arab sheikdoms in the Persian Gulf. But any efforts to destabilize their Sunni neighbors would meet the same unsuccessful fate as have similar campaigns in the past. Iran's revolutionary message has traditionally appealed to only a narrow segment of Shiites in the Persian Gulf. Sporadic demonstrations in Bahrain and Saudi Arabia have not sought to emulate Iran's revolution; rather, they have been an outlet for Shiites to express their economic and political disenfranchisement.

A nuclear Iran might also be tempted to challenge its neighbors in the Persian Gulf to reduce their oil production and limit the presence of U.S. troops on their territories. However, obtaining nuclear weapons is unlikely to help Iran achieve these aims, because nuclear weapons, by definition, are such a narrow category of arms that they can accomplish only a limited set of objectives. They do offer a deterrent capability: unlike Saddam's Iraq, a nuclear Iran would not be invaded, and its

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leaders would not be deposed. But regime security and power projection are two very different propositions. It is difficult to imagine Sunni regimes yielding to a resurgent Shiite state, nuclear or not; more likely, the Persian Gulf states would take even more refuge under the U.S. security umbrella. Paradoxically, a weapon that was designed to ensure Iran's regional preeminence could further alienate it from its neighbors and prolong indefinitely the presence of U.S. troops on its periphery. In other words, nuclear empowerment could well thwart Iran's hegemonic ambitions. Like other nuclear aspirants before them, the guardians of the theocracy might discover that nuclear bombs are simply not good for diplomatic leverage or strategic aggrandizement.

Likewise, although the protection of a nuclear Iran might allow Hamas, Hezbollah, and other militant groups in the Middle East to become both more strident in their demands and bolder in their actions, Israel's nuclear arsenal and considerable conventional military power, as well as the United States' support for Israel, would keep those actors in check. To be sure, Tehran will rattle its sabers and pledge its solidarity with Hamas and Hezbollah, but it will not risk a nuclear confrontation with Israel to assist these groups' activities. Hamas and Hezbollah learned from their recent confrontations with Israel that waging war against the Jewish state is a lonely struggle.

The prospect that Iran might transfer a crude nuclear device to its terrorist protégés is another danger, but it, too, is unlikely. Such a move would place Tehran squarely in the cross hairs of the United States and Israel. Despite its messianic pretensions, Iran has observed clear limits when supporting militias and terrorist organizations in the Middle East. Iran has not provided Hezbollah with chemical or biological weapons or Iraqi militias with the means to shoot down U.S. aircraft. Iran's rulers understand that such provocative actions could imperil their rule by inviting retaliation. On the other hand, by coupling strident rhetoric with only limited support in practice, the clerical establishment is able to at once garner popular acclaim for defying the West and oppose the United States and Israel without exposing itself to severe retribution. A nuclear Iran would likely act no differently, at least given the possibility of robust U.S. retaliation. Nor is it likely that Iran would become the new Pakistan, selling nuclear fuel and materials to other states. The prospects of additional sanctions

and a military confrontation with the United States are likely to deter Iran from acting impetuously.

A nuclear Iran would undeniably pose new dangers in the Middle East, especially at first, when it would likely be at its most reckless. It might thrash about the Middle East, as it tried to press the presumed advantages of its newfound capability, and it might test the United States' limits. But the mullahs will find it difficult to translate Iran's nuclear status into a tangible political advantage. And if Washington makes clear that rash actions on their part will come at a high cost, they will be far less likely to take any.

THE RIPPLES IN THE REGION

In assessing the consequences of Iran's nuclearization, it is important to consider not only how Iran is likely to act but also how other states will react to this outcome—and what the United States could do to influence their responses. Iran's nuclearization would not reduce Washington to passively observing events in the region. Washington would retain considerable ability to shape what Iran's neighbors do and do not do.

The nightmare scenario that could be unleashed by Iran's nuclearization is easy to sketch. Israel would go on a hair-trigger alert—ready to launch a nuclear weapon at a moment's notice—putting both countries minutes away from annihilation. Egypt, Saudi Arabia, and Turkey would scramble to join the nuclear club. The Nonproliferation Treaty (npt) would collapse, unleashing a wave of nuclear proliferation around the globe.

Such a doomsday scenario could pan out. Whether it did would depend greatly on how the United States and others, starting with Israel, responded to Iran's nuclearization. Whether Israeli Prime Minister Benjamin Netanyahu forgoes a preventive strike against Iran's nuclear facilities or opts for launching an attack and it fails, the Israeli government will continue to regard the Iranian regime as an existential threat to Israel that must be countered by any means possible, including the use of nuclear weapons. Given Israel's unique history and Ahmadinejad's contemptible denials of the Holocaust, no Israeli prime minister can afford to think otherwise.

The riskiness of a nuclear standoff between Israel and Iran would vary with the nature and size of Tehran's nuclear arsenal. An Iran with only the capability to build a nuclear weapon would pose a far less immediate threat to Israel than an Iran that possessed an actual weapon. Iran's possession of a bomb would create an inherently unstable situation, in which both parties would have an incentive to strike first: Iran, to avoid losing its arsenal, and Israel, to keep Tehran from using it. The Israeli government's calculations about Iran would depend on its assessment of the United States' willingness and ability to deter Iran. Israel's decision-making would be shaped by a number of factors: the United States' long-standing support for Israel, Israel's doubts about U.S. leadership after Washington's failure to stop Iran from going nuclear, and Washington's response to Iran's nuclearization.

Another danger that would have to be countered would be nuclear proliferation in the Middle East. Iran's regional rivals might try to catch up with it. History suggests, however, that states go nuclear for reasons beyond tit for tat; many hold back even when their enemies get nuclear weapons. China's pursuit of the bomb in the 1960s prompted fears that Japan would follow, but nearly half a century later, Japan remains nonnuclear. Although Israel has more than 200 nuclear weapons, neither its neighbors—not even Egypt, which fought and lost four wars with Israel—nor regional powers, such as Saudi Arabia or Turkey, have followed its lead.

An Iranian nuclear bomb could change these calculations. The U.S. National Intelligence Council concluded in a 2008 report that "Iran's growing nuclear capabilities are already partly responsible for the surge of interest in nuclear energy in the Middle East." And nuclear energy programs can serve as the foundation for drives for nuclear weapons. But it would not be easy for countries in the region to get nuclear weapons. Many lack the infrastructure to develop their own weapons and the missiles needed to deliver them. Egypt and Turkey might blanch at the expense of building a nuclear arsenal. The Pakistanis were willing to "eat grass" for the privilege of joining the nuclear club, as the Pakistani leader Zulfikar Ali Bhutto once famously put it, but not everyone is.

Cost considerations aside, it would take years for nuclear aspirants to develop indigenous nuclear capabilities. They would need to build

nuclear reactors, acquire nuclear fuel, master enrichment or reprocessing technologies, and build weapons and the means to deliver them. While they tried, the United States and other states would have ample opportunity to increase the costs of proliferation. Indeed, the economic and security interests of Egypt, Saudi Arabia, and Turkey, unlike those of Iran, are tied to the United States and the broader global economy, and developing nuclear weapons would put those interests at risk. Egypt would jeopardize the $1.5 billion in economic and military aid that it receives from Washington each year; Saudi Arabia, its implicit U.S. security guarantee; and Turkey, its place in NATO. Given their extensive investments in and business ties to the United States and Europe, all three countries would be far more vulnerable than Iran is to any economic sanctions that U.S. law imposed, or could impose, on nuclear proliferators.

Tehran's acquiring a nuclear bomb need not remake the Middle East—if Washington wisely exploits Tehran's weaknesses.

States seeking nuclear weapons might try to sidestep these technological and political hurdles by buying, rather than making, the weapons. Saudi Arabia's clandestine acquisition of medium-range ballistic missiles from China in the 1980s suggests that even countries that depend on U.S. security guarantees might be tempted to buy their way into the nuclear club. Although neither the five acknowledged nuclear powers nor India would be likely to sell nuclear weapons to another state, Pakistan and North Korea could be another matter. Both countries have a history of abetting proliferation, and Pakistan has warm ties with its fellow Muslim-majority countries. But selling complete nuclear weapons would come at great political cost. Pakistan might forfeit U.S. foreign assistance and drive the United States into closer cooperation with India, Pakistan's mortal enemy. North Korea would endanger the economic aid it gets from China, which the regime needs to stay in power.

If a buyer did manage to find a seller, it would have to avoid a preventive strike by Israel—which would be likely if the sale became known before the weapon was activated—and then handle the inevitable international political and economic fallout. (In 1988, Saudi Arabia

avoided a major rift with Washington over its missile deal with China only by finally agreeing to sign and abide by the NPT.) Furthermore, any country that bought a nuclear weapon would have to worry about whether it would actually work; in global politics, as in everyday life, swindles are possible. Obtaining a nuclear weapon could thus put a country in the worst of all worlds: owning a worthless weapon that is a magnet for an attack.

If Iran's neighbors decided against trying to get nuclear weapons, they could pursue the opposite approach and try to appease Tehran. The temptation would be greatest for small Persian Gulf states, such as Bahrain and Kuwait, which sit uncomfortably close to Iran and have large Shiite populations. Such a tilt toward Iran would damage U.S. interests in the region. The U.S. Fifth Fleet is based in Bahrain, and U.S. military bases in Bahrain, Kuwait, and the United Arab Emirates are crucial to projecting U.S. power and reassuring U.S. allies in the region. But as long as these governments believe that Washington is committed to their security, appeasement will be unappealing. Pursuing that strategy would mean casting aside U.S. help and betting on the mercy of Tehran. In the absence of a U.S. security guarantee, however, Iran would be free to conduct in those countries the very subversive activities that their governments' appeasement was intended to prevent.

Although Iran's nuclearization would probably not spell the end of efforts to halt proliferation in other parts of the world, it would undeniably deal the nonproliferation regime a setback, by demonstrating that the great powers are unable or unwilling to act collectively to stop proliferators. On the other hand, most states adhere to the NPT because they have compelling national reasons to do so. They may not feel threatened by a nuclear power; they may be covered by the nuclear umbrella of another state; they may lack the financial or technological wherewithal to build a bomb. Iran's success in developing a nuclear weapon would not change these calculations. Nor would it prevent Washington from pushing ahead with its efforts to strengthen the Proliferation Security Initiative (a U.S.-led multinational effort launched by the Bush administration that seeks to stop trafficking in weapons of mass destruction), impose a cutoff on the further production of fissile material, tighten global rules on trade in nuclear materials, and otherwise make it more difficult for nuclear technologies to spread.

James M. Lindsay and Ray Takeyh

Iran's acquisition of a nuclear bomb could have disastrous consequences in the Middle East. But Washington would have considerable opportunities to influence, and constrain, how Iran's neighbors reacted to its new status. It would matter whether Washington reassured Israel or fueled its fears. It would matter whether Washington confronted regional proliferation efforts or turned a blind eye, as it did with Pakistan in the 1980s. It would matter whether Washington pushed ahead with efforts to strengthen the NPT regime or threw in the towel. To keep the nightmare scenario at bay, the United States will need to think carefully about how to maximize its leverage in the region.

I SAY NO, NO, NO

TEHRAN IS an adversary that speaks in ideological terms, wants to become a dominant regional power, and is capable of acting recklessly. But it is also an adversary that recognizes its limitations, wants to preserve its hold on power, and operates among wary neighbors. Its acquiring a nuclear bomb, or the capacity to make a nuclear bomb, need not remake the Middle East—at least not if the United States acts confidently and wisely to exploit Iran's weaknesses.

Any strategy to contain Iran must begin with the recognition that this effort will have to be different from that to contain the Soviet Union. Iran poses a different threat. During the early years of the Cold War, U.S. policymakers tried to protect like-minded countries against a Soviet invasion that would have imposed communist rule, or against widespread economic dislocation, which could have produced a communist takeover from within. Their strategy was to turn to the NATO alliance and launch the Marshall Plan. The United States' containment strategy toward Iran must reflect different realities today. Iran does not seek to invade its neighbors, and its ideological appeal does not rest on promises of economic justice. It seeks to establish itself as the dominant power in the region while preserving political control at home.

Deterrence would by necessity be the cornerstone of a U.S. strategy to contain a nuclear Iran. Success is by no means guaranteed. Deterrence can fail: it nearly did during the Cuban missile crisis, in 1962, and at several other critical junctures of the Cold War. Iran's revisionist aims

and paranoia about U.S. power may appear to make the country uniquely difficult to deter. But that conclusion conveniently—and mistakenly—recasts the history of U.S. confrontations with emerging nuclear powers in a gentler light than is deserved. At the start of the Cold War, U.S. officials hardly saw the Soviet Union as a status quo power. In the 1960s, China looked like the ultimate rogue regime: it had intervened in Korea and gone to war with India, and it repressed its own people. Mao boasted that although nuclear war might kill half the world's population, it would also mean that "imperialism would be razed to the ground and the whole world would become socialist."

Today, the challenge for U.S. policymakers devising a deterrence strategy toward Iran will be to unambiguously identify what behavior they seek to deter—and what they are willing to do about it. When Washington publicly presents its policy on how to contain a nuclear Iran, it should be explicit: no initiation of conventional warfare against other countries; no use or transfer of nuclear weapons, materials, or technologies; and no stepped-up support for terrorist or subversive activities. It should also make clear that the price of Iran's violating these three prohibitions could be U.S. military retaliation by any and all means necessary, up to and including nuclear weapons.

The pledge to deter a conventional attack would be the easiest of the three prohibitions to enforce. Iran's ability to project sustained military power outside its borders is limited. And it is unlikely to grow substantially anytime soon: even more arms embargoes would likely be imposed on Iran if it crossed the nuclear threshold. At their current level, U.S. troops in the region are more than sufficient to deter Iran from undertaking incursions into Iraq or amphibious operations across the Persian Gulf—or to stop them if they occurred.

Deterring Iran from using or threatening to use nuclear weapons would present a different set of challenges. So long as Iran lacks the ability to strike the United States with a nuclear-tipped missile, the United States can credibly threaten to retaliate militarily if Iran uses or threatens to use a nuclear bomb against anyone. But that could change if Iran developed long-range missiles. Tehran might also try to deter the United States by threatening to attack Europe, which would raise well-known concerns about the viability of so-called extended deterrence, the ability of one state to deter an attack on

another. These possibilities highlight the importance of developing robust, multilayered ballistic missile defenses. The Obama administration's decision to reorient U.S. missile defenses in Europe to protect against shorter-range missiles while continuing to develop defenses against longer-range missiles is just the right approach.

A tougher challenge would be to ensure stable deterrence between Iran and Israel. With regard to this issue, too, the Iranian nuclear program's ultimate degree of development would be pivotal: an Iran armed with nuclear weapons would present a significantly more dangerous threat than one that merely had the capacity to build them. It is thus essential that Washington continue to apply diplomatic and economic pressure to keep Tehran, should it manage to complete the nuclear fuel cycle, from taking the final step. The United States should also publicly pledge to retaliate by any means it chooses if Iran uses nuclear weapons against Israel; this would in effect supplement whatever second-strike capability Israel has. If the Israelis need a formal commitment to be more reassured, this pledge could be made in an executive agreement or a treaty. As a tangible expression of its commitment, Washington should also be prepared to deploy U.S. troops on Israeli soil as a tripwire, which would show that the United States would be inextricably bound to Israel in the event of any Iranian attack.

Washington should also inform Tehran that it would strike preemptively, with whatever means it deemed necessary, if Iran ever placed its nuclear forces on alert. And it should bring both Israel and Israel's Arab neighbors fully under its missile defense umbrella. The more aggressive Iran is, the more inclined its neighbors will be to work with Washington to construct missile defenses on their territories.

Deterring Iran from transferring nuclear weapons, materials, and technologies to state and nonstate actors would require another set of measures. For the most part, Iran has reasons not to pursue such perilous activities, but it could be tempted to exploit the difficulty of tracking the clandestine trade in nuclear materials. The United States and its allies would need to act decisively to prevent Tehran from seeking to profit in the international nuclear bazaar, for example, through the Proliferation Security Initiative and through UN resolutions that imposed additional sanctions on Iran and its potential business partners. To impress on Iran's ruling mullahs that it is singularly

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important for them to control whatever nuclear arsenal they may develop or obtain, Washington should hold Tehran responsible for any nuclear transfer, whether authorized or not; Tehran cannot be allowed to escape punishment or retaliation by pleading loss of control. Increased investments in monitoring and spying on Iran would be critical. The United States must improve its ability to track nuclear weapons, materials, and debris and prove and publicize whether they came from Iran (or any other country, for that matter). Such nuclear forensics is crucial to determining who is responsible for nuclear transfers and would be crucial to building support for any U.S. retaliation against Iran, if it were the culprit.

Deterring Iranian support for terrorist and subversive groups—the third redline prohibition that the United States should impose—would be difficult. Such activities take place secretly, making it hard to establish precisely who is complicit. That complication places a premium on improving the ability of the U.S. intelligence community, acting alone and in concert with its counterparts abroad, to track Iran's clandestine activities.

WHATS AND WHAT NOTS

In addition to holding Iran accountable for violating any of the three noes, the United States' containment strategy should seek to influence and, where necessary, constrain Iran's friends in the Middle East. An energetic diplomacy that softened the disagreements between Israel and its neighbors would undermine Iran's efforts to exploit anger in the region. A concerted push, diplomatic and economic, to improve the lives of the Palestinians would limit Iran's appeal among them. Drawing Syria into a comprehensive Israeli-Palestinian peace process could not only attenuate Tehran's links with Damascus but also stem Iran's ability to supply weapons to Hezbollah. Washington should seek to further limit Iran's strategic reach by strengthening the institutional and military capabilities of Afghanistan and Iraq. It should reassure the Persian Gulf states that it is committed to preserving the existing balance of power, which would require expanding trade agreements, enhancing their security and intelligence apparatuses, and developing a more integrated approach to defense planning in the

region. At the same time, the United States will need to dissuade these governments from further suppressing their Shiite minorities, a practice that inadvertently aids Tehran. And it should work assiduously to prevent more countries in the Middle East from going nuclear; the United States cannot look the other way again, as it did with Pakistan during the 1980s.

Tone and conviction will matter. Washington must keep in mind that Iran's entry into the nuclear club would be read by Israel and Arab states as a failure of the United States' political will and a demonstration of the limits of U.S. power. Washington cannot afford to compound its credibility problem by hesitating or vacillating. An indecisive U.S. response would undermine the efforts both to deter Iran and to reassure U.S. friends and allies in the region.

Washington should also push other major powers to contain the Iranian threat. The five permanent members of the UN Security Council have sponsored numerous resolutions demanding that Iran cease its nuclear activities and cooperate with the International Atomic Energy Agency. They should have a vested interest in punishing Iran, an original signatory to the NPT, if it reneges on its decades-old pledge to remain a nonnuclear power. Doing nothing would substantially undermine the UN Security Council's authority and with it their status as permanent members of the council. Europe should be pressed to commit troops and naval vessels to preserve the free flow of traffic through the Persian Gulf. Russia should cease its nuclear cooperation with and its conventional arms sales to Iran. China should be pressed to curtail its investment in Iran's energy sector, which does so much to fuel Iran's belligerence. The United States would have to do much of the heavy lifting in containing a nuclear Iran, but any concerted containment strategy must have not just regional support but also an international complexion.

Just as important as what Washington should do to contain Iran is what it should not do. If Iran gets a nuclear bomb, the United States might be tempted to respond by substantially expanding the presence of U.S. troops in the Middle East. But this would not appreciably increase Washington's ability to deter Iran from launching a nuclear or conventional attack; there are already enough U.S. forces in the region for that. It could, however, play into the hands of Tehran's

proxies by inflaming anti-American sentiment and fanning civil unrest in the Persian Gulf.

Washington might also be tempted to seek to further undermine Iran's economy by imposing broad-based economic sanctions, an idea that enjoys considerable support on Capitol Hill. But such measures would wind up punishing only Iran's disenfranchised citizenry (which is why Iranian opposition leaders have strenuously opposed them). The wiser course of action would be to strengthen and better monitor existing export controls, in order to make certain that Iran's nuclear and defense industries do not have access to dual-use technologies, and to reinforce targeted sanctions against the Iranian leadership and the business enterprises controlled by the Revolutionary Guards. Washington should push, both inside and outside the UN, for travel bans on Iranian leaders and measures denying Iran access to capital markets, for example. It should also find ways to penalize foreign businesses that invest in Iran's dilapidated oil industry. Smart sanctions of this kind would punish Iran's leaders but spare ordinary Iranians, who have no say over the regime's actions.

The United States should refrain from greatly expanding the range of weaponry it sells to the Persian Gulf states, which see the United States as a military guarantor and their chief arms supplier. To some extent, increasing arms sales will be necessary: the Arab governments of the region would regard such sales as a tangible sign of the strength of Washington's commitment to their defense, and if Washington holds back, these governments will look for weapons elsewhere. On the other hand, throwing the doors of the armory wide open would do little to secure the buyers and might even increase instability in the region. A smart U.S. arms sales policy would focus on offering weapons systems that are designed to deter or help counter an Iranian attack, such as missile defense systems and command-and-control systems, which would provide advance notice of Iranian actions.

Finally, Washington should resist any urge to sign mutual security treaties with Arab countries in the Middle East. (Israel, whose relations with Iran are fundamentally different from those of every other power in the region, is a special case.) Such efforts would do little to enhance deterrence and could do a lot to undermine it. Many members of the U.S. Senate, which would have to vote on any alliance treaty, would

question whether the United States should further tie itself to authoritarian regimes that many Americans find odious. The spectacle of that debate would exacerbate doubts in the Middle East about the depth of the United States' commitment. Efforts to construct formal alliances might also lead Iran to believe that any country left out of these agreements is fair game for intimidation or attack. Washington should be mindful not to invite a replay of North Korea's calculation in 1950 that South Korea lay outside the U.S. defense perimeter.

Instead, the U.S. government should encourage the formation of a regional alliance network that would marshal Arab states into a more cohesive defense grouping. The network could be organized along the lines of the Middle East Treaty Organization (then the Central Treaty Organization), a security arrangement among Iran, Pakistan, Turkey, the United Kingdom, and, for a time, Iraq (with the United States participating in the organization's military and security committees) that existed from 1955 to 1979. An alliance of this kind would secure all the benefits of a regionwide commitment to deterrence without exposing the United States and its allies to the complexities of formal bilateral or multilateral security treaties.

DANGEROUS TIMES

IRAN'S NUCLEARIZATION would make the Middle East a more dangerous place: it would heighten tensions, reduce the margin for error, and raise the prospect of mass catastrophe. The international community should not let up on its efforts to stop Iran's progress. But given the mullahs' seeming indifference to the benefits of engagement, U.S. policymakers must consider now what to do if Iran does get the bomb.

Containment would be neither a perfect nor a foolproof policy. The task of foiling Iran's support for Hamas and Hezbollah would be difficult, as would countering Iran's support for terrorist and subversive groups in the region. The need to gain favor with Arab dictatorships would likely tempt Washington to shelve its calls for domestic political reforms in those countries—even though such reforms could diminish Iran's ability to meddle there by improving the lot of local minority Shiites who might otherwise be susceptible

to Tehran's influence. Maintaining great-power support for pressure on Iran could require overlooking objectionable Chinese and Russian behavior on other matters. Containment would not be a substitute for the use of force. To the contrary, its very success would depend on the willingness of the United States to use force against Iran or threaten to do so should Tehran cross Washington's redlines. Applying pressure without a commitment to punishing infractions is a recipe for failure—and for a more violent and dangerous Middle East.

Containment could buy Washington time to persuade the Iranian ruling class that the revisionist game it has been playing is simply not worth the candle. Thus, even as Washington pushes to counter Iran, it should be open to the possibility that Tehran's calculations might change. To press Tehran in the right direction, Washington should signal that it seeks to create an order in the Middle East that is peaceful and self-sustaining. The United States will remain part of the region's security architecture for the foreseeable future, but it need not maintain an antagonistic posture toward Iran. An Islamic Republic that abandoned its nuclear ambitions, accepted prevailing international norms, and respected the sovereignty of its neighbors would discover that the United States is willing to work with, rather than against, Iran's legitimate national aspirations.

Armistice Now

An Interim Agreement for Israel and Palestine

Ehud Yaari

More than 16 years after the euphoria of the Oslo accords, the Israelis and the Palestinians have still not reached a final-status peace agreement. Indeed, the last decade has been dominated by setbacks—the second intifada, which started in September 2000; Hamas' victory in the January 2006 Palestinian legislative elections; and then its military takeover of the Gaza Strip in June 2007—all of which have aggravated the conflict.

A further effort to reach a comprehensive settlement is bound to falter, thus increasing the dangers of another major flare-up and undermining the credibility of the Palestinian Authority (PA). The prospects of a deal between Israeli Prime Minister Benjamin Netanyahu and PA President Mahmoud Abbas are slim, since Abbas already rejected former Israeli Prime Minister Ehud Olmert's far-reaching proposals—the sort of offer Netanyahu would never make. This diplomatic stalemate discredits moderates and plays into the hands of extremists on both sides who refuse to make the concessions that any viable peace treaty will require.

Since an extended impasse is so dangerous, the best option for both the Israelis and the Palestinians is to seek a less ambitious agreement

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that transforms the situation on the ground and creates momentum for further negotiations by establishing a Palestinian state within armistice boundaries. In diplomatic terms, this formula would go beyond phase two of George W. Bush's 2002 "road map for peace," which proposed a Palestinian state with provisional boundaries, by striving to reach interim agreements on all the issues but stopping short of actually resolving the final-status issues of Jerusalem, the fate of the Palestinian refugees, and permanent boundaries, which were envisioned as phase three of Bush's road map. Such a gradual, yet comprehensive, approach would be more promising than further attempts at taking daring shortcuts. As the Oslo accords demonstrated, giant steps generally result in deadlock.

Israel urgently needs to reach such a provisional agreement before the Palestinian leadership grows even more skeptical of a two-state solution. Although Abbas and his close associates seem committed to this concept, many others in his party, Fatah, are far less enthusiastic about it, including some veteran negotiators, such as Ahmed Qurei, not to mention the Palestinian general public.

A small sovereign state within the pre-1967 boundaries has never been the fundamental goal of Palestinian nationalism; instead, Palestinian national consciousness has historically focused on avenging the loss of Arab lands. As the prominent Palestinian academic Ahmad Khalidi has argued, "Today, the Palestinian state is largely a punitive construct devised by the Palestinians' worst historical enemies." Furthermore, he contends, "The intention behind the state today is to limit and constrain Palestinian aspirations territorially, to force them to give up their moral rights." Indeed, in a private conversation in 2001, then PA President Yasir Arafat told me that he believed statehood could potentially become a "sovereign cage."

Many Palestinians now feel that by denying Israel an "end of conflict, end of claims" deal, they are increasing their chances of gaining a state for which they would not be required to make political concessions. Within a few years, the scant support for the two-state formula that currently exists will likely erode, and new concepts will begin to compete as alternatives. In other words, the Palestinian community will accelerate its collapse into Israel's unwilling arms, in effect accomplishing by stealth the sort of Arab demographic dominance that

Israeli leaders have for decades sought to avoid by occupying, rather than annexing, the Palestinian territories. Such an annexation in reverse would leave Israel no choice but to coexist alongside an Arab majority within the whole of Palestine as it existed under the British mandate.

Khalidi has illustrated what many Israelis and Americans refuse to see: the Palestinian general public instinctively distinguishes between "independence" (the end of occupation) and "sovereignty" (statehood). Most Palestinians wish to get rid of Israeli control but do not necessarily strive to see the land divided. More and more Palestinians are therefore considering options other than statehood. One option, proposed by Abdel Mohsin al-Qattan, former chair of the Palestinian National Council, would be to maintain the territorial integrity of the land between the Jordan River and the Mediterranean Sea and govern it through a weak, jointly run central government and two strong autonomous governments—without necessarily demarcating geographic borders between them. Another popular solution among Palestinian leaders is a unitary state, which, for purely demographic reasons, would eventually be controlled by an Arab majority. Needless to say, the Israelis would never accept either scenario, which is precisely why it is in the Israeli government's interest to pursue an armistice that establishes provisional borders for a Palestinian state. In other words, Israel must offer Palestinian statehood for less than peace before the Palestinians and their leaders abandon the two-state model altogether.

THE ELUSIVE ENDGAME

In 2000, the Camp David talks proved that Israeli and Palestinian leaders were not capable of bridging their differences on the core issues: the fate of the Palestinian refugees, control of Jerusalem, final borders, and security arrangements along the Jordanian border. Since then, the gap has only widened. The secret high-level negotiating sessions in 2007–8 ended in failure even though Olmert offered Abbas more territory than Ehud Barak had offered Arafat in 2000, when Barak was prime minister: all but six percent of the West Bank. Israel would have compensated the Palestinians by transferring areas adding up to a similar size to Palestine and relinquishing

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control of the Arab neighborhoods in East Jerusalem. Olmert's offer included entrusting management of the Holy Basin—Jerusalem's Old City and its immediate surroundings—to a multinational commission in which both Jordan and Saudi Arabia would have been partners. Palestinian leaders never responded to this offer and even backed away from their previous acceptance of the Israeli army's right to deploy in the Jordan Valley in case of an emergency. In many ways, Abbas' negotiating stance today is tougher than Arafat's was before his death, in 2004.

Israel urgently needs to reach a provisional agreement before the PA grows even more skeptical of a two-state solution.

There is no reason to assume that the prospects for a final-status agreement will improve anytime soon. On the contrary, Abbas is bound to be extremely cautious before offering any concessions, given the challenge that he faces from Hamas. And even within Fatah, especially since its August 2009 congress, there are widespread demands for complete control over all of East Jerusalem and the Temple Mount, as well as a stronger emphasis on "the right of return" for the Palestinian refugees and their descendants—demands that no Israeli government has ever been willing to entertain.

On the Israeli side, Netanyahu's coalition government cannot be expected to adopt Olmert's 2008 offer, let alone improve on it. Almost all the members of Netanyahu's cabinet believe that final-status negotiations cannot succeed at this stage. Instead, some key officials, including Barak, who is now Israel's defense minister, advocate pursuing interim arrangements, a path that Netanyahu himself also seems to be considering.

More important than the posturing of politicians is the public mood in both camps. Among the Israelis, there is a growing sense that the PA is too weak to strike a comprehensive deal while Hamas does not want peace. The split between the West Bank and the Gaza Strip has led many in Israel to believe that a final-status agreement is simply not a practical proposition, at least not for the time being. Most Israelis feel that armed resistance has been successfully defeated in the West Bank and that the threat of terror

attacks has been largely removed since Israel dismantled the terrorist networks that recruited suicide bombers and built the barrier that walled off the West Bank. Similarly, the Israeli public believes that the January 2009 offensive in the Gaza Strip by the Israel Defense Forces (IDF) forced Hamas to suspend its rocket attacks on Israeli towns bordering Gaza. Although polls, such as the September 2009 War and Peace Index, still indicate support among two-thirds of the Jewish population for a two-state solution, the Israelis are quickly losing interest in the neighboring Palestinian community. The separation barrier has instilled in many a sense of insulation, and they are no longer curious about what happens on the other side. Coverage of Palestinian affairs by the Israeli media has dropped to unprecedented lows, reflecting an increasingly prevalent view of the Palestinians as bothersome neighbors rather than future partners.

There is a risk that the Palestinians might seek to advance their interests through a third intifada.

In the absence of a negotiated settlement, there is also a risk that the Palestinians might seek to advance their interests through a third intifada. Indeed, the Palestinians are increasingly considering the potential benefits of a conflagration. Forty percent of those Palestinians interviewed as part of a Palestinian Center for Policy and Survey Research poll in late 2009 expressed support for a new armed uprising. More worrisome still, some important Palestinian figures, such as the imprisoned Marwan Barghouti, are calling for "popular resistance" in alliance with Hamas. And the August 2008 report of the Palestine Strategy Study Group (a project of leading intellectuals) called for a "reorientation" of PA strategy, moving away from negotiations toward "smart resistance" and seeking to "maximize the cost of continuing occupation for Israel." Ominously, the report concluded that "what the Palestinians must be prepared to undertake is nothing less than a final and conclusive strategic battle with Israel." Some leading Fatah personalities, such as Hani Masri, have urged partnership with Hamas on a platform that "opens all options"—including violent ones. These are disturbing signals for both the Israelis and the Palestinians.

STATEHOOD NOW

It is imperative that Israel halt the Palestinians' retreat from the two-state solution, and it can only do so by immediately negotiating the establishment of a Palestinian state within armistice boundaries—before a comprehensive peace is secured.

There is a precedent for such an interim approach. After its war of independence ended in 1949, Israel concluded armistice agreements with its four Arab neighbors: Egypt, Jordan, Lebanon, and Syria. These agreements transformed the existing truce into an armistice structure that would, so it was hoped, eventually lead to formal peace treaties. The armistice arrangements consisted of drawing armistice lines as borders and included a territorial swap between Israel and Jordan in the West Bank. It also created several demilitarized zones and a system of convoys for the Jewish enclave of Mount Scopus in East Jerusalem. Other elements included an exchange of prisoners of war and the establishment of the UN-led Mixed Armistice Commission to monitor the implementation of the agreements and the parties' adherence to them. The agreements stemmed from a UN Security Council resolution and contained commitments to respect the "injunction against resort to military force in the settlement of the Palestine Question." Four separate but similar agreements also affirmed that "no provision of the agreement shall in any way prejudice the rights, claims and positions of either party in the ultimate peaceful settlement." Although these agreements failed to bring lasting peace, the precedent of 1949 could serve as a useful model today, allowing Palestinian leaders to follow the path set forth by Israel's Arab neighbors.

The Palestinians were never party to an armistice agreement of their own in 1949 because at the time they did not exercise military control over any territory. Instead, Jordan and Egypt negotiated territorial claims over the West Bank and the Gaza Strip, respectively. Now, the reality on the ground is quite different: the Palestinians have military control over all of the Gaza Strip and important sectors of the West Bank. If armistice talks were initiated today, Palestinian leaders would finally have the opportunity to claim the seat at the table that they have for so long been denied. (The Hamas leadership in Gaza would have to decide after the fact whether to accept the outcome of the negotiations.)

Ehud Yaari

The push for Palestinian statehood should be accompanied by firm commitments from Israel and outside actors to pursue final-status talks once the state has been established. Both parties must abandon the old slogan of "nothing is agreed upon until everything is agreed upon." This would allow the negotiators to implement agreements without making them conditional on the resolution of all the other points of contention. Just as the Arab states recognized the armistice lines with Israel in 1949 without resolving other issues, Israel could recognize a Palestinian state without immediately settling other outstanding issues, such as the refugee question. The guiding principle behind armistice talks should be to deal first with the status and rights of the 3.5 million Palestinians living in the West Bank and Gaza and turn later to the approximately six million Palestinians living in the diaspora.

Both the PA and Hamas have welcomed the concept of addressing boundaries before tackling the remaining final-status issues, but they have so far refused to consider interim borders. There are some indications, however, that this position could change. In a 2007 *Al-Hayat* article, the former Palestinian negotiator Omar Dajani and the former Egyptian diplomat Izz al-Din Shukri wrote that the PA could now propose a peace plan that achieves "Palestinian gains on the issues of the state and its boundaries," while effectively holding on to two cards to play later: Palestinian rights in Jerusalem and the issue of the refugees. And it could do so "without turning them into an obstacle for achieving these gains." Likewise, in 2008, Ata Qaymari, a prominent Palestinian journalist, wrote that "Palestinians, including Hamas, should agree to pursue more temporary agreements," namely, *tahde'a* (calm), then *hudna* (armistice), in an effort to "upgrade the political status of the land and citizens of Palestine."

Most important, some PA leaders are now willing and able to run a country. This represents a significant departure from the era of misgovernment under Arafat, when PA security forces stood by as Fatah's own military wing, the al Aqsa Martyrs Brigade, led a campaign of terrorism against Israel. Abbas' insistence that all guns should be under PA control has led to the dissolution of the al Aqsa Martyrs Brigade and has paved the way for PA Prime Minister Salam Fayyad's new manifesto, "Ending Occupation, Establishing a State"—the first-ever detailed plan for building the state apparatus of an independent

Palestine. Fayyad's goal is to create the institutional infrastructure for statehood over the next two years. His effort is bound to meet strong opposition from a variety of interest groups within the PA and from some political factions that object to his ambitions to build his own power base. However, Fayyad has received strong support from international donors—namely, the United States and the European Union—and, more quietly, from Israel, too.

DIVIDED BUT NOT CONQUERED

THE CURRENT split between the PA and Hamas will not be resolved in the foreseeable future, and a national unity government reunifying the West Bank and Gaza is not within sight. Whatever the outcome of Arab mediation efforts, Palestinian politics will likely be characterized by a Kurdish-style situation: two rival factions will retain control of their respective districts even if they finally manage to establish some semblance of a joint authority. A Palestinian state divided between the PA and Hamas would likely operate in the same manner as Iraqi Kurdistan, where the Kurdish Democratic Party and the Patriotic Union of Kurdistan control their respective provinces in northern Iraq under the nominal jurisdiction of the Kurdish Regional Government—the equivalent of a PA-led national unity government.

Whereas the PA will hopefully remain committed to the pursuit of peace with Israel, Hamas will likely strive to achieve a long-term *hudna* without renouncing armed struggle and without contemplating peace with Israel or recognizing its legitimacy. Ahmed Yousef, the political adviser to Hamas Prime Minister Ismail Haniyeh, has argued that Hamas would adhere to a truce better than the "secular Palestinians" of the PA, implying that God-fearing Muslims are more scrupulous in keeping their word. According to Yousef, "The absence of warfare and violence is another way of defining a *hudna*." "Armistice" has long been part of Hamas' political lexicon; this is but the most recent example of the organization's making such an offer. In short, Hamas is willing to suspend military operations against Israel for years in return for being allowed to consolidate its power in Gaza.

Within Hamas, a fierce debate is raging about the movement's future direction, and it is likely to continue for quite some time. This dispute revolves around the questions of whether the organization's military wing (the Qassam Brigades) should constitute the spearhead of Hamas' drive for hegemony in Palestine beyond Gaza and whether the movement can afford to link its political fortunes to the performance of its armed wing. Many in the upper echelons of Hamas—especially, but not exclusively, those in the West Bank—are privately expressing concern that the party is losing support by espousing reckless violence. They point to the experience of a similar movement, the Syrian

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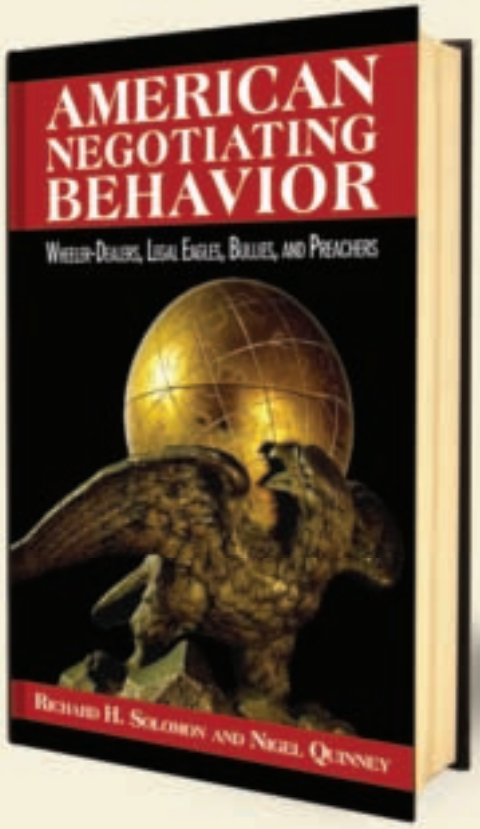
AMERICAN NEGOTIATING BEHAVIOR

Wheeler-Dealers, Legal Eagles, Bullies, and Preachers

RICHARD H. SOLOMON
and NIGEL QUINNEY

Forewords by MADELEINE ALBRIGHT and CONDOLEEZZA RICE



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APRIL 2010
376 pp. • 6 x 9
$22.50 (paper) • 978-1-60127-047-4
$55.00 (cloth) • 978-1-60127-048-1

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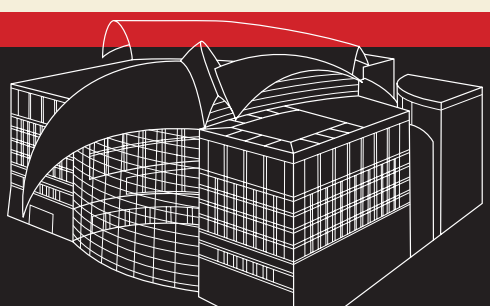

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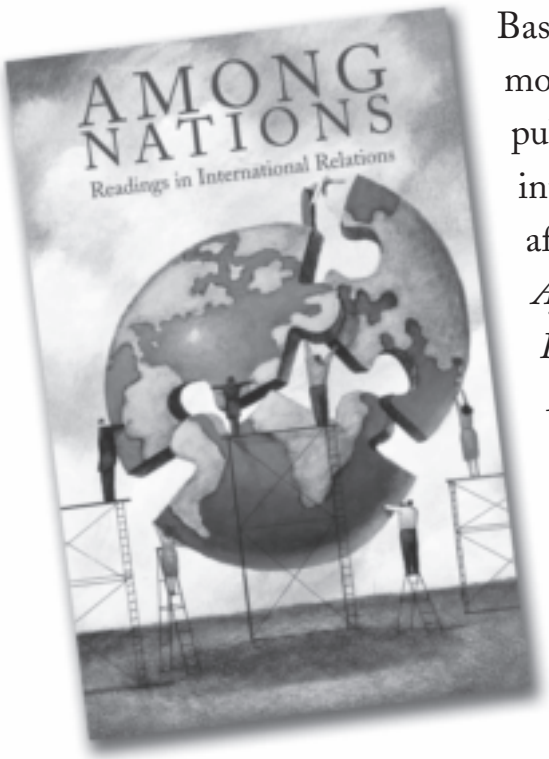

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Muslim Brotherhood, which was dragged by its military wing into a bloody 1982 confrontation with the Syrian regime only to be wiped out and politically marginalized for decades thereafter.

Some top Hamas leaders in the West Bank opposed the takeover of Gaza and the emergence of military commanders with veto power over political decisions. Many of them felt that lobbing thousands of missiles and mortars into Israel after the 2005 disengagement from Gaza was an irresponsible strategy that forced the Israelis to mount a punitive campaign and eventually compelled Hamas to accept a cease-fire without gaining any relaxation of the siege in return. Today, these skeptical leaders have warned Hamas chiefs in closed sessions that the movement has lost its footing in the West Bank following a systematic crackdown by the PA. And it may lose control of Gaza if the IDF invades again.

Hamas itself will surely criticize any armistice agreement for not encompassing the entire territory beyond the pre-1967 lines and will keep denying the legitimacy of the current PA leadership. That said, Hamas has been advocating the notion of a long-term *hudna* for many years, and the organization is already maintaining a de facto *hudna* along the borders of the Gaza Strip. It is highly unlikely that Hamas would resort to military attacks against Israel in order to sabotage an armistice deal, and it is doubtful that it could ever mobilize popular opposition to an interim agreement that speeds the dismantlement of Israeli settlements and transfers more land to Palestinian hands.

PEACE BY PEACE

BECAUSE A large majority of Israelis still support a two-state solution, the Knesset would be likely to approve any interim agreement reached by the Netanyahu government and the PA. The first step toward reaching such an agreement would be direct negotiations between Israel and the PA—with the United States' participation—regarding the fate of both the West Bank and Gaza. Instead of concentrating on an ineffective freeze of settlement construction, diplomats should focus on reaching a deal in which those settlements within the new armistice boundaries of a Palestinian state would actually be removed.

Ehud Yaari

Final-status issues—including the rights of the Palestinian refugees, sovereignty over East Jerusalem, and the fate of the remaining settlements—would all be deferred to a separate track of negotiations that would convene following the armistice agreement. However, temporary arrangements would be inevitable for most of these core issues: In addition to transferring some Arab suburbs of East Jerusalem to the Palestinian state, the negotiators could consider an interim arrangement allowing the PA to help manage the al Aqsa Mosque and the Holy Basin. Moreover, they could establish joint municipal committees to address the concerns of the city's Arab population and elect an Arab deputy mayor for the Palestinian neighborhoods of the city.

As for the refugees, those residing in the new Palestinian state could be offered speedy compensation and resettlement assistance without the risk of losing their refugee status before a comprehensive solution to the refugee problem is agreed on. Also, the budgets for education, health, and welfare services for the refugees could be transferred from the UN Relief and Works Agency to the PA. Furthermore, an international fund could be established permitting refugees outside the Palestinian state to settle their claims without waiting for a final-status agreement, and foreign countries could allocate substantial numbers of immigration visas to refugees wishing to settle their claims. The United States has already indicated that it would contribute generously to such an effort. These measures combined would go a long way toward reducing the scope and gravity of the refugee issue.

Armistice boundaries would need to dramatically expand the amount of West Bank territory fully controlled by the PA. There are three possible ways to draw these borders. Israel could implement the "third redeployment" called for in the Oslo accords, whereby Israel would withdraw from an additional 40 percent of the West Bank without removing any settlements or relinquishing jurisdiction over the remaining settlers. Unfortunately, this minimalist approach would provide little incentive for the PA to back down from its opposition to a provisional deal. A bolder version would follow Olmert's plan for an Israeli withdrawal from roughly 94 percent of the West Bank, including the removal of most of the settlements, with the exception of settlement blocks on the Israeli side of the new armistice line. This, too, is an unpromising option, since it would mean that Israel would be giving up all of its territorial cards,

including East Jerusalem, without securing a final peace treaty in return. The most realistic option would follow the now-defunct and unpublished "convergence plan" of 2006, which was developed by Olmert and former Israeli Prime Minister Ariel Sharon, under which Israel would unilaterally withdraw roughly to the lines of the existing security barrier. This would require dismantling over 60 settlements with approximately 50,000 inhabitants in the hills of the West Bank. Carrying out such an agreement would pose a major political challenge to the Israeli government, since the settlers and their supporters within Israel proper would likely stage violent protests. Still, dismantling these settlements would be far less complicated than evacuating the 86,000 settlers who were slated for removal under Olmert's 2008 offer to Abbas.

The two parties would also have to outline a future agreement ensuring a system of safe passage between the West Bank and Gaza, which would go into effect if and when the West Bank and Gaza were reunited under a national unity government led by the PA. This system could take the form of convoys and, later, a highway or railway connecting Gaza to Hebron or Tulkarm. Finally, Israeli and Palestinian leaders must negotiate new interim economic agreements. These should replace the current customs union with a free-trade area, lift the ban on issuing a Palestinian currency, and hand over control of border crossings with Jordan and Egypt to the Palestinian government. They should also include an understanding that Palestine would restrict its armed forces to missions of law and order, allow Israel to use Palestinian airspace, and permit the IDF to deploy in the Jordan Valley in the event of an attack from the east.

THE FINAL HURDLE

Skeptics of an interim approach will argue that the official position of the PA has not changed: it continues to insist on a final-status agreement and rejects the concept of a Palestinian state within provisional boundaries. However, overcoming the PA's long-standing rejection of any provisional agreement with Israel is not an impossible task. It will require intense diplomatic efforts from the United States and the European Union. Gaining the support of Arab states—namely, Egypt, Jordan, Morocco, Saudi Arabia, and the United Arab Emirates—will also be vital. The promise of breaking the current stalemate through

a process that produces early and tangible results, with the support of Arab states, could encourage the PA to reconsider its position. Besides, there are numerous incentives that can—and should—be offered to the PA, such as guarantees to keep moving toward a final-status settlement, a Security Council resolution calling on the parties to sign an armistice agreement, a huge aid package for the new Palestinian state, and further actions to isolate Hamas.

In Israel, too, there is bound to be strong opposition to this approach from right-wing parties and the settler lobby. Settlements at the armistice phase would either be dismantled or stay under the authority of Israeli military commanders (depending on their location in relation to the new armistice boundaries). This would clearly signal to the settlers that their long-term prospects of remaining deep inside the West Bank are slimmer than at any time since the Oslo accords and would encourage nonideological settlers to seek alternative homes within the settlement enclaves slated to become part of Israel proper. A government program to assist them could go a long way toward reducing the number of settlers residing in Palestinian-majority areas.

If any settlements are dismantled, the Israeli right will likely take to the streets in great numbers, and the Netanyahu government could be toppled by a rebellion within the Likud Party. However, it would be considerably easier to confront such opposition over a limited armistice deal than over a final-status agreement requiring the evacuation of most of the settlements. The Israeli government would be able to make a strong case that while it has not reached an "end of conflict, end of claims" agreement, it is moving cautiously toward a two-state solution without conceding Israeli sovereignty over Jerusalem. More important, after losing what promises to be a fierce struggle over the armistice boundaries, the settler lobby would be in a weaker position to resist a final-status deal later on.

Signing an armistice agreement would be the greatest breakthrough in Arab-Israeli peacemaking since the 1994 peace treaty with Jordan. Instead of allowing such issues as the refugees and the status of Jerusalem to delay the establishment of a Palestinian state, it would constitute a major step toward ending the occupation, fundamentally reconfigure the conflict, and make the prospects for a final-status agreement far brighter than ever before.

Pakistan powers up

OPPORTUNITY IN CRISIS

Pakistan is currently facing an energy crisis, with capacity meeting 80 percent of actual demand. While load-shedding and power shortages are now commonplace, it is expected that the demand-supply gap could widen in 2010 in the face of a 6 percent to 7 percent (per annum) growth of new demand, bringing with it the potential for further debilitating blackouts.

With just 70 percent of Pakistan's 176 million people having access to electricity, the government is desperate to revamp its network and achieve sufficient power supply for sustainable growth.

The priority is to enhance power-generation capability. The National Electrical Power Generation Regulatory Authority (NEPRA) has been established to enforce transparent regulations and considerable progress has been made toward the overall market design of the power sector.

Electricity in Pakistan is generated and transmitted by two main public-sector companies: the Water and Power Development Authority (WAPDA) and the Karachi Electrical Supply Corporation (KESC); there are also roughly sixteen independent power producers (IPPs) operating in the country, including major multinationals such as Siemens, General Electric, AES, and International Power.

There are ambitious plans to attract foreign direct investment in thermal, coal-run, and wind-power generation. Five mega-hydropower projects are under construction and are due for completion by 2016; a further fourteen are under study.

During the recent U.S. delegation to Pakistan, the International Energy Affairs Coordinator David Goldwyn reiterated the U.S. government's commitment to energy supply, saying, "Pakistan has very solid plans to address its energy requirements." Goldwyn unveiled a US $125 million program, with assurances that U.S. private-sector firms will invest. Notable among these has been the Matrix Group, which has signed a potential $1 billion memorandum of understanding to build two power-generation plants, which would add fifty megawatts of power to the national grid.

Fully 40 percent of Pakistan's power generation is now in private hands, with another 2,200 megawatt IPPs under construction. There is therefore a comprehensive strategy to ensure energy security, namely in the Policy for Power Generation Projects, which has as its centerpiece an investor-friendly set of fiscal and financial incentives to create a lower-risk profile for would-be investors.

For those looking to invest in energy, Pakistan is now among the world's hottest markets, having introduced a range of business-friendly incentives, such as a "one-window" facility for processing private power-generation projects above 50 megawatts; government risk coverage for exchange rate variations; protection against taxes and "political risks"; and guarantees for the performance obligations of its entities, such as power purchasers and predictable long-term tariff reductions—all of which are intended to collectively lower market risk.

The government has also stressed the vast hydropower potential, the availability of high-skilled labor, and the abundant indigenous coal resources. Reforming the electricity supply network will remain challenging, but investors are charged up nonetheless.

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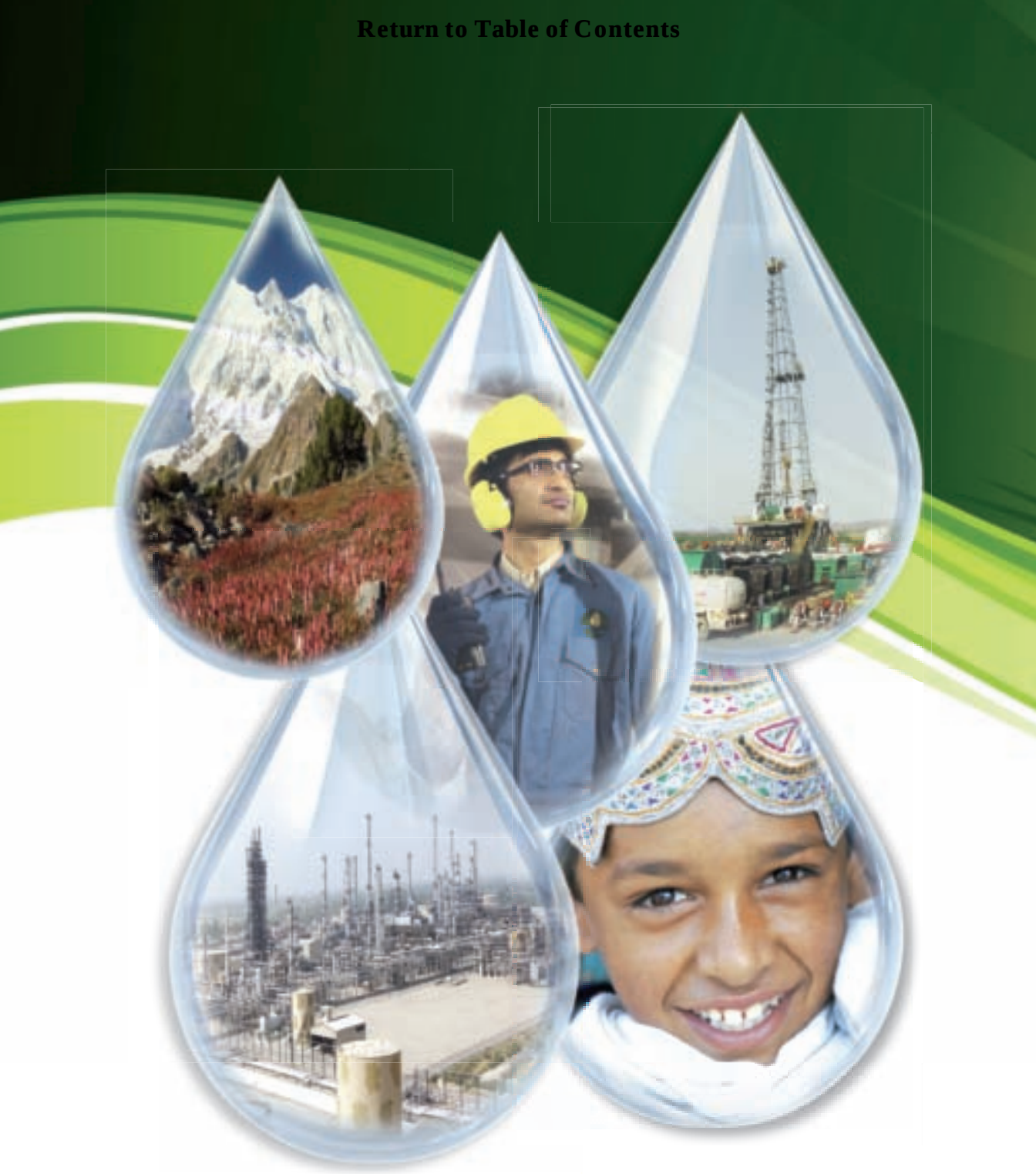
Lucky Cement is a Pakistani success story; capitalizing on Pakistan's growth momentum throughout the Musharraf era, they have continually expanded their capacity and emerged as the preeminent cement manufacturer in the country and a leading regional exporter with a clear strategy to become a global player.

Under the aegis of the Yunus Brothers Group, they have production facilities in Pezu and Karachi and the capacity to produce 25,000 tons per day. Having established the Lucky brand across Asia and the Middle East they are now poised to aggressively ramp up production facilities on the African continent from 2011. "The African market is where the future growth lies," said Chief Executive Muhammad Ali Tabba.

From their inception in 1996 the company has achieved fantastic growth in revenue and profitability, consistently seizing on export opportunities throughout the booming regional markets of the UAE, Kuwait, Bahrain and India.

When asked what Mr. Muhammad Tabba, CEO of Lucky Cement saw as the main challenge to his business, his response was unequivocal, "energy". So with a characteristically bold approach to the problem Lucky cement has developed 100% captive power generation units at its production facilities. These units, equipped with Rolls Royce generators, will enable even greater energy efficiencies.

With the continuing growth in Pakistan's cement exports Lucky is optimally positioned to maintain its impressive growth trajectory.



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PAKISTAN'S BRAVE NEW ENERGY POLICY

In October 2009 Pakistan had the largest ever oil and gas offloading in its history, granting exploration licenses (during an intensely competitive bidding round) for 41 exploration blocks.

The round raised US $175 million and has a projected minimum expenditure of $500 million within three years. With an influx of foreign cash, technical know-how and a progressive new energy policy in place, Pakistan's oil and gas sector looks poised for a renaissance.

This event coupled with the incentives offered earlier in the year – with the introduction of the 2009 petroleum policy – has galvanized the intentions of a large number of international players in a county with significant hydrocarbon potential. Successful bidders included behemoths like; British Petroleum and ENI of Italy amongst many others clamoring to get a piece of the action,."This shows the confidence of investors in our policies and in the country," said Syed Naveed Qamar Minister of Petroleum.

The 2009 petroleum policy sets the framework for a concerted attempt by the Government at investment promotion, the introduction of liberal incentives, a fair pricing mechanism and the creation of a highly competitive regulatory framework. With crude oil production only meeting 18% of the country's demand this is of vital national interest.

Working in partnership with foreign companies is the key to unlocking the country's hydrocarbon reserves. "They will benefit the country from their technical expertise and modern technology" said Minister Naveed. With a more level playing field in place for all market participants, both foreign and domestic, the government has set out to create a far more conducive investment environment.

Whilst many of Pakistan's oil and gas companies still have significant state holdings, the spirit of international cooperation is deeply entrenched, with a long history and manifold cross-border investments and joint ventures, Pakistan's oil and gas companies have many foreign partnerships both within the country as well as regionally.

Pakistan Petroleum Limited (PPL), the largest and oldest of the E&P groups and pioneer of natural gas is no stranger to alliances and they have an ambitious vision to expand their international exploration. Thanks to a joint venture with Austria's OMV, the company has a block in Yemen, and is pursuing an exploration program in Africa in a bid to globalize operations. Deputy Managing Director Asim Murtaza Khan insists "PPL is a strong company, we are highly liquid and our financial performance is solid and we are confident that we will be looking forward to large discoveries."

Meanwhile, the Oil and Gas Development Company Ltd (OGDCL), the flagship of Pakistan's E&P sector, and the market leader in reserves and production, warrants attention. Holding 46% of the country's recoverable oil reserves and around 36% of gas reserves, OGDCL is listed both in Pakistan and on the London Stock Exchange. 2009 was a key year with the signing of a multi-billion dollar gas pipeline accord with Iran.

On the distribution side, Pakistan State Oil (PSO) is Pakistan's largest oil marketing company with the largest number of retail outlets – and a major supplier to aviation, railways, ports and shipping, power projects, the armed forces and the agricultural sector. Mr. Irfan K. Qureshi, MD, – formerly of Chevron Texaco – speaks of his wish to modernize PSO and introduce best-practice from the private sector. He underlines the fact that "PSO is a goldmine, a great company, and a cash-cow for the government"

Against this backdrop, Sui Northern Gas Pipelines Limited (SNGPL) the country's largest integrated gas company -with more than 3 million domestic consumers – is now actively seeking diversification of its business by offering services for clients internationally, and commercializing its expertise.

Emblematic of both the rush to modernize and the growing internationalization of the sector, an eye watering US $6 billion of FDI is currently being channelled into a flagship deep conversion project of the PAK Arab Refinery Ltd (Parco), a key player in Pakistan's oil supply and logistics, and itself born of a successful partnership between the Government of Pakistan and the Abu Dhabi Petroleum Investment Company (IPIC). This project represents the largest single FDI ever made in Pakistan.

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Global Energy After the Crisis

Prospects and Priorities

Christof Rühl

Commercially traded energy is what classical economists used to call a "basic good": directly or indirectly, it enters the production of every other produced commodity or service. Nonrenewable fossil-fuel energy and nuclear energy are produced by first converting and then burning natural resources. Because these resources are finite and unevenly distributed, they seem to become increasingly hard to come by when global economic activity expands. The need to maintain regular access to them is the simple logic behind the concept of energy security. Recently, these traditional concerns have been exacerbated by another threat: the fear that the atmosphere's capacity to absorb carbon emissions caused by humans may be exhausted long before humans' capacity to find hydrocarbons in the earth's crust and burn them for energy is.

In many places, the main means of addressing these concerns has been to rely on markets, which make it easier to diversify supply and demand, substitute fuels, and make the most of the gains in efficiency brought on by technological change. More recently, the idea of putting a price on carbon has extended this approach to protecting the environment.

But now global energy consumers are losing trust in these pricing mechanisms. In the five years prior to the summer of 2008, oil prices

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rose by 370 percent, traded coal by 460 percent, and natural gas by 120 percent. The prices of other raw materials, metals, and even food increased in lockstep. The only other time since World War II that prices rose that much was in the early 1970s. Back then, as recently, prices were driven by a surge in global economic growth.

Yet the composition of growth differed markedly in these two instances. In the 1960s and early 1970s, economic growth—and with it growth in energy consumption—was driven by mature high-income economies; in the early years of this century, emerging-market economies got into the driver's seat. Measured at market exchange rates, the contribution to global growth of the economies outside the Organization for Economic Cooperation and Development grew from about 20 percent in the early 1990s to 50 percent today. And the rising influence of the developing world is disproportionate in energy markets: the non-OECD countries' share of the growth in global energy consumption rose faster than their share of global economic growth over the same time period; it accelerated to more than 90 percent. One reason is that developing countries are less efficient in their use of energy. Energy intensity, the energy needed to produce one unit of GDP, in the developing world is three times as great as it is in the developed world. Using other exchange-rate definitions lessens these differences, but the basic conclusion remains the same. Something will have to give over the next few decades: either energy efficiency will have to increase or growth in the emerging-market economies will slow down.

No one wants growth to slow, but how can efficiency increase, especially in light of the economic crisis of 2007–9? On the back of tremendous volatility in the energy markets, the global recession caused demand to fall, spare capacity to rise, and prices to drop for all major fuels. But in the process, the crisis has also usefully highlighted both the structural forces that are straining energy markets and these markets' relative strengths and weaknesses.

GROWING PAINS

THE SHIFT of energy demand to developing countries is a major change. At market exchange rates, the average per capita income in non-OECD economies is $2,300, compared with $32,000 in the OECD

countries. What is more, it takes (again, at market exchange rates) 3.4 barrels of oil equivalent to produce $1,000 worth of GDP in the non-OECD countries, versus 1.1 barrels of oil equivalent in the OECD countries. Developing countries are energy intensive partly because of various inefficiencies, particularly the widespread subsidization of energy. But the main explanation lies in the nature of economic growth. Comparing growth in developing and mature economies is like comparing apples and oranges: In mature economies, growth only gradually reshapes the sectoral composition of GDP and employment, and its principal effect is to expand the service sector. But in emerging-market economies over the last few years, growth has caused unprecedented structural transformation. Hundreds of millions of people have left low-energy-intensive activities, such as agriculture, for energy-intensive activities, such as construction and industry. And it is this process of industrialization that increases an economy's energy intensity.

One way to measure this increase is to look at power-generation growth. Since the late 1990s, growth in power generation has been accelerating in the non-OECD countries and decelerating in the OECD countries. Another pattern has emerged: power-generation growth in the non-OECD countries overall exceeds GDP growth, and this is not the case in the OECD countries. The need for power is one reason why coal has become the fuel of choice worldwide, especially in non-OECD countries: it is more widely available than oil and gas and is abundant and relatively cheap. Coal has been the fastest-growing major fuel on average over the last decade and every year since 2003.

With industrialization comes urbanization, too, and with urbanization, lifestyle changes. Mobility and thus transportation have increased in the developing world, leading to growth in the consumption of oil. These developments have also shifted demand growth to outside the OECD countries: in fact, the entire net increase in global oil consumption since 1999 has come from outside the OECD countries.

The environmental impact of these changes has been predictable: global carbon emissions from fossil-fuel consumption are growing. After a period of relatively moderate growth, carbon emissions accelerated noticeably after the turn of the century, driven by growing energy demand in the developing world. More important, the carbon intensity

of energy itself has increased. From 1970 until the late 1990s, global emissions per unit of energy consumed fell steadily. But then, in 1999, reflecting the increasing share of coal in the energy portfolios of the non-OECD countries, carbon emissions per unit of energy began to rise. Since the turn of the century, they have increased by about two percent globally and by almost three percent in the developing world. Not only is more carbon being emitted throughout the world as economies grow and consume more energy, but the energy consumed itself is dirtier.

OPAQUE OPEC

When the global economic crisis fully hit, in the summer of 2008, the impact on energy markets was immediate and severe. The sudden economic contraction in the second half of 2008 triggered a strong adjustment in energy prices and consumption. Prices, which had risen significantly in the first half of 2008, reached record heights in July and then dropped, some precipitously. By the end of the year, the price of oil had declined by 75 percent, the price of traded coal by 62 percent, and the price of natural gas sold in the United States by 58 percent. This was the first time global oil consumption had fallen since 1993.

Annual production began to exceed annual consumption for all fossil fuels. Inventories rose. Spare capacity emerged. Power generation experienced its lowest growth since 1992; in the OECD countries, it fell. The world economy contracted even faster in early 2009, and the decline in energy demand followed suit. Oil consumption started to fall not only in the OECD economies but also, briefly, in the non-OECD economies, causing the drop in global oil consumption to accelerate.

But the fortunes of the different global energy markets started to diverge markedly. As the world economy shrank further in early 2009, coal and gas prices continued to fall. But despite the worst deterioration in demand in a generation, oil prices stabilized and then staged an impressive recovery. They more than doubled, from a low of $34 per barrel in December 2008 to $71 in June 2009. They stayed around this level and then rose to above $75 per barrel in the fall, even though inventories stayed at record highs. But by the end of 2009, global demand was showing signs of recovery again.

This was a rather extraordinary development under the circumstances, and it is impossible to understand the behavior of oil prices during this period without looking at the role of OPEC. In 2008, the average annual crude price had increased for the seventh consecutive year—an unprecedented occurrence. The foundations of the rally had been laid in the fall of 2006, when crude prices started to retreat from $80 per barrel, then the record high. To stop the decline, OPEC stepped in and cut production twice, in late 2006 and early 2007, by almost one million barrels per day. Crude oil prices rallied—from $50 a barrel in January 2007 to $147 in July 2008, their highest level ever, in both real and nominal terms.

How could a production cut of one million barrels per day in a market of 81 million barrels per day set off such a chain reaction? Like any complex system, the global oil market needs a degree of redundancy to operate smoothly. In the short term, inventories can provide this safety cushion; in the longer term, it is provided by spare production capacity. Following strong demand growth in 2003 and 2004, spare capacity in the global oil market was hovering around record lows, at little more than two percent of global production (that is, less than two million barrels per day, almost all of it in Saudi Arabia). In other words, even after the OPEC cuts of 2006 and 2007, the global oil market was running at above 97 percent of capacity—an exceptionally high rate and one much too high to guarantee any meaningful stability in prices.

When set against the backdrop of high global economic growth, this fundamental market tightness meant that as soon as the production cuts had translated into tighter inventories, prices accelerated their journey upward. As crude prices sailed through $120 per barrel in the early summer of 2008, Saudi Arabia took the extraordinary step of announcing a unilateral increase in production—twice. This decision reflected the recognition that the U.S. economy was hurting from the adverse impact of high prices on both consumer spending and the U.S. balance of payments: it was a rational attempt to protect the goose that lays the golden egg. But crude prices jumped on the heels of each of these announcements anyway: no one seemed to believe that the Saudi national oil company would, or could, follow through.

In the event, Saudi Arabia, along with other Persian Gulf producers, increased production as early as December 2007 and did again in June and August of 2008. But their timing was exquisitely cruel. Just as the increased production found its way to inventories, in the summer of 2008, the global credit crisis broke. Global oil demand, especially in the United States and other OECD countries, fell off a cliff. Caught between rising production and falling consumption, prices fell from $147 per barrel in the summer to $34 by late December.

OPEC reacted swiftly. Racing to catch up with falling demand, it announced production cuts totaling 4.2 million barrels a day. Although implementation was solid, it lagged behind events and could not prevent prices from temporarily taking a nosedive. It took until the first quarter of 2009 for OPEC's cuts to match the decline in demand. Still, from OPEC's point of view, its supply management was a success. Oil prices stabilized soon after the Christmas holidays of 2008, on the expectation that the cartel members would follow cartel discipline, and then started to rise—even as the prices for other primary fuels and commodities continued to fall.

At the same time that OPEC was adopting these measures, Saudi Arabia was issuing statements calling $75 per barrel of crude a "fair price"—a price that would, in the words of the Saudi oil minister, keep "everyone happy," producers and consumers alike. The British and French governments were arguing for an unspecified price band to curb volatility; the Russian government announced its own fair price ($70–$80). There is, of course, no such thing as a fair price. But the debate about the issue matters nonetheless. The U.S. economy's recovery is necessary for the recovery of the global economy. And although economists are uncertain about how to quantify the impact of current oil prices on the global economic recovery, there is very strong evidence that high oil prices hurt the United States more than other countries. Low taxes on oil products in the United States mean that U.S. consumers are more directly affected by price fluctuations, and comparatively very low U.S. exports to oil-producing regions mean that the impact of oil price fluctuations on the U.S. balance of payments is greater than the impact on the balance of payments of other oil-consuming regions.

If prices are held above market levels, they will be detrimental to economic recovery, and in the United States more so than elsewhere.

And so the question is, can OPEC keep them above market rates? Basic economics would suggest that successful cartels sow the seeds of their own destruction: supply cuts lead to above-market prices and generate spare capacity, a combination that generally gives cartel members a reason to stop complying with the quotas. OPEC has cut supplies during a recession on two occasions—in 1998 and 2001—and both times, cartel discipline held for 24 months. OPEC's spare capacity increased from around two million barrels per day in the summer of 2008 to six million by the end of 2009. This overhang increases the risk of noncompliance, especially since one-third of it is outside Saudi Arabia. On the other hand, the rising oil prices in 2002–8 left important cartel members in a strong financial position. Even if high economic growth were to return tomorrow, it would still take three years to burn through the six million barrels a day of spare capacity and to wind up markets as tight as they were last year. Prices are thus unlikely to spike over the next two to three years. In other words, the forecast for the immediate future (through 2010) is more of the same.

Not only is more carbon being emitted as the economies of the developing countries grow, but the energy consumed is dirtier.

This is assuming, of course, that the deeper structural changes that are occurring in the oil market comply. Three factors are especially worth keeping in mind. The first is the fact that OPEC retains inordinate power over the oil market even though it directly controls only about 40 percent of global crude output. The quick explanation for this is lack of supply growth outside OPEC. Until the mid-1990s, non-OPEC supply growth reliably increased by about one million barrels per year (if one puts aside the momentary collapse in Russian production in the early years of the country's economic liberalization). But it has now almost come to a standstill. The rising price of oil in 2002–8 did not boost production outside OPEC. One reason is that large fields in the North Sea and Alaska are declining. Another reason, more important than geology, is politics. After this long period of high prices, barriers to private-sector investment sprang up even in regions that had previously been open. That left OPEC in de facto control of investment as much as production and helps explain the surprising amount of control the cartel maintains over the market.

The second important structural change in the oil market is the shift in oil demand growth from the mature economies to the developing world. In late 2005, long before anyone was worried about an economic crisis, demand from the OECD countries started to fall in response to high prices. It continued to drop in 2006 and dropped even more in 2007, two years when economic growth was strong. And then the global economy contracted. Since 2007, oil consumption in the OECD countries has shrunk by eight percent. Demand from the OECD countries has peaked. Non-OECD consumption is now the only source of growth in global demand.

The third major shift in the oil market is related, and it pertains to energy efficiency. When it comes to oil, to say that the entire increase in global oil consumption has come from outside the OECD countries so far this century is also to say that almost all of it has come from countries that subsidize oil products. Estimates of future shifts in demand will therefore have to determine how subsidies are likely to affect demand outside the OECD countries, for example, in China or the Middle East.

In energy markets more broadly, subsidies in industrializing countries have kept demand, and hence prices, up. This is not only a costly fiscal problem; it can also create long-term distortions in the capital stock and the vehicle fleet. If, on the other hand, industrializing economies bear no such burdens, energy efficiency can become a comparative advantage. The governments of several non-OECD economies, not least that of China, are starting to realize this, and such competitive pressures are likely to force more non-OECD economies to eliminate subsidies down the road. The oil market is a good example of a more general economic principle: when the prices of end products increase (because subsidies are eliminated), energy efficiency improves and growth in global oil demand softens. In fact, the relationship between higher end-user prices and energy efficiency is one of the most reliable relationships in long-term data on energy.

FUELS' FUTURES

OIL PRODUCTION is concentrated geographically, and the market for oil is dominated by geopolitical considerations. Not so for coal.

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Aside from the fact that global coal consumption is led by China—which in 2008 accounted for 43 percent of global coal consumption and 85 percent of global coal consumption growth—the market for coal is much less concentrated than that for oil. Coal trades internationally in a smaller but highly competitive market, the size and sophistication of which is increasing quietly while its efficiency remains underestimated. During 2008, the price of coal rose until the summer and then collapsed. It fell longer and further than that of oil because no coal cartel was there to stabilize it. The market had also become very competitive: in response to a rise in transport costs, Europe, for example, substituted imports from the Indian Ocean basin with imports from the United States.

Coal also matters thanks to the fact that it can substitute for natural gas in power production. In the European Union, relatively low gas prices and the existence of a carbon price meant that it was more expensive to generate electricity from coal than from gas in early 2008. As a result, electricity production from gas rose by eight percent, and electricity production from coal fell by nine percent.

The ability of natural gas to serve as a substitute for coal is important for its future. During the economic crisis, natural gas prices followed the same pattern as that of other fuel prices: the economic downturn caused global gas production (which was at a record level then) to exceed gas consumption, depressing prices from the summer of 2008 well into 2009. Natural gas markets, both for piped gas and for liquefied natural gas (LNG), also got hit by the same double whammy that affected other fuels: an increase in production that happened to coincide with a decline in demand.

That increase in gas production was partly the result of fundamental technological advancements in U.S. gas production. In response to tight supplies and rising prices, technological advances, such as horizontal drilling (which eases access to layers of oil or gas) and hydraulic fracturing (which uses water pressure to release gas from hard rocks), were employed to make unconventional gas resources, such as tight gas, shale gas, and coal-bed methane, accessible on a large scale. As a result, production from unconventional gas deposits in the United States has almost doubled over the past decade, and the share of these deposits in total U.S. gas production has reached about 50 percent.

Unconventional resources are becoming conventional. And as production has risen, prices have declined. The recession has only exacerbated this effect: falling demand has further brought down prices. Domestic production has had to be scaled back. Imports into the United States, of piped gas and LNG alike, have decreased as well.

For consumers, there is an additional positive effect of comparatively low gas prices: gas can compete with coal as an input fuel for power generation again. In the few years before the economic crisis, gas prices had been rising with the price of oil, chasing parity with residual fuel oil, another substitute in power generation. The last time natural gas prices were close to coal prices for a prolonged period was back in the 1990s, when the advent of the technology for combined cycle gas turbines increased the capacity of gas-fired power generation. But that did not last: as gas consumption grew and supplies tightened, gas prices rose, eroding the competitiveness of gas over coal. Thanks to its regained price advantage, coal continued to dominate power generation until very recently.

Now that gas prices are once more competitive relative to those of coal, U.S. power generation is changing again. And thanks to the first "dash for gas," in the 1990s, gas-fired power-generation capacity in the United States today is very well developed; in fact, it exceeds coal-fired power-generation capacity. The share of gas in total power generation in the United States reached an unprecedented 28 percent in the fall of 2009, up from 20 percent in the first half of 2008.

Another major development regarding natural gas is the emergence of a globally integrated market for LNG. About eight percent of all internationally traded gas today is LNG. Traditionally, the relationship between LNG producers and LNG consumers has mirrored that between piped-gas producers and consumers, which are connected by pipelines. In the case of LNG, on one end, there is a liquefaction plant, and on the other, a regasification plant; in between, cargo ships transport the LNG. As with the typical bilateral monopoly between a gas producer and a gas consumer connected by a single pipeline, there was no market mechanism to set a price for the LNG transaction. Instead, the volume and the price of the LNG traded were covered by long-term contracts, whose terms typically tracked oil prices.

This system is changing. Spot markets have been emerging, thanks partly to buyers who have tried to secure additional LNG by purchasing

single cargoes. An increasing share of the LNG sold is now fungible, in other words. This, in turn, has improved the global integration of the LNG market. The economic crisis, with its falling demand and oversupply of cargo, reinforced this development. Facing oversupplies, producers discovered the advantages of flexibility. As the LNG market continues to expand and become more integrated, the system of long-term contract pricing will continue to erode.

The emergence of a competitive global LNG market will have some obvious effects. The first will be to link prices between the regional gas markets in Asia, Europe, and North America, which have historically been segmented. The second consequence is that with long-term contract pricing under pressure, competition will increase and efficiency will improve. Consumers will benefit if the price of natural gas is progressively delinked from the price of crude oil. Finally, the advent of a globally integrated LNG market will improve energy security by fostering diversification.

Examples of these consequences are already visible. Russian and Central Asian gas deliveries to Europe are being affected by LNG prices. The "take or pay" terms of existing contracts for pipeline deliveries force Russia's European customers to take or pay for more than 80 percent of the volumes they have contracted to buy even if they can now find cheaper supplies elsewhere or no longer need as much gas. But to the extent that they have been able to, under the terms of these contracts, European customers have switched to LNG. Moreover, Europe uses only around 60 percent of its LNG-degasification capacity, which means that were it not for its prior commitments under the long-term contracts with Russia, it could rely on LNG imports even more.

It is easy to see how, down the road, long-term LNG contracts will come under pressure as consumers and producers start to benefit from more flexible contractual arrangements. Pipeline gas may be affected by LNG competition as well, although these effects will take place over decades rather than years.

Looking further into the future, as the technology that allowed the United States to so successfully tap unconventional gas resources spreads around the globe, unconventional gas resources may become increasingly available, including in the large consumer regions of Asia

and Europe. These still untapped resources have the potential to become game changers in global energy. This will be especially true even further into the future if their development dovetails with the liberalization of the LNG market. Indonesia, for example, is about to complete the first-ever LNG export terminal to use unconventional gas (coal-bed methane) as its feedstock.

Whether these changes in natural gas markets will have strategic significance will depend on two factors. The first is whether more unconventional gas resources can actually be developed and where this occurs. The primary reason that coal has emerged as the static fuel of choice over the last decade—in particular in the emerging markets—is that it is available locally. In contrast, natural gas is highly concentrated: 60 percent of the natural gas consumed is consumed in regions that collectively control 14 percent of the reserves. If unconventional natural gas can be developed, it could become the local fuel of choice and supplant coal.

The second factor is that gas burns much more cleanly than coal. Producing one kilowatt-hour of electricity with natural gas emits a little more than half the amount of carbon that producing the same amount of energy with coal does. With both growing concern about carbon emissions and, one hopes, a growing awareness that fossil fuels cannot immediately be replaced with carbon-free alternatives, sooner or later, politicians and the public will start calling for replacing coal with gas. In the United States, unconventional gas already competes with coal, and it does so without the help of a carbon price. A price for carbon would increase and stabilize the share of gas in power production even more, in the United States and elsewhere.

FACILE FUELS

BECAUSE OF the long lead-times in energy projects, one can make reasonable estimates ten, or even 20, years ahead. By all accounts, the foreseeable future in energy markets will remain dominated by fossil fuels. Oil currently accounts for 35 percent of global primary energy consumption, coal for 29 percent, and gas for 24. (Hydropower and nuclear power together account for 12 percent; renewable energy for less than one percent.) Most reasonable forecasts do not expect the

global energy mix to be substantially different in 2030. But with the share of renewable energy expected to reach not much more than five percent, there is more uncertainty about the shares of coal and gas.

By hitting the energy markets hard, the economic crisis has both depressed high commodity prices and brought back into focus the question of how energy prices are linked to economic growth. The various fuel markets reacted differently to the crisis, highlighting their respective strengths and weaknesses. From the consumers' perspective, the more competitive markets coped better. Of the major fossil-fuel markets, it is the market for coal that is the most competitive; the international gas market is becoming more competitive, too; the market for crude oil sits at the less competitive end of the spectrum. The crisis also revealed the cyclical elements of energy markets, highlighting how long gestation periods in capital-intensive industries—such as the LNG industry and the refining industry—can translate into an unfortunate conjuncture, in which production grows just at the time that demand declines.

Adjusting to the economic crisis has provided lessons about which energy markets adapt quickly in the short term, and it has exposed major structural shifts already under way in these markets. No matter how severe the current recession, its effects on global energy markets are likely to be dwarfed by the long-term impact of the industrialization of the emerging-market economies. The pressure on energy and commodity markets may have been relieved for a short time, but over the medium and long terms, the task of improving energy efficiency is likely to remain paramount. What the crisis has demonstrated is that the competitive energy markets are the ones most capable of maintaining energy security in turbulent times. This is a lesson for how to meet long-term challenges as well.

Another important lesson has to do with the prospects for restricting carbon emissions. Climate-change policies are typically portrayed as a means of transitioning from a carbon-based to a carbon-free world. The problem is that the ability to generate a sizable amount of carbon-free energy is still very far away. The question is thus whether a bridge fuel, such as natural gas, could help minimize carbon emissions in the meantime. Fossil fuels will be part of any solution to ensure energy security and stem climate change—and this will be true for much longer than many would like to think.

India's Rise, America's Interest

The Fate of the U.S.-Indian Partnership

Evan A. Feigenbaum

Until the late 1990s, the United States often ignored India, treating it as a regional power in South Asia with little global weight. India's weak and protected economy gave it little influence in global markets, and its nonaligned foreign policy caused periodic tension with Washington. When the United States did concentrate on India, it too often fixated on India's military rivalry with Pakistan.

Today, however, India is dynamic and transforming. Starting in 1991, leaders in New Delhi—including Manmohan Singh, then India's finance minister and now its prime minister—pursued policies of economic liberalization that opened the country to foreign investment and yielded rapid growth. India is now an important economic power, on track (according to Goldman Sachs and others) to become a top-five global economy by 2030. It is a player in global economic decisions as part of both the G-20 and the G-8 + 5 (the G-8 plus the five leading emerging economies) and may ultimately attain

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a permanent seat on the United Nations Security Council. India's trajectory has diverged sharply from that of Pakistan.

With economic growth, India acquired the capacity to act on issues of primary strategic and economic concern to the United States. The United States, in turn, has developed a growing stake in continued Indian reform and success—especially as they contribute to global growth, promote market-based economic policies, help secure the global commons, and maintain a mutually favorable balance of power in Asia. For its part, New Delhi seeks a United States that will help facilitate India's rise as a major power.

Two successive Indian governments have pursued a strategic partnership with the United States that would have been unthinkable in the era of the Cold War and nonalignment. This turnaround in relations culminated in 2008, when the two countries signed a civil nuclear agreement. That deal helped end India's nuclear isolation by permitting the conduct of civil nuclear trade with New Delhi, even though India is not a party to the Nuclear Nonproliferation Treaty. Important as the agreement was, however, the U.S.-Indian relationship remains constrained. For example, although U.S. officials hold standing dialogues about nearly every region of the world with their counterparts from Beijing, Brussels, and Tokyo, no such arrangements exist with New Delhi.

The future scope of the U.S.-Indian relationship will depend, then, on choices made in both Washington and New Delhi: the United States looks to India to sustain its economic and social change while still embracing a partnership with Washington, and India looks to the United States to respect Indian security concerns. And the countries will need to carefully manage looming disagreements between them, including on Afghanistan, Pakistan, and China.

A TRANSFORMED RELATIONSHIP

U.S. President Barack Obama and Indian Prime Minister Manmohan Singh can pursue an enduring partnership because they do not face any of the three principal obstacles that constrained U.S.-Indian cooperation in the past: Cold War politics, a stagnant commercial relationship, and disagreements over India's nuclear program.

Evan A. Feigenbaum

During the Cold War, India's policy of nonalignment struck many in the United States as tantamount to alignment with the Soviet Union, especially after the Indian-Soviet treaty of friendship was signed in 1971. And nonalignment was as deeply rooted in India as it was lamented in Washington: the policy dated back to India's first prime minister, Jawaharlal Nehru, who viewed nonalignment as a way for India to exercise international leadership after the end of British rule. But after the collapse of the Soviet Union—one of its largest trading partners and its primary security partner—India began to reassess its priorities, and opportunities emerged for greater cooperation with the United States.

Yet even after India began to abandon nonalignment, there was little economic exchange between the two countries. Until the reforms of the 1990s, India was not well integrated into the global economy. It pursued protectionist policies, such as bars to foreign investment in many sectors, that made trade with the United States difficult. As recently as 2002, Robert Blackwill, then the U.S. ambassador to India, complained that U.S. trade flows to India were as "flat as a chapati" (chapati is a thin Indian bread). For all of India's growth in manufacturing and increased trade volume over the 1990s, the country remained disconnected from the global supply and production chains that linked so many Asian economies to the United States. But further reforms in recent years have made India one of the United States' fastest-growing commercial partners. Annual two-way trade more than doubled between 2004 and 2008, from just under $30 billion to $66 billion. And investment has begun to flow both ways. According to the Office of the U.S. Trade Representative, Indian direct investment in the United States reached $4.5 billion in 2008, just over a 60 percent increase from 2007.

Still, the thorniest obstacle to U.S.-Indian cooperation was India's nuclear program. In the years after India's first nuclear test, in 1974, Washington imposed sanctions on India that severely restricted its access to technology, fuel supplies, and technical assistance in the nuclear field. After India's subsequent tests, in 1998, the United States cut off direct foreign assistance, commercial export credits, and certain technology transfers. As U.S.-Indian relations began to warm in subsequent years, Indians of all political persuasions condemned the

United States as hypocritical for seeking a strategic partnership with India while simultaneously targeting it with punitive sanctions. The United States abandoned this approach during George W. Bush's first term and had completed a total reversal by the end of his second, when the civil nuclear agreement lifted restrictions on nuclear commerce. Although negotiated by a Republican administration, the deal passed a Democratic-controlled Congress with overwhelming bipartisan backing (including the votes of then Senators Joe Biden, Hillary Clinton, and Obama), demonstrating that support for strengthened U.S.-Indian relations extends across party lines in Washington, much as it does in India. Also bolstering the relationship are both American and Indian businesspeople, the nearly 100,000 Indian students currently studying in U.S. schools, some three million Indian Americans, and the tens of millions of Indians with relatives in the United States.

Barack Obama and Manmohan Singh do not face any of the principal obstacles that impeded U.S.-Indian cooperation in the past.

Through their civil nuclear negotiations, the United States and India developed unprecedented habits of cooperation. To earn the approval of the nearly 50 other countries on the International Atomic Energy Agency's Board of Governors and in the Nuclear Suppliers Group, the United States and India coordinated more closely than ever before on their diplomatic and political strategies. Partly as a result, officials in Washington and New Delhi can now work better together on vital issues such as counterterrorism, defense, and intelligence cooperation—as demonstrated by the joint U.S.-Indian response to the November 2008 terrorist attacks in Mumbai.

Still, a number of hurdles remain before the United States and India can build a more enduring, strategic, and global partnership. First, India needs to bolster its emergence as a major power—not least by sustaining high rates of economic growth. This will require India to further open its economy to competition and investment and advance ongoing reforms aimed at relieving inequality, expanding the middle class, and strengthening the country's physical infrastructure.

Second, India's emerging global influence will be sustainable only if India develops new doctrines and diplomatic capacities. The country

has moved beyond nonalignment, to be sure, but has not yet coalesced around a new foreign policy vision. And although New Delhi may ultimately settle on a strategy that is conducive to a more open and global partnership with the United States, that is not assured.

Third, the United States needs to be sensitive to Indian concerns in a number of areas that directly affect Indian interests. Differences loom between Washington and New Delhi regarding U.S. policy toward Afghanistan and Pakistan, China, climate change, and other issues. Managing such disputes—by reaching agreement or at least by mitigating the effects of disagreement—will be vital to effective cooperation.

INDIA'S PIVOTAL TRANSFORMATIONS

JUST AS Indian reforms in the 1990s paved the way for the recent transformation of U.S.-Indian relations, Indian policy choices in the coming years will shape both the country's rise and its relationship with Washington going forward. The most consequential factor of all may be whether India grows economically and integrates further with the world's other major economies. Unless it does so, India is unlikely to exert decisive influence on international economics or politics.

It is fitting, then, that Singh's government—which earned a fresh mandate and expanded its parliamentary majority in elections last year—is focused almost entirely on domestic considerations. The government's top priority is to restore the nine percent annual growth rate that India enjoyed before the recent global economic crisis. As the crisis was unfolding, many Indians argued that their economy was safely decoupled from global trends because it did not depend heavily on foreign demand for Indian exports and its relatively closed financial sector had little exposure to toxic assets. But during the crisis, exports collapsed, capital left the country, and corporate India lost access to many sources of overseas financing. Although Singh's government adopted a fiscal stimulus plan in December 2008 that included heavy capital and infrastructure spending, Indian growth slowed from nine percent in 2007–8 to 6.7 percent in 2008–9, which is around where it is likely to remain until at least 2011, according to the Organization for Economic Cooperation and Development.

To win votes and broaden public support for growth-inducing reforms, India's government is seeking to expand various welfare measures. In the past, Indian voters have punished both major political parties for enacting reforms that appeared to benefit elites disproportionately. This was one reason why the Indian National Congress, after coming to power in 2004, pursued expanded welfare programs alongside measures to increase economic growth, especially in rural India. When the party won reelection in 2009, many commentators credited the Congress-led government's rural employment guarantee and debt waivers for farmers as the principal reasons for its larger-than-expected margin of victory. Now, party leaders are all the more dedicated to raising the incomes of poor and rural Indians: the government's first postelection budget extended the rural debt waiver, boosted spending on the ongoing rural employment guarantee by 144 percent, and hiked the rural infrastructure program by 45 percent.

To facilitate the kind of growth it seeks, India is also improving its physical infrastructure. Just two percent of Indian roads are highways, even though most freight and nearly all passenger traffic are carried by road. Rutted highways, old airports, decaying ports, and chronic electricity shortages weaken nearly every aspect of India's economy: the roads between India's four largest cities are poor, New Delhi's showpiece high-tech district of Gurgaon has gone dark and hot, and power for lights and air conditioning often fails even in state capitals. For India to sustain high GDP growth, Singh told Parliament in 2008, it will have to increase its electricity generation by eight to ten percent annually. By 2012, the government aims to increase infrastructure-related spending from four percent of GDP to nine percent, on par with the rate that gave China the world's third-largest road and rail networks. India's plans include completing construction on the Golden Quadrilateral, a multi-billion-dollar superhighway linking New Delhi, Kolkata, Chennai, and Mumbai. India's success or failure in developing its physical infrastructure will say much about its broader potential, because the stakes are high and the obstacles are many. State seizures of land are difficult, cost overruns and political horse-trading are endemic, and violence between the dispossessed and the land-takers is increasingly common.

A further impediment to India's economic ambitions is social: although the country has world-class talent in some areas, such as

information technology, it still faces daunting challenges in its labor market and in its education system. Indian labor is disproportionately rural and heavily concentrated in unorganized activities and sectors. Manish Sabharwal, chair of the country's leading temporary-employment agency, has described a series of transitions that would strengthen the Indian work force: from farm to nonfarm, rural to urban, unorganized to organized, school to work, subsistence to a decent wage, and job preservation to job creation. But whether these transitions take place will depend in part on India's education system. Demand for education, especially from the growing middle class, vastly outstrips supply, and 160 million Indian children are out of school. And a UNESCO index recently ranked India 102 out of 129 countries on the extent, gender balance, and quality of its primary education and adult literacy. Thus, as Europe, Japan, and others pay a price for their aging work forces, India risks missing the opportunity to benefit from its significantly younger population.

India's priority is to restore the nine percent annual growth rate that the country enjoyed before the recent economic crisis.

Finally, there is the challenge of domestic security. The November 2008 attacks in Mumbai dominated headlines around the world, but other major Indian metropolises were bombed throughout 2008: Jaipur in May, Ahmadabad and Bangalore in July, and New Delhi's most famous shopping area, Connaught Place, in September. Indian security is challenged not only by the threat of terrorism—which often emanates from inside Pakistan—but also by the domestic insurgency of the leftist Naxalites. India's effectiveness in combating these threats is weakened by the highly federalized structure of its government. Indian intelligence and law enforcement have weak traditions of cooperation; policing is largely a state, not a federal, matter; and there is insufficient coordination among the states. The government is working to centralize aspects of the security system, promote coordination, expand personnel, and boost budgets, but the situation is improving only slowly.

Although these security threats could greatly affect India's fate, its economic and social choices will be the principal determinant of its success. And choices about economics, infrastructure, and human

capital, in turn, will largely determine India's capacity for global influence and thus the potential scope of U.S.-Indian cooperation.

BETWEEN G-20 AND G-77

EVER SINCE India's growing economic weight began yielding new strategic possibilities, Indians have been debating their evolving interests. One still unresolved question—which is politically explosive to many in India—is how best to pursue partnerships with the advanced industrial countries, especially the United States.

The issue of climate change has brought this debate to the fore. In a memo leaked last October, India's environment minister, Jairam Ramesh, argued that India should curb its emissions without regard to whether advanced industrial countries provide India with the technology and funding to do so—a reversal of long-standing Indian policy. The reason, said Ramesh, was that India should act "in self interest" and "not stick with G77 [a group of developing countries, including India] but be embedded in G20 [a grouping of the world's major economies, also including India]." The memo prompted a political firestorm. Although the interests of a more powerful and economically integrated India are increasingly overlapping with those of the United States and other G-20 countries, many Indians do not believe that their interests lie primarily with the world's developed countries. Faced with a backlash from politicians, including some of his colleagues, Ramesh backtracked at the Copenhagen summit on climate change in December, and Indian negotiators aligned themselves closely with China and other G-77 partners.

The 2008 civil nuclear deal with the United States ignited even broader debates about what sort of international company India should keep. As Shiv Shankar Menon, who served as Indian foreign secretary during the U.S.-Indian nuclear negotiations, said in 2009, the deal was "about the merits of trusting the [United States] or the consequences of a particular line of policy rather than about the substance of the agreements themselves." India's Communists opposed the deal largely for this reason; Prakash Karat, the head of India's leading communist party, argued in 2007 that as a result of the deal, "India would be locked into a strategic tie-up which would have a

long lasting impact on India's foreign policy and strategic autonomy." Even some stalwarts of the ruling Indian National Congress were skeptical of the deal. Yet in order to overcome its nuclear isolation, the Congress-led government moved forward with the agreement, aligning itself overtly with the United States.

Indeed, many of India's recent foreign policy decisions have been unprecedented: It has backed three U.S.-supported resolutions against Iran in the International Atomic Energy Agency and is enforcing UN Security Council sanctions against Tehran. It stopped a North Korean ship in Indian waters in August 2009 and inspected its cargo, a move supportive of U.S. (and United Nations) nonproliferation objectives. It is the fifth-largest donor of reconstruction assistance to Afghanistan. It is participating in nearly every U.S.-supported multinational technology initiative for tackling climate change, including projects on hydrogen, carbon sequestration, and nuclear fusion. It has harmonized its export controls with the guidelines of the Nuclear Suppliers Group and the Missile Technology Control Regime and has committed to adhere to future changes in these guidelines. It provided tsunami relief to Indonesia in 2004 through an ad hoc naval partnership with the United States and two of Washington's closest military allies, Australia and Japan. Its military has conducted exercises with every branch of the U.S. armed services. And it has engaged in trilateral military exercises with the United States and Japan, despite Chinese protests. For a country that long cherished its nonalignment policy, such public associations with the United States represent a break from long-standing reflexes. Whether the break will be enduring will depend on the outcome of wider debates over India's foreign policy vision.

A TALE OF INFLUENCE

India's global aspirations are constrained by its geography. Although India is the most stable country in South Asia, events in less stable neighboring countries threaten to occupy its attention and derail its aspirations: Pakistan is confronting institutional weakness and growing extremism; Nepal may fail as its elites jockey for power and struggle to integrate former Maoist insurgents into the political mainstream; Sri Lanka is struggling with ethnic and constitutional

challenges; and Bangladesh and Myanmar (also known as Burma) are yielding unwelcome exports, such as economic migrants, refugees, and extremists.

India's relationship with Pakistan is particularly worrying, as it has deteriorated significantly in recent years. In the early years of this century, India made substantial strides in its relationship with Pakistan, including a cease-fire in 2003, enhanced trade and travel links, and a back-channel dialogue with the government of Pervez Musharraf that arrived at broad parameters of understanding on the most contentious issues, including Kashmir. But politics in both countries, especially Pakistan, were not conducive to normalizing relations, much less reaching a final peaceful settlement. Major terrorist attacks on India planned in Pakistan, particularly the November 2008 attacks in Mumbai, soured the atmosphere for negotiations. And today, political power in Pakistan is splintered, and extremism is spreading to major Pakistani cities from the tribal areas bordering Afghanistan. Thus, even as India's interests increasingly reach beyond South Asia, these dangers may force New Delhi to focus less on global issues than on priorities closer to home.

To become a bigger player on the world stage, New Delhi will need to achieve two major goals: first, break the confining shackles of South Asia and become a truly Asian power that is integrated into the East Asian economic system and influential throughout the wider region; and second, project its power and influence globally, whether by assuming a role in protecting the global commons, shaping international finance, becoming a more significant aid donor, or leveraging its seat in the G-20 and other leading international institutions.

India is already beginning to meet the first challenge. Having played an insignificant strategic and economic role in East Asia from the 1960s through the mid-1990s—partly because it rejected the successful model of export-led growth that linked other Asian economies to the United States during the Cold War—India is now more involved in East Asia. One reason for this is that many in the region (and in India) are wary of China's growing strength and view a large, wealthy India as a buttress for the region's balance of power. In recent years, New Delhi has signed free-trade agreements with Singapore, South Korea, and the Association of Southeast Asian Nations (ASEAN) and has joined

regional institutions, such as the East Asia Summit and the ASEAN Regional Forum. India has also deepened its defense ties with Australia, Japan, Singapore, and Vietnam—four countries that are also wary of China's rise and maintain close, or have deepening, security ties with the United States. But the economic dimension of India's integration is lagging: India constitutes just 2.7 percent of ASEAN's total trade volume, whereas China constitutes 10.4 percent.

India's second challenge may prove tougher still. Although New Delhi has increased its profile in the Persian Gulf, Africa, and (to a lesser extent) Central Asia, its ability to project influence globally will depend on how it integrates its various efforts into a coherent strategy. The principal challenge will be to leverage its economic strength for strategic gain, as China has. So far, India's record of global power projection has been mixed.

One example is foreign aid, which both China and Japan have used to gain influence in Africa. India recently joined the fray by increasing its annual aid to Africa and offering $5 billion in credit at the 2008 Indian-African summit. But such aid has produced few strategic or commercial gains for India. Nor has it made India more powerful in Africa-focused institutions: India has been a member of the African Development Bank since 1982 but has less voting weight than nearly every other non-Western donor, including China, Japan, Saudi Arabia, and South Korea.

So far, India's record of global power projection has been mixed.

Various leading or emerging powers—including China, the European Union, Japan, and even Russia—demonstrate their strength by providing public goods, joining clubs of leading economies, leveraging their voting weight in international financial institutions, or deploying economic and financial tools to move global markets. India does less in these areas than Beijing, Brussels, or Tokyo. Consider the global commons. Although Indian interests are growing on the seas and in space and its antipiracy activities off the Horn of Africa are unprecedented, India remains more a beneficiary of public goods than a producer of them, especially when it comes to security. Likewise, India is now part of some of the world's most exclusive clubs, including the G-20, but some Indian decision-makers remain wary of other institutions that

would welcome greater Indian involvement, including the International Energy Agency, which coordinates global oil stockpiles. India's quest to join the world's most exclusive club, the UN Security Council, has so far been stymied.

Over the next five years, India is likely to make its mark on international financial institutions and global markets. At the G-20 conference last September, the members increased developing countries' representation in the International Monetary Fund and the World Bank, giving India greater clout in two important global institutions. India is also beginning to move markets and prices. Corporate India has gone global, acquiring leading brands, including Jaguar, Land Rover, and the aluminum maker Novelis. And the Indian government's purchase of 200 tons of gold from the IMF in 2009 signaled that Asian central banks were beginning to diversify their U.S. dollar holdings, boosting gold prices by as much as 2.2 percent.

A final challenge in India's drive for global influence will be for New Delhi to strengthen its ability to implement its foreign policy. As the former State Department official Daniel Markey has written, India's foreign policy "software" is underdeveloped and risks underperforming: India's foreign service is tiny; seniority often trumps other criteria for promotion in the foreign service; and think tanks and university area-studies programs are underfunded and small. Improvements in these domains will be important if India is to fashion and implement more global strategies.

LOOMING DISAGREEMENTS

Although India's choices in domestic and foreign policy will be the most important factors affecting its power, stature, and partnerships in the coming years, decisions made by the United States will also matter greatly. This is especially true in areas that tangibly bear on Indian interests, such as Afghanistan. Washington and New Delhi must sustain momentum on the issues they have made progress on over the last decade, including cooperation on defense, trade, energy, the environment, and education. The tougher challenge will be to manage looming disagreements on five potentially divisive strategic issues: Afghanistan-Pakistan strategy, China policy, arms control,

climate change, and high-technology cooperation. Washington and New Delhi need to move their disagreements toward compromise, without reverting to the acrimony that characterized an earlier era in their bilateral relations.

Indians are asking three questions about the Obama administration's policy toward Afghanistan and Pakistan: Will the United States stay and fight in Afghanistan over time? Will it apply sustained pressure on Islamabad to crack down on groups and individuals that target India? And will it resist the temptation to call for Indian concessions to Pakistan, in the hope that this will encourage the Pakistani government to change its priorities and focus on defeating terrorism?

Obama's decision to deploy 30,000 additional troops to Afghanistan should reassure those Indians who view the fight there as a test of U.S. staying power in South Asia. But many Indians are concerned with Obama's emphasis on setting a timeline for withdrawal, scheduled to start in 2011. Washington's approach to Pakistan is even less reassuring to many Indians. How would the United States respond if another Mumbai-like attack occurred on Indian soil and New Delhi asked Washington to step up its pressure on Islamabad? And what if India responded militarily? Since the 2008 Mumbai attacks, the United States has increased its pressure on Pakistan to crack down on militant groups that target India; still, many in India want even greater U.S. pressure and fear that Washington might revert to its historical focus on the groups that target U.S. interests more directly.

There is a broad perception in India's strategic community that despite the many new elements of U.S.-Indian cooperation, the United States has recently been tilting toward Pakistan by ramping up its aid to the country and its military-to-military cooperation with Pakistan. Particularly concerning to many Indians is the suggestion made by some influential U.S. commentators that Washington should push New Delhi to alter its military posture toward Pakistan—or even make lasting concessions on Kashmir—in the hope that Pakistan would then remove resources from its eastern border and focus them instead on fighting al Qaeda and the Taliban.

Most Indians see this approach as blaming the victim. They also view it as unnecessary and unwelcome U.S. interference in what had been, until recently, a constructive back-channel negotiating process

between India and Pakistan. Such U.S. pressure would be flatly rejected in New Delhi and would set back U.S.-Indian relations. It might also undermine the Indian-Pakistani peace process. And it would be unlikely to persuade Pakistan to redeploy its forces: after all, even during the period of greatest progress between New Delhi and Islamabad—which ended with the terrorist attacks in India in 2006 and then the fall of Musharraf's government in 2008—Pakistan did not substantially alter its priorities or redeploy its forces from east to west.

China poses additional challenges to India and the U.S.-Indian partnership. Many in India believe that the Obama administration has tilted its policy toward Beijing in a way that undermines Indian interests. Yet Obama's China policy is broadly consistent with that of every U.S. president since Richard Nixon. This Indian concern is based on a fear that China's increasing weight could lead Washington to pursue a U.S.-Chinese condominium—a G-2, some have called it—which would sideline New Delhi even on issues of direct concern to India. Given China's close relations with Pakistan and continuing claims on Indian territory (including Arunachal Pradesh, a state twice as large as Switzerland), India does not view Beijing as an honest broker. And as U.S. officials are devoting increasing time and energy to cultivating the U.S.-Chinese relationship, Indians are asking whether Washington envisions a role for India in maintaining a balance of power in Asia, or whether the Obama administration views India as tangential to U.S. priorities there. More concretely, Indians worry that Washington may be unwilling to help India relieve the pressure from China if, for instance, tensions were ratcheted up further along the Chinese-Indian border.

There is a broad perception in India's strategic community that Washington is tilting toward Pakistan.

China is particularly important because it has begun to replace Pakistan at the center of Indian defense planning. Although China considers India a third-tier security priority at best—far behind internal insecurity and challenges in the East Asian littoral—India views China as a first-tier priority. Developments in Chinese-Indian relations are central to India's internal debate about the reliability of its strategic deterrent and whether to test nuclear weapons again.

This is one important reason why arms control is another potential source of tension between Washington and New Delhi. The Obama administration is preparing to renew U.S. efforts to ratify the Comprehensive Nuclear Test Ban Treaty. If China does so, too, India will be pressured to follow suit. But many Indians argue that the country cannot sign the CTBT in light of its nuclear competition with China; several Indian nuclear scientists have even sought to prod the government into conducting new nuclear tests by raising questions about whether India's 1998 tests really succeeded. For now, India is unlikely to conduct new tests. But it is equally unlikely to sign the CTBT or similar treaties, even if the Obama administration pressures it to do so.

Climate change is another potentially divisive issue. Both Washington and New Delhi support investment in green technologies, but internationally mandated and monitored emissions reductions are political dynamite in India, where they are often seen as a drag on growth and an affront to Indian sovereignty. India has agreed to emissions goals that would be subject to international "consultation and analysis" but not scrutiny or formal review. It has also offered to allow international monitoring of those of its mitigation activities that are supported by international funds or technologies but not of those that are domestically funded. Thus, although the United States and India may continue to cooperate on green technologies, their general approaches will likely limit the range of possible cooperation in global climate negotiations (as was evident at Copenhagen).

Finally, issues surrounding the transfer of technology (including for clean energy) are also contentious. India's government and its industrial sector have long complained that the United States' emphasis on national security export controls and intellectual property protection has excessively restricted licenses and transfers. Indians expect that if Washington views India as a partner, it should stop denying India so many dual-use and defense-related technologies. This complaint will almost certainly bleed into discussions of climate change and commercial cooperation on technology.

One way to mitigate the debilitating effects of these differences between the United States and India is to enrich bilateral cooperation in areas in which there is mutual agreement. On trade, for example, on which most discussions dwell on the failed Doha Round of multi-

lateral trade talks, the United States and India could instead focus on completing their negotiations for a bilateral investment treaty. Although the United States is India's largest trading partner in goods and services, India ranks only 18th among trading partners of the United States, on par with Belgium. If the Doha negotiations remain a slog, a bilateral treaty with new investor protections would at least help enhance trade between the two countries.

So, too, would removing structural impediments on both sides. India complains about strict U.S. export controls and visa policies; the United States complains about Indian caps on foreign investment in the sectors of greatest interest to U.S. firms, including insurance and retail. New policies on both sides could spur commerce and insulate the bilateral relationship amid multilateral disagreements.

Washington and New Delhi could also enhance the level of transparency in their relationship. U.S. officials could brief their Indian counterparts on relevant talks between Washington and Beijing, for example, and India could brief U.S. diplomats on developments at its BRIC summits, meetings among Brazil, Russia, India, and China. And closer cooperation on counterterrorism would mean closer coordination on developments regarding Pakistan as well.

The United States and India share important interests: both seek to restore global growth, protect the global commons, enhance global energy security, and ensure a balance of power in Asia. They must therefore increase the scope, quality, and intensity of their cooperation at every level. But the ultimate test of their relationship will be whether Washington and New Delhi can turn their common interests into complementary policies around the world.

The United States–Japan Security Treaty at 50

Still a Grand Bargain?

George R. Packard

On January 19, 1960, Japanese Prime Minister Nobusuke Kishi and U.S. Secretary of State Christian Herter signed a historic treaty. It committed the United States to help defend Japan if Japan came under attack, and it provided bases and ports for U.S. armed forces in Japan. The agreement has endured through half a century of dramatic changes in world politics—the Vietnam War, the collapse of the Soviet Union, the spread of nuclear weapons to North Korea, the rise of China—and in spite of fierce trade disputes, exchanges of insults, and deep cultural and historical differences between the United States and Japan. This treaty has lasted longer than any other alliance between two great powers since the 1648 Peace of Westphalia.

Given its obvious success in keeping Japan safe and the United States strong in East Asia, one might conclude that the agreement has a bright future. And one would be wrong. The landslide electoral victory of the Democratic Party of Japan (DPJ) last August, after nearly 54 years of uninterrupted rule by the Liberal Democratic Party, has raised new questions in Japan about whether the treaty's benefits still outweigh its costs.

George R. Packard, former Dean of the Johns Hopkins School of Advanced International Studies, is President of the United States–Japan Foundation.

LABOR PAINS

BACK IN 1952, when an earlier security treaty (which provided the basis for the 1960 treaty) entered into force, both sides thought it was a grand bargain. Japan would recover its independence, gain security at a low cost from the most powerful nation in the region, and win access to the U.S. market for its products. Without the need to build a large military force, Japan would be able to devote itself to economic recovery. The United States, for its part, could project power into the western Pacific, and having troops and bases in Japan made credible both its treaty commitments to defend South Korea and Taiwan and its policy of containment of the Soviet Union and communist China.

But there was also much to be unhappy about, especially for the Japanese. This was an agreement negotiated between a victor and an occupied nation, not equal sovereign states. The Japanese government, which had never in its history accepted foreign troops on its soil, was now forced to agree to the indefinite presence of 260,000 U.S. military personnel at more than 2,800 bases across the country. Practical arrangements for the troops' stationing were left to an administrative agreement that did not require the approval of the Diet, the Japanese parliament. This gave the United States the right to quell large-scale internal disturbances in Japan. Against their better judgment, Japan's leaders were also forced to agree to recognize Chiang Kai-shek's Republic of China on Taiwan as the government of all of China. Meanwhile, the U.S. government made no specific commitment to defend Japan and retained the freedom to use its troops anywhere in East Asia.

The United States also came to have misgivings about the terms of the alliance. Under Article 9 of Japan's 1947 constitution, which General Douglas MacArthur had forced on the country, Japan renounced "war as a sovereign right of the nation and the threat or use of force in settling international disputes" and undertook never to maintain "land, sea, and air forces as well as other war potential." The U.S. government soon regretted this language: Japan could invoke it as an excuse to stay out the United States' future wars. Indeed, Japanese Prime Minister Shigeru Yoshida found ways to resist Washington's urgings to build up Japan's army. Not only had the United States

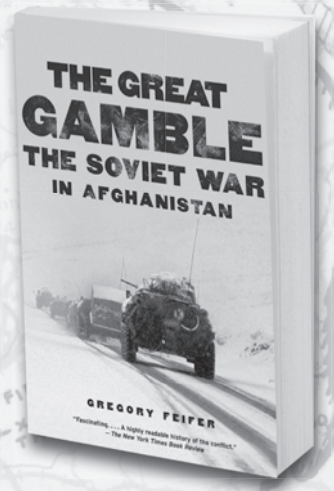
undertaken to come to Japan's defense in case of an attack while Japan had no reciprocal obligation, but Japan insisted that its constitution prohibited it from exercising the right of collective self-defense and thus from ever sending troops or vessels to help Americans in combat operations.

By 1957, buoyed by the country's rising prosperity and new nationalism, the postwar generation of Japanese college students, Marxist intellectuals, and labor unionists, among others, started to chafe at the inequalities embedded in the treaty. The U.S. troops living on bases in Japan had brought crime and caused accidents; the agreement still risked dragging Japan into war with China or North Korea or the Soviet Union. Kishi staked his political life on improving the agreement's terms for Japan. After three years of hard bargaining, a revised treaty, which could be abrogated after ten years, was hammered out. The U.S. government committed to defending Japan if it was attacked. It agreed to consult Japan in advance of any major changes in the deployment of its troops or equipment or in its use of its bases in Japan for combat operations.

Although the revised treaty improved Japan's leverage, Japanese left-wingers, among others, used the ratification process to express their disapproval of the entire U.S.-Japanese alliance system. Kishi battled his left-wing critics for months, melees broke out in the Diet, and thousands of Japanese protested in massive street demonstrations. On May 19, 1960, Kishi suddenly forced a vote to ratify the treaty in the lower house, calling on the police to remove his Socialist opponents for staging sit-downs and blocking the Speaker from calling the Diet to order. Too clever by half, the maneuver aroused even greater and more violent street protests, and a state visit by U.S. President Dwight Eisenhower, timed to coincide with the revised treaty's ratification, had to be canceled. The treaty was eventually approved, and it was ratified on June 23, but Kishi announced his resignation the same day. The Liberal Democratic Party, the dominant conservative party, had learned that it could not impose its will on the opposition on matters of war and peace.

The road ahead was bumpy, too. In the late 1960s, Japan was wracked by violent demonstrations opposing the United States' war in Vietnam. In 1971, angered by Japan's huge export surplus with the United

INTERNATIONAL AND DOMESTIC STRATEGIES



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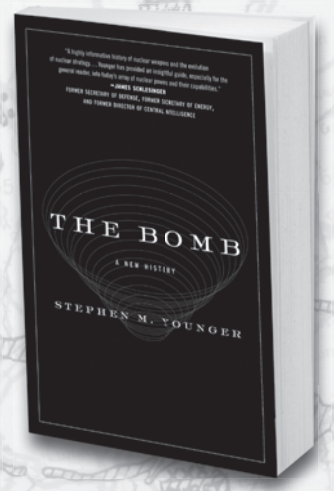

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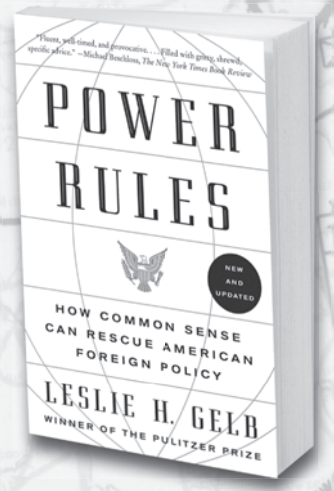

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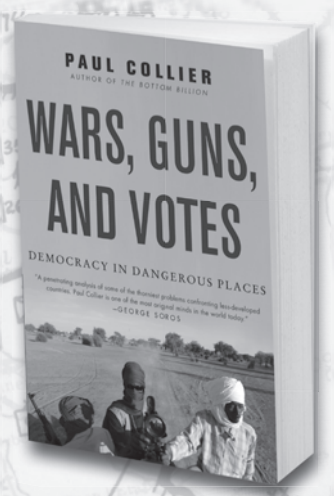

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States and by what he considered a betrayal by Prime Minister Eisaku Sato—Sato had apparently promised to curb the flood of Japanese textiles into the U.S. market in exchange for the return of U.S.-controlled Okinawa to the Japanese—President Richard Nixon delivered three blows to Japan. First, after pressuring Tokyo to support the government in Taiwan for years, Nixon, without any prior notice, sent his national security adviser, Henry Kissinger, to Beijing to discuss rapprochement with China. Then, again without warning, he took the U.S. dollar off the gold standard, causing the yen to surge in value and thus severely hurting Japan's export-led economy. Finally, citing the U.S. Trading With the Enemy Act of 1917, Nixon imposed a ten percent tax on imports from Japan. Those three actions, which are known in Japan today as "the Nixon shocks," shattered the image of the United States as Japan's benevolent protector.

The 1980s were ever more fractious. Growing concerned about continuing trade deficits, the dominance of Japanese companies in many U.S. markets, and the trade barriers that kept U.S. products out of the Japanese market, the U.S. government in 1985 forced an agreement on Japan that would limit the import of Japanese computer chips to the United States. The next year, it levied a fine on Tokyo for violating the agreement. Other countermeasures followed. On July 2, 1987, members of the U.S. Congress smashed a Toshiba radio with sledgehammers in time for the evening news to protest revelations that Toshiba had sold classified technology to the Soviets. A small group of revisionist writers spread the notion in the U.S. mainstream media that Japan was hell-bent on destroying the United States' industrial sector; according to this argument, Japan wanted to win through unfair trade practices what it could not win in World War II. By the end of the decade, wariness of Japan was intense. In a 1989 Gallup poll, 57 percent of U.S. respondents said they considered Japan to be a greater threat to the United States than the Soviet Union. It took the bursting of Japan's economic bubble and Saddam Hussein's invasion of Kuwait in 1990 to keep tensions between the United States and Japan from getting any worse.

When Bill Clinton came to power in 1993, he, as well as many members of his administration, had been much influenced by the notion that Japan was the enemy. But the value of the security treaty between

the two countries was brought home to Washington after North Korea's testing of nuclear weapons in 1993–94 and the Taiwan Strait crisis of 1996. In a 1996 report, Joseph Nye, then the assistant secretary of defense for national security affairs, succeeded in getting a joint statement adopted that committed the United States to keeping 100,000 troops in East Asia and reaffirmed the United States' resolve to defend Japan. Still, there were misunderstandings and gaffes: President Clinton shocked the Japanese when he visited Beijing for nine days in 1998 and declared China a strategic partner, without so much as stopping for a day in either Tokyo or Seoul. New guidelines for defense cooperation were adopted in 1997–98, spelling out details about the United States' access to rear-area support in Japan and to supplies and airports in the event of an emergency. After North Korea test-fired a two-stage ballistic missile over Japan in 1998, Tokyo agreed to cooperate with Washington and share technology on anti-ballistic-missile defense.

COSTS AND BENEFITS

DESPITE SOME frictions, both the United States and Japan have found that the benefits of the treaty have generally outweighed its costs. Over the years, the treaty has evolved from being a statement of intentions to being a reasonably credible operating system. Certainly, the benefits for Japan always remained clear. Falling under the U.S. nuclear umbrella freed up Tokyo to carry out the so-called Yoshida Doctrine and focus on the country's economic growth; without the need to acquire nuclear weapons, Japan could almost always hold its defense budget to less than one percent of GDP. The treaty also preserved Japan's access to the U.S. market, which served as a life vest in a sea of sometimes serious trade disputes. All of this gave Japan a chance to nurture the fragile roots of parliamentary democracy, turning them into a robust and durable system.

For the United States, the treaty's long-term benefits included having the equivalent of an "unsinkable aircraft carrier" (as Japanese Prime Minister Yasuhiro Nakasone put it in 1983) to carry out its forward strategy in East Asia. The agreement gave the U.S. Navy a strategic advantage in observing the movements of Soviet warships and, in case of war, an easy way to bottle up the Soviet fleet in the Sea

of Okhotsk. And Washington benefited from the comparatively low cost of basing troops in East Asia, which was especially advantageous in this case because Japan was committed to being a generous host.

Over the years, Japan has also taken a number of steps to alleviate the Pentagon's concerns that it was free-riding on the United States for its security. In 1977, it took steps toward making its equipment and communications interoperable with those of U.S. forces in the country, and it started to engage in joint planning and training exercises. In 1983, U.S. President Ronald Reagan and Nakasone reached an agreement under which Japan would exclude from its ban on arms exports defense technology exports to the United States. Japan has also gradually overcome its reluctance to send troops abroad. In 1992, after having sat out the Persian Gulf War, it passed legislation allowing its troops to participate in UN peacekeeping operations. Since 1992, Japanese troops have engaged in such missions in Cambodia, the Democratic Republic of the Congo, East Timor, Mozambique, the Palestinian territories, and Rwanda. From 2001 until mid-January this year, Japan kept naval vessels in the Indian Ocean to supply fuel to coalition forces fighting in Afghanistan; it also committed 600 troops to Iraq (albeit in a relatively peaceful zone), and it has (if grudgingly) allowed U.S. nuclear-powered vessels to dock at Japanese ports. Japan now has the seventh-largest military budget in the world.

One issue that remains sensitive in the relationship is nuclear weapons. Because of its understandable allergy to all things nuclear, after the bombings of Hiroshima and Nagasaki in 1945, since 1960 Japan has insisted that no U.S. nuclear weapon could be based on its territory. In 1967, Prime Minister Sato unilaterally declared his now famous three principles against nuclear weapons: Tokyo would not manufacture, possess, or introduce such weapons into Japan. This posed a problem for Tokyo. Could U.S. ships and planes carry nuclear weapons while in transit through Japanese ports and airports without violating that third principle? As it happens, a secret agreement signed in 1960 (and subsequently declassified in the United States) provided that they could. Still, the Japanese government continues to take the position that no such agreement exists: after all, it argues, an exchange of notes accompanying the 1960 security treaty required Washington to consult Tokyo prior to bringing any nuclear weapons into Japan, and Washington

has never done so. Meanwhile, it is the policy of the U.S. government to neither confirm nor deny the presence of U.S. nuclear weapons anywhere at any time.

The new Hatoyama cabinet has appointed a high-level panel of respected outside experts to investigate whether secret agreements exist between the two governments. As of the time of this writing, the panel was close to announcing that such a deal does indeed exist—thereby revealing that since 1960, successive Japanese governments have lied to the Japanese people. Other deals are also likely to be disclosed: deals about allowing the presence of U.S. nuclear weapons in Okinawa in times of emergency, about a joint-combat strategy in the event of a military conflict on the Korean Peninsula, and about an alleged payment by Japan to the United States to cover the costs involved in the formal return of Okinawa to Japanese sovereignty in 1972. Revealing the existence of these agreements at the time they were struck would have set off political fireworks; it might even have brought down governments. Today, the Japanese public has been sufficiently well informed by its media to take the news of their existence in stride. Still, the disclosures will only add to the cost side of the ledger for Japan.

A NEW LANDSCAPE

Japan's new prime minister, Yukio Hatoyama, is one of the more unusual and interesting Japanese politicians since the end of World War II. The scion of a political family—his great-grandfather was Speaker of the House of Representatives, and his grandfather was prime minister—Hatoyama studied engineering in both Japan and the United States, earning his Ph.D. from Stanford University. He once appeared to be headed for an academic career but then entered politics, in 1986, on the Liberal Democratic Party's ticket. In 1993, he co-founded the first Democratic Party of Japan, an opposition party that later absorbed or merged with several other parties to form today's DPJ. In the general election last summer, the DPJ's main foreign policy pledges included paying more attention to Japan's neighbors and withdrawing the Japanese ships in the Indian Ocean supporting the war in Afghanistan. Although the Hatoyama cabinet has already

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About Your Professor

Professor David Zarefsky is the Owen L. Coon Professor of Argumentation and Debate and Professor of Communication Studies Northwestern University, where he has taught for more than 30 years. The Student Government of Northwestern has elected Professor Zarefsky to the Honor Roll for Teaching 13 times.

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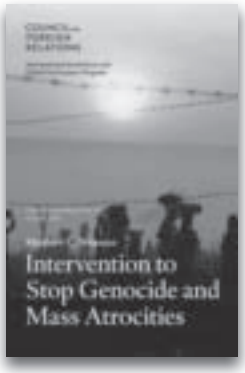

Intervention to Stop Genocide and Mass Atrocities

An International Institutions and Global Governance Program Report

The United States must improve responsiveness to mass atrocities and, absent UN action, make clear its willingness to act independently, argues a Council Special Report by **Matthew C. Waxman**. The report, funded by the Jolie-Pitt Foundation, says that "early preventive action is often critical to effective crisis response" and recommends specific ways to intervene to stop genocide and mass atrocities.

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suffered a political scandal (involving illegal campaign-funding practices), the DPJ and its allies hold sufficient votes in both houses of parliament to retain power for a full four-year term.

But the U.S. government has been slow to adapt to the new political horizon in Tokyo. Hatoyama appears to want to reduce the U.S. footprint in Japan. In November 1996, he wrote in the monthly *Bungei Shunju* that the security treaty should be renegotiated to eliminate the peacetime presence of U.S. troops and bases in Japan by 2010. Hatoyama's political philosophy includes a vague concept of *yuai* (brotherhood) among neighboring nations. And at times he has spoken of forming an East Asian community that would exclude the United States. Americans who know him are quick to assert, however, that he is not anti-American but he believes in a more equal relationship.

The size and impact of the U.S. military footprint in Japan today is almost surely going to be a bone of contention in the months and years ahead. There are still some 85 facilities housing 44,850 U.S. military personnel and 44,289 dependents. Close to 75 percent of the troops are based in Okinawa, an island a little less than one-third the size of Long Island. Their presence is a continuing aggravation to local residents. In 2008, Okinawa Prefecture alone reported 28 airplane accidents, six cases of water pollution from oil waste, 18 uncontrolled land fires, and 70 felonies. And this is to say nothing of the emergence of red-light districts near the bases. U.S. military authorities are quick to point out that the crimes committed by U.S. soldiers can happen anywhere and that they occur at the hands of U.S. troops at the same rate as among comparable cohorts. This is beside the point, however: the Japanese who read reports of such crimes are wondering if the benefits of having foreign troops in their country outweigh the costs.

One particularly galling issue for the Japanese is the matter of "host nation support," or "the sympathy budget," which amounts to between $3 billion and $4 billion per year. Back in 1978, when it was eager to head off criticism from Washington for its mounting trade surpluses, the Japanese government agreed to pay for many of the labor costs of the 25,000 Japanese working on U.S. bases. Twenty percent of those workers, it turns out, provide entertainment and food services: a recent list drawn up by the Japanese Ministry of Defense included

76 bartenders, 48 vending machine personnel, 47 golf course maintenance personnel, 25 club managers, 20 commercial artists, 9 leisure-boat operators, 6 theater directors, 5 cake decorators, 4 bowling alley clerks, 3 tour guides, and 1 animal caretaker. As one DPJ Diet member, Shu Watanabe, put it, "Why does Japan need to pay the costs for U.S. service members' entertainment on their holidays?"

HAM-HANDED DIPLOMACY

SOON AFTER a 12-year-old Japanese schoolgirl was raped by two U.S. marines and a U.S. sailor in 1995, U.S. Defense Secretary William Perry set in motion a plan to reduce the U.S. military presence in Okinawa. The two governments worked out an implementation agreement in 2006. But rather than help resolve the problem, the deal triggered the first clash between Hatoyama and U.S. President Barack Obama.

One might have expected the two new administrations to hit it off admirably. Both Hatoyama and Obama came to power repudiating their predecessors and calling for change. For the past ten years, polls have consistently shown that more than 72 percent of Japanese view the United States favorably and that 80 percent of Americans consider Japan to be a trusted ally. Last fall, Obama's popularity in Japan exceeded 80 percent; Japanese readers have been snapping up his autobiography and collected speeches.

But both leaders have been extraordinarily ham-handed in their initial dealings. One issue involves the Futenma Marine Corps air base, in the town of Ginowan, in Okinawa, whose 80,000 residents are disturbed every few minutes by the deafening sound of U.S. aircraft taking off and landing. Under the 2006 agreement to reduce the U.S. troop presence in Japan, the Futenma base was to be relocated to the less populated Okinawan town of Nago, and some 8,000 marines and their dependents were to be transferred to Guam. The U.S. government demanded that Japan pay for a large portion of the moves' expenses. But Tokyo has repeatedly called for more time to study alternatives to the plan, and Hatoyama has said that Japan would not decide its position until May 2010.

Hatoyama is in a difficult position. His partners in the Social Democratic Party want the Futenma base out of Japan entirely and

have threatened to leave the ruling coalition if the 2006 agreement is implemented. But he needs their support in the upper house, at least until July, when an election is scheduled to take place. Other opponents of the 2006 agreement argue that relocating the Futenma base to Nago could harm the coral reefs offshore and thus the future of the local tourist industry.

Okinawa is Japan's poorest prefecture; its history and culture are distinct from those of the rest of country, and its inhabitants feel like second-class citizens. They recall that Okinawa bore the brunt of the U.S. invasion of April 1945, and many believe that at the time the Japanese army forced Japanese soldiers to commit suicide en masse rather than surrender to the Americans. In a poll of Okinawan residents taken in November 2009, more than 52 percent of the respondents favored consolidating and reducing the number of U.S. bases in Japan, and more than 31 percent favored removing all the U.S. bases completely. Just under 12 percent wished to maintain the status quo, presumably because of the employment opportunities and rent that the U.S. presence provides them.

The U.S. military has largely treated Okinawa as its own fiefdom since 1945. Some 12,500 Americans died and 37,000 were wounded in the battle for the island. Until it officially reverted to Japan, in 1972, the U.S. military ran the place with a free hand, often defying the wishes of both the Japanese government and the U.S. State Department. In one incident, in 1966, the U.S. military secretly transported nuclear weapons from Okinawa to Honshu, Japan's main island, in flagrant violation of the 1960 agreement. The U.S. military also resisted Okinawa's reversion, and it continues to have a proprietary attitude about what goes on there.

Some knowledgeable observers, both American and Japanese, in government and not, believe that one good solution would be to combine the Futenma Marine air base with the U.S. Air Force base at Kadena, in an area that is less populated than Ginowan. But interservice rivalry stands in the way: the Marine Corps wants its own base. Other observers have asked, pointedly, why the U.S. Marines are in Okinawa in the first place. What threat is it that they would counter? But instead of answering such questions or addressing Hatoyama's concerns, U.S. Secretary of Defense Robert Gates showed up in Tokyo in October to demand that the 2006 agreement be implemented.

George R. Packard

THE ROAR OF BLUNDERS

WASHINGTON SHOULD have given the new Hatoyama government more time to sort out its position on the issue of the Futenma base. More generally, the U.S. government should be celebrating the electoral victory of a strong second party in Japan as evidence that the seeds of democracy, which the U.S. government helped sow, have taken root. Doing so would mean no longer expecting Japan to meekly follow orders from the Pentagon. And it would mean recognizing the right of Japanese political parties to hold their own views on security matters. It is time for the White House and the State Department to reassert civilian control over U.S. policy toward Japan, especially over military matters. It was foolish for the Pentagon to try to bully Hatoyama just one month after he came to power into carrying out an agreement that the previous Japanese government had made with the Bush administration.

A wiser course would be to adopt what the Japanese call *teishisei*, "low posture." Washington and Tokyo should engage in a deliberate reconsideration of the entire range of issues raised by the security treaty. If there are strong strategic arguments for keeping the U.S. Marines in Okinawa, they should be aired publicly so that the Japanese people can decide if they are persuasive. The matter of the Futenma base is only a small part of the equation.

The U.S. government should respect Japan's desire to reduce the U.S. military presence on its territory, as it has respected the same desire on the part of Germany, South Korea, and the Philippines. It should be willing to renegotiate the agreement that governs the presence of U.S. troops in Japan, which to some is redolent of nineteenth-century assertions of extraterritoriality. It should be aware that, at the end of the day, Japanese voters will determine the future course of the alliance. Above all, U.S. negotiators should start with the premise that the security treaty with Japan, important as it is, is only part of a larger partnership between two of the world's greatest democracies and economies. Washington stands to gain far more by working with Tokyo on the environment, health issues, human rights, the nonproliferation of nuclear weapons, and counterterrorism.

In return for the removal of some U.S. troops and bases from its territory, the Japanese government should make far larger contributions to mutual security and global peace. It should explicitly state that it has the right to engage in operations of collective self-defense. Tokyo would be foolish to establish a community of East Asian nations without U.S. participation. It needs to work with Washington in the six-party talks on how to denuclearize the Korean Peninsula. The Japanese government should also stop protecting its uncompetitive agricultural sector and join in a free-trade agreement with the United States, an idea that has been kicking around for two decades and that the DPJ endorsed in its election manifesto.

Finally, in a grand symbolic gesture, President Obama and Prime Minister Hatoyama should visit Hiroshima together after the Asia-Pacific Economic Cooperation conference in Japan next fall and should issue a resounding call to end the manufacture and spread of nuclear weapons, a cause close to the hearts of both men. Then, they should visit Pearl Harbor and declare that no such attack should ever be carried out again. Such gestures could help finally soothe the wounds of war and cement U.S.-Japanese relations for decades to come.

New Treaty, New Influence?

Europe's Chance to Punch Its Weight

Anthony Luzzatto Gardner and Stuart E. Eizenstat

On December 1, 2009, after nearly a decade of acrimonious debate, the Treaty of Lisbon entered into force across the 27 member states of the European Union. The treaty reforms EU institutions, making the organization more accountable to voters and enhancing its ability to address European and global challenges. Over the long term, the treaty may make the EU a more coherent international actor, thereby significantly affecting non-EU countries, including the United States.

The Lisbon Treaty is the latest in a long line of EU reform efforts. It is the fifth amendment to the 1957 Treaty of Rome, which established the European Economic Community, the EU's predecessor. Following the Single European Act of 1986—which laid the foundations for Europe's single market, assuring for the first time the free flow of goods, capital, people, and services among the member states—the EU reformed its institutions and decision-making process through the Maastricht Treaty of 1992, the Amsterdam Treaty of 1997, and the Nice Treaty of 2001. But with the cumulative effect of these amendments widely

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acknowledged to have complicated decision-making—and with the organization planning to enlarge from 15 to 25 member states in 2004—EU leaders sought to replace the confusing patchwork of EU treaties with a single, overarching constitution. The resulting document, drafted by a constitutional convention in 2002–3, was signed by all EU heads of government in 2004 but was rejected the following year by French and Dutch voters, who feared that a European constitution would limit their countries' national voting rights, sovereignty, and access to EU funds.

In 2007, after a two-year "period of reflection," the EU heads of state agreed in Lisbon on a draft treaty that was nearly identical in substance to the constitution but—in deference to public opinion in some member states—dropped references to the trappings of statehood (such as an EU flag and an EU anthem) and sought to amend, rather than replace, earlier EU treaties. By November 2009, every EU member state had ratified the treaty.

European officials generally agree that the Lisbon Treaty will be the EU's last significant institutional reform for the foreseeable future. In several member states, it is considered the high-water mark of the European integration project, and the prospect of transferring more power to Brussels commands little enthusiasm. In the United Kingdom, for example, David Cameron, leader of the Conservative Party and the country's likely next prime minister, has vowed to pass a series of measures that would constrain the further transfer of authority from London to Brussels and allow the United Kingdom to opt out of EU rules concerning social policy, criminal justice, and employment.

Cameron's proposals highlight a central issue regarding the Lisbon Treaty and the EU in general: their ultimate effectiveness will depend on whether politicians and voters in the member states embrace integration or focus instead on maintaining their own national prerogatives.

LESSONS OF FAILURE

STARTING WITH just six member states in 1958 and now with 27, the EU (and its predecessor, the European Economic Community, which evolved into the European Community, or EC) has been a significant

force behind the unification of a historically war-torn continent under a peaceful, legally binding democratic covenant. It has encouraged democratic and free-market economic reforms in Greece, Portugal, and Spain (all of which were formerly under authoritarian rule) and in the former communist nations of central and eastern Europe. In the Balkans and in Turkey, the prospect of EU membership has spurred economic and political reforms and promoted democratic values. And the EU has established a single market free of barriers, a common monetary policy (including a common currency for most member states), a zone of passport-free travel (excluding the United Kingdom and Ireland), and a significant body of common laws. For member states to have transferred so much sovereign power to the EU's central institutions is a unique achievement. However, foreign policy has always been the weakest element of the EU's integration project.

Foreign policy has always been the weakest element of the EU's integration project.

Member states began coordinating their foreign policies in the 1970s through an informal process known as the European Political Cooperation, which the Maastricht Treaty later formalized into a distinct intergovernmental decision-making process. Even then, however, the impact of EU foreign policy remained limited. Despite issuing countless declarations and "common positions" setting out official recommendations, the EU was usually unable to shape world events. Its role was largely confined to responding to crises, rather than preventing them or marshaling EU resources proactively to achieve defined objectives.

This harsh reality was highlighted during the breakup of Yugoslavia in 1991–92, the Bosnian war of 1992–95, and the U.S. invasion of Iraq in 2003. When hostilities broke out in Yugoslavia, Foreign Minister Jacques Poos of Luxembourg—which then held the rotating presidency of the Council of the European Community, the principal EC decision-making body, composed of ministers from the member states—famously declared, "This is the hour of Europe, not the hour of the Americans." Poos was wrong: the EC's efforts to mediate an end to the crisis failed; Germany's threat to recognize Croatia and Slovenia forced the EC to do so in the name of unity, against the preferences of most member

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states; and the ensuing bloodshed ultimately required U.S.-led political and military intervention in Bosnia and, later, in Kosovo.

The Bosnia debacle highlighted that in some crises it would be impossible to paper over member states' profoundly divergent interests. It also demonstrated that flawed institutions and decision-making arrangements—coupled with the inability to back up policy with military means—left the EU largely unable to influence world events. Although EU leaders recognized that some divergent interests would not be able to be overcome because they were rooted in differing historical experiences, they resolved to improve the EU's capacity to act effectively when consensus was possible.

The EU's main institutional flaw was the way the Council of the European Union (the successor to the Council of the European Community) was led: member states held the presidency on a rotating basis for a term of only six months. As a result, the EU was typically represented abroad by a troika of officials: the foreign minister from the country currently holding the Council of the European Union presidency, the foreign minister from the country that had previously held the presidency, and the foreign minister from the country next in line to hold it. The Balkan conflict made clear that the lack of continuity in leadership undermined policy and that the troika conveyed mixed messages to the outside world. The Yugoslav parties felt that the troika countries—in 1991, Luxembourg, the Netherlands, and Portugal—had neither power nor real interests at stake in their conflict.

In 1999, in an effort to make itself a more coherent international actor, the EU appointed Javier Solana, a former Spanish foreign minister and former NATO secretary-general, to the newly created post of high representative for common foreign and security policy. Assisted by a small foreign policy team and an EU military staff comprising officers borrowed from member states, Solana ably served for a decade as the EU's principal foreign policy spokesperson and representative.

However, the deep divisions among member states that surfaced during the Iraq war reinforced concerns that flaws in the EU's structure hampered its ability to exert power. One problem was that Solana's post coexisted with the post of European commissioner for external relations, which handled the European Commission's relations with

the world (except for trade), including overseeing diplomatic delegations in non-EU countries. Solana had political clout as the member states' representative but had a limited budget, mandate, and staff; the commissioner for external relations had a significant budget and staff but only spoke for the European Commission, the EU's unelected executive branch. Their overlapping responsibilities and occasional lack of coordination resulted in ineffective uses of scarce resources. Meanwhile, the EU was still represented abroad by a slightly amended but equally unwieldy troika: the high representative for EU common foreign and security policy, the commissioner for external relations, and the foreign minister of whichever country held the Council of the European Union presidency. It took the Lisbon Treaty to end that arrangement.

HIGH REPRESENTATIVE

The Lisbon Treaty created the post of high representative of the union for foreign affairs and security policy, who serves a five-year term as EU foreign minister and is supported by a large corps of diplomats. This new high representative, who also serves as a vice president of the European Commission, carries out policies determined by the member states. The new post replaces Solana's, and although it bears a title similar to the one that was held by Solana, it has a clearer mandate. The treaty establishes, for example, that the new high representative speaks for the EU's Common Foreign and Security Policy in international forums and organizations, which the troika used to do. This new streamlined system should enhance the EU's credibility, continuity, and communication.

The new high representative's main tools are a budget estimated at 4 billion euros and the European External Action Service, a team of 3,000 diplomats stationed in 130 delegations in countries and international organizations worldwide. These delegations represent the entire EU, not just the European Commission, as past delegations did. This means that these delegations (rather than the embassy of the country holding the rotating Council of the European Union presidency) represent the EU in non-EU countries on all matters of foreign policy. If this new diplomatic corps builds

broad and deep expertise on foreign policy and facilitates the emergence of an EU-wide perspective, it may prove to be the Lisbon Treaty's most significant innovation.

Several factors, however, may limit the high representative's effectiveness in practice. First, although the high representative has the central foreign policy role in the European Commission, four other commissioners are responsible for related external issues: international trade; EU enlargement and "neighborhood policy" toward non-EU countries that are not candidates for accession; international cooperation, humanitarian aid, and crisis response; and development assistance. It remains to be seen how effectively the various commissioners will coordinate their responsibilities.

The Lisbon Treaty partly ends the inefficient system of six-monthly rotations in the leadership of the Council of the European Union by providing that the high representative shall chair and craft the agenda for all monthly Council of the European Union meetings on foreign affairs. However, the old system lives on to some extent because the relevant minister from the country holding the rotating presidency will continue to chair and craft the agenda for meetings on general affairs—which include some affairs having international significance, such as EU enlargement, humanitarian aid, climate change, energy security, and economic and monetary policy. The high representative might therefore have difficulty ensuring that all strands of the EU's foreign policy are consistent.

EU leaders want the high representative to be their servant, not their rival.

Another challenge, as ever, will be managing the diversity of interests among the 27 EU member states. Any further accessions, of course (including those of Croatia and Macedonia, which are scheduled to take place over the next few years), will compound the challenge. Also, it is possible that energetic national leaders may seize the diplomatic center stage, much as French President Nicolas Sarkozy did in early 2009 when he sought to broker a halt to Israeli-Palestinian clashes even after France's six-month presidency of the Council of the European Union had ended. Germany's increasing assertiveness in foreign policy—and unwillingness to subordinate its national interests to those

of the EU—may continue to complicate the search for consensus among EU members, especially on issues of particular concern to Germany, such as energy security and relations with Russia.

These challenges would be diminished if the high representative were an experienced, respected figure capable of crafting consensus. EU leaders missed the opportunity to gain such a figure when, in November 2009, they selected as high representative Catherine Ashton, whose previous political experience mainly included having held a number of junior ministerial roles in the United Kingdom before serving, ably, as EU trade commissioner for just 14 months. This move signaled that EU leaders want the high representative to be their servant, not their rival.

The Lisbon Treaty does little to resolve the tense relationship between the foreign policies of the individual member states and that of the EU as a whole. Although the treaty offers tools for making EU foreign policy more effective, member states may still pursue their own policies. On nearly every foreign and security policy issue, in fact, the high representative is able to act only with the unanimous consent of the member states. This means that a single small country—such as Cyprus, Luxembourg, or Malta—can block an action supported by all the other EU member states. Likewise, the overseas delegations of the European External Action Service will cooperate with, but not replace, the diplomatic missions of the member states throughout the world. Under the Lisbon Treaty, neither the high representative nor the External Action Service affects the "responsibilities, and powers of each Member State in relation to the formulation and conduct of its foreign policy, its national diplomatic service, relations with third countries and participation in international organisations, including a Member State's membership of the United Nations." In other words, foreign policy decision-making remains intergovernmental rather than supranational.

Still, the Lisbon Treaty has altered the system. By virtue of her responsibilities and resources, Ashton will receive substantial attention from non-EU countries, including the United States, in important forums, such as the Quartet (composed of the EU, Russia, the United States, and the United Nations), which works to broker the Middle East peace process.

LOOKING FOR A LEADER

The Lisbon Treaty may also strengthen the EU as an international actor through its creation of a new, full-time post of president of the European Council, the body composed of member states' heads of government. This official—who is appointed in his personal capacity, rather than as a representative of a member state—serves as president for a renewable term of two and a half years. This new arrangement downgrades the role of the country holding the presidency of the Council of the European Union in a six-monthly rotation. Pre-Lisbon, that role provided significant powers to set the EU agenda. That old structure overburdened some smaller states' leaders with the responsibility of managing the EU agenda while simultaneously heading a national government, and it allowed some larger states to unduly impose their own priorities on the EU when they held the presidency. Post-Lisbon, member states will continue to hold the presidency of the Council of the European Union in rotation and to propose their own policy agendas, but the treaty has transferred the most significant powers to the new, full-time president of the European Council.

The treaty does not define the new president's role in great detail, but it does enumerate some tasks: chairing the European Council, "driv[ing] forward its work," ensuring its proper "preparation and continuity," and facilitating its "cohesion and consensus." This suggests that the president is more akin to a chairperson with procedural and representational responsibilities than to a head of state with substantive executive duties. Indeed, member states' heads of government seemed to adopt this interpretation last November when they appointed as European Council president Herman Van Rompuy, who had previously served as Belgium's prime minister for less than one year. Some critics lamented that the position did not go to former British Prime Minister Tony Blair, a politician of international stature considered better suited to act as a strong executive. But this criticism missed the mark. Indeed, having proved his mettle as a skillful negotiator between the Flemish and the Walloons during his tenure as Belgian prime minister, Van Rompuy may succeed in crafting consensus among the member states and in ensuring a coherent, consistent EU agenda.

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The Lisbon Treaty tasks the European Council president with representing the EU on issues of common foreign and security policy "at his level," meaning with the presidents and prime ministers of non-EU countries. This role might conflict with that of the high representative. But if the president is in effect a chairperson, other countries' heads of government are unlikely to be interested in discussing these issues with him. In that case, the high representative would evolve into the more substantial EU figure, and the European Council president may come to resemble the presidents of countries such as Germany, symbolic heads of state with few real powers.

The uncertainty regarding the relationship between the high representative and the president demonstrates that, for all of its virtues, the Lisbon Treaty has not fully streamlined the EU's leadership. Creating the high representative and the full-time post of president were helpful steps, but the treaty is still unlikely to solve a major problem of the EU: overrepresentation. In forums such as the G-20, the EU's claims to being a single, coherent actor have been undercut by the high number of European officials in attendance, including representatives from the country holding the rotating Council of the European Union presidency, the European Commission, and the European Central Bank, as well as leaders from six different member states (four as G-20 members and two as guests). No matter his skills, President Van Rompuy might only add to this crowd and thereby to the problem of overrepresentation.

THE VIEW FROM WASHINGTON

From the founding of the European Economic Community in 1958 until the fall of the Berlin Wall in 1989, Washington supported ever-increasing European integration. In doing so, its goal was to contain rivalries between European states, promote Europe's economic dynamism, and strengthen Europe's ability to resist Soviet domination. In 1962, U.S. President John F. Kennedy declared, "The United States looks on this vast new enterprise with hope and admiration. We do not regard a strong and united Europe as a rival but as a partner . . . in all the great and burdensome tasks of building and defending a community of free nations."

Once the European economic miracle was flourishing, however, U.S. support for the "vast new enterprise" became tinged with concerns that Washington might be losing influence in Europe. Since the 1970s, proponents of realpolitik have worried that U.S. support for European integration undermines Washington's ability to work closely with individual European allies, such as the United Kingdom, and to exert leverage over other European states. As former U.S. Secretary of State Henry Kissinger wrote in 2001, the process of integration has "institutionally fostered" the estrangement of the United States from Europe because Washington has been increasingly excluded from Europe's centralized decision-making process and stripped of its ability to be heard by individual member states.

U.S. support for the EU has sometimes been tinged with concerns that Washington might be losing influence in Europe.

The approaches of recent U.S. administrations toward the EU have varied. The Clinton administration (in which we both served) unambiguously favored the development of a common EU foreign and security policy, even one that might sometimes conflict or compete with that of the United States. The George W. Bush administration supported EU integration rhetorically, but many of its policies had the effect, if not the intent, of driving wedges between EU member states over certain issues, particularly the invasion of Iraq. In the neoconservative view of some Bush administration officials, the United States was more likely to achieve its foreign policy goals if Europe was divided and if the United States worked through "coalitions of the willing" than if Europe was unified and able to coordinate its policy centrally.

With the current administration, as many former Clinton administration officials have returned to the U.S. government, the pendulum has swung back. In 2003, James Steinberg (who had earlier been Bill Clinton's deputy national security adviser and is now deputy secretary of state) and Philip Gordon (who had also worked on the National Security Council staff under Clinton and is now assistant secretary of state for European and Eurasian affairs) praised the proposed European constitution. They thought it would improve decision-making on European defense spending and foreign policy

and, in turn, enhance Europe's ability to partner with the United States in addressing global challenges. In testimony before the U.S. Congress in December 2009, Gordon said that the Lisbon Treaty "marks a milestone for Europe and for its role in the world" and noted its potential to promote "a more consistent, coherent and effective foreign policy."

The U.S. government will be paying particular attention to whether the Lisbon Treaty enhances the EU's ability to implement a common security policy that might ultimately lead to a common EU defense. The treaty would ultimately hurt U.S. interests if it led to a full-fledged European military structure outside the NATO framework, as such duplication might divert assets away from NATO. An EU military structure might also constrain Europe's already inadequate spending on military preparedness. Critics of the Lisbon Treaty also allege that its mutual defense commitment—which requires EU states to provide aid and assistance, "by all the means in their power," to any fellow member state that is attacked—duplicates NATO's Article 5 guarantee of collective defense, the linchpin of the Atlantic alliance.

There are no signs that the Lisbon Treaty will undermine NATO.

In fact, the Lisbon Treaty explicitly reaffirms that for those countries that are members of both the EU and NATO, NATO remains "the foundation of their collective defence and the forum for its implementation." So far, there are no signs that the Lisbon Treaty, or the EU's security policy generally, is likely to undermine NATO. Moreover, the European Union Military Staff, the EU's sole permanent integrated military structure, provides the high representative with only early warning, situation assessment, and strategic planning and has only a limited staff and budget. Former French President Jacques Chirac once tried to create a European security and defense union (among Belgium, France, Germany, and Luxembourg), with a full-fledged headquarters for planning and commanding European military missions, but the idea was short-lived. France's recent decision to reenter NATO's military command—after more than 40 years' absence—is a prominent sign of NATO's enduring strength. So is the recent accession to the EU of various central and eastern European states, all of which are strongly attached to NATO.

Individual member states will continue to remain in control of their security and defense policymaking. Even under the Lisbon Treaty, they retain control over their military assets and are free to decide whether to provide resources to EU missions and whether to participate in ad hoc coalitions involved in common security and defense operations.

Although still nascent, the EU-NATO relationship is cooperative. Officials at various levels of the two organizations meet regularly, and there are permanent military liaison arrangements that facilitate cooperation at an operational level. Deeper institutional ties, however, will require the cooperation of Cyprus and Turkey. Cooperation between the EU and NATO was originally based on the premise that they would not be present in the same theaters of operation. More often than not, however, they have operated in the same places with different missions, with the EU typically focusing on civilian missions and NATO taking on military tasks. The synergy between the organizations is clear: the more the EU succeeds in its responses to crises, the lower the strain is on NATO resources.

The Lisbon Treaty expands the scope of the security-related tasks the EU is now permitted to undertake to include joint disarmament operations, military advising and assistance, conflict prevention, and postconflict stabilization. Beyond its civilian missions, the EU has also operated in six military missions to date: replacing NATO peacekeepers in Macedonia in 2003 and in Bosnia and Herzegovina since 2004; assisting the UN in stabilizing the Democratic Republic of the Congo and in supervising elections there in 2003 and 2006; assisting the African Union in addressing the crisis in Darfur in 2005 and 2006; protecting Darfur refugees and UN personnel in Chad in 2008 and 2009; and, most recently, providing significant naval support to the UN in protecting food aid and vulnerable commercial vessels from piracy off the Somali coast. In Macedonia and Bosnia and Herzegovina, the EU used the "Berlin Plus arrangements," which date back to 2003 and guarantee the EU access to NATO assets and capabilities for EU-led operations. In other missions, the EU operated autonomously but kept NATO informed. Thus, the EU and NATO are increasingly working together, and the EU is demonstrating that its security objectives will not focus exclusively on soft power. To be sure, further work is required to

develop the EU-NATO partnership beyond the Berlin Plus arrangements and enable both organizations to deliver the appropriate combination of civilian and military responses to crises.

The Lisbon Treaty may also serve U.S. interests by helping solve a problem that has long been of bipartisan concern in Washington: Europe's inadequate defense spending. Europe has consistently spent at best half of what the United States has on military equipment, research, and technology (in terms of both gross expenditures and percentage of GDP). Although all NATO members are expected to allocate at least two percent of their annual GDPs to defense expenditures, the only EU members of NATO that do so are Bulgaria, France, Greece, and the United Kingdom. (France and the United Kingdom alone accounted for 44 percent of all defense spending among EU members of NATO in 2008.) Germany, Europe's largest economy, spends only roughly 1.3 percent of its GDP on defense and, like France and the United Kingdom, is facing significant pressure to limit its military spending in light of the recent economic crisis. Except for some central and eastern European countries alarmed by Russia's 2008 intervention in Georgia, EU member states are unlikely to ramp up their defense spending anytime soon.

If that is the case, the only way to improve the EU's ability to project hard power will be to ensure that it spends its money more efficiently. This could happen if EU countries were to consolidate their defense industries, liberalize the market for military procurement, and collaborate more often on research, development, and manufacturing. To avoid wasting funds on programs that often serve as life support for local defense industries, EU countries should pool their resources whenever practicable.

The Lisbon Treaty encourages such behavior. It tasks the European Defense Agency, which was created in 2004 to support the European Security and Defense Policy, with promoting compatible procurement policies and coordinating relevant research and development efforts. Such efforts should be encouraged and expanded if they can begin to bridge the transatlantic gap in military capabilities. Structured cooperation between NATO and the European Defense Agency, as well as the participation of Turkey in the agency, would be beneficial, too.

FACING THE FUTURE

FOR DECADES, the EU has exercised its soft power by giving large sums of foreign aid, entering into privileged trade arrangements (especially with former colonies), and wielding diplomatic incentives (especially with countries seeking membership). But its response to international crises has too often consisted of ad hoc policies and toothless communiqués. Although soft power will remain relevant, the EU faces many threats that will require proactive measures backed by the credible threat of force.

The Lisbon Treaty is an important step forward, but EU member states still need to develop a common view of their international security environment. It would be unrealistic to expect member states' deeply rooted policies to become entirely consistent, but there are signs of convergence. In 2003, for example, the European Council adopted a white paper on "European security strategy" that identified the proliferation of weapons of mass destruction, terrorism, organized crime, state failure, energy insecurity, and climate change as the gravest threats. A common risk assessment of this kind is the first step toward defining common strategies, assessing tactics, and deciding what price the bloc is willing to pay for its actions. And despite their differences regarding the Balkans and the Middle East, member states have forged common EU policies toward these regions, including regarding the Iranian nuclear threat and the conflict between the Israelis and the Palestinians.

European foreign policies are gradually becoming more "Europeanized." Member states' foreign ministers now gather under EU auspices as regularly as they meet with their own cabinets. Even though times of crisis will continue to reveal high-profile disagreements among member states, the general instinct in European foreign ministries is increasingly to find a common European position on most issues, even at the price of making compromises. The EU's member states nearly always vote in unison in UN bodies and other international forums, such as the Organization for Security and Cooperation in Europe. This process is likely to continue and should, coupled with the Lisbon Treaty, result in a more coherent EU foreign policy.

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If the EU is capable of acting as an effective partner, the United States will be better able to address global challenges such as terrorism, nuclear proliferation, climate change, humanitarian disasters, and energy insecurity. There will be times, of course, when the EU will pursue contrary policies, but efforts to build up the EU as a counterweight to Washington have never gained significant traction (even in France). The transatlantic tensions of recent years reflected Europeans' specific opposition to the policies of the George W. Bush administration, not innate anti-Americanism. Moreover, the EU's disagreements with Washington do not necessarily undermine long-term U.S. interests. The Bush administration would not have welcomed unified, assertive European opposition to its plan to invade Iraq, but such opposition might have convinced Washington to allow more time for diplomats and weapons inspectors to complete their work—thereby possibly avoiding significant loss of American blood, treasure, and international credibility.

NOWHERE TO HIDE

NOW THAT the Lisbon Treaty has entered into force, nearly a decade of EU obsession with institutional reform has ended. For many years, arduous negotiations over treaties and the EU's decision-making process served as useful excuses for poor EU performance on many issues. During our tenures in the U.S. government, we were struck by how often member states criticized EU institutions (especially the European Commission) in order to deflect criticism of their own leadership. But now, as Philip Stephens of the *Financial Times* has written, there is "nowhere to hide: no more excuses about institutional overload to drag heels about enlargement; no more blaming an inept rotating president for fumbling Europe's relationships with the wider world; no more prevarication about how to handle conflicts and threats in its own neighborhood." The EU must now look outward, at the world's challenges, rather than inward, at its own restructuring.

If the EU has fallen short of its potential in the past, it is because member states' national governments have wanted it to. The Lisbon Treaty's improved procedures and institutions can only supplement—not substitute for—political will and leadership. The treaty's promise

will remain unfulfilled if member states seek foreign policy consensus only at the lowest common denominator, jealously hold on to their national perspectives, or make EU appointments based not on the international standing of the candidates but on their nationality, political affiliation, or gender.

If European leaders fail to make full use of the Lisbon Treaty's potential, they will consign Europe to the sidelines of world events, with the United States and emerging giants such as Brazil, China, and India overshadowing it. Even while maintaining its bilateral channels with individual member states, Washington can play a modest role in encouraging the EU to speak and act as one whenever possible. U.S. officials should, for instance, tell the United Kingdom's Conservative Party that the best way to preserve a strong Anglo-American relationship is to engage fully in the European integration project.

The significance of the Lisbon Treaty should not be measured only according to the highest benchmarks, such as whether it could have ensured a common EU policy during the wars in the Balkans and Iraq. History has shown that better EU decision-making procedures improve the speed and quality of the decisions themselves and that it takes time for institutions to reach their full potential. The Lisbon Treaty may not compensate for strongly divergent views or a lack of political will among the EU's member states. But it will promote coherence and effectiveness when consensus is possible. Its welcome and significant effects will prove to be evolutionary, not revolutionary.

Enemies Into Friends

How the United States Can Court Its Adversaries

Charles A. Kupchan

In his inaugural address, U.S. President Barack Obama informed those regimes "on the wrong side of history" that the United States "will extend a hand if you are willing to unclench your fist." He soon backed up his words with deeds, making engagement with U.S. adversaries one of the new administration's priorities. During his first year in office, Obama pursued direct negotiations with Iran and North Korea over their nuclear programs. He sought to "reset" relations with Russia by searching for common ground on arms control, missile defense, and Afghanistan. He began scaling back economic sanctions against Cuba. And he put out diplomatic feelers to Myanmar (also called Burma) and Syria.

Over a year into Obama's presidency, the jury is still out on whether this strategy of engagement is bearing fruit. Policymakers and scholars are divided over the merits and the risks of Obama's outreach to adversaries and over how best to increase the likelihood that his overtures will be reciprocated. Debate continues on whether rapprochement results from mutual concessions that tame rivalries or rather from the iron fist that forces adversaries into submission. Equally controversial is whether the United States should pursue reconciliation with hardened autocracies or instead make engagement

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contingent on democratization. And disagreement persists over whether diplomacy or economic engagement represents the most effective pathway to peace.

Many of Obama's critics have already made up their minds on the merits of his outreach to adversaries, concluding not only that the president has little to show for his efforts but also that his pliant diplomacy demeans the United States and weakens its hand. Following Obama's September 2009 speech to the United Nations General Assembly, in which he called for "a new era of engagement based on mutual interest and mutual respect" and "new coalitions that bridge old divides," the conservative commentator Michelle Malkin charged that the president had "solidified his place in the international view as the great appeaser and the groveler in chief."

The historical record, however, makes clear that such skepticism is misplaced and that Obama is on the right track in reaching out to adversaries. Long-standing rivalries tend to thaw as a result of mutual accommodation, not coercive intimidation. Of course, offers of reconciliation are sometimes rebuffed, requiring that they be revoked. But under the appropriate conditions, reciprocal concessions are bold and courageous investments in peace. Obama is also right to ease off on democracy promotion as he engages adversaries; even states that are repressive at home can be cooperative abroad. Moreover, contrary to conventional wisdom, diplomacy, not trade, is the currency of peace; economic interdependence is a consequence more than a cause of rapprochement.

If tentative engagement with U.S. adversaries is to grow into lasting rapprochement, Obama will need to secure from them not just concessions on isolated issues but also their willingness to pursue sustained cooperation. Doing so will require Washington to make its own compromises without dangerously dropping its guard. Obama must also manage the domestic political perils that will inevitably accompany such diplomacy. Not only will he have to weather Republican complaints about his "apology tours" abroad, but Obama will need to make sure that Congress is ready to support any deals that result from his diplomatic efforts. Should foreign governments take up Washington's offers of cooperation, they, too, will face dangers at home. In fact, Obama is in the difficult position of seeking peace

with regimes whose viability may well be undermined if they reciprocate the United States' overtures. Washington is off to a good start in seeking to turn enemies into friends, but the task at hand requires exceptional diplomacy both abroad and at home.

DIPLOMATIC COURTSHIP

Some of the recalcitrant regimes Obama is seeking to engage will surely refuse to reciprocate. With such states, Washington, after a decent interval, should suspend the offer of accommodation in favor of a strategy of isolation and containment. But other regimes are likely to take up the offer. Thus far, Russia, Iran, North Korea, Cuba, and Myanmar have all demonstrated at least a modicum of interest in engagement with the United States. Russia has worked with the United States on arms control, stepped up its effort to contain Iran's nuclear program, and expanded access to Russian territory and airspace for military supplies headed to Afghanistan. Enveloped in domestic turmoil since its June 2009 election, Iran has taken an on-again, if mostly off-again approach to negotiations with the United States. It is clearly tempted by the offer to compromise on the scope of its nuclear program as a means of avoiding—or at least delaying—a confrontation with the West. North Korea has been similarly tentative in engaging with Washington over its nuclear program. Meanwhile, Cuba has been expanding its diplomatic dialogue with the United States, and last fall Myanmar welcomed a visit from a high-ranking U.S. diplomat and allowed him to meet with the opposition leader Aung San Suu Kyi.

These glimmers of progress notwithstanding, critics insist that trying to make deals with extremists is appeasement by another name. Drawing on British Prime Minister Neville Chamberlain's infamous capitulation to Hitler at Munich in 1938, opponents of engagement claim that it will invite only intransigence and belligerence. As U.S. President George W. Bush told the Knesset in 2008, negotiating with radicals is simply "the false comfort of appeasement, which has been repeatedly discredited by history." Bush was certainly correct that accommodation had no place in dealing with a Nazi regime bent on conquest and genocide, but Chamberlain's fateful blunder should not tar all offers of accommodation as naive bouts of appeasement.

On the contrary, the historical record reveals that the initial accommodation of an adversary, far from being an invitation to aggression, is an essential start to rapprochement. Such opening bids are usually the product of necessity rather than altruism: facing strategic overcommitment, a state seeks to reduce its burdens by befriending an adversary. If the target country responds in kind, an exchange of concessions can follow, often setting the stage for the rivalry and mutual suspicion to abate. In the final stage of rapprochement, top decision-makers bring around bureaucracies, legislative bodies, private interest groups, and ordinary citizens through lobbying and public outreach. Broader societal engagement is needed to ensure that rapprochement does not unravel when the leaders that brought it about leave office.

> When it is handled correctly, engagement is not appeasement; it is sound diplomacy.

To be sure, offers of accommodation may need to be balanced with threats of confrontation. Nonetheless, the historical record confirms that accommodation, not confrontation, is usually the essential ingredient of successful rapprochement. The United States and Great Britain were antagonists for decades; after the Revolutionary War and the War of 1812, their geopolitical rivalry continued until the end of the nineteenth century. The turning point came during the 1890s, when the United Kingdom's imperial commitments began to outstrip its resources. London made the opening move in 1896, acceding to Washington's blustery demand that it submit to arbitration a dispute over the border between Venezuela and British Guiana—an issue the United States deemed within its sphere of influence. The United States responded in kind to London's gesture, agreeing to bring to arbitration a disagreement over sealing rights in the Bering Sea. Soon thereafter, the two countries amicably settled disputes over the construction of the Panama Canal and the border between Alaska and Canada. The United Kingdom was the only European power to support the United States in the 1898 Spanish-American War, and it went on to welcome U.S. expansion into the Pacific.

As diplomacy dampened the rivalry, elites on both sides of the Atlantic sought to recast popular attitudes through ambitious public relations campaigns. Arthur Balfour, leader of the House of Commons,

proclaimed in 1896 that "the idea of war with the United States of America carries with it something of the unnatural horror of a civil war." In a speech at Harvard in 1898, Richard Olney, U.S. secretary of state from 1895 to 1897, referred to the United Kingdom as the United States' "best friend" and noted "the close community . . . in the kind and degree of the civilization enjoyed by both [countries]." With the help of lobbying groups such as the Anglo-American Committee, these changes in the public discourse ensured that by the early 1900s the United Kingdom had succeeded in befriending the United States. In 1905, President Theodore Roosevelt informed London, "You need not ever be troubled by the nightmare of a possible contest between the two great English-speaking peoples. I believe that is practically impossible now, and that it will grow entirely so as the years go by."

HOW PEACE BREAKS OUT

OTHER INSTANCES of rapprochement followed a similar trajectory—as was the case with rapprochement between Norway and Sweden. As part of the territorial settlement at the end of the Napoleonic Wars, Denmark ceded control over Norway to Sweden in 1814. The Swedes promptly invaded Norway to put down a revolt against their rule, and the resulting union between Norway and Sweden that formed in 1815 led to decades of Norwegian estrangement from the Swedish. Rivalry between the two parties began to abate in 1905, when Sweden, confronted with resource constraints and pressure from Europe's great powers, accepted Norway's unilateral secession from the union. Norway reciprocated by dismantling its border defenses, and the two countries proceeded to resolve their outstanding territorial disputes. Their cooperation during World War I consolidated rapprochement, setting the stage for the eventual consolidation of peace throughout Scandinavia after World War II.

Peace came to Southeast Asia in a comparable fashion. A militarized rivalry between Indonesia and Malaysia began in 1963, when Jakarta opposed the formation of Malaysia—a federation among Malaya, Sabah, Sarawak, and Singapore. In 1966, General Suharto took power in Indonesia and proceeded to back away from confrontation with Malaysia, primarily to redress the deteriorating economic conditions

brought on by Jakarta's refusal to trade with Malaysia and by the international sanctions imposed in response to Indonesian belligerence. The two countries then exchanged concessions on a number of issues and teamed up with their neighbors to form the Association of Southeast Asian Nations in 1967, which has helped preserve peace in Southeast Asia ever since.

Rapprochement between Argentina and Brazil followed a similar pattern. After decades of rivalry that had begun in the colonial era, mutual accommodation started to clear the way for reconciliation in the late 1970s. Argentina faced the prospect of a war with Chile and needed to reduce its other strategic commitments, and Brazil's more moderate leaders viewed rapprochement with Argentina as a way of undercutting the growing power of hard-liners in Brazil's security and intelligence apparatus. Argentina made the opening move in 1979 by finally reaching an accord with Brazil and Paraguay on the construction of a hydroelectric dam across the Paraná River, which flows through the three countries. During the 1980s, Argentina and Brazil exchanged concessions, cooperated on their nuclear programs, and deepened their political, scientific, and cultural ties. In 1991, they launched a regional trade pact—Mercosur—and soon thereafter engaged in joint military exercises, which brought Brazilian troops to Argentine territory for the first time since the 1860s.

As these and many other episodes of rapprochement make clear, Obama is on firm ground in seeking to resolve long-standing rivalries through engagement rather than confrontation. This strategy is all the more attractive at a time when the United States is overstretched by the wars in Afghanistan and Iraq and by economic distress at home. Obama's outreach certainly entails risks and comes with no guarantee of success. But U.S. President Richard Nixon had no guarantee of a breakthrough when he went to Beijing in 1972, nor did Egyptian President Anwar al-Sadat when he went to Jerusalem in 1977. Even George W. Bush, who initially forswore dialogue with members of the "axis of evil," was by the end of his second term negotiating with North Korea, sending U.S. envoys to meet Iranian officials, and allowing U.S. forces to cooperate with the Sunni insurgents in Iraq who had spent the preceding years trying to kill Americans. When it is handled correctly, engagement is not appeasement; it is sound diplomacy.

GETTING RAPPROCHEMENT RIGHT

As Obama pursues rapprochement with a host of different rivals, he faces two main challenges: how to handle the sequence and substance of the negotiations and how to manage the political fallout at home and abroad. As for sequence and substance, Washington should be prepared to exchange concessions that are timely and bold enough to send signals of benign intent; otherwise, each party will be unconvinced that the other is sincere in its quest for reconciliation. At the same time, Washington should not move too quickly or too boldly: overshooting could make the United States and its potential partners strategically vulnerable, intensify domestic opposition, and prompt both parties to retreat to safer ground.

History also provides useful guidance on these matters. Anglo-American rapprochement started slowly, with the United Kingdom and the United States first focusing on second-order issues: borders in Central America and sealing rights in the Bering Sea. Only after testing the waters were London and Washington ready to strike bolder bargains—over borders in North America, the building of the Panama Canal, and U.S. expansion into the Pacific. The exchange of concessions began in 1896, but it was not until 1906 that the last units of British regulars left Canada. Similarly, Norway and Sweden dropped their guards only gradually. Rapprochement began in 1905, but in 1907, still wary of the potential for Swedish aggression, Norway concluded a treaty with France, Germany, Russia, and the United Kingdom to guarantee its territorial integrity. Not until World War I did the residual suspicions abate. In August 1914, Norway and Sweden issued a joint declaration of neutrality. After that, a memorial stone to King Oscar I, the king of Norway and Sweden in the mid-nineteenth century, was placed on the Norwegian-Swedish border. The inscription quotes the monarch: "Hereafter is war between the Scandinavian brothers impossible."

In contrast, attempts at rapprochement have foundered when they have gone too far too fast. China and the Soviet Union fashioned a remarkably close strategic partnership during the 1950s, but it unraveled at the end of the decade in part because Beijing suddenly found itself exposed by its heavy reliance on Soviet advisers and

economic assistance. In 1958, when Moscow proposed a joint submarine force and a joint naval communications headquarters, Mao Zedong told Russia's ambassador to China, "Well, if [you] want joint ownership and operation [of the submarines], how about having them all—let us turn into joint ownership and operation our army, navy, air force, industry, agriculture, culture, education. . . . With a few atomic bombs, you think you are in a position to control us." The same dynamic scuttled a partnership between Egypt and Syria. After a long history of rivalry, the two countries formed the United Arab Republic in 1958, but it collapsed in 1961 when Syria rebelled against Egyptian dominance within the union. Syrian officers carried out a coup against the Cairo-controlled government in Damascus and proceeded to secede from the United Arab Republic on the grounds that Egypt had "humiliated Syria and degraded her army."

Such historical examples offer at best a loose comparison with the rivalries Washington currently hopes to tame. Nonetheless, they suggest that the Obama administration should pursue rapprochement incrementally and carefully sequence its concessions, strictly conditioning each more ambitious step on reciprocity. Through this strategy, mutual antagonism can gradually give way to mutual accommodation without the risk of exploitation: each side lets down its guard only in step with the other.

So far, the Obama administration's handling of relations with Russia has followed just such an approach. Washington has backed up its call for resetting relations with Moscow by pursuing nuclear arms control, addressing Russian concerns about U.S. missile defense, and establishing bilateral working groups on a range of issues. The Kremlin has reciprocated, enabling progress in negotiations on arms reductions, diplomacy toward Iran, and access to Afghanistan. Should the momentum behind rapprochement continue to build, the stage may be set for tackling more difficult issues, such as NATO enlargement, the independence of Kosovo, the status of Abkhazia and South Ossetia, and Russia's place in the Euro-Atlantic security architecture.

Obama's outreach to Cuba has been even more incremental. Washington made the opening move by loosening some sanctions and tentatively expanding diplomatic and cultural engagement. Cuba has undertaken only modest economic reforms, and Obama has

conditioned a wider opening on Havana's readiness to advance political and economic liberalization. Similarly, Washington cautiously reached out to Myanmar through a high-level dialogue but is now awaiting clearer signs that its generals are prepared to loosen their grip on power before pursuing deeper engagement.

Iran and North Korea, because of their nuclear programs, are particularly tough cases. Washington is justifiably intent on neutralizing the nuclear threats they pose. But both countries appear unwilling to give up their nuclear programs, which they deem necessary to maintain their security and bargaining leverage. The tightening of sanctions could help change the political calculus in Tehran and Pyongyang. Nonetheless, the logic of incrementalism would suggest that Washington should also pursue negotiations on a set of broader issues to help build the levels of mutual confidence needed to tackle the nuclear question. With Tehran, the United States could seek cooperation on Afghanistan, particularly on curbing the drug trade there, which flows into Iran. Washington could also discuss with Tehran the potential for a new security architecture in the Persian Gulf, which is of particular importance as U.S. forces prepare to exit Iraq. With Pyongyang, a dialogue on economic assistance, energy supplies, and the normalization of relations may help clear the way for a deal on North Korea's nuclear program.

Obama must manage the domestic backlash that accompanies the accommodation of adversaries.

It was precisely this kind of step-by-step approach that allowed Argentina and Brazil to reach a final accord on their nuclear programs in 1985, after several years of building confidence through presidential visits, scientific exchanges, and technical accords. The nuclear agreement, which committed both countries to the renunciation of nuclear weapons and provided each unfettered access to the other's nuclear sites, then served as a breakthrough, clearing the way for lasting rapprochement. In a similar fashion, Tehran and Pyongyang may not agree to constraints on their nuclear programs and rigorous international monitoring until engagement with Washington has begun to dampen the mutual antagonism. A deal on the nuclear issue may well need to be part of a broader strategic realignment with the United States, not a precondition for that realignment.

THE HOSTILE HOME FRONT

Obama's second main challenge is to manage the domestic backlash that regularly accompanies the accommodation of adversaries—one of the key stumbling blocks in past efforts at rapprochement. Anglo-American rapprochement in the nineteenth century on several occasions almost foundered on the shoals of domestic opposition. The U.S. Senate, for example, rejected a general arbitration treaty with the United Kingdom in 1897. Meanwhile, the British government, fearful of a nationalist revolt against its accommodating stance toward Washington, hid from the public its readiness to cede naval superiority in the western Atlantic to the United States. General Suharto, well aware that accommodation with Malaysia risked provoking Indonesian hard-liners, moved slowly and cautiously—as did General Ernesto Geisel when Brazil opened up to Argentina. As the Nixon administration discovered in the 1970s, these governments were wise to be cautious. Détente between the United States and the Soviet Union stalled in part because the White House failed to lay the groundwork for it at home and ran up against congressional resistance. In 1974, for example, Congress passed the Jackson-Vanik amendment, which imposed trade restrictions in order to pressure the Soviet Union to allow emigration.

Like past leaders who advocated accommodation, Obama faces formidable domestic opposition. When he pledged to pursue engagement with the Iranian government even after its troubled election last year, the *Washington Post* columnist Charles Krauthammer criticized Obama's policy of "dialogue with a regime that is breaking heads, shooting demonstrators, expelling journalists, arresting activists." "This," he wrote, "from a president who fancies himself the restorer of America's moral standing in the world." After the Obama administration revised its predecessor's missile defense program, John Boehner (R-Ohio), the House minority leader, claimed that "scrapping the U.S. missile defense system in Poland and the Czech Republic does little more than empower Russia and Iran at the expense of our allies in Europe."

An even bigger challenge than parrying these rhetorical blows will be ensuring that the concrete bargains struck in the service of rapprochement pass muster with Congress. If the United States is to

ratify a deal on nuclear weapons reductions with Moscow and embrace the Comprehensive Nuclear Test Ban Treaty, two-thirds of the Senate will have to approve. Even without a single defection from the Democratic caucus, the White House will need a healthy measure of support from the Republican Party, which has moved considerably to the right since it last shot down the Comprehensive Nuclear Test Ban Treaty, in 1999. Scaling back sanctions against Cuba, Iran, or Syria would similarly require congressional action, which also would not come easily; Congress would no doubt balk at the prospect of ending the isolation of Havana, Tehran, or Damascus. Jackson-Vanik, after all, is still on the books, even though the Soviet Union is no more and Russia ended its restrictive emigration policies long ago. In the face of such congressional hurdles, Obama should develop a legislative strategy that supports his diplomacy sooner rather than later.

To complicate matters further, Obama has to worry about domestic obstacles to rapprochement in other countries as well. From Iranian President Mahmoud Ahmadinejad to Russian leaders Dmitry Medvedev and Vladimir Putin to Cuban President Raúl Castro, Obama's negotiating partners as a matter of course play the anti-American card to bolster their rule. Even if they want to compromise with the United States, they might find themselves hemmed in by the popular resentment of Washington that they have already stirred up. Obama can lend a hand by using public diplomacy to lessen popular animosity toward the United States. His superb oratorical skills are an important asset: his frequent efforts at public outreach—such as his speeches in Ankara, Cairo, and Moscow and his video greeting to the Iranians on their New Year—may well help give foreign leaders the room they need to reciprocate U.S. overtures. Far from showboating or squandering his presidential prestige, Obama is wisely deploying his popularity in the service of peace.

MYTH BUSTING

Building congressional support for Obama's outreach to adversaries will mean debunking three myths that often distort public debate about strategies of engagement. The first is the presumption that Washington compromises its values and power by seeking

rapprochement with autocratic regimes. U.S. officials and opinion-makers on both sides of the aisle share a commitment to democratization for both principled reasons (democracies respect the rights of their citizens) and pragmatic ones (democracies are peaceful and cooperative, whereas autocracies are presumably belligerent and unreliable partners). Accordingly, even if the United States succeeded in striking a deal with the Iranian, the Russian, or the Syrian government, critics would charge that Washington's behavior was morally tainted (for rewarding and strengthening autocrats) and naive (because such governments cannot be trusted to keep their commitments).

> It takes years to turn enmity into amity. The problem for Obama is that patience is in short supply in Washington.

But Obama is fully justified in putting the democratization agenda on the back burner and basing U.S. diplomacy toward other states on their external behavior, not their regime type. Even repressive regimes can be reliably cooperative when it comes to their conduct of foreign policy. Argentina and Brazil embarked on the path of rapprochement when they were both ruled by military juntas. Suharto oversaw a campaign of brutal repression at home but nonetheless ended Indonesia's belligerent stance toward Malaysia and helped found the Association of Southeast Asian Nations as a pact to preserve regional peace.

Striking bargains with repressive regimes does require making moral compromises. Doing so is justified, however, by the concrete contributions to international stability that can result. Washington should speak out against violations of human rights and support political liberalization around the world. But when nuclear weapons, terrorism, and matters of war and peace are on the line, responsible statecraft requires pragmatic compromise, not ideological intransigence.

A second misconception, often affirmed by opponents of engagement, is that pursuing rapprochement with an adversary means abandoning hope that its government will change. On the contrary, doing business with autocracies has the potential to bring about regime change through the backdoor by weakening hard-liners and empowering reformers. Engagement with Iran, for example, could

undermine a government that relies on confrontation with the United States to rally popular support and disarm the opposition.

Belligerent governments have frequently been the victims of rapprochement. Sweden's aristocracy and military lost power to the country's liberals as rapprochement with Norway advanced. Military juntas governed Argentina and Brazil when their reconciliation began in 1979; by 1985, both countries were democracies. In none of these cases was rapprochement the only factor that helped bring about regime change, but the more benign strategic environment that accompanied reconciliation certainly strengthened the hand of reformers.

Should Obama's outreach succeed in winning over adversaries, the anti-American pedigree of such leaders as Ahmadinejad, Castro, and Putin may well do more to compromise their credibility than to enhance their popularity. Over the long run, working with recalcitrant autocrats may undermine them far more effectively than containment and confrontation.

DIPLOMACY BEFORE DOLLARS

A FINAL MISCONCEPTION is that economic interdependence is usually a precursor to rapprochement. Proponents of a "commercial peace" contend that trade and investment encourage amity between rivals by bringing their economic and political interests into alignment. By trading with China, Cuba, and other autocracies, the United States can pursue joint gains and advance political liberalization, which will in turn promote peaceful relations. Supporters of this view call for economic integration not only between the United States and its rivals but also between China and Japan, the Israelis and the Palestinians, and Bosnian Serbs and Bosnian Muslims.

Rapprochement, however, is the product of diplomacy, not commerce. Although commercial integration can help deepen reconciliation, primarily by enlisting the support of industrialists and financiers, the diplomats must first lay the political foundation. Anglo-American trade declined in relative terms between 1895 and 1906, the critical decade of rapprochement. Big business on both sides of the Atlantic did help improve relations, but only after the key diplomatic break-

throughs that occurred between 1896 and 1898. Argentina and Brazil enjoyed minimal bilateral commerce during the 1980s—their era of reconciliation. Only after the founding of Mercosur in 1991 did commercial integration take off.

Moreover, strong commercial ties by no means guarantee comity. By 1959, after a decade of economic integration, 50 percent of China's exports were going to the Soviet Union, and China had become the Soviet Union's top trading partner. But this extraordinary level of commercial interdependence did nothing to prevent the return of geopolitical rivalry after the break between Beijing and Moscow. By 1962, bilateral commerce had dropped by 40 percent. Politics was in command.

The lesson for the Obama administration is to keep its eye on the fundamentals. Under pressure from its critics, the White House might be tempted to sidestep the core security issues at stake and seek to pursue reconciliation with adversaries primarily through economic means. But as the Sino-Soviet case illustrates, unless commercial integration is pursued within the context of a consensus on major geopolitical issues, it will be a distraction at best. To be sure, Washington can wield important leverage by loosening economic sanctions against Cuba, Iran, and Syria. The main benefit of such action, however, would be the political signal it sends, not the purportedly pacifying effects of commercial integration. Growing economic ties can help lock in rapprochement, but only after a political settlement is at hand.

DELIVERING THE GOODS

If the Obama administration's tentative engagement with the United States' rivals is to be more than a passing flirtation, Washington will have to conduct not only deft statecraft abroad but also particularly savvy politics at home. Progress will be slow and incremental; it takes years, if not decades, to turn enmity into amity. The problem for Obama is that patience is in extraordinarily short supply in Washington. With midterm elections looming in November, critics will surely intensify their claims that Obama's outreach has yet to pay off. In preparation, Obama should push particularly hard on a single front, aiming to have at least one clear example that his strategy is working.

Rapprochement with Russia arguably offers the best prospects for near-term success. Washington and Moscow are well on their way toward closing a deal on arms control, and their interests intersect on a number of other important issues, including the need for stability in Central and South Asia. Moreover, the United States can piggyback on the progress that the European Union has already made in reaching out to Russia on issues of trade, energy, and security.

Obama also needs to start laying the groundwork for congressional support. To help clear the legislative hurdles ahead, Obama should consider including in his stable of special envoys a prominent Republican—such as former National Security Adviser Brent Scowcroft, former Senator Chuck Hagel, or former Secretary of State James Baker—to lend a bipartisan imprimatur to any proposed deals that might come before Congress. He must also be careful not to overreach. For example, his call to eliminate nuclear weapons altogether, however laudable in theory, may scare off centrist senators who might otherwise be prepared to ratify the Comprehensive Nuclear Test Ban Treaty. Obama should also be mindful of the order in which he picks his fights. If advancing rapprochement with Russia is a priority for 2010, it makes sense to put off heavy lifting with Cuba until the following year. It is better to shepherd a few key items through Congress than to ask for too much—and risk coming back empty-handed.

Despite the numerous obstacles at home and abroad, the Obama administration should stick to its strategy of engaging U.S. adversaries. Rapprochement usually takes place in fits and starts and, under the best of circumstances, requires painstaking diplomacy and persistence. But when it works, it makes the world a much safer place. That realization alone should help buy Obama at least some of the time that he will need if he is to succeed in turning enemies into friends.

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Decoding the Cold War, 20 Years Later

Lawrence D. Freedman

The Cambridge History of the Cold War. 3 vols. EDITED BY MELVYN P. LEFFLER AND ODD ARNE WESTAD. Cambridge University Press, 2009, 1,976 pp. $395.00.

As the years pass, the Cold War increasingly appears as an undifferentiated chunk of history that stretched across time and space, with a vast cast of characters and occasional moments of drama. It is presented as a curious concatenation of summits and negotiations, alliances and clients, spies and border posts, ideological dogmas and underground resistance, and a combination of arcane theories about deterrence and some nasty actual wars.

Because the most important feature of the Cold War was that it stayed cold—and did not become the third in the twentieth century's series of world wars—it is often recalled almost fondly as a time of calm and stability. The standoff between the West, led by the United States, and the Soviet Union and its satellites has taken on an institutionalized, ritualized quality that rarely seems to have posed any danger of giving way to the chaos and catastrophe of total war. It is now common to talk of the reassuring rationality and predictability of the old Soviet adversary, with unfavorable comparisons to Washington's current enemies.

Yet it did not always feel that way. The sense of danger and uncertainty ebbed and flowed. Besides the 1962 Cuban missile crisis, many of the Cold War's more alarming moments are fading from memory. Few remember, for example, that as late as 1983, the geriatric leadership of the Soviet Politburo began to panic that the United States was planning a surprise nuclear attack, and so they dangerously raised the alert level of their own forces.

The character of the confrontation was shaped by the shared fear of total war, which was reinforced by nuclear weapons

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and by sharp ideological and geopolitical divisions. As both sides searched beyond their core alliances for strategic advantage, the Cold War began to affect the trajectories of states and political movements across the globe. Since the Cold War touched on all aspects of human affairs, it came to define a whole epoch. In this way, the term "cold war" became a convenient label for more than four decades of international history.

Although convenient, this label is misleading. It exaggerates the importance of the superpower confrontation. The Cold War is a central part of the story of its time but not the whole story—in retrospect, other parts, particularly the process of decolonization, may turn out to have had more of a long-lasting impact. At the same time that the two superpowers were vying for influence, Europe was dismantling its empires in Africa and Asia, Western Europe was beginning its long process of integration, Japan and South Korea were discovering economic growth, the oil-producing countries were joining together to influence supply, and Islam was developing new political forms.

The Cambridge History of the Cold War tends toward the epochal view. As Melvyn Leffler and Odd Arne Westad, the editors of *The Cambridge History*, write, their aim is to provide a "comprehensive, systematic, analytic overview of the conflict," with a study of social, intellectual, and economic history. The goal, they explain, is "to clarify what mattered to the greatest number of people during the Cold War." In such a course of study, they add, it is necessary to "discuss demography and consumption, women and youth, science and technology, culture and race"—and indeed they do.

Such a broad scope reflects not only the wide range of human affairs that comes under the roomy heading "The Cold War" but also changing approaches to the Cold War's study. As Westad explains in his opening essay, during the early decades after World War II, the central questions of Cold War studies never went beyond making sense of Soviet expansionism: Was the Soviet empire a manifestation of Bolshevik ambition or a continuation of traditional Russian foreign policy? Then, fueled by anger over the Vietnam War, revisionists began to blame the dire state of international affairs on the United States, where the reactionary forces of anticommunism had combined with an aggressive capitalist agenda. Over time, historians stopped assigning blame and began to view the two superpowers as locked in a mutually reinforcing system. Westad shows how Cold War historiography has been influenced by changes in intellectual fashion and by distinctive regional perspectives.

Against this backdrop, it is not surprising that the editors decided to opt for an inclusive, maximalist approach. This encourages an admirable comprehensiveness in *The Cambridge History*, although such breadth at times can be overwhelming. The editors have gathered the top scholars on each topic, and many do not disappoint, even if only by offering succinct reprises of their own books. The contributions on diplomacy are consistently strong. But with so much to cover and 75 contributors, the editors seem to have struggled to cope. They opted for a light touch, accepting the impossibility of imposing a systematic and coherent framework. As a result, these are volumes to consult for illumination on particular topics rather than read from

cover to cover. In the end, the Cold War does not come sharply into focus but instead remains a blur.

COLD WAR CREATION MYTHS

At first, "cold war" was quite specific in its meaning. Westad credits George Orwell with introducing the term in a 1945 essay on the meaning of the atomic bomb. Orwell wrote of the prospect "of two or three monstrous super-states, each possessed of a weapon by which millions of people can be wiped out in a few seconds, dividing the world between them." Although it was widely feared that these new weapons would lead to another great war, Orwell wondered whether it was not more likely "that surviving great nations make a tacit agreement never to use the bomb against one another? Suppose they only use it, or the threat of it, against people who are unable to retaliate?" This new form of supreme power would lead to an uneasy standoff between states, with each in "a permanent state of cold war with its neighbors." As he saw it, this would lead to more effective ways of controlling the world's exploited classes and "a peace that is no peace" between "horribly stable . . . slave empires."

Orwell feared that such an order could result in a system of universal totalitarianism like that in his dystopia, *1984*. The idea that atomic bombs would rob the exploited "of all power to revolt" may not have appeared so far-fetched at the time given the totalitarianism seen in Nazi Germany and Stalin's Soviet Union. He was also sensitive to how a country's elites could use national security to justify their power, either by turning dissent into treason or by propagating the "big lie" and the "doublespeak" of *1984*.

Despite the similarities between the competing states in his novel, in practice Orwell understood the contrasts between state socialism and liberal capitalism as political forms. Like so many leftist intellectuals of his generation, Orwell realized that he had to live with one of these two competing ideologies—neither of which he really wished to embrace, but whose differences could not be ignored. He concluded that the challenge of communism could not be ducked, and so he would prefer to be part of the U.S. empire rather than the Soviet one. As a result, he spent his final creative years coping with the dilemma of having to take sides in a conflict that he assumed would lead to deepening oppression.

Although Orwell conceived of a "cold war" as a combination of institutionalized conflict and internal repression, the original use of the term in the United States was much more prosaic. The journalists Walter Lippmann and Herbert Bayard Swope put forth rival claims on who was first to invent the term "cold war." Lippmann undoubtedly popularized it when a series of his newspaper columns on the developing confrontation with the Soviet Union were brought together in a 1947 book called *The Cold War* (although, oddly, the term was not used in the text itself). Swope first introduced the phrase to the American public as a speechwriter for Bernard Baruch, the high-profile financier and political adviser. Swope suggested it for a speech in 1946, but the tone was thought too harsh for that time; it was only in April of the next year that Baruch embraced the coinage, saying in a speech in South Carolina, "Let us not be deceived—we are today in the midst of a cold war."

Frostbitten

In his *New Political Dictionary*, William Safire explores the rival claims of the two men. Both said they had the term in mind as early as the beginning of the 1940s. Lippmann referred to France of the late 1930s, where *la guerre froide* was used to characterize Adolf Hitler's intimidation of France. Swope said the idea occurred to him when he heard the question about whether the United States would become involved in a "shooting war" in Europe. He was struck by the oddity of the phrase—it was hard to imagine a war without shooting—and began to use "cold war" to describe such a seemingly paradoxical conflict. Swope also thought that he might have gotten the idea for the term from the Nazi policy of "cold pogroms" against the Jews in the mid-1930s. This particular usage appears to have occurred to others: in 1938, *The Nation* wrote of "Hitler's Cold War."

Both Lippmann and Swope saw the tension between the United States and the Soviet Union that was emerging in the late 1940s not as a completely new phenomenon deserving of a special name but merely as a new example of a phenomenon they had observed not long before. It was not necessarily a durable situation; unless the United States adopted more sensible policies, the tentative standoff might lead to a full-blown "hot war." Lippmann was interested in avoiding the fight and criticized the doctrine of containment, as espoused by George Kennan's 1947 "X" article in these pages. He took exception to what he saw as Kennan's exaggerated stress on ideology to explain Soviet actions and to the dangerous notion that Moscow should be confronted at every spot around the globe. In *The Cold War*, Lippmann presciently warned that this could lead the United States to depend on dictatorial regimes. He preferred to keep the conflict confined to Europe, where deals could be struck: "For a diplomat to think that rival and unfriendly powers cannot be brought to a settlement is to forget what diplomacy is about."

These early uses suggest a serviceable definition of "cold war": a state of affairs in which relations between two antagonists are governed by the possibility of a hot war that both wish to avoid. Such a state can last until either the antagonism subsides or the hot war begins. Just as soldiers and statesmen had no idea they were embarking on what would become the Seven Years' War, let alone the Hundred Years' War, those who saw the early days of the Cold War did not imagine that this would be how their epoch would be defined. This was "a cold war," a stage to pass through, rather than "the Cold War," the defining feature of 40-plus years of international relations.

By taking an epochal view, *The Cambridge History* makes it harder to keep U.S.-Soviet competition in perspective. In his essay, Adam Roberts makes the case for this epochal view by citing the durability of the conflict between the two great powers over more than four decades. But he also acknowledges that the level of antagonism between the United States and the Soviet Union did not remain uniform over time. In fact, the idea of a "cold" war (as opposed to a "hot" one) almost passed into obsolescence as a result of the communist victory in the Chinese Civil War in 1949 and North Korea's push into the South in 1950. The confrontation went global with unexpected speed, and U.S. soldiers were soon fighting communist forces in Southeast Asia.

Ultimately, the stalemate in Korea and the evidence that neither Washington nor Moscow had the stomach for an apocalyptic reckoning gave the term new relevance. Having been adopted earlier by the Truman administration as a way to describe the malign consequences of Soviet grand strategy, "the Cold War" was soon accepted by both sides as a description of the post-Korean stalemate.

After the crises in Berlin and Cuba in the early 1960s, the sense of danger subsided. What followed was an effort to regularize the postwar European order through a series of treaties and arms control negotiations, culminating in the Final Act of the Conference on Security and Cooperation in Europe, proclaimed in Helsinki in 1975, which ratified the postwar status quo in Europe and set out principles for peaceful coexistence between Europe's two ideological blocs.

Now, the Cold War was spoken of in the past tense, as the superpowers proclaimed an era of détente. This, however, only set the stage for disillusionment when tensions returned in the late 1970s over the Soviet nuclear buildup and Soviet interventionism in the Third World. In 1983, with the Reagan administration at its most reactionary and bellicose, Fred Halliday, a British political scientist, wrote about a "second Cold War."

The advantage of a more restrictive approach to studying the Cold War lies in keeping the conflict in perspective and in identifying the particular factors that turned what might otherwise have been an unstable relationship into something so durable.

THE ICE AGE

One reason why the deadlock lasted so long is ideology. For all the differences between liberal capitalism and state socialism, there was something similar in how the United States and the Soviet Union embraced their respective national ideologies. These ideologies, Robert Jervis argues in his essay in *The Cambridge History*, shaped the identities of the two superpowers far more than geography or the structure of international politics. Ideology allowed each to present itself as defining the path of human progress and gave each side confidence in the power of transformational ideas. Both the United States and the Soviet Union were born of revolutions that took on universal, rather than nationalist, values. These similarities in approach, Jervis suggests, made their confrontation particularly dangerous—there could be no resolution until one side was transformed into something closer to the other. This danger was mitigated by each side's conviction that because it was on the right side of history, it could afford to be patient. Nonetheless, as Jervis explains, U.S. ideology was less in need of outside validation than Soviet ideology: the latter lacked deep roots and relied on the promise of good things to come, which looked increasingly empty as the Soviet Union's economy and society stagnated. But in the United States, Americans were largely satisfied with the consumer pleasures and political freedoms they enjoyed in the decades after World War II. Their ideology had already demonstrated its worth.

Similarly, David Engerman writes in his chapter that the Cold War was "at its root a battle of ideas." He traces American liberalism and Soviet communism back to their origins, noting that after World War I, both Woodrow Wilson and Vladimir Lenin made premature claims of victory over the old order. The eventual demise

of capitalism was the fundamental message of communism, and vice versa. "No other value system is so wholly irreconcilable with ours," NSC-68, the April 1950 manifesto issued by hard-liners in the Truman administration, said of communism. "With such broad aspirations," Engerman argues, "permanent coexistence was impossible." The manner of the Cold War's end only confirms the point. When Mikhail Gorbachev tried to recast the doctrinaire and sclerotic Soviet system, it simply broke.

Yet the battle of ideas was not truly fought within the United States, other than in the fevered imagination of McCarthyists. The U.S. debate was instead about the relevance and meaning of "liberal capitalism," a term that had become more confusing as liberalism was explicitly disavowed by many who, at least in the realm of economics, remained close to its classical precepts. At the same time, many of those who did consider themselves liberals criticized U.S. foreign policy for being an inadequate expression of core liberal values, subordinating as it did issues such as human rights to "realist" appraisals of power relationships.

In the Soviet Union and its satellite states, where Marxism-Leninism was the only approved form of discourse, open intellectual warfare was suppressed. But challenges to the official ideological line did emerge—often in coded and subterranean forms—and are well covered in this collection's various chapters on Eastern Europe and the Soviet Union. Michael Latham also does an excellent job describing the deeply damaging and contorted efforts of both superpowers, along with China, to make the countries of the Third World fit into their ideological schemata. He stresses the fundamentally ideological nature of the struggle over "the direction of global history and the definition of modernity itself." He describes how local elites made their choices, with some struggling to uphold the banner of nonalignment and often proclaiming their own distinctive philosophies.

The gap in *The Cambridge History*'s study of ideology—notable in Engerman's chapter—lies in its treatment of Western Europe. This, after all, was the cradle of Marxism and the staging ground for deep divisions between Social Democrats and vanguard Communists. Following World War II, communism remained a powerful force in Western Europe and enjoyed further credibility because of the role of local communist parties in resisting the Nazis. It was represented by established political movements and was thoroughly embedded in the trade unions.

For this reason, the contest in Western Europe may at its root have been about ideas, but in practice it turned on industrial confrontations, bitter election struggles, and the control of peace movements. Orwell was so suspicious of the communist political machine, which he had seen firsthand in Spain, that he kept a list of prominent people he suspected of being fellow travelers, which he handed over to the British intelligence services. William Hitchcock makes a passing reference in his chapter to "crude" U.S. tactics in financing the Christian Democrats during the 1948 Italian elections. This momentous election—in which the Catholic Church reminded its flock that although Stalin could not see how they voted, God could—demonstrated just how rough these battles could be. They deserve far more attention.

Hitchcock at least provides a context for this crucial period in his analysis of the Marshall Plan, which demonstrated how much the wealth of the United States gave it a head start in the battle for European hearts and minds. Moscow's attempts to thwart U.S.-sponsored reconstruction by ordering Communists to strike and to disrupt the delivery of vital supplies alienated ordinary people and deepened the division between Communists and Social Democrats.

Other contributors see different points as crucial. Engerman seems to think that the defining moment in Europe did not come until August 1961: the construction of the Berlin Wall demonstrated that communist rule lacked legitimacy and that only physical barriers could stop people from leaving the Eastern bloc.

By this time, however, mass communist parties in Western Europe were already marginalized. Even many European communist supporters who had continued to mouth party slogans in the years after World War II had largely given up by 1956, a year that was marked not only by an insurrection in Poland and a full-scale revolution in Hungary but also by Nikita Khrushchev's speech to the 20th Party Congress that acknowledged the depravities of Stalinism. The passion and intensity of these early struggles—and their interaction with the intellectual currents of the time—are strangely missing from these volumes.

As for the 1960s, Jeremi Suri's examination of the Cold War–era counterculture feels contrived and is unconvincing. The progressive counterculture in the United States was opposed to the Vietnam War rather than the underlying Cold War—even if the latter had provided a specious rationale for the former. The U.S. civil rights movement provided the initial impulse for the era's radicals; Suri's claim that an "international counter-culture developed in response to dissatisfaction with the dominant culture of the Cold War" just does not ring true. This emerging culture was a response to social mores that had been in place from well before World War II and that were widely seen as narrow, conformist, and stultifying. Rather than joining political struggles being fought around the world, this was a generation that was bound to want fewer rules, more sex, and louder music.

The sort of treatment needed on such topics is demonstrated in a brilliant chapter on the 1970s and 1980s by Jan-Werner Müller, who examines how the radical intelligentsia in the West was affected by no longer being able to take inspiration from China, Cuba, or the Soviet Union—all of which by that time were showing signs of ideological fatigue and confusion. At the same time, neoconservatism was on the rise in the United States; rhetorically antiliberal, neoconservatives pushed hard on the traditionally liberal antistatist theme of individual freedom. This political strain helped confirm the sense of ideological victory once communism finally imploded.

THE NUCLEAR OPTION

The centrality of the nuclear issue for the Cold War means that it gets due prominence in *The Cambridge History*. In volume 1, David Holloway explains how nuclear weapons made the postwar relationship between the United States and the Soviet Union even more tense and contentious than it otherwise would have been. Yet as more powerful thermonuclear weapons were developed in the

early 1950s, it became harder to imagine circumstances in which they could actually be used. By the start of 1953, U.S. President Dwight Eisenhower and his secretary of state, John Foster Dulles, were worrying about the debilitating effect of the "nuclear taboo," the natural reluctance to use nuclear weapons had become embedded as an unbreakable norm. Eisenhower and Dulles tried to overcome this effect by hinting that they were ready to use nuclear weapons in Korea in an attempt to spur armistice talks—although they believed this maneuver proved successful, the death of Stalin in March 1953 was probably more influential. By the Geneva summit in July 1955, the "Big Four" powers—France, the Soviet Union, the United Kingdom, and the United States—had all acknowledged the danger of nuclear war. Khrushchev, who was then emerging as the next leader of the Soviet Union, left the summit encouraged, realizing that "our enemies probably feared us as much as we feared them." In their contribution, William Burr and David Rosenberg do a thorough job covering the nuclear postures and policies of the 1960s that flowed from this realization and then move on to the strategic arms negotiations of the 1970s. The perverse logic of the nuclear age was summed up in the notion of "mutual assured destruction," which so long as it was accepted by all sides ensured a certain kind of stability.

Although there are mentions in volume 3 of arms control and other major issues, such as the Strategic Defense Initiative, the increasing burden of military expenditures on the Soviet economy, and the debates on deploying intermediate-range nuclear forces in Europe, nowhere are all these episodes pulled together.

The most original piece of work in this volume is Matthew Evangelista's fascinating analysis of the transnational organizations—such as Pugwash and the Palme Commission—that kept dialogue alive during the more uncommunicative days of the Cold War. These groups were often concerned with nuclear issues; notably, only here is there any extended discussion of the Cold War's antinuclear movements, such as the Campaign for Nuclear Disarmament, which achieved wide popularity in the United Kingdom in the late 1950s and early 1960s. Meanwhile, the role of U.S. nuclear scientists in shaping the public debate over nuclear weapons is hardly mentioned anywhere, with neither Robert Oppenheimer nor Edward Teller appearing in the index.

The biggest gap in *The Cambridge History*, however, comes in the discussion of nonnuclear forces. There is no individual treatment of NATO and the Warsaw Pact, and the development of conventional forces and their numbers, equipment, doctrines, and cost are simply ignored. No attention is given to the arrival of precision-guided munitions, the Warsaw Pact's "operational maneuver groups" (designed to overwhelm Western defenses in Europe) or NATO's "follow-on forces attack" (meant to stop them), the development of the Soviet oceangoing navy and the massive U.S. response, or the tedious negotiations on mutual force reductions in Europe. With so much to cover on the conflicts in Korea, Vietnam, and Afghanistan, the authors end up with little space to consider tactical debates and operational performance.

HISTORY, UNTANGLED

The implosion of communism in Europe in 1989 recast the European order. Germany

was reunited, healing the fracture along Europe's center. An era, described as "the Cold War," had come to an end. As the Soviet spokesperson Gennadi Gerasimov quipped, this era had lasted from "Yalta to Malta," a reference to the time between the famous 1945 summit and a brief meeting between U.S. President George H. W. Bush and Gorbachev off the coast of the neutral island of Malta in December 1989. At that latter summit, Gorbachev announced the end of an era and the start of a new one, a lasting and peaceful one, promising that he would "never start a hot war" against the United States. For his part, Bush said that he looked forward to "enduring cooperation." The real end to the period would come two years later, when the Soviet Union ceased to exist.

The Cold War's conclusion appeared to vindicate the early policy of containment. Leffler concludes his chapter with a quote from Harry Truman's last State of the Union speech, in which Truman expressed the basic hope behind containment. If "the communist rulers understand they cannot win by war, and if we frustrate their attempts to win by subversion," Truman said, they might take on more moderate aims and thus become "more realistic and less implacable and recede from the cold war they began."

There was nothing inevitable, however, about the gracefulness of the conclusion of the Cold War. Most alternative endings would have been catastrophic. "The avoidance of major war in a process as vast and traumatic as the collapse of the USSR was astonishing," notes Roberts in his essay. The same, he adds, also applied to "the subsequent consolidation of democratic forms of government in many East European countries." But this peaceful climax was no accident: it merely confirmed the scale of the West's ideological victory.

It was this definitive conclusion in Europe—although communist parties held on in Asia, they paid scant regard to the tenets of Marxism-Leninism—that encourages the idea of the Cold War as an epoch. With such a view, it is possible to discuss almost everything that happened everywhere between 1945 and 1991 as part of one event. But this is ultimately a misdirected approach. Although the U.S.-Soviet confrontation set the terms for international politics over this period—especially during the immediate aftermath of World War II—as time passed, communism lost its credibility as a source of inspiration and as a guide to the good life, and the presumption that the Cold War would not turn hot seemed increasingly certain. By taking such a broad view of the Cold War, *The Cambridge History* covers a lot of important ground in interesting ways but leaves the reader struggling to get a grip on what the Cold War was really all about. There is a need, left unfulfilled here, to untangle the Cold War from all the other strands of twentieth-century history, work out what was distinctive and special about it, and then assess how it interacted with all the other strands.

Responses

Second Strike

Is the U.S. Nuclear Arsenal Outmoded?

The Counterforce Fantasy

JAN LODAL

Keir Lieber and Daryl Press ("The Nukes We Need," November/December 2009) argue that to deter the growing number of nuclear-armed states against which it might have to fight a conventional war, the United States should develop a new generation of accurate low-yield nuclear weapons. They contend that "the least bad option in the face of explicit nuclear threats or after a limited nuclear strike may be a counterforce attack to prevent further nuclear use."

It is true that for the United States to maintain nuclear deterrence, the president must have credible options to respond to nuclear threats or attacks. Lieber and Press rightly assert that the capability to destroy enemy cities with high-yield weapons is not enough. But their argument for new counterforce capabilities attacks a straw man. The United States already has the flexibility to carry out low-yield counterforce attacks, and there are no plans to eliminate this. The B-61 nuclear bomb has a variable yield that can be set quite low and is highly accurate, especially when carried by the stealth B-2 bomber. Cruise missiles with low-yield warheads have similar capabilities. Even long-range ballistic missiles can be targeted to minimize collateral damage.

Lieber and Press go beyond urging low-yield counterforce capabilities and propose a bizarre and dangerous nuclear strategy for the United States: to develop the capacity for attacks against a threatening enemy that would prevent the enemy from launching any subsequent nuclear attacks. These disarming strikes would be launched even if the enemy had attacked an isolated military target, such as a carrier battle group at sea. Astoundingly, the authors also propose preemptive nuclear attacks against "explicit nuclear threats." The states against which such attacks might be used include Iran, North Korea, other new nuclear powers, and even China.

Lieber and Press provide a detailed analysis of how such an attack would have a more than 95 percent chance of destroying all of China's fixed silo-based

intercontinental missiles, with less than 700 fatalities. (Much of this analysis is identical to the arguments made by the George W. Bush administration for its program to develop a low-yield nuclear bunker buster—a program ultimately blocked by Congress.) Yet there is no chance whatsoever that any U.S. president would launch such an attack—certainly not against China, nor even against a much less capable nuclear power. The challenge in modern warfare is not hitting a target at a known and fixed location; the challenge is to know the target's location. China's capabilities are not limited to the 20 land-based silos Lieber and Press confidently predict could be destroyed in a single attack—China also has mobile missiles, bombers, ships, and submarines. Do the Chinese believe the United States could destroy these mobile systems?

Until recently, the United States overlooked an entire nuclear material processing facility in Iran. Washington does not know where North Korea stores its crude devices, nor for that matter where India, Israel, or Pakistan keeps its weapons. A nuclear weapon could even be hidden on a pleasure boat, tens of thousands of which traverse U.S. waterways each day. Nuclear-armed pleasure boats could never defeat the United States or prevent the ultimate defeat of an enemy that has them, but the possibility of their existence does make the idea of a totally disarming attack against an adversary's nuclear forces nonsense.

Fortunately, there is no plausible scenario for a conventional war with China that might trigger a Chinese nuclear attack against the United States, given the United States' enormous conventional and nuclear superiority and the lack of any geopolitical motive for such a confrontation. Other powers would also be deterred from threatening or using nuclear weapons by the United States' highly accurate and flexible conventional and nuclear forces.

Lieber and Press' concept for nuclear war fighting, like all the many others before it, collapses under even the most superficial examination. It does not even address the most immediate threat: that a terrorist organization will acquire a nuclear weapon. By proposing yet another unworkable nuclear strategy, their article emphasizes that only by eliminating nuclear weapons can the world be protected from the existential threat they pose.

Elimination presents two immense challenges: convincing all states that there is no valid purpose for nuclear weapons other than to prevent the use of them by others (so that countries can give up nuclear weapons if all others will do so also) and putting in place a comprehensive worldwide nuclear-control regime to give all states confidence in the weapons' elimination. These goals should be the focus of U.S. nuclear policy—not unworkable and unnecessary new missions for nuclear weapons.

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Managing Vulnerability

JAMES M. ACTON

Keir Lieber and Daryl Press raise a salient and important question: How can the United States deter nuclear use in a conflict

against a nuclear-armed adversary that has much more at stake than the United States does? They are right that the threat of a massive nuclear strike against an adversary's cities would lack credibility (such a strategy is, of course, not current U.S. policy). To bolster deterrence, they suggest that the United States further refine its counterforce capabilities so that it can confidently eliminate any enemy ballistic missiles based in hardened silos.

If the United States really did face an adversary with a small nuclear arsenal consisting purely of silo-based missiles—or were likely to face such an enemy in the future—there may indeed be a case for a force consisting of more low-yield, high-accuracy weapons. Even then, however, because enhanced U.S. counterforce capabilities would simply encourage an adversary to launch more of its weapons initially (leaving fewer behind as targets), there would not be a clear-cut case for such a force.

The main problem with Lieber and Press' argument is that no state actually has a small arsenal consisting solely of silo-based missiles. China, Iran, and North Korea are all focusing on the development of road-mobile missiles (in fact, the latter two do not appear to have any silo-based weapons at all). Although China has very few road-mobile missiles that could reach U.S. soil, and Iran and North Korea have none, each country has plenty that could reach the territory of key U.S. friends and allies.

The challenge with destroying road-mobile weapons is locating them. If their location is known, conventional munitions will suffice. If their location is not known, even nuclear weapons are useless (discounting the possibility of wide-area nuclear bombardment, which Lieber and Press would presumably not advocate). Locating mobile ballistic missiles is exceptionally hard. According to the *Gulf War Air Power Survey* (an official analysis of U.S. Air Force operations during the Persian Gulf War), the United States launched about 1,500 sorties against Scud launchers in Iraq during the 1991 war; not a single mobile launcher was confirmed destroyed.

Granted, U.S. capabilities and doctrine have improved markedly since then. Nonetheless, it is still fiendishly difficult to locate mobile missiles hidden by a well-prepared enemy. The bottom line is that because the bulk of China's, Iran's, and North Korea's missile forces are mobile, the United States could not eliminate their entire arsenals with a high probability. Increasing the United States' ability to eliminate only silo-based weapons would add very little to deterrence.

Rather than seeking to deny China's second-strike capability, the United States would be better off acknowledging that its relationship with China is one of mutual vulnerability (as it did with the Soviet Union and then Russia). Even in the face of U.S. missile defense measures and enhanced counterforce capabilities, China can preserve its capability to inflict unacceptable damage on the United States. It can fit its missiles with multiple warheads, develop more sophisticated countermeasures, or simply build more missiles.

Instead of pursuing strategic competition with China, therefore, the United States should seek strategic stability through dialogue and arms control, recognizing that mutual vulnerability is a fact, not a choice. The United States' failure to accept this is not the only—or

even the main—reason for the failure of the strategic dialogue that President George W. Bush tried to initiate with China; China's opacity about its nuclear doctrine and its unwillingness to enter into a serious, candid discussion are also significant barriers. Nevertheless, by acknowledging mutual vulnerability, the United States would increase the chances of having a much-needed dialogue.

North Korea and a putative nuclear-armed Iran require a different approach. First, the United States should continue its policy of seeking behavioral change and not regime change. Lieber and Press rightly argue that deterrence is most likely to fail when a regime believes that it is about to be toppled and that the only chance to save itself is to use a nuclear weapon. The United States could change this calculus—and give an embattled regime a very strong reason for nuclear restraint—by not seeking regime change, unless the United States or its friends and allies are attacked with nuclear weapons. The problem here, as Lieber and Press note, is that the U.S. military's battlefield doctrine of decapitating the enemy undermines this strategy. The solution is to change tactics; if the president says he does not seek regime change, the military should not pursue it.

Second, the surest and best way of avoiding nuclear use is preventing nuclear proliferation (or, in the case of North Korea, rolling it back). A successful nonproliferation regime requires a broad-based international consensus. As President Barack Obama recognized in his April 2009 speech in Prague, creating such a consensus will require the United States to work toward a world without nuclear weapons. Devaluing nuclear weapons is an important step on this path. The further development of nuclear counterforce capabilities will only make this goal harder to achieve.

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Failure to Yield

HANS M. KRISTENSEN, MATTHEW MCKINZIE, AND IVAN OELRICH

Keir Lieber and Daryl Press assert that a joint study by the Federation of American Scientists and the Natural Resources Defense Council from 2006 exaggerates the radioactive fallout that would result from a U.S. nuclear attack on China's estimated 20 missile silos. Instead, they suggest, the silos could be destroyed by high-precision, low-yield weapons, causing little radioactive fallout and very few casualties.

But Lieber and Press have overestimated the effectiveness of the highly accurate, low-yield nuclear airbursts they prescribe. The probability of destroying a target depends on the accuracy of the missiles and the yield of the explosion. The hypothetical attack that Lieber and Press modeled could have appeared in their computer simulation to destroy a silo and confine the radioactive fallout, and raising the height of the airburst could reduce the fallout further. But the relationship among accuracy, yield, and probability of destruction cannot simply be extrapolated to an arbitrarily high accuracy and an arbitrarily low yield.

This is because destroying a buried missile requires a certain minimum total ground shock. Lieber and Press' model assumes that 3,000 pounds per square inch of overpressure is the level at which a silo cannot survive. In fact, a lower-yield explosion would require higher peak pressure than a higher-yield explosion to damage or destroy a silo, because as the yield of a weapon increases, so does the duration of the blast wave; short blast waves need more overpressure to demolish a silo. The low-yield explosions of the attack presented by Lieber and Press, in other words, would not be effective enough.

Another feature that makes the authors' hypothetical attack less effective is that it relies on airbursts, rather than groundbursts. This is because the main mechanism for damaging missile silos is ground shock waves. Air explosions transfer their energy to ground shock waves much less efficiently than ground explosions because of the large difference in the densities of the air and the earth. Direct ground shock waves are only produced by detonations on or very close to the ground. In addition, only groundbursts form craters and kick up walls of debris that would help destroy what are likely the most hardened strategic targets in China.

The proposed attack calls for the accuracy of cruise missiles but the promptness and penetration of ballistic missiles. A very high confidence of success would require that multiple warheads be targeted against each missile silo, and guided bombs and cruise missile warheads are the only nuclear weapons capable of achieving the required level of accuracy. Given that, it is unlikely that a strike on 20 Chinese silos could be achieved with near-certain success, as Lieber and Press claim.

The United States has only 20 B-2 bombers, which are normally based in the continental United States. Destroying the 20 Chinese silos—taking into account defensive actions by China, U.S. operational failures, and the roughly 600 miles the aircraft would have to travel over Chinese territory—would require several attack waves in an assault that would last for hours and could not escape notice.

Even if the U.S. attack were to get through, several of the silos would likely be empty, their missiles having been launched against the United States before the attack arrived. This dilemma is aggravated by China's deployment of dozens of mobile long-range missiles that, although highly vulnerable to conventional attacks if they can be found, nonetheless complicate U.S. planning against the silo-based missiles.

The imponderables in calculating the exact probability of destroying all the targets are no small matter, given the stakes. The range, yield, number, and accuracy of China's intercontinental ballistic missiles suggest that their only purpose is to threaten U.S. and Russian cities and serve as the core of China's deterrent. The massive destruction of U.S. cities that could be inflicted by even a few surviving Chinese missiles makes it doubtful that any U.S. war planner would be content with the extremely narrow margin of success in Lieber and Press' low-yield scenario. The high yield of the warheads on U.S. ballistic missiles is a consequence not simply of a lack of pinpoint accuracy but also of a desire to be absolutely certain that an enemy's silos are destroyed.

Lieber and Press warn that as the Obama administration reduces the U.S. nuclear arsenal, it should retain the ability to launch "precise, very low-casualty

nuclear counterforce strikes." This reflects a poor understanding of the current U.S. nuclear posture. The administration is not considering transitioning to an arsenal "comprised solely of high-yield weapons." And the destruction of Tehran or Pyongyang has never been and will never be the only U.S. option for retaliation. The United States currently deploys approximately 500 nuclear cruise missiles and nuclear bombs on long-range bomber aircraft (with more in reserve) capable of explosive yields between 0.3 and 1,200 kilotons.

The current arms reduction negotiations between Moscow and Washington, aimed at creating a successor to the 1991 Strategic Arms Reduction Treaty and the 2002 Moscow Treaty, are centered on long-range ballistic missile weapons systems capable of rapid global counterforce and population targeting, artifacts of the Cold War postures. Mutual nuclear annihilation executed in under an hour is still held at bay by complex early warning and communications systems and political-military chains of command.

The posture presented by Lieber and Press risks re-creating this classic Cold War security dilemma on a smaller scale. They contend that their scenario would be a deterrence mission to be carried out during a conventional war in response to an enemy acting to "introduce nuclear weapons—that is, threaten to use them, put them on alert, test them, or even use them." But an adversary such as China would find this indistinguishable from a first-strike posture.

"The Nukes We Need" is an unfortunate distraction on the path to understanding how a safer, more stable deterrent relationship with China and Russia can and should be achieved. The challenge today is not to make the use of nuclear weapons more credible. It is to reduce their salience.

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Lieber and Press Reply

Nuclear weapons are a boon for vulnerable states. During the Cold War, the United States deployed them in Europe to defend NATO because Soviet conventional forces seemed overwhelming. Now, the tables are turned: the United States' potential adversaries see nuclear weapons as a vital tool to counter U.S. conventional military superiority. Facing defeat on the battlefield, adversaries would have powerful incentives to use nuclear forces coercively, just as NATO planned to do during the Cold War. The fates of Manuel Noriega, Slobodan Milosevic, Radovan Karadzic, and Saddam Hussein have taught a grim lesson: use every weapon at your disposal to prevent defeat.

When Jan Lodal and James Acton call for the elimination or devaluation of nuclear weapons, they assume that U.S. adversaries can be convinced to accept perpetual vulnerability. The Soviet Union could not talk NATO into surrendering its nuclear arsenal during the Cold War, nor can the United States dupe its adversaries into disarming today. The challenge is to grapple with the problem of deterring nuclear escalation during conventional wars, when U.S. adversaries will have every incentive to

use their nuclear arsenals to compel a cease-fire. Toward this end, Washington must retain a range of counterforce capabilities, including conventional and low-casualty nuclear weapons.

Hans Kristensen, Matthew McKinzie, and Ivan Oelrich raise several technical objections concerning the United States' ability to launch a successful counterforce strike. They dispute whether 3,000 pounds per square inch (PSI) of overpressure produced by low-yield airbursts would be enough to wreck Chinese silos. The use of 3,000 PSI in our model, however, is conservative. Many analysts believe that U.S. Cold War estimates exaggerated the hardness of enemy silos, and analysts with considerable technical expertise on this matter believe that our estimated requirement of 3,000 PSI probably overstates the hardness of China's silos. Most important, our results are not sensitive to moderate changes in assumptions about silo hardness. The United States could conduct a low-casualty nuclear strike—producing fewer than 1,000 fatalities—against all 20 Chinese silos even if they were built to withstand 5,000 PSI.

Kristensen, McKinzie, and Oelrich also contend that airbursts alone cannot destroy missile silos. This is incorrect. Airbursts can produce sufficient overpressure to crush the caps that protect missiles in the ground. In fact, the Pentagon assigns "vulnerability numbers" to silos on the basis of their resistance to overpressure. And McKinzie co-authored a 2001 Natural Resources Defense Council report that contradicts the claims that he, Kristensen, and Oelrich make here. The report listed the overpressures required to destroy various Russian missile silos, and it argued that even Russia's silos—

which are probably much more robust than China's—are highly vulnerable to a U.S. airburst attack.

Our critics further suggest that the existence of mobile missiles obviates our analysis. If the launchers can be located, the argument goes, conventional weapons are sufficient to destroy them; if the launchers cannot be found, even nuclear weapons are useless. But the greatest challenge of targeting mobile missiles is not locating them momentarily; it is continuously tracking them and identifying where they have stopped. Hitting mobile launchers with conventional weapons requires near-perfect real-time intelligence—locating them within a few dozen yards. Even low-yield nuclear warheads would significantly reduce the targeting problem; locating the launchers within about half a mile would suffice if a five-kiloton warhead were used.

Kristensen, McKinzie, and Oelrich also note that the U.S. military's current delivery systems are not optimized for a counterforce mission: the most accurate systems (bombs and cruise missiles) are not prompt, and the most prompt systems (ballistic missiles) are not the most accurate. This is true. But current U.S. delivery systems are adequate given the weakness of the adversaries the United States now faces. If Washington wishes to retain effective low-casualty counterforce options, the next generation of nuclear delivery systems should further combine prompt delivery with high accuracy.

Lodal tries to link our discussion of counterforce options with the views held by senior officials in the George W. Bush administration. The fact of the matter is that nuclear counterforce options have been a core element of U.S. deterrence doctrine during every administration since Harry Truman's. U.S. strategic planners have understood that for deterrence to be credible, the president needs retaliatory options that he might actually use. Especially today, low-yield nuclear counterforce strikes are a better retaliatory option than high-yield nuclear strikes that, regardless of their target, would kill millions of civilians. The latter would be a disproportionate response to many possible enemy uses of nuclear weapons.

Critics of our policy prescriptions must confront two core issues. First, nuclear weapons have fundamentally changed since the Cold War. They once produced stalemate, and nuclear war once meant mass slaughter. For good or ill, that has changed. The revolution in accuracy means that enemy arsenals can be destroyed, and in ways that produce few civilian casualties. Theories of deterrence and beliefs about strategic stability and nuclear force requirements must be reevaluated accordingly.

Second, any proposals regarding the future of the U.S. nuclear arsenal must explicitly address four key questions: What enemy actions are to be deterred with U.S. nuclear forces? Under what circumstances might those actions be taken? What threats might a president wish to issue to deter those actions? What capabilities would give the United States the ability to carry out those threats? Working through these fundamental questions is the only basis of a responsible deterrence strategy.

Recent Books on International Relations

Political and Legal

G. JOHN IKENBERRY

No Enchanted Palace: The End of Empire and the Ideological Origins of the United Nations. BY MARK MAZOWER. Princeton University Press, 2009, 232 pp. $24.95.

In this intriguing little book, Mazower argues that the United Nations, like the League of Nations before it, did not emerge from a pristine liberal vision of universal rights. Instead, it was a manifestation of Victorian-era "imperial internationalism," an organizational and ideological extension of the British Empire. This provocative thesis is pursued through brief sketches of several League of Nations figures who reappeared during the drafting of the UN Charter, most notably Jan Smuts, a South African believer in white racial superiority, and Sir Alfred Zimmern, the leading British voice of liberal internationalism. They both belonged to a wider group of elites who were attempting to "shore up a liberal world order that would be compatible with empire and Anglo-American hegemony." As Mazower sees it, Smuts believed that the league would ensure "white leadership of the world," act as an instrument for a "global civilizing mission," and undergird British imperial leadership. That Smut appears again in the 1940s offering a draft preamble for what was to become the UN is evidence for Mazower that the body was shaped by the same imperial mindset. But contrary to Mazower's depiction, most scholars of the UN, starting with Inis Claude, have not glorified its birth and have in fact traced its lineage back to the league. And it is not clear that focusing on Smuts and Zimmern, as opposed to other participants, illuminates the ideas and convictions that fed the UN's founding. The UN Charter did, in the end, affirm racial equality, and similar aspirations were articulated in the 1948 Universal Declaration of Human Rights. Dwelling on old figures from the era of the League of Nations also means missing the UN's evolution as the colonial rebellions of the 1950s and 1960s transformed the General Assembly into the voice of "the global South." Whether the UN functions well enough today is a question that hinges less on the old ideas of bygone British imperialists than on whether the great powers can work together.

The Science of Liberty: Democracy, Reason, and the Laws of Nature. BY TIMOTHY FERRIS. HarperCollins, 2010, 384 pp. $26.99.

The spread of capitalism and democracy has inspired controversies over the direction

of the modern world. Some scholars see a future of "multiple modernities," in which Western liberal democracy will give way to divergent political and economic systems; others see universal forces pushing all societies toward liberalism. In this spirited manifesto, Ferris, a science journalist, argues that science and the rise of "science societies" are the fundamental drivers of liberty and democracy. Societies need science to advance, and science requires political openness. This, of course, is an old thesis, rooted in the Enlightenment conviction that knowledge, innovation, freedom, and social advancement go together. In this restatement, Ferris traces the dual scientific and democratic revolutions from their Renaissance, Enlightenment, and early modern origins to the titanic twentieth-century battles between the liberal democracies and their fascist and communist rivals. Ferris also explores the scientific orientation of the United States' founders, such as Thomas Jefferson and Benjamin Franklin, and its relevance to their constitutional thinking and their noble "experiment" of a new nation. *The Science of Liberty* is sweeping and provocative, even if many may still doubt that science can extinguish prejudices, parochialisms, and illiberal impulses.

Enduring Empire: Ancient Lessons for Global Politics. EDITED BY DAVID EDWARD TABACHNICK AND TOIVO KOIVUKOSKI. University of Toronto Press, 2009, 240 pp. $65.00 (paper, $24.95).

By reaching back to the imperial histories of ancient Greece and ancient Rome, this fascinating collection explores the passages that global powers traverse as they rise and fall. The volume makes some headway in distinguishing between various forms of empire—tyrannical, totalitarian, hegemonic, democratic, and republican. Some authors reflect on the steps that Athens and Rome followed: the rise in power, the search for a peaceful order, and the transformation through war and ambition into brutal, overextended empires. Laurie Bagby examines how ancient Greece's direct democracy, by empowering its glory-seeking citizens, encouraged imperialism. Arthur Eckstein shows how the Roman Republic tried to contain militarism through laws and term limits, efforts that eventually broke down with the rise of Caesar. Susan Mattern provides perhaps the most useful lessons for the United States in her account of how Rome built an empire on more than just military might by working with existing institutions and constructing complex networks of alliances.

Who Owns the Arctic? Understanding Sovereignty Disputes in the North. BY MICHAEL BYERS. Douglas & McIntyre, 2009, 192 pp. $17.95.

Even though it will take years for the melting of the Arctic ice sheets to trigger widespread coastal flooding, other effects have already appeared: warming in the region has ignited a scramble by neighboring states for resources and ownership. Great-power politics has come to the North Pole. Byers, a Canadian scholar of international law, surveys the emerging lines of conflict, focusing on territorial and sovereignty disputes. Since the Arctic is a sea of frozen ice, no country will "own" its expanse. But as the ice melts, the neighboring states—Canada, Denmark (which owns Greenland), Russia, and the United States—are asserting their

respective "sovereignty rights." Byers provides a primer on everything at stake: the promise of vast oil and gas deposits in the seabed below, the navigation rights of the Northwest Passage, the protection of endangered species, the preservation of Arctic indigenous communities, and the rising security issues associated with the newly exposed coastlines and seaways. Written with an eye toward Canadian policymakers, the book urges governments to not just settle claims of sovereignty but also articulate a common vision of an open and peaceful Arctic region.

The Grand Strategy of the Byzantine Empire. BY EDWARD N. LUTTWAK. Belknap Press, 2009, 512 pp. $35.00.

When students of grand strategy search the past for lessons, rarely do they look to the Byzantine Empire. Luttwak, who wrote a well-regarded history of the grand strategy of ancient Rome, thinks this is a mistake. In this exhaustive study, he shows how the rulers of the eastern half of the late Roman Empire were the true masters of the craft. Although the Byzantine Empire occupied a more vulnerable geographic position than its western counterpart, it lasted almost 1,000 years longer. Luttwak argues that the Byzantines survived by relying less on brute military power and more on allies, diplomacy, and the containment of their enemies. They were able, he claims, "to generate disproportionate power from whatever military strength could be mustered, by combining it with the art of persuasion, guided by superior information." The book makes this argument through fascinating chapters on religion and statecraft, envoys, dynastic marriages, and the Byzantine art of war, as well as through evocative details about weapons, military tactics, and taxes. Although the Byzantine Empire did not have a foreign minister, intelligence agencies, or theories of "smart power," it certainly acted as if it did.

Economic, Social, and Environmental

RICHARD N. COOPER

In Fed We Trust: Ben Bernanke's War on the Great Panic. BY DAVID WESSEL. Crown Business, 2009, 336 pp. $26.99.

Wessel, a *Wall Street Journal* economics editor, provides a lucid and informed account of the effects of the U.S. Federal Reserve's actions—from the latter part of the Greenspan era through mid-2009—on the recent financial and economic crisis. The book addresses what some have argued was the Fed's role in creating the crisis, through both its sins of commission (maintaining an easy monetary policy into 2004) and its sins of omission (not regulating mortgage lending during the housing boom or seriously warning politicians and the public about its risks). Wessel also addresses the bold and unorthodox actions that the Fed took under Chair Ben Bernanke to deal with the crisis as it unfolded. Although *In Fed We Trust* focuses mainly on the United States, it also covers the cooperation of other central banks and the uncooperative role of the British government in the last-minute attempt to salvage Lehman Brothers—which many observers regard as a grave fumble that turned an already serious problem into a near catastrophe. All this makes for a gripping tale.

Blood, Iron, and Gold: How the Railroads Transformed the World. BY CHRISTIAN WOLMAR. PublicAffairs, 2009, 416 pp. $28.95.

Wolmar, a train enthusiast—he calls them "certainly . . . the most important invention of the second millennium"—has written an animated account of the history, evolution, and economic, social, political, and military significance of railroads since their invention in the 1820s. He gives main billing to their importance in continental Europe, the United Kingdom, and the United States. But he does not neglect railroads elsewhere, including the politically motivated and technically challenging Trans-Siberian Railroad and those that transformed British India. Passenger traffic began to decline in rich countries in the 1920s, as cars provided stiff competition and governments neglected to modernize railroads. Provided governments make the adequate investments, Wolmar foresees a train renaissance in the twenty-first century, driven by high and volatile oil prices, increasing urban congestion, and technical improvements that permit faster and more comfortable trains.

This Time Is Different: Eight Centuries of Financial Folly. BY CARMEN M. REINHART AND KENNETH S. ROGOFF. Princeton University Press, 2009, 496 pp. $35.00.

Reinhart and Rogoff are both academic economists with some practical experience at the U.S. Federal Reserve and the International Monetary Fund. This book, which will become a reference for years to come, assembles a data set spanning 66 countries and eight centuries, which the authors use to examine four kinds of financial crises: defaults on sovereign debt, banking crises, foreign exchange crises, and rampant inflation. Each of history's many crises is unique, of course, but the book's central message is that all of them also have remarkably similar features and aftermaths—and therefore that there is much of contemporary relevance in seemingly dated episodes. One lesson is that as countries develop, sovereign-debt defaults become less likely but banking crises do not.

From Asian to Global Financial Crisis: An Asian Regulator's View of Unfettered Finance in the 1990s and 2000s. BY ANDREW SHENG. Cambridge University Press, 2009, 488 pp. $90.00 (paper, $29.99).

A seasoned financial regulator with experience in China, Hong Kong, and Malaysia, Sheng has written a fascinating insider's account of the Asian financial crisis of 1997–98 from the perspective of Hong Kong's central bank, the Hong Kong Monetary Authority. In particular, he recounts the hedge funds' "play" against the Hong Kong government's commitment to fix the exchange rate for the Hong Kong dollar to the U.S. dollar: the Hong Kong Monetary Authority's surprising and shrewd move to buy Hong Kong stocks that hedge funds and others had sold short imposed disciplinary losses on them and ultimately made money for the Hong Kong authorities. Sheng draws useful parallels between the financial crisis of 1997–98 and that of 2007–9 and provides mature and levelheaded guidance to financial regulators everywhere. Remarkably, in 2005 an intergovernmental committee of regulators identified almost all the dangers in the prevalent approaches to risk management that subsequently

materialized. But financial firms and politicians chose not to pay attention. It is difficult to trim the sails when the winds are favorable.

The International Law of Economic Migration: Toward the Fourth Freedom. BY JOEL P. TRACHTMAN. Upjohn Institute, 2009, 417 pp. $45.00 (paper, $25.00).

A motivating premise of this book is that there are large economic gains to be had from greater international migration, particularly that from poor countries to rich ones. The book sketches the sources of those gains and analyzes some of the national political factors that militate against realizing them. Trachtman, a professor of law at Tufts University, examines several measures to overcome these barriers. One is to impose a tax on migrants, whose revenue would be shared by both the source and the destination countries. This tax would cover part of the educational investments the source countries had made in the migrants and part of the fiscal demands they were expected to impose on their countries of destination (beyond what would be covered by the taxes they would have to pay there anyway). Another idea involves formal international agreements that would liberalize migration under stipulated conditions. Although the book goes into considerable detail about the treatment of migration under existing multilateral and bilateral agreements, including within the European Union, it does not evaluate the consequences of those agreements. To get the ball toward liberalization rolling, Trachtman sketches what an international agreement on migration might look like.

Military, Scientific, and Technological

LAWRENCE D. FREEDMAN

The Dead Hand: The Untold Story of the Cold War Arms Race and Its Dangerous Legacy. BY DAVID HOFFMAN. Doubleday, 2009, 592 pp. $35.00.

A book that describes itself as an "untold story" should generally be met with skepticism, especially when it deals with the Cold War arms race, whose basic story is well known. Yet this thoroughly researched and always interesting book has earned its subtitle: it not only adds intriguing detail to the interplay between Ronald Reagan and Mikhail Gorbachev in the 1980s and gives due recognition to the role of Margaret Thatcher and British intelligence; it also breaks new ground by getting inside the dark and obsessive parts of the Soviet military machine. The "dead hand" of the title was something akin to the Doomsday Machine dreamt up by the nuclear strategist Herman Kahn, in this case a device that would automatically launch missiles against the United States in the event that the Soviet leadership was taken out by a U.S. attack—a scenario that was actively feared during the fevered early 1980s. As startling a project, because of its lingering effects, was the Soviet Union's work on biological weapons, which resulted in one catastrophic accident with anthrax in Sverdlovsk in 1979 and risked much worse. Hoffman describes the efforts to close down the program just as the Cold War was ending and implies that they never quite succeeded.

Occupying Iraq: A History of the Coalition Provisional Authority. BY JAMES DOBBINS, SETH G. JONES, BENJAMIN RUNKLE, AND SIDDHARTH MOHANDAS. RAND, 2009, 410 pp. $40.00.

Liberate and Leave: Fatal Flaws in the Early Strategy for Postwar Iraq. BY DON EBERLY. Zenith Press, 2009, 320 pp. $28.00.

Much has been written about the months following the March 2003 U.S. invasion of Iraq, when the optimists saw their hopes for a new democracy dashed by violence and chaos. First to founder was the Office of Reconstruction and Humanitarian Assistance, led by Jay Garner, which lacked staff, resources, and authority. Then, the Coalition Provisional Authority failed. Headed by Paul Bremer, the CPA was far better endowed than ORHA, but it so alienated the Iraqis that after six months it had to work as quickly as possible to hand power back to an Iraqi government. Neither organization got good press. Although they made their own mistakes, ORHA and the CPA were both victims of the Pentagon's cavalier attitude toward postwar responsibilities. There were no coherent plans for establishing governance, providing security, or restoring public services.

These two books are distinct but complementary accounts of the sorry story. The RAND team has provided the most authoritative and meticulous report of the CPA's performance to date. Dobbins and his colleagues do not quite restore its reputation—they note its inability to halt the slide into civil war—but they acknowledge its successes, largely in the areas over which it had direct responsibility, such as macroeconomics and health and education services. Although they observe that the U.S. experience in Iraq had many hopefully unique features, they draw a basic lesson: do not try anything comparable in the future without serious preparation. Eberly's account is scathing about the consequences of the Pentagon's "liberate and leave" mentality. Eberly worked for both Garner and Bremer and has stayed on good terms with them (both endorsed the book). As head of Iraq's Ministry of Youth and Sport—and in charge of Iraq's rejoining the Olympics—he was the direct successor to Saddam Hussein's son Uday and developed a keen sense of the terrible things that had gone before. His is a balanced and thoughtful account of a improvised attempt to make the best of a bad job; as he puts it, the Americans were "assembling a vehicle while driving."

Atomic Obsession: Nuclear Alarmism From Hiroshima to Al-Qaeda. BY JOHN MUELLER. Oxford University Press, 2009, 336 pp. $27.95.

In a field dominated by apocalyptic warnings, Mueller speaks up for complacency. In a world of bad people and dangerous weapons, there is no room for complacency, but Mueller has found it anyway. Of course nuclear weapons are awful, but not that awful, he argues; perhaps the bomb has encouraged some caution in political leaders, but if it had never existed the world would be much the same; it would be best if there were no more nuclear proliferation, but what is in store will not necessarily be calamitous; a terrorist's bomb might be everybody's nightmare, but it is very difficult for nonstate actors to actually construct a workable weapon. In the end, Mueller's case for calm is less compelling than his case

against willful exaggeration and institutionalized paranoia in nuclear debates, whether on the part of hawks or doves. He points out the waste of resources and scientific talent they involve, as well as the way they encourage unnecessary tensions, counterproductive policies, and pointless disarmament negotiations. As always with Mueller, this book is lively and provocative and a useful corrective to much of the mainstream consensus. There is, however, a tension at its heart: if nuclear weapons are so irrelevant, how can fear of them have had such damaging effects? It is impossible to extract the nuclear factor from the history of the past six decades. Whether or not a third world war would have been avoided without nuclear weapons, the prospect of nuclear war has influenced all aspects of international affairs, for better or worse.

The Evolution of Arms Control: From Antiquity to the Nuclear Age. BY RICHARD DEAN BURNS. Praeger, 2009, 251 pp. $49.95.

Burns has an encyclopedic knowledge of arms control and a broad approach that takes in all efforts to control the manufacture, trade, deployment, and use of weapons. This book is therefore valuable as a short guide to all activities that could possibly come under this heading—everything from disarming opponents with brute force to the painstakingly negotiated treaties between Russia and the United States. His range of examples is extraordinary: they include ritualistic tribal battles in New Guinea, which would stop at night because of ghosts or rain (lest hair or ornaments got wet). Since the book is both short and comprehensive, however, it is largely descriptive, which makes for a disappointing lack of comparative analysis of the merits and pitfalls of each method of arms control.

The United States

WALTER RUSSELL MEAD

Global Dawn: The Cultural Foundation of American Internationalism, 1865–1890. BY FRANK NINKOVICH. Harvard University Press, 2009, 440 pp. $49.95.

The deep continuities in how Americans have thought about the direction of world history and the place of the United States in the world are the subject of this strong and well-reasoned book. Through careful research and thoughtful analysis, Ninkovich demonstrates the ways in which U.S. leaders, with their country's own civil war behind them, set out to understand a world increasingly affected by their actions. Courageously tackling such volatile subjects as the racial and cultural attitudes of the United States in the nineteenth century and the sometimes alarming similarities to the accepted ideas of today, he repeatedly dismantles cheap stereotypes about U.S. intellectual history and replaces them with more useful and nuanced interpretations. Any student of the United States' international relations will find this book stimulating and helpful as an introduction to the assumptions and debates that governed U.S. foreign policy for 25 years. That democracy is fated to spread around the world, that other countries are rapidly becoming more like the United States (and welcome the process), that others perceive Americans as having a unique moral authority—these ideas were as

prevalent in the United States in the late nineteenth century as they are now. This should inspire reflection and humility among some U.S. policymakers and public intellectuals; it probably will not.

When Everything Changed: The Amazing Journey of American Women From 1960 to the Present. BY GAIL COLLINS. Little, Brown, 2009, 480 pp. $27.99.

Historians looking back on the feminist revolution may someday conclude that it was as earthshaking and important as the French Revolution. Collins' account of the progress made on women's rights may be long on anecdote and short on analysis, but it is nevertheless a gripping and eminently readable account of a remarkable story. Younger readers will be astonished as they read Collins' descriptions of the world of the 1950s and 1960s, when both women and men assumed that systematic discrimination based on gender was natural and benign. Older readers will be reminded of how much has changed. The twenty-first century may well be the century of the woman on a global scale, as the changes Collins documents that remade family life in Europe and North America continue to sweep across the world.

Empire of Liberty: A History of the Early Republic, 1789–1815. BY GORDON S. WOOD. Oxford University Press, 2009, 800 pp. $35.00.

No one is more qualified to write a history of this vital period in the rise of the United States than Wood, and *Empire of Liberty* shows him at his best. Undergraduates and bright high school students will find it accessible and inviting; lifelong scholars of the period will be challenged and engaged. Integrating intellectual and political history is one of Wood's great strengths, and this work gives ample scope to his distinctive talent. His discussion of the conflict over federal finances and of the Jeffersonians' fear that the Hamiltonians would bring back the British system of executive control (through the expansion of the government and the creation of a large public debt) is as clear and as thorough a treatment of this seminal episode as possible. This period saw some of the strangest and most radical policies ever adopted by the U.S. government—especially President Thomas Jefferson's 1807 embargo, which cut off U.S. trade with Europe. Wood helps readers understand how such outlandish steps seemed necessary and practical to brilliant and experienced leaders. The book is a tour de force of scholarship and a gripping read.

Managing American Hegemony: Essays on Power in a Time of Dominance. BY KORI N. SCHAKE. Hoover Institution Press, 2009, 208 pp. $25.00 (paper, $15.00).

These days, it is fashionable to speak of a "post-American world"; discussions of the United States' decline fill the pages of many leading publications. Yet U.S. President Barack Obama dominates the world stage as few historical figures have, and the United States appears destined to play a unique role in the international system for many decades to come. Schake, who is distinguished chair in international security studies at West Point, not only explains why this role appears to be so resilient; she also offers advice for extending the United States' run as the leading world power. Even though this collection was originally prepared for that usually forgettable genre—advice to an incoming administration—the

lively analysis and sensible recommendations make it an important resource for anyone who agrees that U.S. power, not U.S. decline, is the true issue of the day.

Abigail Adams. BY WOODY HOLTON. Free Press, 2009, 512 pp. $30.00.

Readers who know Abigail Adams only through the biographies of her husband, John Adams, will appreciate this fresh, entertaining, and exhaustive take on the life of one of the most independent and influential American women of her time. Holton's biography is not without faults, however. His overeager attempts to burnish Adams' feminist credentials feel patronizing and forced, especially when he tendentiously dwells on her wish to keep and bequeath property in her own name. Fortunately, such lapses are rare enough that Holton's considerable biographical talents shine through: Adams and members of her circle emerge as rounded characters, and Holton is an admirable guide to their intellectual and political concerns. Even though private lives were less thoroughly documented in the eighteenth century than they are now, he gives his readers an unforgettable portrait of an American original.

Western Europe

ANDREW MORAVCSIK

Why NATO Endures. BY WALLACE J. THIES. Cambridge University Press, 2009, 334 pp. $90.00 (paper, $29.99).

Most military alliances have tended to be temporary expedients, aimed at gaining short-term advantage or lulling potential enemies into complacency. NATO is different: it was designed from the start to be permanent and has endured for over 60 years. Thies, a political scientist, argues on the basis of case studies drawn mostly from the Cold War that two factors account for this staying power: the world's bipolar distribution of power in the second half of the twentieth century and the existence of a homogeneous political ideology among NATO's members. One wonders if Thies' explanation can be simplified further, since two decades after the Cold War, NATO lives on, even though bipolarity is gone. Perhaps the organization owes its staying power simply to the shared values and institutions of liberal democracy: Western governments are thus left with little to fight over and much to cooperate on. *Why NATO Endures* provides a useful reminder of NATO's essential stability in the face of deep fissures over many small issues. What might need to be explained are the policy writings of the 1990s and the first decade of this century that have heralded the collapse of an institution that shows no sign of disappearing.

Can Islam Be French? Pluralism and Pragmatism in a Secularist State. BY JOHN R. BOWEN. Princeton University Press, 2009, 242 pp. $35.00.

Americans' conception of Islam in France is dominated by the specter of demographic or political apocalypse. Lurid jeremiads regularly ask, "Will France become Islamic?" Bowen, an anthropologist, demonstrates that this view is nonsense—not just because Muslims constitute a tiny minority of the French population but also, and more important, because most Muslims in France seek to assimilate in ways that

are secular, moderate, and peaceful. Polls suggest that the French are more optimistic than most Westerners about the assimilation of Muslims and that French Muslims are not especially committed to asserting their religious identity vis-à-vis the state. This book is not for people who think that headscarves, *burqas*, and the annulment of marriages to nonvirgins mark the beginning of the end for French civilization and Western civilization more generally. But it will be engaging to those who see these matters as complex social issues that pose difficult but ultimately surmountable challenges for Muslims and indigenous French alike. Bowen has prowled French streets, suburbs, and villages to investigate the subtle cultural accommodations that are emerging. In striking contrast to overwrought fear mongering, his scholarly reportage reveals a nation of real French people resolving everyday problems—where to buy meat, how to get married—and getting on with their lives.

The Atlantic Century: Four Generations of Extraordinary Diplomats Who Forged America's Vital Alliance With Europe. BY KENNETH WEISBRODE. Da Capo Press, 2009, 496 pp. $30.00.

Many books have been written about the presidents, secretaries of state, ambassadors, and "wise men" who fostered the transatlantic partnership over the past half century. Weisbrode retells the story from the bottom up, focusing on the diplomats in the State Department's European Bureau. Until recently, many of the bureau's members viewed themselves as more politically astute and culturally refined than average diplomats. Yet this carefully documented study reveals that they made their share of mistakes, from questioning EU integration to encouraging the United Kingdom to join the EU a few years later to promoting NATO's nuclear-armed Multilateral Force. Still, none of this mattered, because—despite Weisbrode's effort to show the contrary—the presidents, secretaries of state, ambassadors, and "wise men" determined policy after all. For over 50 years, they may have complained that Europe lacked unity, military might, and resolve, but they had no choice but to acknowledge Europe as the United States' most important and powerful ally.

The Politics of Citizenship in Europe. BY MARC MORJÉ HOWARD. Cambridge University Press, 2009, 256 pp. $85.00 (paper, $24.99).

Right-wing rhetoric and unruly referendums in Europe can give the impression that Brussels is imposing common standards on the EU countries' citizenship policies. Nothing could be further from the truth. Rules concerning citizenship, particularly for immigrants from countries outside Europe, vary extraordinarily—from the relatively liberal rules of France and Sweden to the exclusionary ones of Austria and Italy. (This large divergence is one reason why Brussels has almost no say in this area.) Howard sets out to explain these striking differences, finding that colonialism, despite its manifest cruelty and inequality, had the ironic consequence of spreading egalitarian sentiments in colonial powers. As a result, Belgium, France, and the United Kingdom tend to have liberal citizenship policies. These countries also made relatively early transitions to democracy, which further encouraged open-mindedness. Of those countries that were not colonial powers, those with left-wing or centrist govern-

ments (such as Germany and Sweden) have been more welcoming to immigrants, whereas those with powerful extreme right-wing parties (such as Austria, Denmark, and Italy) have remained closed. Of course, treating extreme right-wing activism as a cause of strict immigration policies begs the question of why some countries are subject to this sort of partisan mobilization. Howard's explanation is nonetheless a welcome first step beyond the usual stereotypes about Europe's immigration policies.

Towards a Post-American Europe: A Power Audit of EU-US Relations. BY JEREMY SHAPIRO AND NICK WITNEY. European Council on Foreign Relations, 2009, 75 pp. Free online.

Accusing Europeans of "infantile" behavior and "fetishizing" the transatlantic relationship, this provocative report calls on Europe to pursue a more unified and assertive foreign policy toward the United States. Shapiro and Witney argue that Europe's treatment of the United States is characterized by bad habits: knee-jerk solidarity, excessive deference, and instinctive submissiveness. They claim that the pushback should start in Afghanistan, where the EU countries matched the United States when it came to foreign aid and provided nearly 40 percent of the military forces through 2008 but let Washington call the shots. To be sure, the authors' argument reflects a U.S. perspective; military operations in Afghanistan and the Middle East are primarily for the United States, not Europe. When Europe's own interests are at stake—on the issues of EU enlargement, Russia, and climate change, to name a few—the continent has been remarkably united. Thus, one might read Shapiro and Witney's critique as a plea not for Europe to stand up to the United States but for Europe to rescue the United States from itself—particularly when the sole superpower is irresolute (in Afghanistan), indifferent (toward Russia), or internally gridlocked (on the Israeli-Palestinian question).

Western Hemisphere

RICHARD FEINBERG

Ugly Stories of the Peruvian Agrarian Reform. BY ENRIQUE MAYER. Duke University Press, 2009, 328 pp. $84.95 (paper, $23.95).

For centuries, in Peru, as elsewhere in Latin America, wealthy hacendados ruled with iron authority from their large estates while humble indigenous peasants kept their gazes fixed on the ground beneath their feet. This all changed in 1968, when the Peruvian military seized power, swiftly expropriated these estates, and converted them into agrarian cooperatives. Mayer, a Yale anthropologist of Peruvian ancestry, witnessed the agrarian reform firsthand and returned in the 1990s to plumb the memories of the participants: displaced landowners and their offspring, aging revolutionary peasants, and former union leaders. Their heart-wrenching stories express the shocks and thrills of mass social change—and the inevitable disillusionments that set in as utopian dreams run into hard realities. Paradoxically, Mayer found that most of his interviewees were materially much better off than before the reform—not only the peasant beneficiaries but also many of the expropriated landlords, who had become urban businesspeople, and the political activists,

who now work for nongovernmental organizations on sustainable development.

Accountability in Public Expenditures in Latin America and the Caribbean: Revitalizing Reforms in Financial Management and Procurement. BY OMOWUNMI LAPIDO, ALFONSO SANCHEZ, AND JAMIL SOPHER. World Bank, 2009, 128 pp. $25.00.

Participatory Innovation and Representative Democracy in Latin America. EDITED BY ANDREW D. SELEE AND ENRIQUE PERUZZOTTI. Woodrow Wilson Center Press and Johns Hopkins University Press, 2009, 184 pp. $49.95 (paper, $24.95).

Now that democracy is the only legitimate game in town, how can Latin American societies fashion public institutions that are at once representative, participatory, and capable of delivering the goods? Here are two compact, smart books that address these critical challenges. *Accountability in Public Expenditures in Latin America and the Caribbean* begins with the credible premise that the nitty-gritty of public finance can enhance countries' democratic legitimacy and make them more competitive internationally. Drawing on World Bank surveys of ten countries, the authors find that the areas in which governments have made the most progress are achieving fiscal discipline and introducing computerized information-sharing systems. But the list of remaining challenges is long and includes a lack of trained professionals, mazes of incoherent regulations, and an excessive focus on legal procedures as opposed to outcomes. Fortunately, answers are readily available: countries can adopt global standards (as advanced, for example, by international professional associations and multilateral institutions) and follow the best practices of regional leaders (notably, Chile). The authors also call for independent oversight of the budgetary process—whether through external audits, civil-society watchdogs, or capable legislative bodies.

Participatory Innovation and Representative Democracy in Latin America assesses with expert eyes fascinating experiments—some more successful and sustainable than others—in giving citizens a greater voice in local government. Its editors are clear: the issue is not whether to choose between participation and representation but rather to ask what forms of institutionalized participation most enhance representation. In a particularly strong chapter, Roberto Laserna explains the failure of sweeping local reforms in Bolivia to stem the populist counterreformist tide led by President Evo Morales. Marcus André Melo, in his contribution, pokes holes in Brazil's famous participatory budgeting and instead finds value in the public auditing institutions that give voters the information they need to dismiss corrupt officials.

Paradox and Perception: Measuring Quality of Life in Latin America. EDITED BY CAROL GRAHAM AND EDUARDO LORA. Brookings Institution Press, 2009, 200 pp. $24.95.

A growing literature on the economics of happiness has used behavioral psychology to enrich traditional theories of growth and welfare and produce broader measurements of quality of life. Global surveys now shed light on age-old questions about "the good life," even if, as Graham and Lora are careful to point out, there are many methodological imperfections. Chapter

authors are similarly careful to qualify their findings as inputs that should inform policy debates but not necessarily drive policy choices. The book gives fascinating explanations for the oft-observed "reform fatigue" in Latin America and for the enduring pull of populism. There is some good news, too: Latin Americans appreciate quality education, as measured by international standards. It also finds that the poor are sometimes happier than their low incomes would suggest, perhaps because of their low expectations and lack of information—paradoxical perceptions that these social scientists would not want policymakers to abuse.

Which Way Latin America? Hemispheric Politics Meets Globalization. EDITED BY ANDREW F. COOPER AND JORGE HEINE. United Nations University Press, 2009, 328 pp. $36.00.

Here is an accessible compilation of 17 lively essays by senior international relations theorists that describe how Latin American nations—ever more democratic, divided, and assertive—are interacting with one another and with the fast-changing global system. The scholars generally welcome the relative decline of U.S. influence in the region; some of them pin their hopes on "U.S.-free" subregional institutions and on an emerging Brazilian diplomacy that ostensibly fosters South American solidarity. Strong chapters on the Organization of American States assess its innovative democracy promotion and election monitoring, as well as its recent paralysis (but would not have predicted the OAS's unified, if unsuccessful, efforts to restore Manuel Zelaya to the presidency of Honduras). Thomas Legler offers a compelling description of the powerful and polarizing "Chavez effect" on the region's multilateral institutions and ideological discourse. Absent from this book is an informed, sympathetic assessment of U.S. policies, but various contributors are probably correct that the future of inter-American diplomacy lies in issue-specific clusters of interested parties.

Cuba: What Everyone Needs to Know. BY JULIA SWEIG. Oxford University Press, 2009, 304 pp. $74.00 (paper, $16.95).

Quiz: During the Cold War, which pipsqueak country deployed hundreds of thousands of troops across the Atlantic Ocean, won three wars, beat the United States at baseball, and cut the infant mortality rate in its capital city below the level in Washington, D.C.? The answer, of course, is Cuba, and the answers to over 120 questions about the country are in this splendid primer. Answering each question in, on average, two pages, Sweig displays a talent for succinctness and clarity, as well as a subtle, deep knowledge of Cuban affairs. Her book covers Cuba before the 1959 revolution, during the Cold War, after the collapse of the Soviet Union, and from 2006, when Fidel Castro was rushed to the hospital and transferred power to his brother Raúl, onward. The post-1959 questions cover Cuban domestic affairs, U.S.-Cuban relations, and Cuba's role in the world. There are, thankfully, more questions about Cuba's domestic matters than about U.S.-Cuban relations: How did Cuban schools come to outperform those of every other Latin American country? How did a country best known in the 1950s for song and dance create the most combat-effective military of any communist regime? Did Cuban leaders really think that they could turn homosexuals

into heterosexuals by sending them to all-male labor camps? How could the transfer of power from Fidel to Raúl occur uneventfully despite Washington's and Miami's implacable hostility? As promised, Sweig tells readers what, indeed, everyone needs to know.

JORGE I. DOMÍNGUEZ

Eastern Europe and Former Soviet Republics

ROBERT LEGVOLD

A Little War That Shook the World: Georgia, Russia, and the Future of the West. BY RONALD D. ASMUS. Palgrave Macmillan, 2010, 272 pp. $27.00.

As the title suggests, Asmus sees enormous stakes in the August 2008 Russian-Georgian war. Whether they were as high as he thinks or for the reasons he ascribes can be disputed, but there is much merit in his argument that the war laid bare the fundamental weaknesses in Europe's security arrangements. Many would also agree that the tragedy revealed U.S. and European leaders' myopic and reckless inattention to the gathering clouds of war. Fewer, however, would agree with his essentially Georgian view of the war's details, causes, and significance. Although Asmus is right that the Russians later offered fraudulent justifications for their actions, he fails to convince on his core claim—that Moscow launched a premeditated war to thwart Georgia's NATO aspirations. This reads vastly too much into a story whose facts, as he acknowledges, are contested at almost every critical turn. Still, the reader will gain greatly from Asmus' many conversations with people on the Georgian side and from his detailed reconstruction of the events.

The Constant Diplomat: Robert Ford in Moscow. BY CHARLES A. RUUD. McGill–Queen's University Press, 2009, 344 pp. $39.95.

Robert Ford, the Canadian ambassador to the Soviet Union from 1964 to 1980, was a particularly astute observer of the Soviet scene, aided in part by his complete fluency in Russian, his sensitivity to the culture as a translator of Soviet poems and a poet himself, and the irrepressible probing of his Brazilian wife, Thereza. Ruud builds what is essentially a combined political biography of Ford and study of Leonid Brezhnev's Soviet Union around Ford's reporting and personal notes, interviews with Ford after his retirement, and his wife's unpublished memoir. So often do readers limit themselves to the memoirs and biographies of the key U.S. players that they overlook figures such as Ford—however powerful their insights, however more accurate their analyses of Soviet impulses than those of U.S. observers, and however important their stories of the way Soviet leaders strove to maneuver U.S. allies. Ruud's account makes clear just how great the resulting loss is.

Economic Liberalism and Its Rivals: The Formation of International Institutions Among the Post-Soviet States. BY KEITH A. DARDEN. Cambridge University Press, 2009, 366 pp. $90.00.

Why do different countries make different choices when it comes to international

economic institutions? Darden sees the post-Soviet states as an ideal test case, because they began with similar characteristics and histories but nonetheless chose differently: some pursued a liberal course and joined the World Trade Organization; others, more insular integration projects, such as those within the Commonwealth of Independent States; still others, autarky. He finds the answer in the economic ideas of ruling elites. These ideas, he insists, are themselves causal, albeit contingent on complex political processes, and in an exceptionally painstaking theoretical exercise, he strives to show how this is so. International relations theorists will find the effort a genuine contribution to a key debate. General readers will benefit from what is the most thorough review available of the economic foreign policies of nearly all 15 former Soviet republics during the 1990s.

Know Your Enemy: The Rise and Fall of America's Soviet Experts. BY DAVID C. ENGERMAN. Oxford University Press, 2009, 480 pp. $34.95.

This is fascinating history, but of what? Engerman's chronicle of Sovietology in the United States focuses on the ties between the government and the academy—the tension, as he says, between serving "both Mars and Minerva." The chapters on the field's formative postwar years and its tight links with the U.S. government are particularly valuable. The middle of the book is more a history of the development of the central disciplines that made up Soviet area studies (history, literature, economics, sociology, and political science) in the 1960s and early 1970s. The last part of the book—on the Soviet Union's final decade—largely abandons scholarly developments and shifts the focus to a handful of figures active in the public debates convulsing the U.S. political scene in the the 1980s. The more entertaining portion of the book for some will be its concluding survey of the intellectual food fight that erupted after the collapse of the Soviet Union over who had been more right all along. Engerman blames the "fall" of the experts on the fractious debate over the nature of the Soviet threat that erupted in the late 1970s and 1980s and the failure to predict the Soviet Union's demise—not a verdict that does great justice to everything else that was happening in the diverse disciplines that make up the field.

Czechoslovakia: The State That Failed. BY MARY HEIMANN. Yale University Press, 2009, 432 pp. $45.00.

Both of the twentieth century's 74-year-long experiments failed. One was the Soviet Union. The other was Czechoslovakia. Heimann offers a no-punches-pulled political history of Czechoslovakia's whole trajectory, from its concoction in 1918, through its interwar democratic years, to its partition and acceptance of fascism, its Nazi occupation, its turn to communism, and, ultimately, its partition once again. As Heimann says, over the course of an average person's lifetime, the country "went through every kind of political regime, from military dictatorship to parliamentary democracy, and from Nazi colony to Soviet satellite." For all the misery inflicted on Czechoslovakia by the outside world, she argues, its own political elites, particularly Czech and Slovak ones, made things worse with their disregard and, at times, abuse of other ethnic groups. Few of the country's heroes, from Tomas Masaryk to Alexander

Dubcek, emerge from these pages with the luster that national iconography gives them.

A Companion to Russian History. EDITED BY ABBOTT GLEASON. Wiley-Blackwell, 2009, 568 pp. $199.95.

Bring together 28 specialists on various aspects of Russian history, and a lot of ground can be covered. Indeed, this anthology does cover a lot of ground—from traces of proto-Slavic civilization before recorded history to Vladimir Putin's recent innovations. The chapters heaviest on historiography will appeal to professional historians, one of the most impressive being Nancy Kollmann's synthesis of the work on the political culture of fifteenth- and sixteenth-century Muscovy. For others, the richness of Ilia Dorontchenkov's essay on Russian art (from the Middle Ages to modernism) and Richard Hellie's on the scope and nature of "unfreedom" in Russian history will be more rewarding. Elizabeth Wood's contribution on "the woman question" in the late imperial period reflects the innovative range of the collection. The list of worthy essays in the volume goes on, and it includes Gleason's introduction, which summarizes how critical features of Russian history are being reconsidered in light of the dramatic events of the recent past.

Middle East

L. CARL BROWN

Stones Into Schools: Promoting Peace With Books, Not Bombs, in Afghanistan and Pakistan. BY GREG MORTENSON. Viking, 2009, 448 pp. $26.95.

Stones Into Schools follows the 2006 best-selling book *Three Cups of Tea* in telling of Mortenson's continuing efforts to build girls' schools in the remotest regions of Afghanistan and Pakistan. Like its predecessor, this book is a heartwarming story of good deeds accomplished and in the works, told with an intimacy that makes the people and places presented come alive. As for the implications for U.S. foreign policy, these books may be seen as proposing a distinctive form of liberal interventionism: the United States should not get out of Afghanistan and Pakistan but get involved more effectively. Mortenson pounds the theme of small-scale nongovernmental organizations like his working closely with local leadership but also praises the U.S. military (which has consulted him) for being more responsive to his ideas than others in the U.S. government. Even if this may lead to greater U.S. involvement in Afghanistan—"books and bombs" rather than "books, not bombs"—this dedicated dreamer's story inspires hope that his brand of liberal interventionism is right for Afghanistan.

The International Relations of the Persian Gulf. BY F. GREGORY GAUSE III. Cambridge University Press, 2009, 270 pp. $85.00 (paper, $29.99).

Gause sees the three big states of Iran, Iraq, and Saudi Arabia, together with the small states of Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates, as forming a distinct system of international relations in which the foreign policy of each country is shaped largely by its relations with the others (plus its relationship with a dominant outside actor). He demonstrates the workings of this distinctive system from the early 1970s to the present. Given that these four decades witnessed the British

withdrawal from the Persian Gulf, the United States' ever-increasing involvement, the rise of Iran, and three wars, simply producing a clear and coherent account of the system at work would be an achievement. Gause accomplishes this and more. His organizing theme is the concern of all Persian Gulf states, great and small, for regime security, but he also treats other matters, from the role of oil to transnational issues. A long chapter that examines why the United States invaded Iraq in 2003 shows the strength of this book: with his deep knowledge of the region, careful scholarship, and judicious attitude, Gause offers consistently sound interpretations.

My Prison, My Home: One Woman's Story of Captivity in Iran. BY HALEH ESFANDIARI. Ecco, 240 pp. $25.99.

In December 2006, while on her way to the Tehran airport to return to the United States after visiting her 93-year-old mother, Esfandiari lost her passport and other belongings in a government-staged robbery. Weeks of house arrest and questioning soon turned into months, capped by 105 days of solitary confinement in Tehran's notorious Evin Prison. There she faced almost daily interrogations intended to elicit a confession that her work at Washington's Woodrow Wilson International Center for Scholars was part of a diabolical U.S. plot to bring about a "velvet revolution" in Iran. Esfandiari was finally released in August 2007, after persistent public and private pressure from the outside world (including an appeal by her former Persian-language students at Princeton University) presumably convinced the Iranian regime that her continued imprisonment was a diplomatic liability. Her account of these trying eight months make for a powerful addition to the prisoner-as-pawn literature that, alas, remains all too common. Framing this prison story is a well-wrought and poignant memoir: Esfandiari tells of her parents, the Iran of her youth, and her journalistic and scholarly career. Also included are perceptive pages on U.S.-Iranian relations.

Dining With Al-Qaeda: Three Decades Exploring the Many Worlds of the Middle East. BY HUGH POPE. Thomas Dunne Books, 2010, 352 pp. $26.99.

Ranging geographically from southern Sudan to Afghanistan, this book covers not just terrorism, wars, and occupations but also sexual mores, architecture, and poetry. Pope chronicles his three decades covering the Middle East as a journalist in 18 short chapters (the last five of which concern the war in Iraq). His approach is introspective and autobiographical, linking each story to the people he met and the places he visited. A few themes recur: the West (especially the United States) has been egregiously bad in dealing with the Middle East; the Middle East is neither so good nor so bad as Western stereotypes depict it to be, just more complex; and the Western media is hobbled by ethnocentric ideas of what is newsworthy and by a pro-Israel bias.

The Cartoons That Shook the World. BY JYTTE KLAUSEN. Yale University Press, 2009, 240 pp. $35.00.

On September 30, 2005, the Danish newspaper *Jyllands-Posten*, having invited 42 Danish cartoonists to draw the Prophet Muhammad "as they see him," published the 12 cartoons submitted. Danish Muslims (who compose four percent of Denmark's population) protested, Muslim governments intervened diplomatically, Muslims

boycotted Danish products, the cartoonists received death threats, and mobs sacked Danish embassies around the Middle East. Seeing this, other voices championed free speech and evoked the threat of an Islamicized Europe. Klausen, a Danish political scientist at Brandeis University, appraises with empathy and irony the characters and issues involved—Danish officials whose "tin ears" prevented them from nipping the crisis in the bud, an Egyptian government that entered the fray for domestic reasons (to score points against the Muslim Brotherhood and fend off pro-democratic pressures), the diverse and changing history of European blasphemy laws, the complex reality of Muslim depictions of Muhammad, and even cameo appearances by such diverse figures as the Islamic scholar Yusuf al-Qaradawi, Pope Benedict XVI, and Salman Rushdie. Readers looking for the cartoons themselves will not find them here: Yale University Press, after consulting experts, obliged the author not to include them.

Asia and Pacific

ANDREW J. NATHAN

Inside Nuclear South Asia. EDITED BY SCOTT D. SAGAN. Stanford University Press, 2009, 296 pp. $75.00 (paper, $27.95).

In May 1998, India conducted a nuclear test that did little to advance the country's long-standing nuclear weapons program but did advertise its existence to the world. What explains the timing? Contributors to this volume emphasize the domestic political calculations of then Indian Prime Minister Atal Bihari Vajpayee, who, by ordering the blast and standing up to U.S. sanctions, strengthened his party and stabilized his coalition government. To be sure, the program itself is still best explained by India's desire to counterbalance Chinese and Pakistani capabilities and enhance its own international prestige. But after 1998, New Delhi continued to use bomb and missile tests to gain points domestically. Sagan also believes that the nuclear balance emboldened Pakistani adventurism in Kashmir and led to more confrontational Indian military mobilizations in response. Instead of the strategic stability that characterized U.S.-Soviet relations, he foresees nuclear weapons in South Asia beckoning the Pakistani military toward proactive use on a relatively short trigger and eroding India's policy of no first use. As nuclear weapons proliferate, this pessimistic model of how nuclear states interact, he argues, may become more common than Cold War–style nuclear peace.

The Great Crash of 2008. BY ROSS GARNAUT WITH DAVID LLEWELLYN-SMITH. Melbourne University Press, 2009, 272 pp. $19.99.

Gravity Shift: How Asia's New Economic Powerhouses Will Shape the Twenty-first Century. BY WENDY DOBSON. University of Toronto Press, 2009, 224 pp. $35.00.

Strategic Asia 2009–10: Economic Meltdown and Geopolitical Stability. EDITED BY ASHLEY J. TELLIS, ANDREW MARBLE, AND TRAVIS TANNER. National Bureau of Asian Research, 2009, 328 pp. $34.95.

With the recent global economic crisis, the West has stumbled. Garnaut's book is chiefly about why, Dobson's is chiefly about how, and the *Strategic Asia* volume examines the resulting strategic shift to-

ward Asia. But all three works agree that the ensuing power shift need not cause alarm. According to Garnaut, a leading Australian economist and former ambassador to China, the financial crash merely accelerated a movement long under way toward a "quadripolar" power structure consisting of the United States, the EU, China, and India. He rejects the theory that a Chinese savings glut is to blame for the crisis, placing primary responsibility on weak U.S. regulation. And he counsels that it will take time to rebalance the Chinese economy toward more domestic consumption, although he acknowledges that both China and the West would have suffered less if Beijing had done more rebalancing before the crash. Nothing can stop future bubbles, he believes. But the consequences could be mitigated if the United States and China were to cooperate on macroeconomic policy next time.

Dobson, a Canadian economist, argues that the ongoing "gravity shift" to the East has potential economic upsides. Sometime after 2030, she predicts, following a short reign as the world's largest economy, China will be displaced by India. Compared to China, India has long-term demographic advantages (a younger and faster-growing population) and a more drawn-out path of growth (a larger proportion of its population has yet to transition to industry from agriculture). Since domestic consumption will grow in both Asian giants, if all the economic powers adopt sensible policies, everyone could benefit from the new business opportunities.

The contributors to *Strategic Asia* explore the impact of the financial crisis in Asia, country by country. Long-running trends have been accelerated: Japan's economic clout has declined, South

Korea's links to China have tightened, and economic hardship and political stress in Russia and Southeast Asia have intensified. Pieter Bottelier fends off the blame that some have directed at China for causing the crisis and sees wisdom even in Beijing's much-criticized maintenance of a stable dollar-yuan relationship. The editor Tellis argues that the prospects for U.S. preeminence remain bright in the long run because of the United States' open political system and adaptive institutions.

The optimistic scenarios presented in these books will come true only if the major powers maintain political stability at home and among themselves. But if that is achieved, the authors believe that common economic interests will tie the main countries together, leaving 2008–9 to be remembered as only a blip in the trajectory toward a more open global trading system.

China and India: Prospects for Peace. BY JONATHAN HOLSLAG. Columbia University Press, 2010, 248 pp. $37.50.

Relations between China and India have thawed since the beginning of this century, and there has been a lot of talk about common interests, especially on the Indian side. Holslag analyzes the forces that are drawing the two nations closer, such as growing trade and investment ties, "road diplomacy" (tacit cooperation on opening up transportation routes in places such as Myanmar and Nepal), and shared concerns over the unstable buffer states of Myanmar, Nepal, and Pakistan. But he also points out that the relationship remains dominated by long-standing conflicts of interest over borders, Tibet, naval power in the Indian Ocean, influence in Southeast Asia, and the nuclear balance. The public's image in each country of the other is negative, making strategic cooperation harder. Even if a much-discussed bilateral free-trade agreement were signed and the border issues settled, the two powers, Holslag argues, would continue to be opponents—a rivalry that could work to the United States' advantage in the region.

Piracy and the State: The Politics of Intellectual Property Rights in China. BY MARTIN K. DIMITROV. Cambridge University Press, 2009, 326 pp. $85.00.

Revenge of the Forbidden City: The Suppression of the Falungong in China, 1999–2005. BY JAMES W. TONG. Oxford University Press, 2009, 288 pp. $49.95.

These two books study state capacity in China by looking at the government's ability to enforce its will in two different domains: intellectual property rights and religion. On the surface, the stories could not be more dissimilar. The government has failed to protect intellectual property rights, causing U.S. copyright, patent, and trademark holders (and Chinese companies, too) to lose billions of dollars a year. China's courts, administrative agencies, and local governments are too weak, corrupt, and inconsistent to stop piracy and counterfeiting. These flaws arise from the Chinese model of government, which concentrates power in the hands of local authorities. Only when outside pressure is brought to bear on central authorities does the signal go down through the hierarchy, leading to real progress. Through an exhaustive study of the many overlapping enforcement agencies, Dimitrov characterizes China's enforcement of intellectual property rights as high in volume but low in quality, because it lacks transparency, consistency, and fairness.

By contrast, the regime has been totally effective in suppressing the Falun Gong,

the martial-arts-cum-spiritual movement that angered the country's leaders in 1999, when it conducted a silent demonstration outside Zhongnanhai (the headquarters of the Chinese Communist Party). Tong's book shows that the bureaucracy responded once the top leaders gave clear orders. Over six years, the police registered practitioners, confiscated materials, and imprisoned activists all over the country. Torture, Tong carefully concludes, was widespread. The goal was not merely to stop public activities but also to convert believers, and the book details how this was carried out in diverse ways across the country. Even though the regime does not always exercise its totalitarian capabilities, Tong's study shows that it still has them.

The Limits of Influence: America's Role in Kashmir. BY HOWARD B. SCHAFFER. Brookings Institution Press, 2009, 260 pp. $34.95.

In lives lost, wars spawned, and reputations ruined, the territorial dispute over Kashmir surely ranks near the top of all the world's intractable conflicts. Schaffer, a retired U.S. ambassador with decades of experience in South Asia, has written an exemplary account of the United States' efforts over 60 years to settle, or at least manage, this problem. From 1948 to 1989, U.S. diplomacy fluctuated between engagement and quiescence. But in 1989, the outbreak of a serious insurgency in the Kashmir Valley—which has drawn or nearly drawn the nuclear-armed rivals India and Pakistan into open conflict on several occasions—made further U.S. disengagement untenable. Beginning with the presidency of George H. W. Bush, crisis management, rather than conflict resolution, became the chief challenge for U.S. diplomacy. As the title of this book suggests, however, even high-level U.S. engagement has brought only modest results. Nonetheless, Schaffer argues that the time is right for a fresh U.S. initiative to help resolve the Kashmir dispute, especially since the views of India and Pakistan on the terms of a potential settlement have grown closer. U.S. President Barack Obama probably believes he already has a full plate of foreign policy problems. But were he to succeed where 11 predecessors have failed, his Nobel Peace Prize would surely take on added luster.

ROBERT M. HATHAWAY

Africa

NICOLAS VAN DE WALLE

The Teeth May Smile but the Heart Does Not Forget: Murder and Memory in Uganda. BY ANDREW RICE. Metropolitan Books, 2009, 384 pp. $26.00.

This enthralling account of a political murder in the Ugandan countryside in 1972 and the victim's son's efforts, 30 years later, to get a measure of justice is a highly readable narrative of a murder investigation and trial. It is also a deeply perceptive chronicle of Uganda's troubled past that sheds much light on contemporary Africa. Eliphaz Laki, an administrative chief in rural southwestern Uganda, was executed because of his political opposition to the Idi Amin regime. His son's detective work led to the arrest and trial of three of the dictator's now-retired henchmen, although the state eventually dropped all charges against them due to the court's unwillingness to accept key evidence for technical reasons. Rice paints vivid portraits of the characters in this complex story and skillfully analyzes Uganda's

dysfunctional ethnic politics, which helped undermine the country's political order in the 1960s—and which still lurk just under the surface today. More broadly, this book is a wise meditation on memory, forgiveness, and loss in times of conflict.

The Great African War: Congo and Regional Geopolitics, 1996–2006. BY FILIP REYNTJENS. Cambridge University Press, 2009, 340 pp. $90.00.

The collapse of Zairean President Mobutu Sese Seko's regime in 1997 began a decade of horrendous conflict involving the Congo and most of its neighbors, killing probably more than five million people. Reyntjens has written a perceptive account of a war whose origins lie in the advanced decay of the Congolese state at the end of Mobutu's 32-year reign and in the ethnic conflict in neighboring Burundi and Rwanda. Reyntjens delineates the geopolitical motivations of the different players and the diplomatic and military relations between them. He has also included an excellent chapter on the negotiations, brokered by South Africa, that eventually ended the conflict. Throughout, Reyntjens stresses how the decisions of Paul Kagame's regime in neighboring Rwanda shaped each successive chapter of the conflict. And he sheds light on the support that Kagame received from the U.S. administrations of Bill Clinton and George W. Bush for actions that may have been justifiable in terms of Rwandan security concerns but almost certainly worsened the bloodshed in the Congo.

The African Diaspora: A History Through Culture. BY PATRICK MANNING. Columbia University Press, 2009, 424 pp. $29.95 (paper, $24.50).

There are one billion Africans and people of African descent in the world. Manning's comprehensive history of the world's black population since the beginning of the fifteenth century focuses much of its attention on the slave trade and its effects on the countries in which slaves ended up. It is particularly informative on the organization of the slave trade and its economic effects in the New World, although it also has much to say about African slavery on the shores of the Indian Ocean and the Red Sea, the impact of the slave trade on Africa itself, and slavery's role in the emergence of a global black identity and culture. The book's thorough and well-documented history of slavery is perhaps more compelling than its more superficial review of the twentieth century, including the U.S. civil rights movement and African decolonization. But readers will be impressed by the book's breadth and the arresting parallels it draws between events and dynamics taking place thousands of miles apart.

Overcoming Historical Injustices: Land Reconciliation in South Africa. BY JAMES L. GIBSON. Cambridge University Press, 2009, 328 pp. $85.00.

As Gibson's book reminds readers, land issues lie at the heart of racial politics in contemporary South Africa. Employing opinion surveys to investigate South African attitudes about land, Gibson finds that for black South Africans, the expropriation of ancestral lands remains the central feature of the hated apartheid state. They view the redistribution of territory as a necessary righting of historical wrongs. Most white South Africans, on the other hand, recognize that some land redistribution is inevitable but are enormously ambivalent about the redis-

tribution process and concerned about how it might affect them and their property in the coming years. Given the powerful political symbolism attached to land ownership, it is perhaps unsurprising that Gibson's opinion surveys find that racial identities often trump individual self-interest when it comes to land; even black and white citizens who would be unaffected by land redistribution tend to take on the beliefs and prejudices of their respective racial groups.

Becoming Zimbabwe: A History From the Pre-colonial Period to 2008. EDITED BY BRIAN RAFTOPOULOS AND ALOIS MLAMBO. Weaver Press, 2009, 296 pp. $32.95.

As Zimbabwe's political and economic collapse enters its second decade, this book summarizes the historical and structural factors that led to it. Western observers tend to blame Robert Mugabe's regime for the crisis, whereas the Zimbabwean scholars represented in this volume place it in a broader historical context (although they certainly do not exculpate the regime). In particular, the highly unequal distribution of arable land bequeathed by British colonialism, which left several thousand commercial white settler farmers in control of a hugely disproportionate share of the land, was a political and economic time bomb. The contributors could have devoted more space to the 1979 Lancaster House Agreement, which brought about majority rule but did little to defuse the land issue. Nor do they particularly probe the Mugabe regime's disastrous macroeconomic policies, which made impossible a level of economic growth that might have provided the regime with better choices. Still, they have written a balanced and informative introduction to Zimbabwe's troubled history.

Foreign Affairs (ISSN 00157120), March/April 2010, Volume 89, Number 2. Published six times annually (January, March, May, July, September, November) at 58 East 68th Street, New York, NY 10065. Subscriptions: U.S., $44.95; Canada, $56.00; other countries via air, $79.00 per year. Canadian Publication Mail–Mail # 1572121. Periodicals postage paid in New York, NY, and at additional mailing offices. **POSTMASTER**: Send address changes to *Foreign Affairs,* P.O. Box 62040, Tampa, FL 33662-0408. From time to time, we permit certain carefully screened companies to send our subscribers information about products or services that we believe will be of interest. If you prefer not to receive such information, please contact us at the Tampa, FL, address indicated above.

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