FOREIGN AFFAIRS JULY / AUGUST 2008 • VOLUME 87 • NUMBER 4 • THE NEW AMERICAN REALISM

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The New American Realism

Condoleezza Rice

China's Olympic Nightmare

Elizabeth Economy & Adam Segal

Leaving Iraq: A Debate
Colin Kahl & William Odom

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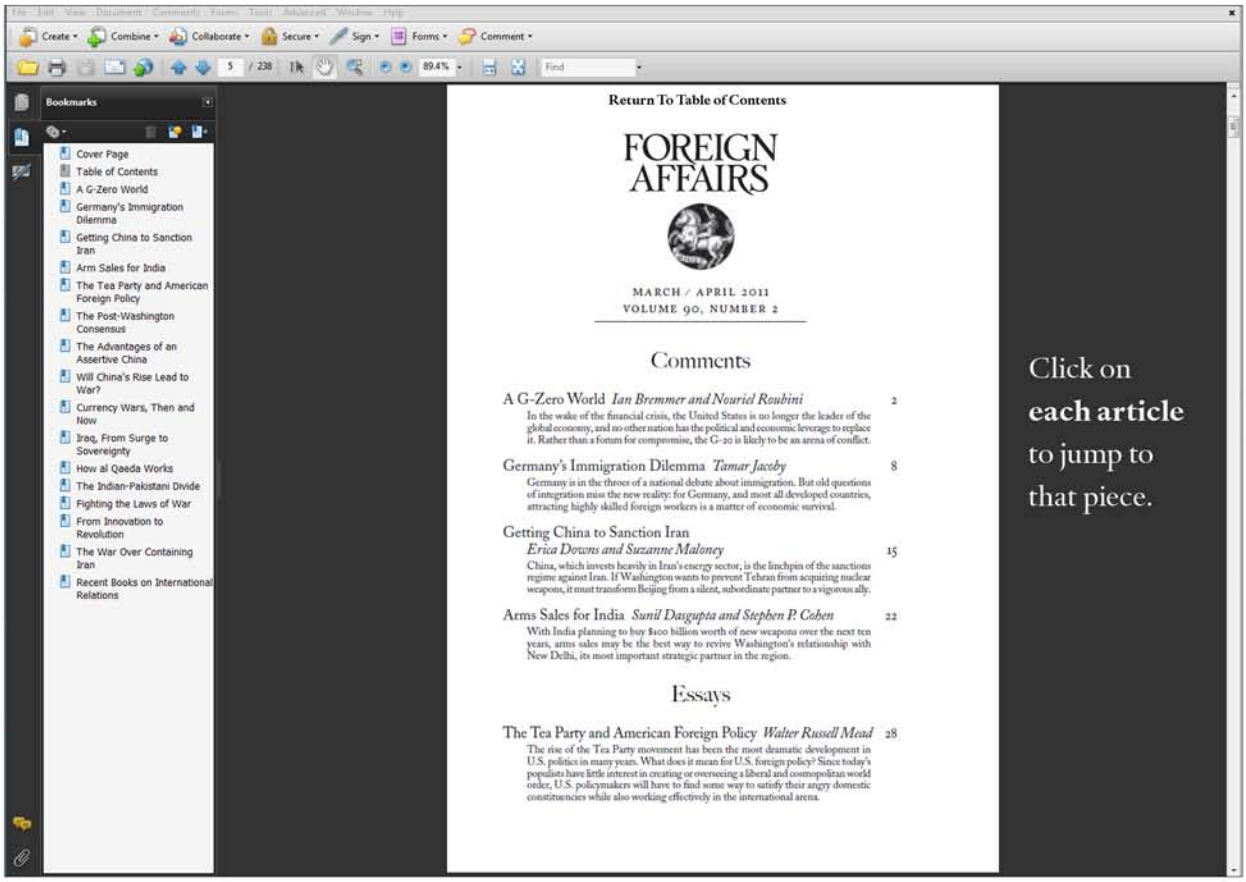

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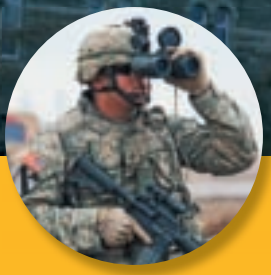

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Sadly, we note the death on March 25, 2008, of William G. Hyland, who edited *Foreign Affairs* from 1984 to 1992. Mr. Hyland, 79, was the fourth editor of the magazine. During his tenure, Mr. Hyland guided the magazine's coverage of the fall of the Soviet Union and the opening years of the post–Cold War era. Prior to joining *Foreign Affairs*, he had a long and distinguished career in the fields of intelligence and foreign policy, serving at senior levels in the Nixon and Ford administrations.

The articles in Foreign Affairs *do not represent any consensus of beliefs. We do not expect that readers will sympathize with all the sentiments they find here, for some of our writers will flatly disagree with others, but we hold that while keeping clear of mere vagaries,* Foreign Affairs *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. We do not accept responsibility for the views expressed in any article, signed or unsigned, that appears in these pages. What we do accept is the responsibility for giving them a chance to appear.* THE EDITORS

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Printed in the United States. Visit our Web site at www.ForeignAffairs.org.

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

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The New American Realism

AP/WIDE WORLD PHOTOS

Condoleezza Rice, Nashville, Tennessee, May 2004

The foundation of American power is and will remain strong—for its source is the dynamism, vigor, and resilience of American society.

Rethinking the National Interest

American Realism for a New World

Condoleezza Rice

What is the national interest? This is a question that I took up in 2000 in these pages. That was a time that we as a nation revealingly called "the post–Cold War era." We knew better where we had been than where we were going. Yet monumental changes were unfolding—changes that were recognized at the time but whose implications were largely unclear.

And then came the attacks of September 11, 2001. As in the aftermath of the attack on Pearl Harbor in 1941, the United States was swept into a fundamentally different world. We were called to lead with a new urgency and with a new perspective on what constituted threats and what might emerge as opportunities. And as with previous strategic shocks, one can cite elements of both continuity and change in our foreign policy since the attacks of September 11.

What has not changed is that our relations with traditional and emerging great powers still matter to the successful conduct of policy. Thus, my admonition in 2000 that we should seek to get right the "relationships with the big powers"—Russia, China, and emerging powers such as India and Brazil—has consistently guided us. As before, our alliances in the Americas, Europe, and Asia remain the pillars of the international order, and we are now transforming them to meet the challenges of a new era.

Condoleezza Rice is U.S. Secretary of State.

What has changed is, most broadly, how we view the relationship between the dynamics within states and the distribution of power among them. As globalization strengthens some states, it exposes and exacerbates the failings of many others—those too weak or poorly governed to address challenges within their borders and prevent them from spilling out and destabilizing the international order. In this strategic environment, it is vital to our national security that states be willing and able to meet the full range of their sovereign responsibilities, both beyond their borders and within them. This new reality has led us to some significant changes in our policy. We recognize that democratic state building is now an urgent component of our national interest. And in the broader Middle East, we recognize that freedom and democracy are the only ideas that can, over time, lead to just and lasting stability, especially in Afghanistan and Iraq.

As in the past, our policy has been sustained not just by our strength but also by our values. The United States has long tried to marry power and principle—realism and idealism. At times, there have been short-term tensions between them. But we have always known where our long-term interests lie. Thus, the United States has not been neutral about the importance of human rights or the superiority of democracy as a form of government, both in principle and in practice. This uniquely American realism has guided us over the past eight years, and it must guide us over the years to come.

GREAT POWERS, OLD AND NEW

By necessity, our relationships with Russia and China have been rooted more in common interests than common values. With Russia, we have found common ground, as evidenced by the "strategic framework" agreement that President George W. Bush and Russian President Vladimir Putin signed in Sochi in March of this year. Our relationship with Russia has been sorely tested by Moscow's rhetoric, by its tendency to treat its neighbors as lost "spheres of influence," and by its energy policies that have a distinct political tinge. And Russia's internal course has been a source of considerable disappointment, especially because in 2000 we hoped that it was moving closer to us in terms of values. Yet it is useful to remember that Russia is not the Soviet Union. It is

neither a permanent enemy nor a strategic threat. Russians now enjoy greater opportunity and, yes, personal freedom than at almost any other time in their country's history. But that alone is not the standard to which Russians themselves want to be held. Russia is not just a great power; it is also the land and culture of a great people. And in the twenty-first century, greatness is increasingly defined by the technological and economic development that flows naturally in open and free societies. That is why the full development both of Russia and of our relationship with it still hangs in the balance as the country's internal transformation unfolds.

The last eight years have also challenged us to deal with rising Chinese influence, something we have no reason to fear if that power is used responsibly. We have stressed to Beijing that with China's full membership in the international community comes responsibilities, whether in the conduct of its economic and trade policy, its approach to energy and the environment, or its policies in the developing world. China's leaders increasingly realize this, and they are moving, albeit slowly, to a more cooperative approach on a range of problems. For instance, on Darfur, after years of unequivocally supporting Khartoum, China endorsed the UN Security Council resolution authorizing the deployment of a hybrid United Nations–African Union peacekeeping force and dispatched an engineering battalion to pave the way for those peacekeepers. China needs to do much more on issues such as Darfur, Burma, and Tibet, but we sustain an active and candid dialogue with China's leaders on these challenges.

The United States, along with many other countries, remains concerned about China's rapid development of high-tech weapons systems. We understand that as countries develop, they will modernize their armed forces. But China's lack of transparency about its military spending and doctrine and its strategic goals increases mistrust and suspicion. Although Beijing has agreed to take incremental steps to deepen U.S.-Chinese military-to-military exchanges, it needs to move beyond the rhetoric of peaceful intentions toward true engagement in order to reassure the international community.

Our relationships with Russia and China are complex and characterized simultaneously by competition and cooperation. But in the absence of workable relations with both of these states, diplomatic

solutions to many international problems would be elusive. Transnational terrorism and the proliferation of weapons of mass destruction, climate change and instability stemming from poverty and disease—these are dangers to all successful states, including those that might in another time have been violent rivals. It is incumbent on the United States to find areas of cooperation and strategic agreement with Russia and China, even when there are significant differences.

Obviously, Russia and China carry special responsibility and weight as fellow permanent members of the UN Security Council, but this has not been the only forum in which we have worked together. Another example has emerged in Northeast Asia with the six-party framework. The North Korean nuclear issue could have led to conflict among the states of Northeast Asia, or to the isolation of the United States, given the varied and vital interests of China, Japan, Russia, South Korea, and the United States. Instead, it has become an opportunity for cooperation and coordination as the efforts toward verifiable denuclearization proceed. And when North Korea tested a nuclear device last year, the five other parties already were an established coalition and went quickly to the Security Council for a Chapter 7 resolution. That, in turn, put considerable pressure on North Korea to return to the six-party talks and to shut down and begin disabling its Yongbyon reactor. The parties intend to institutionalize these habits of cooperation through the establishment of a Northeast Asian Peace and Security Mechanism—a first step toward a security forum in the region.

The importance of strong relations with global players extends to those that are emerging. With those, particularly India and Brazil, the United States has built deeper and broader ties. India stands on the front lines of globalization. This democratic nation promises to become a global power and an ally in shaping an international order rooted in freedom and the rule of law. Brazil's success at using democracy and markets to address centuries of pernicious social inequality has global resonance. Today, India and Brazil look outward as never before, secure in their ability to compete and succeed in the global economy. In both countries, national interests are being redefined as Indians and Brazilians realize their direct stake in a democratic, secure, and open international order—and their commensurate responsibilities

for strengthening it and defending it against the major transnational challenges of our era. We have a vital interest in the success and prosperity of these and other large multiethnic democracies with global reach, such as Indonesia and South Africa. And as these emerging powers change the geopolitical landscape, it will be important that international institutions also change to reflect this reality. This is why President Bush has made clear his support for a reasonable expansion of the UN Security Council.

SHARED VALUES AND SHARED RESPONSIBILITY

As IMPORTANT as relations are with Russia and China, it is our work with our allies, those with whom we share values, that is transforming international politics—for this work presents an opportunity to expand the ranks of well-governed, law-abiding democratic states in our world and to defeat challenges to this vision of international order. Cooperation with our democratic allies, therefore, should not be judged simply by how we relate to one another. It should be judged by the work we do together to defeat terrorism and extremism, meet global challenges, defend human rights and dignity, and support new democracies.

In the Americas, this has meant strengthening our ties with strategic democracies such as Canada, Mexico, Colombia, Brazil, and Chile in order to further the democratic development of our hemisphere. Together, we have supported struggling states, such as Haiti, in locking in their transitions to democracy and security. Together, we are defending ourselves against drug traffickers, criminal gangs, and the few autocratic outliers in our democratic hemisphere. The region still faces challenges, including Cuba's coming transition and the need to support, unequivocally, the Cuban people's right to a democratic future. There is no doubt that centuries-old suspicions of the United States persist in the region. But we have begun to write a new narrative that speaks not only to macroeconomic development and trade but also to the need for democratic leaders to address problems of social justice and inequality.

I believe that one of the most compelling stories of our time is our relationship with our oldest allies. The goal of a Europe whole, free,


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dispatches

and at peace is very close to completion. The United States welcomes a strong, united, and coherent Europe. There is no doubt that the European Union has been a superb anchor for the democratic evolution of eastern Europe after the Cold War. Hopefully, the day will come when Turkey takes its place in the EU.

Membership in the EU and NATO has been attractive enough to lead countries to make needed reforms and to seek the peaceful resolution of long-standing conflicts with their neighbors. The reverse has been true as well: the new members have transformed these two pillars of the transatlantic relationship. Twelve of the 28 members of NATO are former "captive nations," countries once in the Soviet sphere. The effect of their joining the alliance is felt in a renewed dedication to promoting and protecting democracy. Whether sending troops to Afghanistan or Iraq or fiercely defending the continued expansion of NATO, these states have brought new energy and fervor to the alliance.

In recent years, the mission and the purpose of the alliance have also been transformed. Indeed, many can remember when NATO viewed the world in two parts: Europe and "out of area," which was basically everywhere else. If someone had said in 2000 that NATO today would be rooting out terrorists in Kandahar, training the security forces of a free Iraq, providing critical support to peacekeepers in Darfur, and moving forward on missile defenses, hopefully in partnership with Russia, who would have believed him? The endurance and resilience of the transatlantic alliance is one reason that I believe Lord Palmerston got it wrong when he said that nations have no permanent allies. The United States does have permanent allies: the nations with whom we share common values.

Democratization is also deepening across the Asia-Pacific region. This is expanding our circle of allies and advancing the goals we share. Indeed, although many assume that the rise of China will determine the future of Asia, so, too—and perhaps to an even greater degree—will the broader rise of an increasingly democratic community of Asian states. This is the defining geopolitical event of the twenty-first century, and the United States is right in the middle of it. We enjoy a strong, democratic alliance with Australia, with key states in Southeast Asia, and with Japan—an economic giant that is emerging

as a "normal" state, capable of working to secure and spread our values both in Asia and beyond. South Korea, too, has become a global partner whose history can boast an inspiring journey from poverty and dictatorship to democracy and prosperity. Finally, the United States has a vital stake in India's rise to global power and prosperity, and relations between the two countries have never been stronger or broader. It will take continued work, but this is a dramatic breakthrough for both our strategic interests and our values.

It is now possible to speak of emerging democratic allies in Africa as well. Too often, Africa is thought of only as a humanitarian concern or a zone of conflict. But the continent has seen successful transitions to democracy in several states, among them Ghana, Liberia, Mali, and Mozambique. Our administration has worked to help the democratic leaders of these and other states provide for their people—most of all by attacking the continental scourge of HIV/AIDS in an unprecedented effort of power, imagination, and mercy. We have also been an active partner in resolving conflicts—from the conclusion of the Comprehensive Peace Agreement, which ended the civil war between the North and the South in Sudan, to active engagement in the Great Lakes region, to the intervention of a small contingent of U.S. military forces in coordination with the African Union to end the conflict in Liberia. Although conflicts in Darfur, Somalia, and other places tragically remain violent and unresolved, it is worth noting the considerable progress that African states are making on many fronts and the role that the United States has played in supporting African efforts to solve the continent's greatest problems.

A DEMOCRATIC MODEL OF DEVELOPMENT

ALTHOUGH THE United States' ability to influence strong states is limited, our ability to enhance the peaceful political and economic development of weak and poorly governed states can be considerable. We must be willing to use our power for this purpose—not only because it is necessary but also because it is right. Too often, promoting democracy and promoting development are thought of as separate goals. In fact, it is increasingly clear that the practices and institutions of democracy are essential to the creation of sustained, broad-based

economic development—and that market-driven development is essential to the consolidation of democracy. Democratic development is a unified political-economic model, and it offers the mix of flexibility and stability that best enables states to seize globalization's opportunities and manage its challenges. And for those who think otherwise: What real alternative worthy of America is there?

Democratic development is not only an effective path to wealth and power; it is also the best way to ensure that these benefits are shared justly across entire societies, without exclusion, repression, or violence. We saw this recently in Kenya, where democracy enabled civil society, the press, and business leaders to join together to insist on an inclusive political bargain that could stem the country's slide into ethnic cleansing and lay a broader foundation for national reconciliation. In our own hemisphere, democratic development has opened up old, elite-dominated systems to millions on the margins of society. These people are demanding the benefits of citizenship long denied them, and because they are doing so democratically, the real story in our hemisphere since 2001 is not that our neighbors have given up on democracy and open markets; it is that they are broadening our region's consensus in support of democratic development by ensuring that it leads to social justice for the most marginalized citizens.

For the United States, promoting democratic development must remain a top priority.

The untidiness of democracy has led some to wonder if weak states might not be better off passing through a period of authoritarian capitalism. A few countries have indeed succeeded with this model, and its allure is only heightened when democracy is too slow in delivering or incapable of meeting high expectations for a better life. Yet for every state that embraces authoritarianism and manages to create wealth, there are many, many more that simply make poverty, inequality, and corruption worse. For those that are doing pretty well economically, it is worth asking whether they might be doing even better with a freer system. Ultimately, it is at least an open question whether authoritarian capitalism is itself an indefinitely sustainable model. Is it really possible in the long run for governments to respect their citizen's talents but not their rights? I, for one, doubt it.

Condoleezza Rice

For the United States, promoting democratic development must remain a top priority. Indeed, there is no realistic alternative that we can—or should—offer to influence the peaceful evolution of weak and poorly governed states. The real question is not whether to pursue this course but how.

We first need to recognize that democratic development is always possible but never fast or easy. This is because democracy is really the complex interplay of democratic practices and culture. In the experience of countless nations, ours especially, we see that culture is not destiny. Nations of every culture, race, religion, and level of development have embraced democracy and adapted it to their own circumstances and traditions. No cultural factor has yet been a stumbling block—not German or Japanese "militarism," not "Asian values," not African "tribalism," not Latin America's alleged fondness for caudillos, not the once-purported preference of eastern Europeans for despotism.

The fact is, few nations begin the democratic journey with a democratic culture. The vast majority create one over time—through the hard, daily struggle to make good laws, build democratic institutions, tolerate differences, resolve them peacefully, and share power justly. Unfortunately, it is difficult to grow the habits of democracy in the controlled environment of authoritarianism, to have them ready and in place when tyranny is lifted. The process of democratization is likely to be messy and unsatisfactory, but it is absolutely necessary. Democracy, it is said, cannot be imposed, particularly by a foreign power. This is true but beside the point. It is more likely that tyranny has to be imposed.

The story today is rarely one of peoples resisting the basics of democracy—the right to choose those who will govern them and other basic freedoms. It is, instead, about people choosing democratic leaders and then becoming impatient with them and holding them accountable on their duty to deliver a better life. It is strongly in our national interest to help sustain these leaders, support their countries' democratic institutions, and ensure that their new governments are capable of providing for their own security, especially when their nations have experienced crippling conflicts. To do so will require long-term partnerships rooted in mutual responsibility and the integration of all elements of our national power—political, diplomatic,

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economic, and, at times, military. We have recently built such partnerships to great effect with countries as different as Colombia, Lebanon, and Liberia. Indeed, a decade ago, Colombia was on the verge of failure. Today, in part because of our long-term partnership with courageous leaders and citizens, Colombia is emerging as a normal nation, with democratic institutions that are defending the country, governing justly, reducing poverty, and contributing to international security.

We must now build long-term partnerships with other new and fragile democracies, especially Afghanistan. The basics of democracy are taking root in this country after nearly three decades of tyranny, violence, and war. For the first time in their history, Afghans have a government of the people, elected in presidential and parliamentary elections, and guided by a constitution that codifies the rights of all citizens. The challenges in Afghanistan do not stem from a strong enemy. The Taliban offers a political vision that very few Afghans embrace. Rather, they exploit the current limitations of the Afghan government, using violence against civilians and revenues from illegal narcotics to impose their rule. Where the Afghan government, with support from the international community, has been able to provide good governance and economic opportunity, the Taliban is in retreat. The United States and NATO have a vital interest in supporting the emergence of an effective, democratic Afghan state that can defeat the Taliban and deliver "population security"—addressing basic needs for safety, services, the rule of law, and increased economic opportunity. We share this goal with the Afghan people, who do not want us to leave until we have accomplished our common mission. We can succeed in Afghanistan, but we must be prepared to sustain a partnership with that new democracy for many years to come.

One of our best tools for supporting states in building democratic institutions and strengthening civil society is our foreign assistance, but we must use it correctly. One of the great advances of the past eight years has been the creation of a bipartisan consensus for the more strategic use of foreign assistance. We have begun to transform our assistance into an incentive for developing states to govern justly, advance economic freedom, and invest in their people. This is the great innovation of the Millennium Challenge Account initiative. More broadly, we are now better aligning our foreign aid with our foreign

policy goals—so as to help developing countries move from war to peace, poverty to prosperity, poor governance to democracy and the rule of law. At the same time, we have launched historic efforts to help remove obstacles to democratic development—by forgiving old debts, feeding the hungry, expanding access to education, and fighting pandemics such as malaria and HIV/AIDS. Behind all of these efforts is the overwhelming generosity of the American people, who since 2001 have supported the near tripling of the United States' official development assistance worldwide—doubling it for Latin America and quadrupling it for Africa.

Ultimately, one of the best ways to support the growth of democratic institutions and civil society is to expand free and fair trade and investment. The very process of implementing a trade agreement or a bilateral investment treaty helps to hasten and consolidate democratic development. Legal and political institutions that can enforce property rights are better able to protect human rights and the rule of law. Independent courts that can resolve commercial disputes can better resolve civil and political disputes. The transparency needed to fight corporate corruption makes it harder for political corruption to go unnoticed and unpunished. A rising middle class also creates new centers of social power for political movements and parties. Trade is a divisive issue in our country right now, but we must not forget that it is essential not only for the health of our domestic economy but also for the success our foreign policy.

There will always be humanitarian needs, but our goal must be to use the tools of foreign assistance, security cooperation, and trade together to help countries graduate to self-sufficiency. We must insist that these tools be used to promote democratic development. It is in our national interest to do so.

THE CHANGING MIDDLE EAST

WHAT ABOUT the broader Middle East, the arc of states that stretches from Morocco to Pakistan? The Bush administration's approach to this region has been its most vivid departure from prior policy. But our approach is, in reality, an extension of traditional tenets—incorporating human rights and the promotion of democratic develop-

ment into a policy meant to further our national interest. What is exceptional is that the Middle East was treated as an exception for so many decades. U.S. policy there focused almost exclusively on stability. There was little dialogue, certainly not publicly, about the need for democratic change.

For six decades, under both Democratic and Republican administrations, a basic bargain defined the United States' engagement in the broader Middle East: we supported authoritarian regimes, and they supported our shared interest in regional stability. After September 11, it became increasingly clear that this old bargain had produced false stability. There were virtually no legitimate channels for political expression in the region. But this did not mean that there was no political activity. There was—in madrasahs and radical mosques. It is no wonder that the best-organized political forces were extremist groups. And it was there, in the shadows, that al Qaeda found the troubled souls to prey on and exploit as its foot soldiers in its millenarian war against the "far enemy."

One response would have been to fight the terrorists without addressing this underlying cause. Perhaps it would have been possible to manage these suppressed tensions for a while. Indeed, the quest for justice and a new equilibrium on which the nations of the broader Middle East are now embarked is very turbulent. But is it really worse than the situation before? Worse than when Lebanon suffered under the boot of Syrian military occupation? Worse than when the self-appointed rulers of the Palestinians personally pocketed the world's generosity and squandered their best chance for a two-state peace? Worse than when the international community imposed sanctions on innocent Iraqis in order to punish the man who tyrannized them, threatened Iraq's neighbors, and bulldozed 300,000 human beings into unmarked mass graves? Or worse than the decades of oppression and denied opportunity that spawned hopelessness, fed hatreds, and led to the sort of radicalization that brought about the ideology behind the September 11 attacks? Far from being the model of stability that some seem to remember, the Middle East from 1945 on was wracked repeatedly by civil conflicts and cross-border wars. Our current course is certainly difficult, but let us not romanticize the old bargains of the Middle East—for they yielded neither justice nor stability.

Condoleezza Rice

The president's second inaugural address and my speech at the American University in Cairo in June 2005 have been held up as rhetorical declarations that have faded in the face of hard realities. No one will argue that the goal of democratization and modernization in the broader Middle East lacks ambition, and we who support it fully acknowledge that it will be a difficult, generational task. No one event, and certainly not a speech, will bring it into being. But if America does not set the goal, no one will.

This goal is made more complicated by the fact that the future of the Middle East is bound up in many of our other vital interests: energy security, nonproliferation, the defense of friends and allies, the resolution of old conflicts, and, most of all, the need for near-term partners in the global struggle against violent Islamist extremism. To state, however, that we must promote either our security interests or our democratic ideals is to present a false choice. Admittedly, our interests and our ideals do come into tension at times in the short term. America is not an NGO and must balance myriad factors in our relations with all countries. But in the long term, our security is best ensured by the success of our ideals: freedom, human rights, open markets, democracy, and the rule of law.

The leaders and citizens of the broader Middle East are now searching for answers to the fundamental questions of modern state building: What are to be the limits on the state's use of power, both within and beyond its borders? What will be the role of the state in the lives of its citizens and the relationship between religion and politics? How will traditional values and mores be reconciled with the democratic promise of individual rights and liberty, particularly for women and girls? How is religious and ethnic diversity to be accommodated in fragile political institutions when people tend to hold on to traditional associations? The answers to these and other questions can come only from within the Middle East itself. The task for us is to support and shape these difficult processes of change and to help the nations of the region overcome several major challenges to their emergence as modern, democratic states.

The first challenge is the global ideology of violent Islamist extremism, as embodied by groups, such as al Qaeda, that thoroughly reject the basic tenets of modern politics, seeking instead to topple

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HONDA
The Power of Dreams

sovereign states, erase national borders, and restore the imperial structure of the ancient caliphate. To resist this threat, the United States will need friends and allies in the region who are willing and able to take action against the terrorists among them. Ultimately, however, this is more than just a struggle of arms; it is a contest of ideas. Al Qaeda's theory of victory is to hijack the legitimate local and national grievances of Muslim societies and twist them into an ideological narrative of endless struggle against Western, especially U.S., oppression. The good news is that al Qaeda's intolerant ideology can be enforced only through brutality and violence. When people are free to choose, as we have seen in Afghanistan, Pakistan, and Iraq's Anbar Province, they reject al Qaeda's ideology and rebel against its control. Our theory of victory, therefore, must be to offer people a democratic path to advance their interests peacefully—to develop their talents, to redress injustices, and to live in freedom and dignity. In this sense, the fight against terrorism is a kind of global counterinsurgency: the center of gravity is not the enemies we fight but the societies they are trying to radicalize.

Admittedly, our interests in both promoting democratic development and fighting terrorism and extremism lead to some hard choices, because we do need capable friends in the broader Middle East who can root out terrorists now. These states are often not democratic, so we must balance the tensions between our short-term and our long-term goals. We cannot deny nondemocratic states the security assistance to fight terrorism or defend themselves. At the same time, we must use other points of leverage to promote democracy and hold our friends to account. That means supporting civil society, as we have done through the Forum for the Future and the Middle East Partnership Initiative, and using public and private diplomacy to push our nondemocratic partners to reform. Changes are slowly coming in terms of universal suffrage, more influential parliaments, and education for girls and women. We must continue to advocate for reform and support indigenous agents of change in nondemocratic countries, even as we cooperate with their governments on security.

An example of how our administration has balanced these concerns is our relationship with Pakistan. Following years of U.S. neglect of that relationship, our administration had to establish a partnership

with Pakistan's military government to achieve a common goal after September 11. We did so knowing that our security and that of Pakistan ultimately required a return to civilian and democratic rule. So even as we worked with President Pervez Musharraf to fight terrorists and extremists, we invested more than $3 billion to strengthen Pakistani society—building schools and health clinics, providing emergency relief after the 2005 earthquake, and supporting political parties and the rule of law. We urged Pakistan's military leaders to put their country on a modern and moderate trajectory, which in some important respects they did. And when this progress was threatened last year by the declaration of emergency rule, we pushed President Musharraf hard to take off his uniform and hold free elections. Although terrorists tried to thwart the return of democracy and tragically killed many innocent people, including former Prime Minister Benazir Bhutto, the Pakistani people dealt extremism a crushing defeat at the polls. This restoration of democracy in Pakistan creates an opportunity for us to build the lasting and broad-based partnership that we have never achieved with this nation, thereby enhancing our security and anchoring the success of our values in a troubled region.

> When the two-state solution is finally realized, it will be because of democracy, not despite it.

A second challenge to the emergence of a better Middle East is posed by aggressive states that seek not to peacefully reform the present regional order but to alter it using any form of violence—assassination, intimidation, terrorism. The question is not whether any particular state should have influence in the region. They all do, and will. The real question is, What kind of influence will these states wield—and to what ends, constructive or destructive? It is this fundamental and still unresolved question that is at the center of many of the geopolitical challenges in the Middle East today—whether it is Syria's undermining of Lebanon's sovereignty, Iran's pursuit of a nuclear capability, or both states' support for terrorism.

Iran poses a particular challenge. The Iranian regime pursues its disruptive policies both through state instruments, such as the Revolutionary Guards and the al Quds force, and through nonstate

proxies that extend Iranian power, such as elements of the Mahdi Army in Iraq, Hamas in Gaza, and Hezbollah in Lebanon and around the world. The Iranian regime seeks to subvert states and extend its influence throughout the Persian Gulf region and the broader Middle East. It threatens the state of Israel with extinction and holds implacable hostility toward the United States. And it is destabilizing Iraq, endangering U.S. forces, and killing innocent Iraqis. The United States is responding to these provocations. Clearly, an Iran with a nuclear weapon or even the technology to build one on demand would be a grave threat to international peace and security.

But there is also another Iran. It is the land of a great culture and a great people, who suffer under repression. The Iranian people deserve to be integrated into the international system, to travel freely and be educated in the best universities. Indeed, the United States has reached out to them with exchanges of sports teams, disaster-relief workers, and artists. By many accounts, the Iranian people are favorably disposed to Americans and to the United States. Our relationship could be different. Should the Iranian government honor the UN Security Council's demands and suspend its uranium enrichment and related activities, the community of nations, including the United States, is prepared to discuss the full range of issues before us. The United States has no permanent enemies.

Ultimately, the many threats that Iran poses must be seen in a broader context: that of a state fundamentally out of step with the norms and values of the international community. Iran must make a strategic choice—a choice that we have sought to clarify with our approach—about how and to what ends it will wield its power and influence: Does it want to continue thwarting the legitimate demands of the world, advancing its interests through violence, and deepening the isolation of its people? Or is it open to a better relationship, one of growing trade and exchange, deepening integration, and peaceful cooperation with its neighbors and the broader international community? Tehran should know that changes in its behavior would meet with changes in ours. But Iran should also know that the United States will defend its friends and its interests vigorously until the day that change comes.

A third challenge is finding a way to resolve long-standing conflicts, particularly that between the Israelis and the Palestinians. Our admin-

istration has put the idea of democratic development at the center of our approach to this conflict, because we came to believe that the Israelis will not achieve the security they deserve in their Jewish state and the Palestinians will not achieve the better life they deserve in a state of their own until there is a Palestinian government capable of exercising its sovereign responsibilities, both to its citizens and to its neighbors. Ultimately, a Palestinian state must be created that can live side by side with Israel in peace and security. This state will be born not just through negotiations to resolve hard issues related to borders, refugees, and the status of Jerusalem but also through the difficult effort to build effective democratic institutions that can fight terrorism and extremism, enforce the rule of law, combat corruption, and create opportunities for the Palestinians to improve their lives. This confers responsibilities on both parties.

As the experience of the past several years has shown, there is a fundamental disagreement at the heart of Palestinian society—between those who reject violence and recognize Israel's right to exist and those who do not. The Palestinian people must ultimately make a choice about which future they desire, and it is only democracy that gives them that choice and holds open the possibility of a peaceful way forward to resolve the existential question at the heart of their national life. The United States, Israel, other states in the region, and the international community must do everything in their power to support those Palestinians who would choose a future of peace and compromise. When the two-state solution is finally realized, it will be because of democracy, not despite it.

This is, indeed, a controversial view, and it speaks to one more challenge that must be resolved if democratic and modern states are to emerge in the broader Middle East: how to deal with nonstate groups whose commitment to democracy, nonviolence, and the rule of law is suspect. Because of the long history of authoritarianism in the region, many of the best-organized political parties are Islamist, and some of them have not renounced violence used in the service of political goals. What should be their role in the democratic process? Will they take power democratically only to subvert the very process that brought them victory? Are elections in the broader Middle East therefore dangerous?

These questions are not easy. When Hamas won elections in the Palestinian territories, it was widely seen as a failure of policy. But although this victory most certainly complicated affairs in the broader Middle East, in another way it helped to clarify matters. Hamas had significant power before those elections—largely the power to destroy. After the elections, Hamas also had to face real accountability for its use of power for the first time. This has enabled the Palestinian people, and the international community, to hold Hamas to the same basic standards of responsibility to which all governments should be held. Through its continued unwillingness to behave like a responsible regime rather than a violent movement, Hamas has demonstrated that it is wholly incapable of governing.

It cannot be the case that people are denied the right to vote just because the outcome might be unpleasant to us.

Much attention has been focused on Gaza, which Hamas holds hostage to its incompetent and brutal policies. But in other places, the Palestinians have held Hamas accountable. In the West Bank city of Qalqilya, for instance, where Hamas was elected in 2004, frustrated and fed-up Palestinians voted it out of office in the next election. If there can be a legitimate, effective, and democratic alternative to Hamas (something that Fatah has not yet been), people will likely choose it. This would especially be true if the Palestinians could live a normal life within their own state.

The participation of armed groups in elections is problematic. But the lesson is not that there should not be elections. Rather, there should be standards, like the ones to which the international community has held Hamas after the fact: you can be a terrorist group or you can be a political party, but you cannot be both. As difficult as this problem is, it cannot be the case that people are denied the right to vote just because the outcome might be unpleasant to us. Although we cannot know whether politics will ultimately deradicalize violent groups, we do know that excluding them from the political process grants them power without responsibility. This is yet another challenge that the leaders and the peoples of the broader Middle East must resolve as the region turns to democratic processes and institutions to resolve differences peacefully and without repression.

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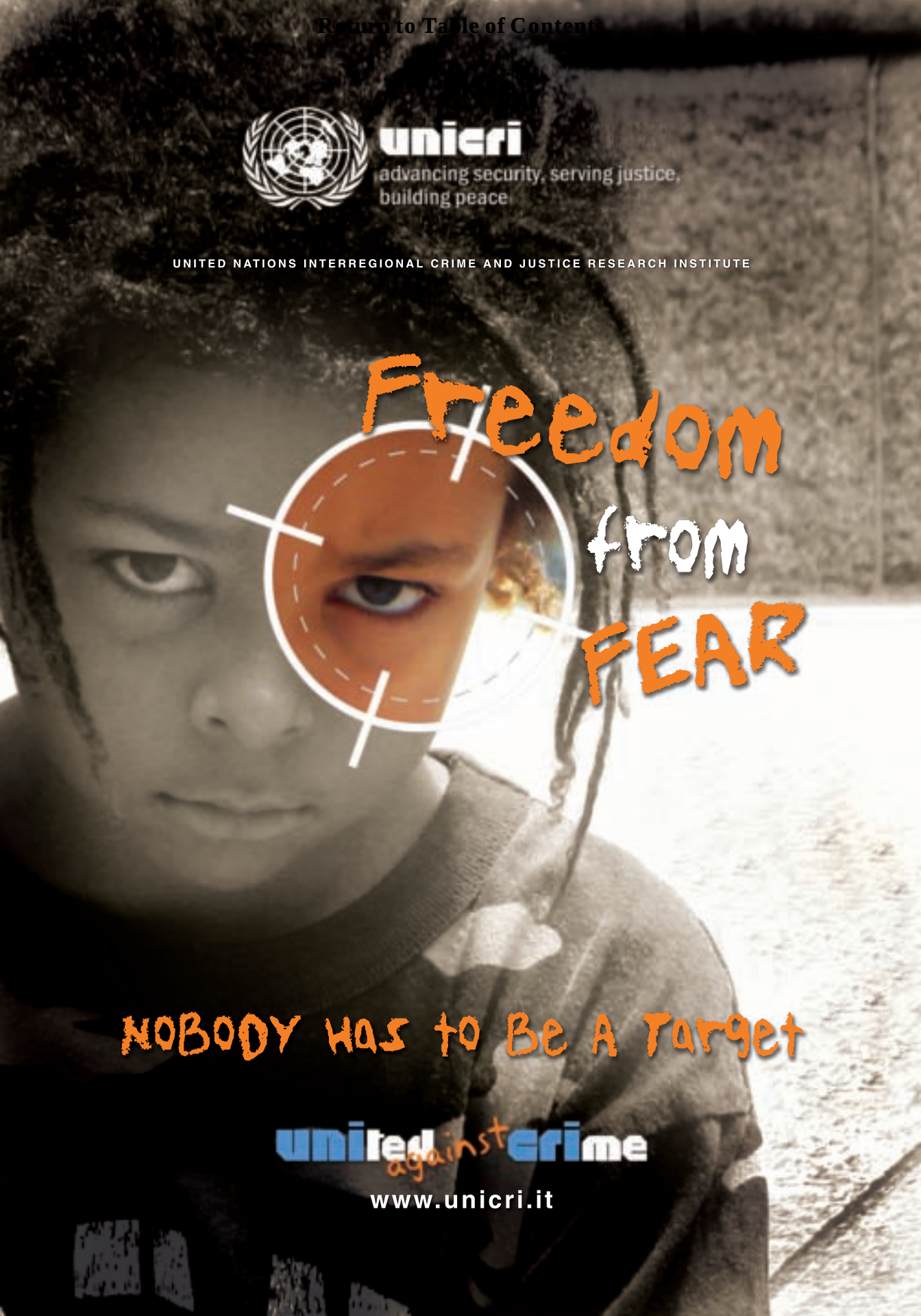


THE TRANSFORMATION OF IRAQ

THEN, OF COURSE, there is Iraq, which is perhaps the toughest test of the proposition that democracy can overcome deep divisions and differences. Because Iraq is a microcosm of the region, with its layers of ethnic and sectarian diversity, the Iraqi people's struggle to build a democracy after the fall of Saddam Hussein is shifting the landscape not just of Iraq but of the broader Middle East as well.

The cost of this war, in lives and treasure, for Americans and Iraqis, has been greater than we ever imagined. This story is still being written, and will be for many years to come. Sanctions and weapons inspections, prewar intelligence and diplomacy, troop levels and postwar planning—these are all important issues that historians will analyze for decades. But the fundamental question that we can ask and debate now is, Was removing Saddam from power the right decision? I continue to believe that it was.

After we fought one war against Saddam and then remained in a formal state of hostilities with him for over a decade, our containment policy began to erode. The community of nations was losing its will to enforce containment, and Iraq's ruler was getting increasingly good at exploiting it through programs such as oil-for-food—indeed, more than we knew at the time. The failure of containment was increasingly evident in the UN Security Council resolutions that were passed and then violated, in our regular clashes in the no-fly zones, and in President Bill Clinton's decision to launch air strikes in 1998 and then join with Congress to make "regime change" our government's official policy in Iraq. If Saddam was not a threat, why did the community of nations keep the Iraqi people under the most brutal sanctions in modern history? In fact, as the Iraq Survey Group showed, Saddam was ready and willing to reconstitute his weapons of mass destruction programs as soon as international pressure had dissipated.

The United States did not overthrow Saddam to democratize the Middle East. It did so to remove a long-standing threat to international security. But the administration was conscious of the goal of democratization in the aftermath of liberation. We discussed the question of whether we should be satisfied with the end of Saddam's rule and the rise of another strongman to replace him. The answer

was no, and it was thus avowedly U.S. policy from the outset to try to support the Iraqis in building a democratic Iraq. It is important to remember that we did not overthrow Adolf Hitler to bring democracy to Germany either. But the United States believed that only a democratic Germany could ultimately anchor a lasting peace in Europe.

The democratization of Iraq and the democratization of the Middle East were thus linked. So, too, was the war on terror linked to Iraq, because our goal after September 11 was to address the deeper malignancies of the Middle East, not just the symptoms of them. It is very hard to imagine how a more just and democratic Middle East could ever have emerged with Saddam still at the center of the region.

Our effort in Iraq has been extremely arduous. Iraq was a broken state and a broken society under Saddam. We have made mistakes. That is undeniable. The explosion to the surface of long-suppressed grievances has challenged fragile, young democratic institutions. But there is no other decent and peaceful way for the Iraqis to reconcile.

As Iraq emerges from its difficulties, the impact of its transformation is being felt in the rest of the region. Ultimately, the states of the Middle East need to reform. But they need to reform their relations, too. A strategic realignment is unfolding in the broader Middle East, separating those states that are responsible and accept that the time for violence under the rubric of "resistance" has passed and those that continue to fuel extremism, terrorism, and chaos. Support for moderate Palestinians and a two-state solution to the Israeli-Palestinian conflict and for democratic leaders and citizens in Lebanon have focused the energies of Saudi Arabia, Egypt, Jordan, and the states of the Persian Gulf. They must come to see that a democratic Iraq can be an ally in resisting extremism in the region. When they invited Iraq to join the ranks of the Gulf Cooperation Council–Plus–Two (Egypt and Jordan), they took an important step in that direction.

At the same time, these countries look to the United States to stay deeply involved in their troubled region and to counter and deter threats from Iran. The United States now has the weight of its effort very much in the center of the broader Middle East. Our long-term partnerships with Afghanistan and Iraq, to which we must remain deeply committed, our new relationships in Central Asia, and our long-standing partnerships in the Persian Gulf provide a solid geostrategic

foundation for the generational work ahead of helping to bring about a better, more democratic, and more prosperous Middle East.

A UNIQUELY AMERICAN REALISM

INVESTING IN strong and rising powers as stakeholders in the international order and supporting the democratic development of weak and poorly governed states—these broad goals for U.S. foreign policy are certainly ambitious, and they raise an obvious question: Is the United States up to the challenge, or, as some fear and assert these days, is the United States a nation in decline?

We should be confident that the foundation of American power is and will remain strong—for its source is the dynamism, vigor, and resilience of American society. The United States still possesses the unique ability to assimilate new citizens of every race, religion, and culture into the fabric of our national and economic life. The same values that lead to success in the United States also lead to success in the world: industriousness, innovation, entrepreneurialism. All of these positive habits, and more, are reinforced by our system of education, which leads the world in teaching children not what to think but how to think—how to address problems critically and solve them creatively.

Indeed, one challenge to the national interest is to make certain that we can provide quality education to all, especially disadvantaged children. The American ideal is one of equal opportunity, not equal outcome. This is the glue that holds together our multiethnic democracy. If we ever stop believing that what matters is not where you came from but where you are going, we will most certainly lose confidence. And an unconfident America cannot lead. We will turn inward. We will see economic competition, foreign trade and investment, and the complicated world beyond our shores not as challenges to which our nation can rise but as threats that we should avoid. That is why access to education is a critical national security issue.

We should also be confident that the foundations of the United States' economic power are strong, and will remain so. Even amid financial turbulence and international crises, the U.S. economy has grown more and faster since 2001 than the economy of any other leading industrial nation. The United States remains unquestionably the

engine of global economic growth. To remain so, we must find new, more reliable, and more environmentally friendly sources of energy. The industries of the future are in the high-tech fields (including in clean energy), which our nation has led for years and in which we remain on the global cutting edge. Other nations are indeed experiencing amazing and welcome economic growth, but the United States will likely account for the largest share of global GDP for decades to come.

Even in our government institutions of national security, the foundations of U.S. power are stronger than many assume. Despite our waging two wars and rising to defend ourselves in a new global confrontation, U.S. defense spending today as a percentage of GDP is still well below the average during the Cold War. The wars in Afghanistan and Iraq have indeed put an enormous strain on our military, and President Bush has proposed to Congress an expansion of our force by 65,000 soldiers and 27,000 marines. The experience of recent years has tested our armed forces, but it has also prepared a new generation of military leaders for stabilization and counterinsurgency missions, of which we will likely face more. This experience has also reinforced the urgent need for a new kind of partnership between our military and civilian institutions. Necessity is the mother of invention, and the provincial reconstruction teams that we deploy in Afghanistan and Iraq are a model of civil-military cooperation for the future.

An international order that reflects our values is the best guarantee of our national interest.

In these pages in 2000, I decried the role of the United States, in particular the U.S. military, in nation building. In 2008, it is absolutely clear that we will be involved in nation building for years to come. But it should not be the U.S. military that has to do it. Nor should it be a mission that we take up only after states fail. Rather, civilian institutions such as the new Civilian Response Corps must lead diplomats and development workers in a whole-of-government approach to our national security challenges. We must help weak and poorly functioning states strengthen and reform themselves and thereby prevent their failure in the first place. This will require the transformation and better integration of the United States' institutions of hard power and soft power—a difficult task and one that our administration

has begun. Since 2001, the president has requested and Congress has approved a nearly 54 percent increase in funding for our institutions of diplomacy and development. And this year, the president and I asked Congress to create 1,100 new positions for the State Department and 300 new positions for the U.S. Agency for International Development. Those who follow us must build on this foundation.

Perhaps of greater concern is not that the United States lacks the capacity for global leadership but that it lacks the will. We Americans engage in foreign policy because we have to, not because we want to, and this is a healthy disposition—it is that of a republic, not an empire. There have been times in the past eight years when we have had to do new and difficult things—things that, at times, have tested the resolve and the patience of the American people. Our actions have not always been popular, or even well understood. The exigencies of September 12 and beyond may now seem very far away. But the actions of the United States will for many, many years be driven by the knowledge that we are in an unfair fight: we need to be right one hundred percent of the time; the terrorists, only once. Yet I find that whatever differences we and our allies have had over the last eight years, they still want a confident and engaged United States, because there are few problems in the world that can be resolved without us. We need to recognize that, too.

Ultimately, however, what will most determine whether the United States can succeed in the twenty-first century is our imagination. It is this feature of the American character that most accounts for our unique role in the world, and it stems from the way that we think about our power and our values. The old dichotomy between realism and idealism has never really applied to the United States, because we do not really accept that our national interest and our universal ideals are at odds. For our nation, it has always been a matter of perspective. Even when our interests and ideals come into tension in the short run, we believe that in the long run they are indivisible.

This has freed America to imagine that the world can always be better—not perfect, but better—than others have consistently thought possible. America imagined that a democratic Germany might one day be the anchor of a Europe whole, free, and at peace. America believed that a democratic Japan might one day be a source of peace in an increasingly free and prosperous Asia. America kept faith with the

people of the Baltics that they would be independent and thus brought the day when NATO held a summit in Riga, Latvia. To realize these and other ambitious goals that we have imagined, America has often preferred preponderances of power that favor our values over balances of power that do not. We have dealt with the world as it is, but we have never accepted that we are powerless to change the world. Indeed, we have shown that by marrying American power and American values, we could help friends and allies expand the boundaries of what most thought realistic at the time.

How to describe this disposition of ours? It is realism, of a sort. But it is more than that—what I have called our uniquely American realism. This makes us an incredibly impatient nation. We live in the future, not the past. We do not linger over our own history. This has led our nation to make mistakes in the past, and we will surely make more in the future. Still, it is our impatience to improve less-than-ideal situations and to accelerate the pace of change that leads to our most enduring achievements, at home and abroad.

At the same time, ironically, our uniquely American realism also makes us deeply patient. We understand how long and trying the course of democracy is. We acknowledge our birth defect, a constitution founded on a compromise that reduced my ancestors each to three-fifths of a man. Yet we are healing old wounds and living as one American people, and this shapes our engagement with the world. We support democracy not because we think ourselves perfect but because we know ourselves to be deeply imperfect. This gives us reason to be humble in our own endeavors and patient with the endeavors of others. We know that today's headlines are rarely the same as history's judgments.

An international order that reflects our values is the best guarantee of our enduring national interest, and America continues to have a unique opportunity to shape this outcome. Indeed, we already see glimpses of this better world. We see it in Kuwaiti women gaining the right to vote, in a provincial council meeting in Kirkuk, and in the improbable sight of the American president standing with democratically elected leaders in front of the flags of Afghanistan, Iraq, and the future state of Palestine. Shaping that world will be the work of a generation, but we have done such work before. And if we remain confident in the power of our values, we can succeed in such work again.

ICELAND

Clean geothermal energy powers the warm waters of the Blue Lagoon, Iceland

Iceland: Small State - Large potential

Iceland, a dynamic island state in the middle of the North Atlantic, has transitioned from poverty to prosperity within two generations. Economic liberalization, unrivaled international market access, attractive business incentives, and harvesting of our natural resources have fueled sustainable development and robust growth. This transformation has gone hand in hand with a more confident and ambitious foreign policy, illustrated by Iceland's first-time candidacy for a seat on the UN Security Council.

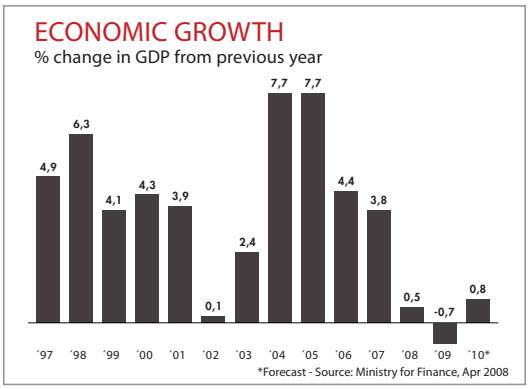
Geir H. Haarde, Prime Minister of Iceland

Flexible and Resilient Economy

In its February 2008 economic survey of Iceland, the Organization for Economic Co-operation and Development (OECD) states that the Icelandic economy is both resilient and flexible. Per-capita income has grown twice as fast as the OECD average since the mid-1990s and Iceland had the fifth-highest gross domestic product (GDP) per capita among OECD member countries in 2007. In the last few years, the country has repeatedly scored high on internationally recognized development measures, most recently topping the UN Human Development Index, which measures life expectancy, literacy, education, standard of living and GDP per capita for countries worldwide.

Liberalization, privatization and globalization

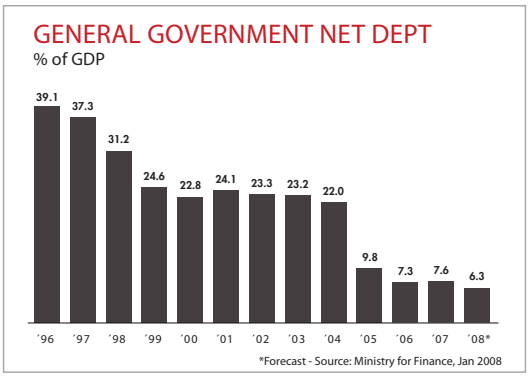
"The underlying themes of the economic policy of successive governments for nearly two decades have been liberalization, privatization, globalization and tax cuts. Iceland was a founding member of the European Economic Area in the early 1990s, the world's largest single market for capital, goods, services and labor. For Iceland, this meant significant liberalization in many areas of the economy," says Geir H. Haarde.



After privatization, Iceland's active participation in international markets has sustained the growth of the Icelandic economy in the past years. "Icelandic businesses have only limited growth opportunities in this country," says Mr. Haarde. "It is only natural for them to expand overseas." He adds that successive governments have emphasized foreign investment in Iceland. "Iceland has vast environmentally friendly hydroelectric and geothermal energy resources, which have attracted power-intensive industries to the country, like aluminum smelting. These are industries that have been instrumental in broadening the export base of the country and have good future prospects."

Strong public finances and tax cuts

Rapid economic growth in recent years and proceeds from privatization has boosted public finances. Budget surpluses have been used to reduce public debt, build up assets in public pension funds and reduce taxes. It is expected that at the end of this year, the net public-sector debt will have fallen to 6.3% of GDP from close to 40% in the mid-1990s. The combined state and local income tax rate stands at 35.7% and the corporate income tax rate at 18%. In February 2008, the government announced that the corporate income tax rate would be cut to 15%. "This strong fiscal position is not least the result of a built-in countercyclical tax and expenditure structure," says Mr. Haarde, adding that strong government finances and a fully funded pension system are two vital pillars of the Icelandic economy.



The Icelandic financial sector

One of the most noticeable factors in Iceland's recent economic development has been the growth of the financial sector, which now accounts for about 10% of GDP (up from 6% in the year 2000). The industry's assets have grown to about eight times Iceland's GDP.

"Privatization of state-owned banks and mergers among Iceland's largest banks released new energy in the sector. The banks have found growth opportunities abroad and transformed themselves from purely local banks to truly international banks," says Mr. Haarde.

Icelandic banks have felt the effects of the current turmoil in international financial markets, which has made access to funding more difficult and costly. The international ratings agency Moody's assigned a negative outlook to Iceland's sovereign ratings in early March 2008, citing its recent one-notch downgrade of the country's main commercial bank's financial strength ratings. Nevertheless, Moody's emphasizes that the banks are sound and the risk of disruptive systemic stress in the banking sector is very low.

Furthermore, Moody's applauds the country for its advanced economic structure, low government debt, high per-capita income levels, and nearly fully funded pension system. It states that Iceland is a highly creditworthy country with public finances and wealth that compare very favorably to its peers. "I couldn't agree more," says Mr. Haarde.

Based on an article that first appeared in Iceland Review: Banking and Finance, *March 2008*

Icelandic business is a global business

- Icelandic companies have invested extensively abroad and now own enterprises that employ the equivalent of 2/3 of the domestic labour force overseas.
- Iceland's network of international agreements and treaties on free trade, double taxation, air services, and investment protection is impressive and constantly expanding.
- Iceland's participation in the European single market through the European Economic Area (EEA) Agreement facilitates full and open access to the world's largest single market.
- Through its European Free Trade Association (EFTA) membership, Iceland also has access to one of the largest free trade networks in the world, covering over fifty countries and territories and reaching a population of nearly one billion across four continents.
- Iceland is currently negotiating a free trade agreement with China—the first European nation to do so.

Trade Council of Iceland

▶ www.icetrade.is/en

TRADE COUNCIL OF ICELAND

As a relatively small economy, Iceland is highly dependent on international trade and access to foreign markets. The size of the domestic market dictates that Icelandic companies have little option but to expand outwards. To facilitate access into foreign markets, the Trade Council of Iceland helps Icelandic companies to sell their products, services, and know-how in the international marketplace.

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- Ideal springboard for tariff-free access to the major EU market area, as well as a fully competitive location for EU companies to operate in
- Highly skilled and educated workforce
- Data Centers, biotech companies and fine chemicals plants are examples of industries that have discovered Iceland as the most competitieve location for their activities

Ingibjörg Sólrún Gísladóttir, Minister for Foreign Affairs of Iceland

Continuing the strong Nordic commitment to the United Nations

Iceland is a first-time candidate for a nonpermanent seat on the UN Security Council for the period 2009 to 2010.

This candidacy, which is actively supported by the other Nordic states—Denmark, Finland, Norway and Sweden—reflects a firm commitment to cooperate with other states to address the most pressing security threats of the twenty-first century. As a Nordic country, we have a long tradition of active commitment to the United Nations and to the best interests of the whole. The Nordic voice on the Security Council is listened to and respected by the UN membership. Until now, this voice has been represented in the Security Council by our neighbors. We feel the time has come for Iceland to take on this role.

The role of the UN Security Council has changed dramatically since the end of the Cold War. Instead of constant internal division, its focus has increasingly shifted to collaboration and careful decision-making. Conflict within national borders, civil war, and genocide are now on the Council's agenda. Other new security issues, such as the plight of women and children during armed conflict and the role of natural resources and energy security, are discussed regularly in the Council. If elected, Iceland will work in close cooperation with partners to address these complex issues.

The majority of the member states of the United Nations are smaller countries and former colonies. Icelanders know from their own experience the nature and consequences of foreign rule and the profound changes that come from asserting one's freedom. Our candidacy for a seat on the Security Council is an affirmation of Iceland's international standing and the responsibilities we have undertaken.

Many in the international arena believe that it is precisely countries like Iceland that should serve on the Security Council: democratic states that are not in conflict with other countries; states that traditionally resolve their disputes by peaceful means; states that respect universal human rights; states committed to sustainable development through the use of clean and renewable energy; and states whose interests do not compromise their ability to mediate between conflicting parties in the resolution of disputes.

Iceland has benefited from globalization. International opportunities abound for our citizens and the population's interest in global affairs has never been greater. Our decision to seek a seat on the Security Council reflects our conviction that as well as enjoying the benefits of globalization, we must also take on our international responsibilities.

▶ www.iceland.org/securitycouncil

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Essays

As the Olympic torch circled the globe with legions of protesters in tow, Beijing's Olympic dream quickly turned into a public-relations nightmare.

The New Israel and the Old

Why Gentile Americans Back the Jewish State

Walter Russell Mead

On May 12, 1948, Clark Clifford, the White House chief counsel, presented the case for U.S. recognition of the state of Israel to the divided cabinet of President Harry Truman. While a glowering George Marshall, the secretary of state, and a skeptical Robert Lovett, Marshall's undersecretary, looked on, Clifford argued that recognizing the Jewish state would be an act of humanity that comported with traditional American values. To substantiate the Jewish territorial claim, Clifford quoted the Book of Deuteronomy: "Behold, I have set the land before you: go in and possess the land which the Lord sware unto your fathers, Abraham, Isaac, and Jacob, to give unto them and to their seed after them."

Marshall was not convinced and told Truman that he would vote against him in the upcoming election if this was his policy. Eventually, Marshall agreed not to make his opposition public. Two days later, the United States granted the new Jewish state de facto recognition 11 minutes after Israel declared its existence as a state. Many observers, both foreign and domestic, attributed Truman's decision to the power of the Jewish community in the United States. They saw Jewish votes, media influence, and campaign contributions as crucial in the tight 1948 presidential contest.

Walter Russell Mead is Henry A. Kissinger Senior Fellow for U.S. Foreign Policy at the Council on Foreign Relations and the author, most recently, of *God and Gold: Britain, America, and the Making of the Modern World*.

Since then, this pattern has often been repeated. Respected U.S. foreign policy experts call for Washington to be cautious in the Middle East and warn presidents that too much support for Israel will carry serious international costs. When presidents overrule their expert advisers and take a pro-Israel position, observers attribute the move to the "Israel lobby" and credit (or blame) it for swaying the chief executive. But there is another factor to consider. As the Truman biographer David McCullough has written, Truman's support for the Jewish state was "wildly popular" throughout the United States. A Gallup poll in June 1948 showed that almost three times as many Americans "sympathized with the Jews" as "sympathized with the Arabs." That support was no flash in the pan. Widespread gentile support for Israel is one of the most potent political forces in U.S. foreign policy, and in the last 60 years, there has never been a Gallup poll showing more Americans sympathizing with the Arabs or the Palestinians than with the Israelis.

Over time, moreover, the pro-Israel sentiment in the United States has increased, especially among non-Jews. The years of the George W. Bush administration have seen support for Israel in U.S. public opinion reach the highest level ever, and it has remained there throughout Bush's two terms. The increase has occurred even as the demographic importance of Jews has diminished. In 1948, Jews constituted an estimated 3.8 percent of the U.S. population. Assuming that almost every American Jew favored a pro-Israel foreign policy that year, a little more than ten percent of U.S. supporters of Israel were of Jewish origin. By 2007, Jews were only 1.8 percent of the population of the United States, accounting at most for three percent of Israel's supporters in the United States.

These figures, dramatic as they are, also probably underestimate the true level of public support for Israel. When in a poll in 2006 the Pew Research Center asked whether U.S. policy in the Middle East was fair, favored Israel, or favored the Palestinians, 47 percent of the respondents said they thought the policy was fair, six percent said it favored the Palestinians, and only 27 percent thought it favored the Israelis. The poll was conducted during Israel's attacks against Hezbollah in southern Lebanon, when U.S. support for Israel was even more controversial than usual around the world. One must therefore

conclude that many of those who tell pollsters that the United States' policies are fair to both sides actually favor policies that most non-U.S. observers would consider strongly and even irresponsibly pro-Israel. The American public has few foreign policy preferences that are this marked, this deep, this enduring—and this much at odds with public opinion in other countries.

In the United States, a pro-Israel foreign policy does not represent the triumph of a small lobby over the public will. It represents the power of public opinion to shape foreign policy in the face of concerns by foreign policy professionals. Like the war on drugs and the fence along the Mexican border, support for Israel is a U.S. foreign policy that makes some experts and specialists uneasy but commands broad public support. This does not mean that an "Israel lobby" does not exist or does not help shape U.S. policy in the Middle East. Nor does it mean that Americans ought to feel as they do. (It remains my view that everyone, Americans and Israelis included, would benefit if Americans developed a more sympathetic and comprehensive understanding of the wants and needs of the Palestinians.) But it does mean that the ultimate sources of the United States' Middle East policy lie outside the Beltway and outside the Jewish community. To understand why U.S. policy is pro-Israel rather than neutral or pro-Palestinian, one must study the sources of nonelite, non-Jewish support for the Jewish state.

THE CHILDREN OF DAVID

The story of U.S. support for a Jewish state in the Middle East begins early. John Adams could not have been more explicit. "I really wish the Jews again in Judea an independent nation," he said, after his presidency. From the early nineteenth century on, gentile Zionists fell into two main camps in the United States. Prophetic Zionists saw the return of the Jews to the Promised Land as the realization of a literal interpretation of biblical prophecy, often connected to the return of Christ and the end of the world. Based on his interpretation of Chapter 18 of the prophecies of Isaiah, for example, the Albany Presbyterian pastor John McDonald predicted in 1814 that Americans would assist the Jews in restoring their ancient state. Mormon voices

"As a global citizen, to whom do I pledge allegiance?"

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BUILDING FOR PEACE

The U.S. Institute of Peace Headquarters and Public Education Center

THE U.S. INSTITUTE OF PEACE celebrates the groundbreaking for its new headquarters building at the northwest corner of the National Mall in Washington, D.C. The headquarters will serve the American people, the federal government, and the international community as a center for research, education, training, and policy development on issues of international conflict prevention, management, and resolution. The new building will be a working headquarters for the Institute and a national center for advancing the study and practice of peacebuilding. The site—steps away from the Lincoln, World War II, Korean, and Vietnam Veterans memorials—will house a Public Education Center, a research library and archives, classrooms, and a world-class conference center. It will be a powerful and lasting affirmation of the American people's commitment to peace.

INVEST IN PEACE at *http://www.usip.org/building*

shared this view; the return of the Jews to the Holy Land was under way, said Elder Orson Hyde in 1841: "The great wheel is unquestionably in motion, and the word of the Almighty has declared that it shall roll."

Other, less literal and less prophetic Christians developed a progressive Zionism that would resonate down through the decades among both religious and secular gentiles. In the nineteenth century, liberal Christians often believed that God was building a better world through human progress. They saw the democratic and (relatively) egalitarian United States as both an example of the new world God was making and a powerful instrument to further his grand design. Some American Protestants believed that God was moving to restore what they considered the degraded and oppressed Jews of the world to the Promised Land, just as God was uplifting and improving the lives of other ignorant and unbelieving people through the advance of Protestant and liberal principles. They wanted the Jews to establish their own state because they believed that this would both shelter the Jews from persecution and, through the redemptive powers of liberty and honest agricultural labor, uplift and improve what they perceived to be the squalid morals and deplorable hygiene of contemporary Ottoman and eastern European Jews. As Adams put it, "Once restored to an independent government and no longer persecuted they would soon wear away some of the asperities and peculiarities of their character and possibly in time become liberal Unitarian Christians." For such Christians, American Zionism was part of a broader program of transforming the world by promoting the ideals of the United States.

Widespread gentile support for Israel is one of the most potent political forces in U.S. foreign policy.

Not all progressive Zionists couched their arguments in religious terms. As early as 1816, *Niles' Weekly Register*, the leading American news and opinion periodical through much of the first half of the nineteenth century, predicted and welcomed the impending return of the Jews to an independent state with Jerusalem as its capital. The magazine projected that the restoration of the Jews would further enlightenment and progress—and this, clearly, would be good for the United States as well as for the Jews.

Prophetic Zionists, for their part, became more numerous after the American Civil War, and their views of the role a restored Jewish state might play in the events leading up to the apocalypse became more highly developed. Books and pamphlets highlighting the predicted restoration of the Jews and speculating on the identity and the return of the "lost tribes" of the ancient Hebrews were perennial bestsellers, and the association between Dwight Moody, the country's leading evangelist, and Cyrus Scofield, the important Bible scholar, put the future history of Israel firmly at the center of the imagination of conservative American Protestantism.

These groups of gentile Zionists found new, if sometimes unsavory, allies after 1880, when a mass immigration of Russian Jews to the United States began. Some of them and some assimilated German American Jews hoped that Palestine would replace the United States as the future home of what was an unusually unpopular group of immigrants at the time. For anti-Semites, the establishment of a Jewish state might or might not "cure" Jews of the characteristics many gentiles attributed to them, but in any case the establishment of such a state would reduce Jewish immigration to the United States.

In 1891, these strands of gentile Zionists came together. The Methodist lay leader William Blackstone presented a petition to President Benjamin Harrison calling on the United States to use its good offices to convene a congress of European powers so that they could induce the Ottoman Empire to turn Palestine over to the Jews. The 400 signatories were overwhelmingly non-Jewish and included the chief justice of the Supreme Court; the Speaker of the House of Representatives; the chairs of the House Ways and Means Committee and the House Foreign Affairs Committee; the future president William McKinley; the mayors of Baltimore, Boston, Chicago, New York, Philadelphia, and Washington; the editors or proprietors of the leading East Coast and Chicago newspapers; and an impressive array of Episcopal, Methodist, Presbyterian, and Roman Catholic clergy. Business leaders who signed the petition included Cyrus McCormick, John Rockefeller, and J. P. Morgan. At a time when the American Jewish community was neither large nor powerful, and no such thing as an Israel lobby existed, the pillars of the American gentile establishment went on record supporting a U.S. diplomatic effort to create a Jewish state in the lands of the Bible.

SHARED COMMANDMENTS

ANY DISCUSSION of U.S. attitudes toward Israel must begin with the Bible. For centuries, the American imagination has been steeped in the Hebrew Scriptures. This influence originated with the rediscovery of the Old Testament during the Reformation, was accentuated by the development of Calvinist theology (which stressed continuities between the old and the new dispensations of divine grace), and was made more vital by the historical similarities between the modern American and the ancient Hebrew experiences; as a result, the language, heroes, and ideas of the Old Testament permeate the American psyche.

Instruction in biblical Hebrew was mandatory for much of early U.S. history at Columbia, Dartmouth, Harvard, Princeton, and Yale. James Madison completed his studies at Princeton in two years but remained on campus an extra year to study Hebrew. Colonial preachers and pamphleteers over and over again described the United States as a new Canaan, "a land flowing with milk and honey," and reminded their audiences that just as the Hebrews lost their blessings when they offended God, so, too, would the Americans suffer if they disobeyed the God who had led them into their promised land. Today, Old Testament references continue to permeate U.S. political writing, oratory, and even geography—over one thousand cities and towns in the United States have names derived from Scripture.

The most dramatic religious expression of the importance of the Old Testament in American culture today is the rise of premillennial dispensationalism, an interpretation of biblical prophecies that gives particular weight to Old Testament religious concepts such as covenant theology and assigns a decisive role to a restored Jewish state (with Jerusalem as its capital) in future history. An estimated seven percent of Americans seem to hold this theological position (making this group almost four times as large as the American Jewish community), and a considerably larger group is influenced by it to a greater or lesser degree. Proponents of this view often (although not always) share the view of some Orthodox Jews that the Jews must insist on a state that

includes all the territory once promised to the Hebrews; they oppose any territorial compromise with the Palestinians and support Jewish settlements in the West Bank. But this is a minority view, even among U.S. supporters of Israel.

Progressive Christian Zionism, on the other hand, is related to Christian ethics rather than prophecy. Much of it is rooted in guilt and a sense that Christians' past poor treatment of the Jews is now preventing Jews from accepting Christianity. For well over a thousand years, the Jews of Europe suffered extraordinary and at times unspeakable cruelties at the hands of Europe's Christians. Although some American Protestants perpetuated this history of intolerance and anti-Semitism, many liberal American Protestants from the nineteenth century forward saw rejecting this past as one of the defining tasks of the reformed and enlightened American church. Such Protestants could (and comfortably did) deplore Catholic anti-Semitism as a consequence of the regrettable corruptions of the church under the papacy, but the anti-Semitic words and deeds of reformers such as Martin Luther could not be dismissed so easily. Many members of the liberal American Protestant churches considered it a sacred duty to complete the work of the Reformation by purging Christianity of its remaining "medieval" features, such as superstition, bigotry, and anti-Semitism. Making amends for past sins by protecting the Jews has long been an important religious test for many (although by no means all) American Protestants.

By contrast, most American Christians have felt little or no guilt about their communities' historical relations with the Muslim world. Many Muslims view Christian-Muslim conflict over the last millennium as a constant and relatively homogenous phenomenon, but American Protestants do not. They generally deplore the cruelties of the Crusades and the concept of a holy war, for example, but they see them as Catholic errors rather than more broadly Christian ones, and in any case, they view the Crusades as long past and as a response to prior Muslim aggression. They also generally deplore the predations of European powers in more recent centuries, but they see them as driven by Old World imperialism rather than Christianity and as such something for which they bear no responsibility. (An important exception deserves to be mentioned: Many U.S.

missionaries active in the Middle East forged deep ties with the region's Arab inhabitants and strongly supported Arab nationalism, both from a dislike of European colonialism and out of the hope that a secular nationalist movement would improve the position of Arab Christians. This missionary community contributed both to the development of the Arabist contingent in the State Department and to the backlash in mainstream Protestant churches against Israeli policies in the occupied territories after the 1967 war.)

By 1948, many Christians in the United States felt a heavy burden of historical debt and obligation toward the Jews, but not the Muslims. If anything, they believed that the Islamic world was indebted to American Christian missionaries for many of its leading universities and hospitals and that American Christian support before and after World War II had helped promote the emergence of independent Arab and Muslim states that was then taking place.

CHOSEN COUSINS

The United States' sense of its own identity and mission in the world has been shaped by readings of Hebrew history and thought. The writer Herman Melville expressed this view: "We Americans are the peculiar, chosen people—the Israel of our time; we bear the ark of the liberties of the world." From the time of the Puritans to the present day, preachers, thinkers, and politicians in the United States—secular as well as religious, liberal as well as conservative—have seen the Americans as a chosen people, bound together less by ties of blood than by a set of beliefs and a destiny. Americans have believed that God (or history) has brought them into a new land and made them great and rich and that their continued prosperity depends on their fulfilling their obligations toward God or the principles that have blessed them so far. Ignore these principles—turn toward the golden calf—and the scourge will come.

Both religious and nonreligious Americans have looked to the Hebrew Scriptures for an example of a people set apart by their mission and called to a world-changing destiny. Did the land Americans inhabit once belong to others? Yes, but the Hebrews similarly conquered the land of the Canaanites. Did the tiny U.S. colonies armed only with the justice of their cause defeat the world's greatest empire? So did David, the humble shepherd boy, fell Goliath. Were Americans in the nineteenth century isolated and mocked for their democratic ideals? So were the Hebrews surrounded by idolaters. Have Americans defeated their enemies at home and abroad? So, according to the Scriptures, did the Hebrews triumph. And when Americans held millions of slaves in violation of their beliefs, were they punished and scourged? Yes, and much like the Hebrews, who suffered the consequences of their sins before God.

This mythic understanding of the United States' nature and destiny is one of the most powerful and enduring elements in American culture and thought. As the ancient Hebrews did, many Americans today believe that they bear a revelation that is ultimately not just for them but also for the whole world; they have often considered themselves God's new Israel. One of the many consequences of this presumed kinship is that many Americans think it is both right and proper for one chosen people to support another. They are not disturbed when the United States' support of Israel, a people and a state often isolated and ostracized, makes the United States unpopular or creates other problems. The United States' adoption of the role of protector of Israel and friend of the Jews is a way of legitimizing its own status as a country called to a unique destiny by God.

More than that, since the nineteenth century, the United States has seen itself as the chosen agent of God in the protection and redemption of the Jews. Americans believed that the Jews would emerge from their degraded condition as they moved from city slums to the countryside—just as American immigrants from all over Europe had built better lives and sturdier characters as Jeffersonian farmers. Liberal Christians such as Adams believed that this would bring the Jews in time to the light of liberal Protestantism as part of the general uplift of humanity. And prophetic Zionists hoped that mass conversions of Jews to revivalist Christianity would trigger the apocalypse and the return of Christ. Either

way, the United States' special role in the restoration of the Jews fulfilled gentile Americans' expectations about the movement of history and confirmed their beliefs about the United States' identity and mission.

SETTLER STATES

The United States and Israel also have in common their status as "settler states"—countries formed by peoples who came to control their current lands after displacing the original populations. Both states have been powerfully shaped by a history of conflict and confrontation with those they displaced, and both have sought justifications for their behavior from similar sources. Both the Americans and the Israelis have turned primarily to the Old Testament, whose hallowed pages tell the story of the conflict between the ancient Hebrews and the Canaanites, the former inhabitants of what the Hebrews believed was their Promised Land. Americans found the idea that they were God's new Israel so attractive partly because it helped justify their displacement of the Native Americans. As Theodore Roosevelt put it in his best-selling history of the American West, "Many of the best of the backwoodsmen were Bible-readers, but they were brought up in a creed that made much of the Old Testament, and laid slight stress on pity, truth, or mercy. They looked at their foes as the Hebrew prophets looked at the enemies of Israel. What were the abominations because of which the Canaanites were destroyed before Joshua, when compared with the abominations of the red savages whose lands they, another chosen people, should in their turn inherit?" (Roosevelt himself, like his cousins Franklin and Eleanor, was a Christian Zionist. "It seems to me entirely proper to start a Zionist State around Jerusalem," he wrote in 1918.)

Besides a direct divine promise, two other important justifications that the Americans brought forward in their contests with the Native

Americans were the concept that they were expanding into "empty lands" and John Locke's related "fair use" doctrine, which argued that unused property is a waste and an offense against nature. U.S. settlers felt that only those who would improve the land, settling it densely with extensive farms and building towns, had a real right to it. John Quincy Adams made the case in 1802: "Shall [the Indians] doom an immense region of the globe to perpetual desolation . . . ?" And Thomas Jefferson warned that the Native Americans who failed to learn from the whites and engage in productive agriculture faced a grim fate. They would "relapse into barbarism and misery, lose numbers by war and want, and we shall be obliged to drive them, with the beasts of the forest into the Stony mountains."

Through much of U.S. history, such views resonated not just with backwoodsmen but also with liberal and sophisticated citizens. These arguments had a special meaning when it came to the Holy Land. As pious Americans dwelt on the glories of ancient Jerusalem and the Temple of Solomon, they pictured a magnificent and fertile land—"a land flowing with milk and honey," as the Bible describes it. But by the nineteenth century, when first dozens, then hundreds, and ultimately thousands of Americans visited the Holy Land—and millions more thronged to lectures and presentations to hear reports of these travels—there was little milk or honey; Palestine was one of the poorest, most backward, and most ramshackle provinces of the Ottoman Empire. To American eyes, the hillsides and rocky fields of Judea were desolate and empty—God, many believed, had cursed the land when he sent the Jews into their second exile, which they saw as the Jews' punishment for their failure to recognize Christ as the Messiah. And so, Americans believed, the Jews belonged in the Holy Land, and the Holy Land belonged to the Jews. The Jews would never prosper until they were home and free, and the land would never bloom until its rightful owners returned.

The Prophet Isaiah had described the future return of the Jews to their homeland as God's grace bringing water to a desert land. And Americans watched the returning fertility of the land under the cultivation of early Zionist settlers with the astonished sense that biblical prophecy was being fulfilled before their eyes. "The springs of Jewish colonizing vigor, amply fed by the money of world Jewry, flowed on to the desert," wrote *Time* magazine in 1946, echoing the language of

Isaiah. Two years later, following the Jewish victory in the 1948 war, it described the Arabs in terms that induce flinching today but represented common American perceptions at the time: "The Western world tends to think of the Arab as a falcon-eyed warrior on a white horse. That Arab is still around, but he is far less numerous than the disease-ridden wretches who lie in the hot streets, too weak, sick and purposeless to roll over into the shade." Americans saw a contest between a backward and incapable people and a people able to settle the wilderness and make it bloom, miraculously fulfilling ancient prophecies of a Jewish state.

The Jews had been widely considered eastern Europe's most deplorable population: ignorant, depraved, superstitious, factionalized, quarrelsome, and hopelessly behind the times. That this population, after being subjected to the unprecedented savagery of Nazi persecution, should establish the first stable democracy in the Middle East, build a thriving economy in the desert, and repeatedly defeat enemies with armies many times larger and stronger than their own seemed to many Americans to be striking historical proof of their own most cherished ideals.

THE RIGHT TURN

ALTHOUGH GENTILE support for Israel in the United States has remained strong and even grown since World War II, its character has

changed. Until the Six-Day War, support for Israel came mostly from the political left and was generally stronger among Democrats than Republicans. Liberal icons such as Eleanor Roosevelt, Paul Tillich, Reinhold Niebuhr, and Martin Luther King, Jr., were leading public voices calling for the United States to support Israel. But since 1967, liberal support for Israel has gradually waned, and conservative support has grown.

A variety of factors had come together in the 1940s to make progressive gentile Zionism a powerful force in U.S. politics, especially on the left. First, the impact of the Holocaust on American Protestantism was extraordinary. Germany had once provided intellectual leadership for the American Protestant church, and the passive acquiescence with which most German Protestant churches and pastors greeted Nazi rule shocked mainstream American Protestantism to its core. Anti-Nazi German Protestants became moral and theological heroes in the postwar United States, and opposition to anti-Semitism became a key test by which mainline American Protestants judged themselves and their leaders. This profound shock intensified their humanitarian response to revelations about the death camps and the mass murder. The suffering of the displaced, starving, and impoverished Jewish refugees in chaotic postwar Europe made it inevitable that American Protestants, who had for a century campaigned for Jewish rights, would enthusiastically support steps seen as securing the safety of Europe's Jews.

Americans found the idea that they were God's new Israel so attractive partly because it helped justify their displacement of the Native Americans.

A second factor was the strong support of African Americans for the Jews at a time when blacks were beginning to play a larger role in U.S. electoral politics. During the 1930s, the African American press throughout the United States had closely followed the imposition of Hitler's racial policies. African American leaders lost no opportunity to point out the similarities between Hitler's treatment of the Jews and the Jim Crow laws in the United States' segregated South. For African Americans, the persecution of the Jews was made real to them through their own daily experiences. It also provided them with

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important talking points to persuade whites that racial discrimination violated American principles, and it thus helped build the strong alliance between American Jews and the civil rights movement that existed from 1945 through the death of King. Even during World War II, the black activists W. E. B. Du Bois, Zora Neale Hurston, Langston Hughes, and Philip Randolph supported the precursor of the Israeli Likud Party in its effort to create a Jewish army. The civil rights leader Adam Clayton Powell, Jr., went further, raising $150,000 for the militant Zionist group the Irgun Zvai Leumi—which he called "an underground terrorist organization in Palestine"—at a New York City rally.

The Soviet Union's support for an independent state of Israel also helped. At Yalta, Joseph Stalin told Franklin Roosevelt that he, too, was a Zionist, and in May of 1947, Soviet Foreign Minister Andrei Gromyko announced before the United Nations that the Soviet Union supported the creation of a Jewish state. This backing, however short-lived, strengthened the view of many American leftists that the establishment of a homeland for the Jews was part of the general struggle for progress around the world. Indeed, in the decades after the war, many American liberals saw their support for Israel as part of their commitment to freedom, anticolonialism (the Jews of Palestine were seeking independence over British opposition), the struggle against racial and religious discrimination, secularism, humanitarianism, and the progressive tradition in U.S. politics. Israel at the time seemed to be an idealistic secular experiment in social democracy; American Jews and American gentiles alike went to Israel to experience the exhilarating life of labor and fellowship of the kibbutz. In 1948, therefore, when Truman decided to support the creation of Israel, he was thinking about not just the Jewish vote. Support for Israel was popular with the blacks in the North, who were attracted to the Democratic Party by the New Deal and Truman's own slow progress toward supporting civil rights. The cause of Israel helped with voters on the left otherwise tempted to support Henry Wallace and the Progressives. And it also helped Truman compete among conservative, churchgoing, Bible-reading southern voters against Strom Thurmond's Dixiecrats. Support for Israel, in fact, was one of the few issues that helped pull the fractious Democratic Party coalition together.

Since the 1967 war, however, the basis of Israel's support in the United States has shifted: backing for Israel has tended to weaken on the left and grow on the right. On the left, a widespread dislike of Israel's policies in the occupied territories and a diminished concern for its security in the wake of its triumph in the war led many African Americans, mainline Protestants, and liberal intellectuals, once among Israel's staunchest U.S. allies, toward growing sympathy with Palestinian views. Increased identification on the part of blacks with anticolonial movements worldwide, the erosion of the black-Jewish alliance in U.S. domestic politics, and the rising appeal of figures such as Malcolm X and the leaders of the Nation of Islam also gradually reduced support for Israel among African Americans. The liberal Protestant churches, for their part, were newly receptive to the perspectives of those missionaries sympathetic to Arab nationalism, and as the mainstream churches became more critical of traditional American ideas about the United States' national identity and destiny, they distanced themselves ever further from traditional readings of the Old Testament. (On the other hand, relations between American Catholics and the Jews began to improve after the 1967 war, largely due to the Catholic Church's new theological approach toward the Jews since the Second Vatican Council.)

On the right, the most striking change since 1967 has been the dramatic intensification of suppport for Israel among evangelical Christians and, more generally, among what I have called "Jacksonian" voters in the U.S. heartland. Jacksonians are populist-nationalist voters who favor a strong U.S. military and are generally skeptical of international organizations and global humanitarian aid. Not all evangelicals are Jacksonians, and not all Jacksonians are evangelicals, but there is a certain overlap between the two constituencies. Many southern whites are Jacksonians; so are many of the swing voters in the North known as Reagan Democrats.

Many Jacksonians formed negative views of the Arabs during the Cold War. The Palestinians and the Arab states, they noted, tended to side with the Soviet Union and the Nonaligned Movement against the United States. The Egyptians responded to support from the United States in the 1956 Suez crisis by turning to the Soviets for arms and support, and Soviet weapons and Soviet experts helped Arab armies prepare for wars against Israel. Jacksonians tend to view international

affairs through their own unique prism, and as events in the Middle East have unfolded since 1967, they have become more sympathetic to Israel even as many non-Jacksonian observers in the United States—and many more people in the rest of the world—have become less so. The Six-Day War reignited the interest of prophetic Zionists in Israel and deepened the perceived connections between Israel and the United States for many Jacksonians. After the Cold War, the Jacksonians found that the United States' opponents in the region, such as Iraq and Iran, were the most vociferous enemies of Israel as well.

Some of the same actions that have hurt Israel's image in most of the world have increased its support among Jacksonians.

Jacksonians admire victory, and total victory is the best kind. The sweeping, overwhelming triumph of Israeli arms in 1967 against numerically superior foes from three different countries caught the imaginations of Jacksonians—especially at a time when the United States' poor performance in Vietnam had made many of them pessimistic about their own country's future. Since then, some of the same actions that have hurt Israel's image in most of the world—such as ostensibly disproportionate responses to Palestinian terrorism—have increased its support among Jacksonians.

When a few rockets launched from Gaza strike Israel, the Israelis sometimes respond with more firepower, more destruction, and more casualties. In much of the world, this is seen as excessive retaliation, an offense equal to or even greater than the original attack. Jacksonians, however, see a Palestinian rocket attack on Israeli targets as an act of terrorism and believe that the Israelis have an unlimited right, perhaps even a duty, to retaliate with all the force at their command. Since the 1950s, when Palestinian raiders started slipping across the cease-fire line to attack Israeli settlements, many Palestinians and Arabs have, with some justification, seen these incursions as acts of great courage in the face of overwhelming power. But such sneak attacks against civilian targets, and especially suicide bombings, violate basic Jacksonian ideas about civilized warfare. Jacksonians believe that only overwhelming and total retaliation against such tactics can deter the attackers from striking again. This is how the American frontiersmen handled the

Native Americans, how the Union general William Sherman "educated" the Confederacy, and how General Douglas MacArthur and Truman repaid the Japanese for Pearl Harbor. Jacksonians genuinely cannot understand why the world criticizes Israel for exercising what they see as its inalienable right of self-defense—for doing exactly what they would do in Israel's place.

In the eyes of the Palestinians and their supporters, the Palestinians—exiled, marginalized, occupied, divided—are heroic underdogs confronting the might of a regional superpower backed by the most powerful nation on earth. But for Jacksonians, Israel, despite all its power and all its victories, remains an endangered David surrounded by enemies. The fact that the Arabs and the larger community of one billion Muslims support, at least verbally, the Palestinian cause deepens the belief among many Jacksonians that Israel is a small and vulnerable country that deserves help. Ironically, some of the greatest military and political successes of the Palestinian movement—developing an active armed resistance, winning (largely rhetorical) support from organizations such as the Arab League and even the General Assembly of the United Nations, shifting the basis of Palestinian resistance from secular nationalism to religion, and winning support from powerful regional states such as Saddam's Iraq and Iran today—have ended up strengthening and deepening American gentile support for the Jewish state.

CHRISTIAN BROTHERHOOD

ANOTHER IMPORTANT factor leading to increased American support for Israel is that since 1967 a series of religious revivals have swept across the United States, with important effects on public attitudes toward the Middle East. One consequence has been that even as the mainline, liberal Protestant churches have become more critical of Israel, they have lost political and social influence. Another consequence has been a significant increase in prophetic Zionism, with evangelical and fundamentalist American Christians more interested now in biblical prophecy and Israel's role in the lead-up to the apocalypse than ever before.

Many evangelical and fundamentalist Christians had shown relatively little interest in Israel immediately after its war of independence. Biblical prophecy, as they understood it, clearly predicted that the

Jews would rebuild the Temple on its original site, and so with the holy sites of Jerusalem in Arab hands, the countdown to the end of time appeared to have slowed. Meanwhile, the secular and quasi-socialist Israel of the 1950s was less attractive to conservative Christians than to liberal ones. With their eyes fixed on the communist menace during the peak years of the Cold War, evangelical and fundamentalist Christians were less actively engaged in U.S. policy in the Middle East than they had been in the nineteenth century.

The Six-Day War changed that; it was a catalyst both for the evangelical revival movement and for the renewal of prophetic Zionism. The speed and decision of the victory of Israel looked miraculous to many Americans, and Israel's conquest of the Old City meant that the Temple site was now in Jewish hands. The sense that the end of time was approaching was a powerful impetus for the American religious revivals that began during this period. Since then, a series of best-selling books, fiction and nonfiction alike, have catered to the interest of millions of Americans in the possibility that the end-time as prophesied in the Old and New Testaments is now unfolding in the Middle East.

Since the end of the Cold War, an additional force has further strengthened the links between the state of Israel and many conservative American Christians. As the religious revival gave new power and energy to evangelical and fundamentalist churches, their attention turned increasingly outward. Past such revivals led to waves of intense missionary interest and activity; the current revival is no different. And as American Christians have taken a greater interest in the well-being of Christians around the world, they have encountered Christianity's most important rival worldwide, Islam, and have begun to learn that the conditions facing Christians in a number of Muslim-majority countries are not good.

Interest in the persecution of Christians around the world is a long-term feature of Christianity, and not only in the United States. The same church leaders involved in efforts to protect Jews in Europe and the Ottoman Empire were often engaged in campaigns to protect Christians in China, Korea, Japan, and the Ottoman Empire, among other places. The rise of communism as the twentieth century's most brutal enemy of religion ultimately led American Christians to build organizations aimed at supporting believers behind the Iron Curtain. Since 1989, the

persecution of Christians by communists has diminished (although not disappeared), and so increasingly the center of concern has been the Muslim world, where many Christians and people of other faiths or of no faith suffer legal and social discrimination—and where, at times, Christians are beaten and murdered for what they believe. Laws in many Islamic countries, moreover, forbid proselytizing and conversion—issues of vital concern for evangelical Christians, who generally believe that those who die without accepting Christ will suffer in hell and that spreading the Christian faith is one of their central moral duties. Mainstream media generally do not make the foreign persecution of Christians a major focus of their news coverage, but that does not prevent this issue from shaping the way many Americans look at Islam and, by extension, at the conflict between Israel and some of its neighbors.

U.S. opinion on the Middle East is not monolithic, nor is it frozen in time. Since 1967, it has undergone significant shifts, with some groups becoming more favorable toward Israel and others less so. Considerably fewer African Americans stand with the Likud Party today than stood with the Jewish army in World War II. More changes may come. A Palestinian and Arab leadership more sensitive to the values and political priorities of the American political culture could develop new and more effective tactics designed to weaken, rather than strengthen, American support for the Jewish state. An end to terrorist attacks, for example, coupled with well-organized and disciplined nonviolent civil resistance, might alter Jacksonian perceptions of the Palestinian struggle. It is entirely possible that over time, evangelical and fundamentalist Americans will retrace Jimmy Carter's steps from a youthful Zionism to what he would call a more balanced position now. But if Israel should face any serious crisis, it seems more likely that opinion will swing the other way. Many of the Americans who today call for a more evenhanded policy toward the Palestinians do so because they believe that Israel is fundamentally secure. Should that assessment change, public opinion polls might well show even higher levels of U.S. support for Israel.

One thing, at least, seems clear. In the future, as in the past, U.S. policy toward the Middle East will, for better or worse, continue to be shaped primarily by the will of the American majority, not the machinations of any minority, however wealthy or engaged in the political process some of its members may be.

China's Olympic Nightmare

What the Games Mean for Beijing's Future

Elizabeth C. Economy and Adam Segal

On the night of July 13, 2001, tens of thousands of people poured into Tiananmen Square to celebrate the International Olympic Committee's decision to award the 2008 Olympic Games to Beijing. Firecrackers exploded, flags flew high, and cars honked wildly. It was a moment to be savored. Chinese President Jiang Zemin and other leaders exhorted the crowds to work together to prepare for the Olympics. "Winning the host rights means winning the respect, trust, and favor of the international community," Wang Wei, a senior Beijing Olympic official, proclaimed. The official Xinhua News Agency reveled in the moment, calling the decision "another milestone in China's rising international status and a historical event in the great renaissance of the Chinese nation."

Hosting the Olympics was supposed to be a chance for China's leaders to showcase the country's rapid economic growth and modernization to the rest of the world. Domestically, it provided an opportunity for the Chinese government to demonstrate the Communist Party's competence and affirm the country's status as a major power on equal footing with the West. And wrapping itself in the values of the Olympic movement gave China the chance to portray itself not only as a rising power but also as a "peace-loving" country. For much of the lead-up to the Olympics, Beijing succeeded in promoting just such a message.

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The process of preparing for the Games is tailor-made to display China's greatest political and economic strengths: the top-down mobilization of resources, the development and execution of grand-scale campaigns to reform public behavior, and the ability to attract foreign interest and investment to one of the world's brightest new centers of culture and business. Mobilizing massive resources for large infrastructure projects comes easily to China. Throughout history, China's leaders have drawn on the ingenuity of China's massive population to realize some of the world's most spectacular construction projects, the Great Wall, the Grand Canal, and the Three Gorges Dam among them. The Olympic construction spree has been no different. Beijing has built 19 new venues for the events, doubled the capacity of the subway, and added a new terminal to the airport. Neighborhoods throughout the city have been either spruced up to prepare for Olympic visitors or simply cleared out to make room for new Olympic sites. Official government spending for the construction bonanza is nearing $40 billion. In anticipation of the Olympics, the government has also embarked on a series of efforts to transform individual behavior and modernize the capital city. It has launched etiquette campaigns forbidding spitting, smoking, littering, and cutting in lines and introduced programs to teach English to cab drivers, police officers, hotel workers, and waiters. City officials have used Olympic projects as a means to refurbish decaying buildings and reduce air pollution, water shortages, and traffic jams.

Yet even as Beijing has worked tirelessly to ensure the most impressive of Olympic spectacles, it is clear that the Games have come to highlight not only the awesome achievements of the country but also the grave shortcomings of the current regime. Few in the central leadership seem to have anticipated the extent to which the Olympic Games would stoke the persistent political challenges to the legitimacy of the Communist Party and the stability of the country. Demands for political liberalization, greater autonomy for Tibet, increased pressure on Sudan, better environmental protection, and an improved product-safety record now threaten to put a damper on the country's coming-out party. As the Olympic torch circled the globe with legions of protesters in tow, Beijing's Olympic dream quickly turned into a public-relations nightmare.

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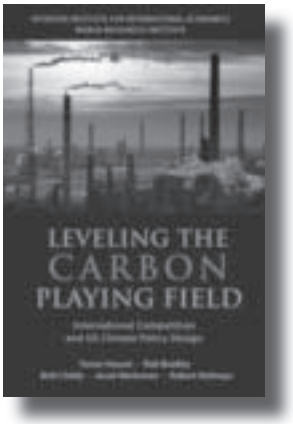

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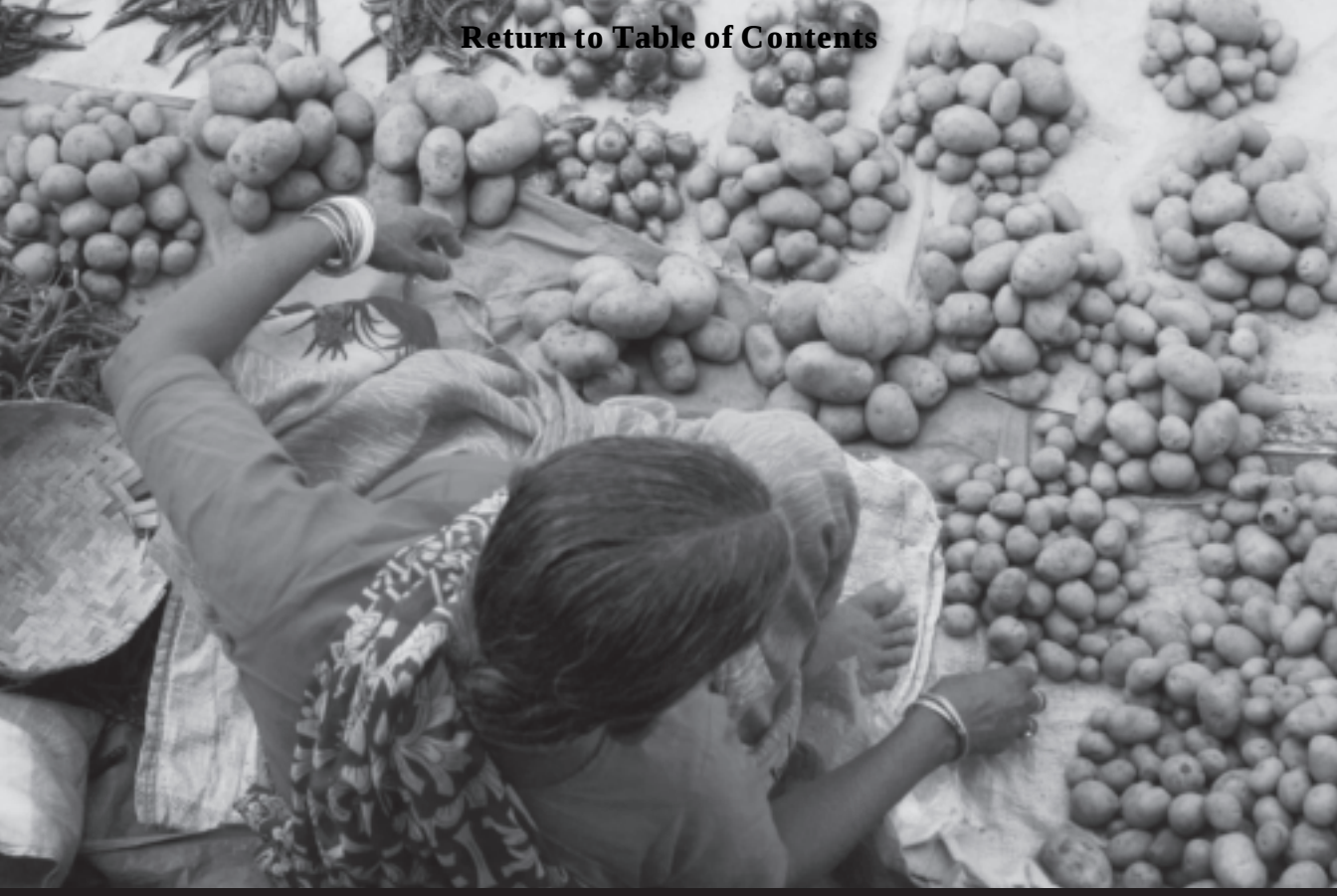

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Although the Chinese government excels when it comes to infrastructure projects, its record is poor when it comes to transparency, official accountability, and the rule of law. It has responded clumsily to internal and external political challenges—by initially ignoring the international community's desire for China to play a more active role in resolving the human rights crisis in Darfur, arresting prominent Chinese political activists, and cracking down violently on demonstrators. Although there is no organized opposition unified around this set of demands, the cacophony of voices pressuring China to change its policies has taken much of the luster off of the Beijing Games. Moreover, although the Communist Party has gained domestic support from the nationalist backlash that has arisen in response to the Tibetan protesters and their supporters in the West, it also worries that this public anger will spin out of control, further damaging the country's international reputation. Already, China's coveted image as a responsible rising power has been tarnished.

To activists, the Games highlight the yawning gap between the face Beijing presents to the world and the ugly political reality at home.

For many in the international community, it has now become impossible to separate the competing narratives of China's awe-inspiring development and its poor record on human rights and the environment. It is no longer possible to discuss China's future without taking its internal fault lines seriously. For the Chinese government, the stakes are huge. China's credibility as a global leader, its potential as a model for the developing world, and its position as an emerging center of global business and culture are all at risk if these political challenges cannot be peacefully and successfully addressed.

TIANANMEN'S GHOSTS

Nothing has threatened to ruin China's Olympic moment as much as criticism of the country's repressive political system. China lost its bid for the 2000 Summer Olympics to Sydney, Australia, at least in part because of the memory of the violent Tiananmen Square crackdown of June 1989. When China made its bid for the 2008

Games, Liu Jingmin, vice president of the Beijing Olympic Bid Committee, argued, "By allowing Beijing to host the Games, you will help the development of human rights." François Carrard, director general of the International Olympic Committee, warily supported such a sentiment: acknowledging the seriousness of China's human rights violations, he nonetheless explained, "We are taking the bet that seven years from now . . . we shall see many changes."

Few would place such a bet today. For months, human rights activists, democracy advocates, and ethnic minorities in China have been pressuring the government to demonstrate its commitment to greater political freedom. For many of them, the Olympics highlight the yawning gap between the very attractive face that Beijing presents to the world and the much uglier political reality at home. Exactly one year before the Olympics, a group of 40 prominent Chinese democracy supporters posted an open letter online denouncing the Olympic glitz and glamour. "We know too well how these glories are built on the ruins of the lives of ordinary people, on the forced removal of urban migrants, and on the sufferings of victims of brutal land grabbing, forced eviction, exploitation of labor, and arbitrary detention," they wrote. "All this violates the Olympic spirit." Even Ai Weiwei, an artistic consultant for Beijing's signature "Bird's Nest" stadium, has been critical of the Chinese government. He declared in an interview with the German magazine *Der Spiegel*, "The government wants to use these games to celebrate itself and its policy of opening up China. . . . By now, it has become clear to me that this hope of liberalization cannot be fulfilled. . . . The system won't allow it."

Protests have arisen around virtually every Olympic Games in recent history, but Beijing, with its authoritarian political system, is uniquely threatened by dissenting voices, and it has responded with a traditional mix of intimidation, imprisonment, and violent repression. Teng Biao, a lawyer and human rights activist, was seized in March 2008, held by plainclothes police for two days, and warned to stop writing critically about the Olympics. Yang Chunlin, a land-rights activist, was arrested for inciting subversion because he had gathered more than 10,000 signatures from farmers whose property had been expropriated by officials for development projects. After a 20-minute trial, he was sentenced to five years in prison. In April, the HIV/AIDS

activist Hu Jia, who was also one of the authors of the open letter, was sentenced to three and a half years in jail for subversion, after being held under house arrest for several months along with his wife and baby daughter. Although the vast majority of Chinese are probably unaware of these protests and arrests, Beijing's overreaction demonstrates how fearful the Chinese government is that any dissent or protests could garner broader political support and threaten the party's authority.

CRASHING THE PARTY

THE INTERNATIONAL community has also raised its own human rights concerns. For more than a year, China has endured heightened scrutiny of its close economic and political ties to Sudan. A coalition of U.S. celebrities and international human rights activists has ratcheted up the pressure on Beijing to do more to help bring an end to the atrocities in Darfur, labeling the 2008 Olympics "the genocide Olympics." The very public attention they have brought to China's relations with the Sudanese government prompted the movie director Steven Spielberg to withdraw as the artistic adviser for the opening and closing ceremonies for the Games. It also seems to have had some effect on Beijing, which now strives to appear as if it is placing more pressure on Khartoum.

The Chinese government's questionable human rights record has received even more scrutiny since its violent suppression of Tibetan demonstrators in the spring. In March, Tibetan Buddhist monks marched to commemorate the 49th anniversary of Tibet's failed independence uprising and to call for greater autonomy for Tibet and the return of their exiled religious leader, the Dalai Lama. The demonstrations soon escalated into violent protests. Chinese police forcefully cracked down on the protesters in the Tibetan capital of Lhasa and throughout other Tibetan areas of western China, leaving more than a hundred dead and injuring hundreds more.

Ignoring international calls for restraint, Beijing closed off much of the affected region, detained or expelled foreign journalists from the area, and created a "most wanted" list of Tibetan protesters. All independent sources of news, including broadcasts by foreign television stations and YouTube videos, were blacked out in China, and

text messages in and out of Tibet were filtered. Vitriolic government propaganda condemned the Dalai Lama as a "wolf in monk's robes" and a "devil with a human face but the heart of a beast." Chinese officials accused the "evil Dalai clique" of attempting to restore "feudalist serfdom" in the region and called for a "people's war" against it. The international community immediately condemned the crackdown and called for Beijing to resume negotiations with representatives of the Dalai Lama. Meanwhile, British Prime Minister Gordon Brown, Czech President Václav Klaus, and Polish Prime Minister Donald Tusk have since announced that they will not be attending the Olympics' opening ceremonies.

Beijing has been unable to counter the images emanating from Darfur and Tibet.

As the Olympic torch made its way across the globe, the number of protesters along its path ballooned, from a few in Athens to thousands in London, Paris, San Francisco, and Seoul. These large-scale disruptions of Olympic pageantry humiliated the Chinese government and angered Chinese citizens, producing a wave of nationalist counterdemonstrations by Chinese living abroad and millions of virulent anti-Western posts on Chinese Web sites. A bit more than a month after Beijing's initial crackdown, senior Chinese leaders indicated a willingness to meet with the Dalai Lama's envoys. But this does not represent a fundamental shift in policy; it is merely a stopgap measure designed to quell the international outrage.

WAITING TO INHALE

Although some foreign athletes have joined the chorus of China's critics, the more immediate concern for many Olympians will be whether Beijing can ensure clean air and safe food for the duration of the Games. The city has reportedly spent as much as $16 billion to deliver a "green Olympics"; many of the Olympic sites showcase a number of clean-energy and water-conservation technologies, and for the past seven years the city has been shutting down many of the biggest polluters and steadily weaning the city's energy infrastructure off coal, replacing it with natural gas. On February 26, senior Chinese officials formally announced a more sweeping effort, including restrictions on heavy industry in five

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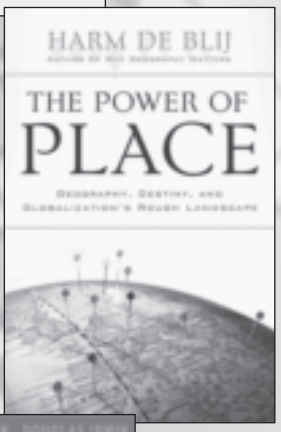

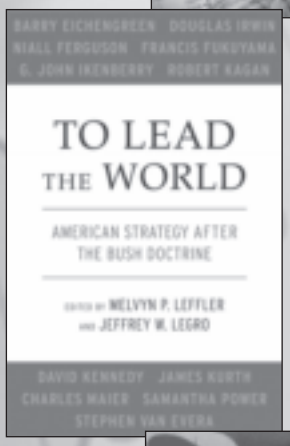

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neighboring provinces surrounding Beijing, a ban on construction in the months immediately preceding the Olympics, and plans to compensate car owners for staying off the road during the Games.

But pollution levels in Beijing are still far above average. On a typical day, the city's air pollution is three times as bad as the standard deemed safe by the World Health Organization. Last August, an air-quality test revealed that pollution levels in the city had barely improved despite one-third of the cars having been removed from the city's roads. Even some senior Chinese officials have reservations about the prospects for a green Olympics. The mayor of Beijing, Guo Jinlong, admitted in early 2008 that bringing traffic and environmental pollution under control by the time the Games begin would be an "arduous" task. After all, there are few economic incentives for businesses to reduce pollution; the central government routinely calls on local officials and businesses to clean up their act to no effect. Many factory managers have agreed to slow production during the Olympics but not to shut down. In the brutally competitive Chinese economy, closing factories for several weeks could well spell the end of those enterprises unless the government provides significant financial compensation. Meanwhile, corruption flourishes, and local officials openly flout environmental laws and regulations. In January 2008, it was revealed by a Western environmental consultant, Steven Andrews, that officials in Beijing's Environmental Protection Bureau had for several years been skewing the city's air-quality data by eliminating readings from some monitoring stations in heavily congested areas.

Faced with the prospect of dangerously high levels of air pollution during the Games, International Olympic Committee officials have warned that competition in endurance sports, such as the marathon and long-distance cycling, might be postponed or even canceled. The world's fastest marathon runner, Haile Gebrselassie, has already withdrawn from the Olympic race for fear that air pollution might permanently damage his health. Many athletes are planning to take precautions, such as arriving in Beijing as late as possible, coming well equipped with medication for possible asthma attacks, and wearing masks once there.

Beijing's capacity to provide safe food and clean water for the athletes is also in question. In the past year, China has endured a rash of scandals involving food tainted with steroids and insecticides, and as much as half of the bottled water in Beijing does not meet potable-water standards.

Some teams, such as the United States' and Australia's, have announced that they will be bringing some or all of their own food and that their bottled water will be supplied by Coca-Cola. Olympic officials have put in place a massive food-security apparatus that will track the athletes' food from the producers and distributors to the Olympic Village. Having promised a safe and green Olympics, Beijing must now deliver. Otherwise, it risks irrevocably damaging the historic legacy of the 2008 Games.

BEIJING'S BLIND SPOT

BEIJING'S FAILURE to respond creatively to its critics and effectively manage its environmental and product-safety issues reveals a certain political myopia. China's leaders have long been aware that opponents of the regime would try to disrupt the Olympics. They prepared extensively for disturbances by developing a citywide network of surveillance cameras and training, outfitting, and deploying riot squads and other special police. They also made some attempts to defuse international hostility, such as offering to renew the human rights dialogue with Washington that was suspended in 2004 and publicly pressuring Khartoum to accept a joint African Union–United Nations peacekeeping force. But Beijing has been unable to counter the images emanating from Darfur and Tibet. Chinese leaders simply saw no relationship between the pageantry of the Olympics and Tibet, Sudan, or broader human rights concerns, and they never figured out how to engage and disarm those who did. They continue to fail in this regard.

As a result, tensions will run high until the end of the Games. There are also real worries that with the spotlight focused on Beijing during the Games, some of the opposition to the regime could take an extreme form. For example, Chinese security forces have expressed concern that activists from the religious movement Falun Gong might attempt to immolate themselves in Tiananmen Square. Because of such concerns, the 30,000 journalists covering the Games may find themselves straitjacketed when reporting on controversial stories. And despite recent assurances that a live feed from Beijing will be allowed and that the Internet will be uncensored in China, the government has yet to fulfill its promise to allow foreign journalists unfettered access throughout the country.

The Chinese public is already angry about what it sees as a pervasive bias toward Tibet and disrespect of China in the Western media. Chinese citizens are likely to view any disturbances of the Games as an effort to embarrass the country and undermine China's rise. Foreign media, corporations, and governments might all bear the brunt of the sort of nationalist backlash that the French retailer Carrefour endured—in the form of a consumer boycott—in the wake of the disrupted torch ceremony in Paris.

The combination of demonstrators desperate for the world's attention and the heightened nationalism of Chinese citizens makes for an extremely combustible situation. The official Beijing Olympic motto of "One World, One Dream" suggests an easy cosmopolitanism, but Chinese nationalist sentiment will be running high during the Games, stoked by the heat of competition. In the past, sporting events in China, in particular soccer matches against Japanese teams, have led to ugly riots, and the same could happen during the Olympics. If the Games do not go well, there will be infighting and blame shifting within the party's central leadership, and it will likely adopt a bunker mentality. Vice President Xi Jinping, the government's point man on the Olympics and President Hu Jintao's heir apparent, would likely face challenges to his presumed leadership.

If the world does not welcome China's rise, the Chinese may ask why China should be bound by the world's rules.

A poor outcome for the Games could engender another round of nationalist outbursts and Chinese citizens decrying what they see as racism, anti-Chinese bias, and a misguided sense of Western superiority. This inflamed form of Chinese nationalism could be the most enduring and dangerous outcome of the protests surrounding the Olympics. If the international community does not welcome China's rise, the Chinese people may ask themselves why China should be bound by its rules. As a result, Beijing may find the room it has for foreign policy maneuvering more restricted by public opinion. This form of heightened nationalism has occasionally hurt the Chinese government, as happened after a U.S. spy plane was shot down over China in 2001. When the crew was eventually released, an outraged Chinese public accused the government of weakness and kowtowing to the West. More recently, despite a decade

of increasingly close economic, political, and cultural ties between Beijing and Seoul, South Koreans were outraged by the Chinese counterprotests during the Olympic torch ceremony; in response, the South Korean government imposed tight restrictions on the number of Chinese students permitted to study in the country. Sensing the potentially damaging consequences of a prolonged nationalist backlash, the official Chinese media began signaling in May that it was time for people to move on, focus on economic development, and steer clear of staging counterprotests and boycotting Western companies.

The barrage of criticism China has endured prior to the Olympics may have brought a short-term gain in forcing the Chinese leadership to agree to meet with the Dalai Lama's envoys, but real reform of China's Tibet policy or a broader willingness to embrace domestic reforms is unlikely to follow in the near term. Nevertheless, the current controversy could yield positive results in the long run. Beijing's Olympic trials and tribulations could provoke soul searching among China's leaders and demonstrate to them that their hold on domestic stability and the country's continued rise depend on greater transparency and accountability and a broader commitment to human rights. Already, some Chinese bloggers, intellectuals, and journalists, such as Wang Lixiong and Chang Ping, have seized the moment to call for less nationalist rhetoric and more thoughtful engagement of outside criticism. The nationalist outburst has provided them with an opening to ask publicly how Chinese citizens can legitimately attack Western media organizations if their own government does not allow them to watch media outlets such as CNN and the BBC. Similarly, they have used the Olympics as a springboard to discuss the significance of Taiwan's thriving democracy for the mainland's own political future, the need for rethinking China's approach to Tibet, and the desirability of an open press.

Whatever the longer-term implications of the 2008 Olympics, what has transpired thus far bears little resemblance to Beijing's dreams of Olympic glory. Rather than basking in the admiration of the world, China is beset by internal protests and international condemnation. The world is increasingly doubtful that Beijing will reform politically and become a responsible global actor. The Olympics were supposed to put these questions to bed, not raise them all anew.

Ras Al Khaimah
A Rising Star

Emerging Emirate Takes Center Stage

When Sheikh Saud Bin Saqr Al Qasimi was appointed Crown Prince and Deputy Ruler in 2003, Ras Al Khaimah entered a new chapter in its history, one that placed it firmly on the road to a bright future. Turning his visionary gaze, keen economic sensibility and business know-how towards the entire emirate, Sheikh Saud implemented vast organizational reforms to ensure the success of Ras Al Khaimah's local businesses and hospitality to foreign investors. While sectors in which the emirate possesses a competitive edge, such as tourism, real estate, and manufacturing are being improved, it's the grand scale and thoroughness of planning that enchants newcomers.

His Highness Sheikh Saud Bin Saqr Al Qasimi, the Crown Prince and Deputy Ruler of Ras Al Khaimah

Ras Al Khaimah may still be one of the lesser known of the United Arab Emirates, but its pioneering and ambitious projects are set to bring it to the center of global attention. Already investors are lining up to participate in Sheikh Saud Bin Saqr Al Qasimi's vision of a more globally active RAK.

Within the UAE it has more than proven itself since the early 1970s, when it became the largest regional producer of cement, thereby becoming a fundamental participant in the region's real estate boom. A decade later the emirate formed RAK Ceramics, which has become the world's largest ceramics producer, and Julphar, the Gulf region's first pharmaceuticals company. Even as far back as 1955, Ras Al Khaimah played an important role in the development of agriculture and fisheries through its agricultural research center. It spearheaded innovative methods of arid zone cultivation, which made the emirate one of the leading agricultural producers in the UAE.

Now that neighbors Dubai and Abu Dhabi have established themselves as global behemoths of renewal, development, and grand scale, high-end tourism projects, Ras Al Khaimah is expanding its own economic opportunities through equally impressive plans. According to a cross section of UAE industry leaders, Ras Al Khaimah's share of the region's economic pie will grow exponentially in coming years to position the emirate as a frontrunner in the race for global investment. For RAK, this will most likely manifest itself in the emirate's real estate, tourism, healthcare and education, and infrastructure sectors. Confidence in RAK's abilities is high, and the emirate's Investment and Development Office (IDO) has laid the groundwork for attracting close to $14 billion in inward investment in the next few years.

But the bulk of the credit is due to Sheikh Saud Bin Saqr Al Qasimi's indefatigable work in transforming Ras Al Khaimah into a center for business, tourism, conservation, education, and hospitality in less than five years. As the crown prince and deputy ruler himself says, the openness to foreign investment is only the beginning of his quest for change. "You have to start by a dream; then you have to look at what is feasible. The country as well has to imagine; you need to have a current and future vision, a feasible master plan. And when you are really committed, that will take you the extra mile." ■

Shaping the Emirates' Northern Star

مكتب الاستثمار والتطوير
Investment & Development Office

For many centuries, Ras Al Khaimah's strategic location at the northern tip of the United Arab Emirates, coasting the Strait of Hormuz and neighboring Oman, has made it a prime trading destination. Given this natural advantage, the Crown Prince and Deputy Ruler is shaping up the emirate's facilities, such as the ports and airports, to once again fully capitalize on its position as a prime gateway to the Persian Gulf and the Middle East.

Having already put himself and Ras Al Khaimah on the stage of major international manufacturers with the success of RAK Ceramics as the world's largest ceramics producer, Sheikh Saud went to work on the Emirate's infrastructure with the belief that "government should to be the most efficient business." Beginning with the establishment of the Investment and Development Office (IDO) in 2004 and continuing with the Ras Al Khaimah Investment Authority (RAKIA) and RAK Properties in 2005, the overhaul of the Emirate's economic governance has proven successful.

Probably the most pertinent indicator of rising entrepreneurial activity in the emirate is the Ras Al Khaimah Free Trade Zone (RAK FTZ). Earlier this year, the emirate's domestic trade activity witnessed rapid expansion, with RAK FTZ's four parks reporting 190 percent growth in the number of companies registered. A barometer for national success, RAK FTZ's continued drive for quality services and standards has won it the Middle East Logistics Awards' "Best Emerging Free Zone" accolade two years running. In 2006, the Ras Al Khaimah Investment Authority (RAKIA) attracted $800 million worth of investment in twelve months, registering 86 new companies in its industrial zone and leasing over 70 percent of its 2.19 million square meters of free-zone land. "RAK FTZ contributes in facilitating investment for foreigners looking to set up industries and

RAK
FREE TRADE ZONE

Ras Al Khaimah offers a myriad of opportuntities for investors

factories by offering all the required elements such as power, workforce, legal protection, and other required factors," clarifies the company's CEO, Oussama El Omari.

Since it was created in 2005, the Ras Al Khaimah Investment Authority (RAKIA) has attracted $2.1 billion worth of investment, registering 1242 companies in its industrial and free zones and leasing over 4 square miles, or 41 percent of its 8.5 square miles land. RAKIA's CEO, Dr. Khater Massaad, honored by the Financial Times as FDI Personality of 2007, says that RAK's success lies in its offerings being comprehensive and complementary. "RAKIA is a value proposition. Most investors have also bought apartments in new estates such as Al Hamra Village, making RAK their second home. After their initial investments, they continue expanding their facilities. These are strong indications of their faith in us, and their commitment to RAK."

The confidence shown by major international corporations establishing themselves in Ras Al Khaimah is reflected by its recent long-term foreign and local currency sovereign credit rating of "A" from both Standard & Poor's and Fitch. "Among the crucial credit strengths that RAK possesses," says Adnan Al Maimani, president of the Investment Development Office (IDO), "are its stable political environment, robust economic fundamentals, healthy external finance, significant fiscal discipline and flexibility, competitive key industries, and strong public sector." IDO has been elemental in setting up IPOs for some of the government's flourishing businesses, including RAK Petroleum and RAK Properties. ■

The Gulf's New Investment Magnet

"The transparent and proactive business culture promoted by Sheikh Saud Bin Saqr Al Qasimi has captured the attention of big-ticket global investors who are now queuing up to make RAK their manufacturing base," says Dr. Khater Massaad, CEO of RAKIA. "The project costs for setting up a new factory in RAK has been about 20 to 25 percent less compared to other destinations on account of better logistics, no incidence of duties and overheads or costs incurred in bureaucratic delays." In addition, RAK boasts a tax-free environment, an attractive 5 percent import duty for locally incorporated companies, and full repatriation of capital and profits.

Foreign investors are equally enticed by a fresh new mentality being fostered by the government and its key agencies; the IDO's two core areas of economic diversification cleverly combine industrial and lifestyle development ensuring a superior quality of life. To this end, the IDO facilitated deals and entered into relationships that reached a phenomenal $6 billion over the last two years. "The IDO is looking at developing growing industries such as science and renewable energy" confirms Adnan Al Maimani, the IDO's president.

In order to position the local industry a step up in the value chain, Sheikh Saud Bin Saqr Al Qasimi is counting on the expertise of Prof. Anthony K. Cheetham for the creation of the RAK Center of Advanced Materials (RAK-CAM). "The upcoming center's objectives are based on the central role material science will have to play in solving issues related to energy, the environment and sustainable development," says Professor Cheetham, the appointed Chairman, who has already managed to attract world-class personalities for the Scientific Advisory Board, including researchers from MIT, JNCASR and Cambridge. The main goals of the center are "to act as a magnet for companies that want to build a base in the region and later to be able to create an intellectual property portfolio that would provide the basis for start up companies and export new technologies to third parties elsewhere."

RAK's strategy for economic development is proving to be a winning formula for both investors and RAK as a whole. ■

Tantalizing Projects Set Rak Apart

If there is one image that the term 'emirate' evokes in people is that of luxurious skyscrapers and innovative land reclamation projects. For many of the UAE's burgeoning years, the ideology fostered by Dubai and Abu Dhabi within the construction and real estate sector was: "Build it and they will come." Ras Al Khaimah's portfolio of real estate projects follows an equally impressive vision of imagination and innovation, combined with environmental aesthetics. But RAK enjoys an additional luxury in that it is catering to a well established market. For decades, Ras Al Khaimah's natural diversity and stunning scenery has made it a favorite getaway destination for many of its neighbors. Hotels in Ras Al Khaimah achieved a phenomenal 93 percent occupancy level during 2007. Ras Al Khaimah therefore only needed to address the rising demand for residential properties and high-end tourism resorts while still balancing its unique cultural and ecological assets.

Harbor at Mina Al Arab, RAK Properties' $2 billion project

"The heritage and the cultural aspect of the emirates is really important for us," says Hilary McCormack, general manager of RAK Tourism. "We want to really stay close to the traditional Arabian feel of the emirates that is sort of fading away in the other locations, because they have been building up so much."

For this reason, the government created two specialized companies to execute and oversee the emirate's real estate development, RAK Properties' and Rakeen. With a sound capital of $544 million, the public joint stock company RAK Properties' main aim is to attract foreign investors of repute to launch state-of-the-art projects in the emirate. To date, it has been highly successful in this goal, having reported a net profit of $135 million for 2007, only its second financial year since inception.

RAK Properties' two flagship projects, Julfar Towers and Mina Al Arab, have already caught the imagination of many interested parties. The $140 million Julfar Towers is proceeding as planned to be completed by June 2009, delivering two 43-story tower blocks—one residential and one office tower—on top of a three-story, multi-use podium. On a much larger scale is Mina Al Arab (Port of Arabia), a landmark coastal development, spreading over 30 million square feet and valued at $2.7 billion. True to Sheikh Saud Bin Saqr Al Qasimi's vision, 50 percent of the area will be used for construction and parking—including numerous resort hotels, 5,042 residential units, and 593 villas and townhouses—and the rest will be preserved to retain its natural beauty and ecology. The project's first phase is on schedule to be completed by 2010.

RAK Properties Managing Director Mohammed Sultan Al Qadi says both projects will introduce a new way of living and doing business in Ras Al Khaimah. "The sustained interest of overseas and regional investors in our developments underscores the quality of our products and the increasing popularity of Ras Al Khaimah as a preferred destination for entrepreneurs and tourists," informs Al Qadi. The company recently expanded its activities to the Abu Dhabi and Dubai markets and is considering future overseas investment opportunities in Georgia, Tanzania, Morocco, Egypt, and India.

Rakeen is a private joint stock company and started its operations in April 2006, but is already working on an enviable spectrum of projects. From man-made islands to offshore financial districts and from spa resorts to new urban developments, Rakeen facilitates the emirate's transition to an international commercial capital and cultural landmark. At Al Marjan Island, located 16 miles southwest of Ras Al Khaimah town center, Rakeen is creating a cluster of five coral-shaped islands worth over US$1.8 billion. At Al Marjan Island, the visionary resort development of Bab Al Bahr will offer residents 100 percent free hold apartments with a 360° sea view and majestic landscaping that includes exotic gardens and open private beach fronts. In addition, Bab Al Bahr will be spruced up with a sprawling golf course, hotels and resorts, as well as schools and hospitals of international repute.

Rakeen's operations are overseen by revered entrepreneur Dr. Khater Massaad, who points out that in contrast to other land reclamation projects in the region, Al Marjan Island has not opted for "hostile dredging". "We have used surface fill with coarse earth material for the project," explains Massaad. "Over two million pieces of natural rock were cautiously laid one at a time for building essential breakwaters. In the long term, these rocks will attract coral life and help reef formation, giving birth to a new 'natural' wonder in Ras Al Khaimah, and a breathtaking underwater paradise unique to the Arabian Gulf." Al Marjan Island will thereby become a luxurious haven for life both below and above sea level.

Rakeen is also responsible for the new Banyan Tree Resort, a one-of-a-kind project based on a new desert resort concept. In addition to the RAK Convention and Exhibition Centre and RAK Financial City, Rakeen's vision of urban renewal also includes the new Gateway City project, an integrated city to service, support and supplement the capital of Ras Al Khaimah, as well as developments in Iran's Isfahan, Georgia's Tbilisi, Congo, India, and Lebanon.

Both companies are swiftly becoming beacon bearers of enlightened development, putting Ras Al Khaimah's name on the map as a source of illuminated, harmonious, and ethical ideas in real estate. ■

Making a Difference in Tourism

Government of Ras Al Khaimah
RAK Tourism

"Ras Al Khaimah is a haven of peace where age-old traditions and modern life coexist in harmony." This accurate description by Sheikh Saud Bin Saqr Al Qasimi connects well with tourism developers eyeing the Arabian Peninsula's potential. Both visitors and investors seeking to discover the real UAE need look no further than the exciting mélange of history, natural beauty and luxury offered by Ras Al Khaimah.

From archeological revelations dating back 5,000 years to modern amenities that include island projects, picturesque championship golf courses and eco-tourism projects, Ras Al Khaimah's unique and authentic tourism assets set it apart from neighboring emirates. "Sheikh Saud Bin Saqr Al Qasimi, like his father, has a profound interest in the heritage of Ras Al Khaimah," says Christian Velde, resident archaeologist at the National Museum of Ras Al Khaimah. Opening up historic sites like Shimal, Julfar, and Dhayah Fort to receive visitors is integral to RAK Tourism's long term plan.

Hilary McCormack, General Manager of RAK Tourism, explains that, as a tourism destination, Ras Al Khaimah has many lucrative opportunities for prospective investors. "Our main objective for the future," says McCormack, "is to increase the annual number of tourists from the current 500,000 visitors to 2.5 million by 2012." Over the past two years, RAK Tourism has supported these growth projections by promoting the destination locally and internationally. As a result, the emirate has encouraged a number of major international hotel brands to choose Ras Al Khaimah as part of their GCC expansion plans.

Brands including the Hilton, Marriott Hotels, InterContinental, Banyan Tree Group, TAJ Group and Rotana will soon open new luxury resort style properties as part of projects such as Saray Island, Mina Al Arab, and Al Marjan Island. Mina Al Arab, reveals McCormack, will have around eight hotels along approximately 9 kilometers of pristine beach. "On the north end of that project is a 741-acre nature resort, an ecologically important area to the region, which will be left in its natural state and will enhance the whole Mina Al Arab Project."

Al Hamra Fort hotel and beach resort, reviving the 1001 Arabian nights

Al Hajar Mountain

Ras Al Khaimah's tourism industry is also embracing the highly popular wellness segment, introducing world-class spa products such as the Banyan Tree Group and developing its own thermal hot springs at Khatt Springs Hotel & Spa. The Khatt Springs are situated at the foot of the impressive Al Hajar mountain range. The Spa draws from its own natural mineral waters and is the first of its kind to offer a diverse wellness facility in the U.A.E..

Another first of astronomical proportions is a $265 million Spaceport that will be based in Ras Al Khaimah. Clearance was granted to America's Space Adventures Limited to operate sub-orbital flights from the emirate, which promises to be a truly out-of-this-world experience for travelers wishing to discover new horizons. The recent launch of the emirate's own airline and the planned upgrade of the airport will further support the development of tourism as a strong, sustainable economic pillar for the future of this truly appealing and authentic emirate. ■

Charting the Future of RAK's Education

A believer that the development of human capital is key to sustaining a competitive economy, Sheikh Saud has embedded education and professional training in the heart of the emirate's master plan. "We have been sponsoring education at all levels to value local human power," says the Crown Prince and Deputy Ruler of Ras Al Khaimah. "We are investing in educating people here and overseas, allowing them to quickly adapt to our new reality." Getting accustomed to a globalized world order requires excellence at all levels, an endeavor the Crown Prince is very eager to support, rewarding outstanding efforts and best practices.

In order to foster the right talents for Ras Al Khaimah's future, the emirate's ruler, HH Sheikh Saqr Bin Mohamed Al Qasimi, introduced the Sheikh Saqr Program for Government Excellence in 2004. The program's general manager, Dr. Mohammed Abdul Latif, explains that the initiative serves two main purposes. "The first is to develop future leaders who will assume leadership responsibilities in the government," says Latif. "We recruit and identify those who are outstanding students, outstanding human talents." These awardees are given training and scholarships to study abroad. Upon their return, depending on their qualities, they are offered key managerial positions within the government. "The second purpose of the program is to introduce quality concepts and to improve the work done by the government; to reduce bureaucracy, streamline processes, and facilitate transactions for investors."

In the realm of educational development, the government is actively pursuing collaborations with major international institutions to expand its academic capabilities. Through the joint stock company RAK Education, or EDRAK, Ras Al Khaimah's government has so far entered into pioneering partnerships with George Mason University and Tufts University's Freedman School of Nutrition Science and Policy. For Dr. Ateeq A. Jakka, CEO of EDRAK, the reason for making the emirate a center of American higher education is twofold: Firstly, it is the most sought-after degree system among young UAE nationals, and secondly, it gives access to U.S. universities for students unable to go abroad. "The market needs certain kinds of skills and we are trying to merge international innovation and expertise with local needs. We are an open society, open minded people; it is an optimal environment for professional education," adds Jakka.

H.H. Sheikh Saud Bin Saqr Al Qasimi and Dr. Long Nguyen, Member of the Board of George Mason University, USA signing partnership agreement

The acting Vice President of George Mason University's RAK campus, Zaid Ansari, points out that its local programs are first and foremost catered towards regional needs, especially in science and technology. "GMU-RAK has very close ties with coordinating what the region needs in terms of the business community. There's a lot of cross-pollination between education at George Mason and human capital needs." American university programs have been in high demand across the UAE, but Ras Al Khaimah has a competitive edge with its GMU faculty, the only institution in the region with an authentic American university degree awarded from its main campus in Virginia. "Ras Al Khaimah is growing, and our choice of international programs can grow with that, students can grow with that," says Campus Enrollment Specialist Nicholas Hamilton-Archer. "We provide them with the skills to assist in this attainment and movement." ■

Banking on RAK's Natural Resources

Hawamel-1A exploration site of RAK Petroleum, imprinting RAK's global presence

Whereas most of the United Arab Emirates' riches stem from oil, Ras Al Khaimah has always been blessed with natural minerals from its mountains. Today, RAK's quality raw materials are feeding the Dubai and Abu Dhabi real estate boom.

RAK is endowed with rich natural resources and an abundance of natural raw materials, minerals, and mining resources. In January 2008, Sheikh Saud Bin Saqr Al Qasimi announced that RAK would be investing no less than $1 billion this year in the minerals and metals industries through a new company, RAK Minerals & Metals Investments (RMMI). Nonmetal minerals such as limestone have become the cornerstone of RAK's cement, ceramics, and building materials industries, which together comprise almost 32 firms. Of these, the most globally recognized is RAK Ceramics. Within only a few years of its inception in 1989, the company established itself as a world leader in tiles and sanitary ware, and is now the largest ceramics manufacturer worldwide with sales exceeding $500 million. With production of 300,000 square meters of tile per day, its quality Gres Porcellanato products grace many a global establishment, including the Grand Hyatt in Washington, DC. "A very determined effort to think beyond the regional market, focusing on the largest markets in the world, and continually reinvesting a large portion of our profits into technological innovations are the main factors behind this success story," notes CEO Dr. Khater Massaad.

بترول رأس الخيمة
RAK PETROLEUM

The RAK Cement Company (RAKCC) has also been taking advantage of the high-grade raw materials available in Ras Al Khaimah's mountains. The abundance of resources has enabled RAKCC's plant at Saqr Port to produce 1.2 million tons of prime-quality cement per annum. Professor Abdul Rahman S. Al-Sharhan, Chairman of RAKCC, reveals that in the first nine months of 2007 the company's sales revenues shot to $68 million, mainly by supplying the regional real estate and construction needs for building materials. "We are proud to say that the cement used in the Burj Dubai Tower is ours, as well as part of the Jumeirah Beach Residences." Anticipating market demands and environmental regulations, RAKCC introduced two new products this year: ready mix concrete, in a joint venture with Abu Dhabi's Royal Group, and "power-crete," used mainly for pillars and tall structures. "Power-crete is a product that meets all environmental standards," says Al-Shahran, "we are actively pursuing production initiatives that will reduce CO2 emission."

Environmental protection is also regarded as a key priority by quarry operator Stevin Rock LLC. The company has gone to great lengths to limit dust pollution from its three quarries and private port in RAK, Khor Khwair. This is a considerable task when producing in

excess of 60 million tonnes per annum of aggregates and rock products, including limestone and armour rock. General Manager Naser Bustami says that due to Stevin Rock's quality control and highly regarded reputation as UAE's leading quarry operator, almost 80 percent of its yield has gone into Dubai's grand construction projects. "Just about wherever you look in Dubai," he says, "whether it's the Palm Island, the World Island, the Burj Al Arab Hotel, or Dubai's airport, chances are high that the raw materials were supplied by us." As a result, Stevin Rock expects revenue of around $270 million in 2008.

Meanwhile in the oil and gas sector, RAK Petroleum, launched in 2005 with $820 million in start-up capital, has a broad mandate to invest in the exploration and production of oil and gas and other minerals as well as in the processing, storage, transportation, and marketing of hydrocarbons. "The Company's priority is to build an upstream business focused geographically in the Middle East and North Africa through both drilling and strategic acquisitions," says Bijan Mossavar-Rahmani, CEO of RAK Petroleum. RAK Petroleum holds an interest in, and is operator of, five concessions in the Sultanate of Oman and two in Ras Al Khaimah. An offshore gas/condensate field, Bukha, is already on production and a second, the nearby West Bukha field, is under development with first production expected in late 2008. Even the RAK Gas Commission has ventured from its core activity of distribution at home to exploration in Tanzania. "We have a lot of ideas bubbling," says Ruurd Abma, COO of RAK Gas. "If we can do gas prospecting in a country like Tanzania, maybe we have some opportunity to do the same in Qatar or elsewhere closer to home, in order to get gas to Ras Al Khaimah at the end of the day." ■

RAK: Personalizing Life Sciences

In all the world's nations, irrespective of culture, class, or religion, life is undoubtedly a person's most important asset. Every benevolent ruler therefore makes his people's well-being a personal crusade, for without healthy citizens, a country's development, economy, and society cannot progress. In Ras Al Khaimah, two brand new projects embody Sheikh Saud's mission to invest in human capital and foster an environment of world-class healthcare in his emirate. In addition to his deputy rulership, the Crown Prince has taken upon himself the position of chancellor of the Ras Al-khaimah Medical and Health Sciences University (RAKMHSU). The university was established in 2006 by the Ras Al Khaimah Human Development Foundation (RAK – HDF) to enrich the emirate's healthcare provision capacities. In four bachelor courses at the colleges of Medical Sciences and Surgery, Dental Sciences, Pharmaceutical Sciences and Nursing, the student community is being prepared to join the medical and health sciences field of the 21st century at international standards. "Sustainable development doesn't solely depend on building factories and high- rise buildings, but should take into account the most important element of developing the human potential," the Crown Prince reiterated at the 2007 RAK MED conference and exhibition.

A new era in health care has also been inaugurated with the public-private RAK Hospital. In addition to providing top-notch medical service to local citizens, RAK Hospital equally extends its concept of premium healthcare with premium hospitality to visitors from abroad, opening up the emirate to health

Government of Ras Al Khaimah
RAK Investment Authority

tourism. "RAK Hospital will be the cornerstone of our mission to position Ras Al Khaimah as a preeminent destination for quality healthcare in the region. The venture, seeking to redefine excellence in medical care, is in line with our broad vision to improve the quality of health care, and ultimately, the health status of our people," explains the Crown Prince.

The $27 million RAK Hospital is a collaboration between the government of Ras Al Khaimah and Dubai-based ETA-ASCON Group. Raza Siddiqui, the group's CEO, explains that the hospital offers 95 percent of all available healthcare services, from paediatrics to plastic and reconstructive surgery, all within an elevated level of hospitality. The private establishment has already impressed local guests since its start of service earlier this year. "In a period of about two months, we have delivered 60 babies and seen more than 2,500 to 3,000 patients. So it is doing a good service to the people of Ras Al Khaimah," says Siddiqui.

The ultramodern RAK Hospital is managed by Sonnenhof Swiss Health. Its services are awarded the "Swiss Leading Hospitals" accreditation that applies more than 120 separate criteria in the areas of quality management, physicians' accreditation, medical care, nursing, hotel-like facilities, and administration. This accreditation pledges to make patients feel secure in all respects to ensure a quicker recovery period. It is fully aligned with Raza Siddiqui's philosophy of creating a healing environment rather than a mere healthcare facility. "In life, the most important thing is the desire to live. If a person is sick, he should have the desire to get well. We are not talking about illness but wellness."

Ras Al Khaimah is by no means new to medical excellence. The emirate has pursued life sciences through the Sheikh Saqr Bin

julphar

Julphar, RAK's FDA & EU approved pharmaceutical company

Mohammed Al Qasimi–instated pharmaceutical company Julphar since 1980. In less than a decade, Julphar became a globally recognized name, and today is comprised of seven state-of-the-art manufacturing plants, five of which are located in UAE, with one each in Ecuador and Germany. At present Julphar markets its diversified products in more than 40 countries, and has embarked on an aggressive expansion of its plants in seven more countries during the next three years.

Julphar's CEO, Abdul Razzaq Yousef, points out that the company has had two straight decades of growth, continuously booking 20 to 30 percent shareholder's equity, and 2007 revenue of $200 million. The new plants and distribution partners in those countries will increase their upward lift even more, bolstered by a new chain of 2,000 Planet Pharmacies throughout the region. "If we look at the Middle East and Africa region, there is a need for medications, a big need to supply to the whole of the population," says Yousef, adding that the region is its primary target for expansion.

"We have also obtained approval from the Federal Drug Administration to sell our products in the USA, where we are exporting a few medicines." The success of Julphar exemplifies that RAK is an authority not only in health care, but equally in diversified industrial activity. "For many Americans and Europeans, the Arab countries only have camels, oil, desert, and tents," says Yousef. "We are not only that; we want to show that we have sophisticated industries with technology, and that needs to be respected." ■

Reoccupying an Age-old Position

RAK to Regain its Status as the Region's Transport Hub

Throughout the ages, Ras Al Khaimah has always been a central junction for travelling traders. In recent years, the emirate's rising international profile has also started to attract a wider base of business visitors and tourists. But by 2012, no less than 2.5 million visitors per year are expected to set foot in Ras Al Khaimah. This immense influx calls for an equally huge infrastructure expansion. Several grand and medium-sized projects have been initiated to safeguard a comfortable and hassle-free sojourn for in RAK's visitors. Among these, twenty new hotels and resorts are being built to accommodate the increased number of guests, the majority of which will be welcomed by staff trained at RAK's new $2.8 billion International Hospitality Trade and Training Zone (IHOTTZ).

In addition, a major expansion of Ras Al Khaimah International Airport will ensure smooth comings and goings of people and products. A five-year plan provides for a new passenger terminal, a cargo terminal with warehousing facilities, parallel taxiways, and an airport city with hotels, golf courses, a free zone, and an aviation academy. "With all the plans we have for the emirate in terms of expansion of the hospitality and manufacturing industries, we will be the facilitator of growth and enhance the economy as the gateway of tourism and logistics," says Sheikh Salem Bin Sultan Al Qasimi, chairman of RAK International Airport. Supporting the emirate's avian connectivity is the dynamic young carrier RAK Airways, which recently signed a purchase agreement for four new Boeing 737-800s.

The most substantial development, however, is the ongoing expansion of Ras Al Khaimah's seaports. They will serve as the Gulf's trade gateways, a position the emirate held for many centuries prior to Saudi Arabia's development boom. "The emirate now has 4 ports," says Mohammed A. Al Mehrezi, general director of the Customs and Port Department. "The most important is Saqr port, the biggest bulk cargo handling port in the Gulf region. Now a new container terminal is coming up. The Port Authority of Saqr is also buying new handling equipment, which will automate the loading and offloading of bulk materials. Their capacity increased to 25 million tons last year. This year, they are expecting up to 30 to 35 million tons."

"The second port is the Ras Al Khaimah port which was just completed, and the third is Al Jazeera. Al Hamra port, which is in the south, is presently serving the building and construction needs of the Palm Islands and The World in Dubai." Mehrezi says that in the future, Al Hamra will become a marina as well as an industrial and business port, adding to RAK's grand diversity of services in a highly active region. The fourth port is the Al Jeer live stock port witch mainly going to handle live stock imports for the UAE and other GCC countries. "The Emirate of Ras Al Khaimah is the first point of entry to the Gulf, and one of these days it is going to become the main hub for trade." With commitment, investment, and Sheikh Saud Al Qasimi's guidance, RAK will no doubt go a long way toward that goal. ■

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A Partnership of Equals

How Washington Should Respond to China's Economic Challenge

C. Fred Bergsten

To be an economic superpower, a country must be sufficiently large, dynamic, and globally integrated to have a major impact on the world economy. Three political entities currently qualify: the United States, the European Union, and China. Inducing China to become a responsible pillar of the global economic system (as the other two are) will be one of the great challenges of coming decades—particularly since at the moment China seems uninterested in playing such a role.

The United States remains the world's largest national economy, the issuer of its key currency, and in most years the leading source and recipient of foreign investment. The EU now has an even larger economy and even greater trade flows with the outside world, and the euro increasingly competes with the dollar as a global currency. China, the newest member of the club, is smaller than the other two but is growing more quickly and is more deeply integrated into the global economy. Its dramatic expansion is therefore having a powerful effect on the rest of the world. (China is often paired with India in such discussions, but India's GDP is less than half of China's. The value of the annual growth of China's trade exceeds the total annual value of India's trade. China will dominate its Asian neighbor for the foreseeable future.)

C. Fred Bergsten is Director of the Peterson Institute for International Economics. This essay is adapted from his forthcoming, co-authored book, *China's Rise: Challenges and Opportunities* (Peterson Institute and the Center for Strategic and International Studies, 2008).

C. Fred Bergsten

China poses a unique challenge because it is still poor, significantly nonmarketized, and authoritarian. All three characteristics reduce the likelihood that it will easily accept the systemic responsibilities that should ideally accompany superpower status. The integration of China into the existing global economic order will thus be more difficult than was, say, the integration of Japan a generation ago. The United States and the EU would like to co-opt China by integrating it into the regime that they have built and defended over the last several decades. There are increasing signs, however, that China has a different objective. In numerous areas, it is pursuing strategies that conflict with existing norms, rules, and institutional arrangements.

Some take this lightly, viewing it as simply the usual free-riding and skirting of responsibility by a powerful newcomer cleverly exploiting the loopholes and weak enforcement of existing international rules to pursue its perceived national interests. After all, they say, even the United States and the EU do the same on occasion, as do other major emerging-market economies. And to be sure, there is no evidence that China's challenges to the current economic order derive from any cohesive or comprehensive strategy concocted by the country's political or intellectual leadership. Despite calls in Beijing for "a new international economic order" and talk of how a "Beijing consensus" might supplant the so-called Washington consensus, to date China's proposed alternative approaches do not add up to a revisionist challenge to the status quo.

Nevertheless, the situation is worrisome. Given its status as a powerful newcomer benefiting from an efficient economic order, China actually has a profound interest in seeing that the international rules and institutions function effectively. It should be trying to strengthen the system, whether the present version or an alternative version more to its liking.

Moreover, Chinese recalcitrance seems to be increasing rather than decreasing over time. At the outset of its economic reform process, in the late 1970s, China was eager to join (and to replace Taiwan in) the International Monetary Fund (IMF) and the World Bank. These institutional ties subsequently played important, and apparently welcome, roles in China's early development success. Later, Beijing not only endured lengthy negotiations and an ever-expanding set of

requirements in order to join the World Trade Organization (WTO) but also used the pro-market rules of that institution to overcome resistance to reform among die-hards inside China itself.

But a country's attitudes can change dramatically along with its circumstances. Russia, for example, was a supplicant for international capital and support after its bankruptcy in 1998 and with world oil prices near $20 a barrel, but it is aggressively pursuing a resumption of great-power status now that it has recovered and with oil over $100 a barrel. China appears to be undergoing a similar evolution, albeit with a more cautious leadership and an incremental style. It is also experiencing the same internal backlash against globalization as have the United States and many other countries. This attitudinal shift simply has to be reversed, even if doing so requires a fundamental adjustment of the international economic architecture.

TOWARD AN ASIAN BLOC?

On trade, China has been playing at best a passive and at worst a disruptive role. It makes no effort to hide its current preference for low-quality, politically motivated bilateral and regional trade arrangements rather than economically meaningful (and demanding) multilateral trade liberalization through the WTO. Since China is the world's largest surplus country and second-largest exporter, this poses two important challenges to the existing global regime.

First, China's refusal to contribute positively to the Doha Round of international trade negotiations has all but ensured the talks' failure. Beijing has declared that it should have no liberalization obligations whatsoever and has invented a new category of WTO membership ("recently acceded members") to justify its recalcitrance. Such a stance by a major trading power is akin to abstention and has practically guaranteed that the Doha negotiations will go nowhere. And since the global trading system does not stay in place, but is always moving either forward or backward, a collapse of the Doha Round would be quite serious: it would represent the first failure of a major multilateral trade negotiation in the postwar period and place the entire WTO system in jeopardy. China is not the only culprit in the Doha drama, of course. The United States and the EU have been unwilling to abandon their

agricultural protectionism, other important emerging economies have been unwilling to meaningfully open their markets, and several poor countries have resisted contributing to a global package of reforms. But China, with its major stake in open trade, exhibits the sharpest contrast of all the major players between its objective interests and its revealed policy.

Second, China's pursuit of bilateral and regional trade agreements with neighboring countries is more about politics than economics. Its "free-trade agreement" with the Association of Southeast Asian Nations (ASEAN), for example, covers only a small share of its commerce with the countries in question; it is simply an effort to calm their fears of being swamped by their huge neighbor. Again, it is true that the United States and other major trading powers also factor foreign policy considerations into their selections of partners for regional and bilateral trade agreements. But they also insist on economic standards that largely conform to the WTO's rules. China is able to escape legal application of those rules by continuing to declare itself a "developing country" and by taking advantage of "special and differential treatment." But for a major global trading power to hide behind such loopholes provokes substantial international strains.

China has a profound interest in seeing that the international rules and institutions function effectively.

China is also hurting the global trading system by supporting the creation of a loose but potent Asian trading bloc. The network of regional agreements that started with one between China and ASEAN has steadily expanded to include virtually all other possible Asian permutations: parallel Japanese-ASEAN and South Korean–ASEAN deals; various bilateral partnerships, including perhaps a Chinese-Indian one; a "10 + 3" arrangement that brings together the ten ASEAN countries and all three Northeast Asian countries, and possibly even a "10 + 6" agreement that would broaden the group to include Australia, India, and New Zealand. All this activity is likely to produce, within the next decade, an East Asian free-trade area led by China.

Such a regional grouping would almost certainly trigger a sharp backlash from the United States and the EU, as well as from numerous developing countries, because of its new discrimination against them.

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Even more important, it would create a tripolar global economic regime—a configuration that could threaten existing global arrangements and multilateral cooperation.

China's challenges to the global trading system are most visible in its opposition to the U.S. proposal, launched at the Asia-Pacific Economic Cooperation forum in 2006, for a free-trade area of the Asia-Pacific. The APEC initiative, immediately endorsed by a number of those smaller member economies that fervently want to prevent trade conflict between the group's two superpowers, seeks to head off the looming confrontation between an Asia-only trading bloc and the United States, which could draw a line down the middle of the Pacific. The initiative would eventually consolidate the many preferential pacts in the Asia-Pacific region and offer an economically meaningful Plan B for widespread trade liberalization if the Doha Round definitively fails. China has led the opposition to the idea, demonstrating its preference for bilateral deals with minimal economic content and its lack of interest in trying to defend the broader trading order.

TRASHING THE IMF?

China's challenge to the international monetary order, meanwhile, is at least as serious. Alone among the world's major economies, China has rejected the adoption of a flexible exchange-rate policy, which would promote adjustment of its balance-of-payments position and avoid a buildup of large imbalances. Under IMF rules, China has the right to peg its currency—but it does not have the right to intervene massively in the foreign exchange market, as it has for the past five years, to maintain a hugely undervalued yuan and thereby boost its international competitive position. This violates the most basic norms of the IMF's Articles of Agreement, which require members to "avoid manipulating exchange rates . . . in order to prevent effective balance of payments adjustment or to gain unfair competitive advantage." It is also a violation of the IMF's implementing guidelines, which explicitly proscribe the use of "prolonged, large-scale one-way" interventions to maintain competitive undervaluation.

The results are unprecedented for a major trading country. China's current account surplus has reached 11–12 percent of its GDP. By next year,

its annual global surplus could approach $500 billion, approximating the value of the U.S. current account deficit. Its hoard of foreign currency exceeds $1.6 trillion and is by far the world's largest. These imbalances and the unprecedented flow of international funds that they require could trigger a crash of the dollar and a "hard landing" for the global economy, severely compounding the current global financial crisis.

Previous surplus countries, notably Germany in the 1960s and 1970s and Japan in the 1970s and 1980s, have also resisted making necessary and inevitable adjustments to their currency pegs. But no earlier imbalances have ever approached the current Chinese one in terms of its share of the country's GDP. Moreover, all of these countries eventually agreed to conform to the international rules.

To date, however, China has resisted all entreaties to alter its behavior. Its announced move to "a managed floating exchange rate based on market supply and demand" in July 2005 has still not produced any significant rise in the trade-weighted value of its currency, despite the recent acceleration of the yuan's appreciation against the dollar, nor has it prevented continued huge surpluses in China's external accounts. The number of interventions in the currency markets that China has undertaken to block faster appreciation of the yuan has at least doubled since that time.

China has actually questioned the basic concept of international cooperation in dealing with these problems, claiming that a country's exchange rate is "an issue of national sovereignty" (rather than a quintessentially international concern in which foreign parties have an equal interest). It has objected even to the IMF's consideration of the issue. Its actions have raised an implicit threat that it might promote the creation of an Asian Monetary Fund, further eroding the global role of the IMF, and may seek a regional or even global role for its national currency over the long term. These monetary steps intensify the challenge to the global trading system because large exchange-rate misalignments are a potent stimulus for protectionism in deficit countries, as indicated at present by the numerous bills in Congress to address the China currency issue with trade sanctions.

On energy (China will shortly become the world's largest consumer of energy), the challenge China poses is less frontal, but only because there exists no body of agreed global doctrine, rules, and institutions.

There are at least two conflicting energy regimes, the (periodically effective) producer cartel embodied in the Organization of the Petroleum Exporting Countries and the (very loose and incomplete) consumer anticartel embodied in the International Energy Agency. China is creating problems for both with its drive to line up "secure sources of supply" through long-term contracts with selected producing countries. It is unwilling to rely solely, or even primarily, on market mechanisms, attempting to insure itself against both output interruptions by the producers and the market power of other large consumers.

Here, as elsewhere, China is hardly alone in its behavior. But as the driving force behind the single most important commodity market in the world, the country has a particular interest in (and responsibility for) forging systemic responses rather than trying to carve out exceptions and special privileges for itself. China appears to be either unaware of the abject failure of such strategies in the past or confident that its contemporary clout will suffice to sustain its contractual arrangements even in difficult periods, and it is pursuing such strategies with respect to other raw materials as well as oil and gas.

On foreign aid, China may have already become the largest national donor (depending on how "aid" is defined), and it is posing a direct challenge to prevailing norms by ignoring the types of conditionality that have evolved throughout the donor community over the past quarter century. Beijing rejects not only the social standards (on human rights, labor conditions, and the environment) that have become prevalent but also the basic economic standards (such as poverty alleviation and good governance) that virtually all bilateral and multilateral aid agencies now require as a matter of course. As with its trade and commodity pacts, China's "conditionality" on aid is almost wholly political: insistence that the recipient countries support China's positions on global issues, in the United Nations and elsewhere, and funnel their primary products to China as reliable suppliers.

NEW RULES OF THE GAME

What these policies demonstrate is that China's international mindset has not kept pace with its breathtaking economic ascent. China continues to act like a small country with little impact on the global

system at large and therefore little responsibility for it. Such a lag in perceptions is not difficult to understand, particularly as it regards a conservative leadership still following Deng Xiaoping's directive to maintain a low international profile. The central thrust of contemporary Chinese foreign policy is not to assume a large role in the world but to avoid international entanglements that could disrupt the country's ability to focus on its huge domestic challenges. Moreover, the speed at which China has risen is difficult for even the most experienced observers to comprehend. (The pattern is similar to the one that accompanied Japan's growth from the early 1970s into the 1980s, when its meteoric rise also triggered sharp global reactions, while Tokyo maintained a passive and reactive stance on almost all international issues.)

Even the strongest defenders of the current world trading system would concede that at least some of China's criticisms are valid. At best, the Doha Round will achieve only marginal liberalization of world trade after almost a decade of effort. The IMF has failed to enforce its own rules and is being forced to downsize. The World Bank has lost any clear direction. The G-7 (the group of highly industrialized states) has adopted a mutual nonaggression pact among its members, making its criticisms of outsiders such as China seem hypocritical. And by failing to adapt their governance structures to the dramatic changes in the relative economic power among nations, the international economic institutions have lost much of their legitimacy. The fact that some Chinese attitudes are understandable and some Chinese concerns legitimate does not lessen the significance of the challenge but rather suggests some of the logical components of an intelligent response.

China is uncomfortable with the very notion of simply integrating into a system it had no role in developing.

To deal with the situation, Washington should make a subtle but basic change to its economic policy strategy toward Beijing. Instead of focusing on narrow bilateral problems, it should seek to develop a true partnership with Beijing so as to provide joint leadership of the global economic system. Only such a "G-2" approach will do justice, and be seen to do justice, to China's new role as a global economic superpower and hence as a legitimate architect and steward of the international economic order.

A Partnership of Equals

The present U.S. approach seeks to entice China to join the existing global economic order. Washington's fondness for the status quo is understandable given its basic success and the prominent role it accords Washington. But China is uncomfortable with the very notion of simply integrating into a system it had no role in developing. Both Chinese officials and Chinese scholars are actively discussing alternative structures for which China can be present at the creation. At one particularly contentious point in its negotiations to enter the WTO, the Chinese ambassador reportedly thundered, "We know we have to play the game your way now, but in ten years we will set the rules!" The existing system, moreover, has become increasingly sclerotic, and it might well be that the only way to overcome the enormous resistance to change (manifested in positions such as Europe's refusal to wind down its excessive quotas and give up some of its IMF executive-board seats) is to undertake a fundamental overhaul.

Current U.S. policy also purports to include tough enforcement measures to punish noncooperation: Washington has taken Beijing to the WTO for dispute settlement on a number of occasions and has tried to mobilize the IMF and the G-7 to penalize China for its undervalued currency. But Washington's criticism of Beijing has not been translated into any serious retaliatory pressure because too many Americans receive too many benefits from their actual or potential dealings with China for policymakers to jeopardize the relationship and because other key countries are also unwilling to confront China. Abandoning the present position and adopting a less confrontational approach might be the only way to persuade China to start cooperating.

THE BIG TWO

IN PART, the strategy proposed here would treat old issues in new ways, recasting conflicts as opportunities for progress. The United States and China could agree to construct their regional trade agreements in ways that support, rather than impede, subsequent multilateral liberalization—and even permit eventual linkage between the regional bodies. Failures to offer significant new market-opening opportunities in the Doha Round would be addressed not as legitimate mercantilist behavior but as threats to the WTO that would jeopardize both countries'

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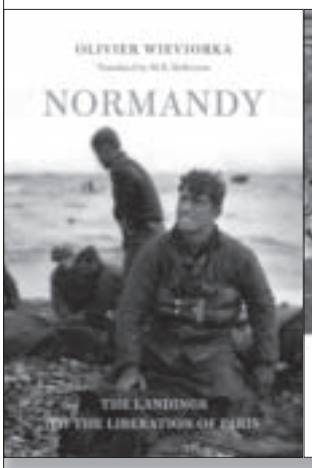

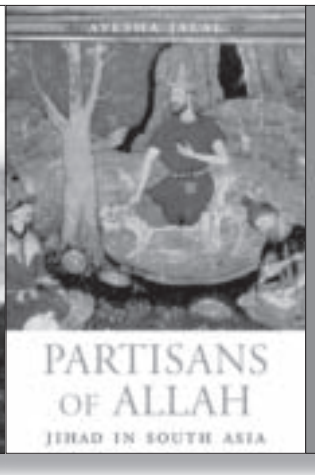

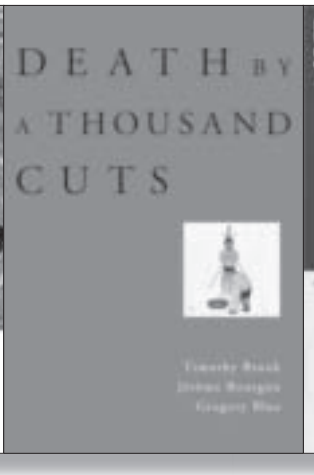

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stake in an open world economy. Competitive currency misalignments would be treated as deviations from IMF norms that hurt all trading partners, especially poor countries. Washington would concede that its errant fiscal policy has contributed to the overvaluation of the dollar, just as Beijing would concede that undervaluation of the yuan has reflected inadequate Chinese internal demand and excessive government intervention. The United States could escort China into the International Energy Agency to help organize the response of consuming countries to high oil prices.

More far-reaching steps might involve the creation of new international norms and institutional arrangements to govern issue areas that are important but currently unregulated, such as global warming and sovereign wealth funds (SWFs). To date, China has steadfastly refused to even contemplate binding constraints on its greenhouse gas emissions. So has the United States, but that stance seems likely to change dramatically after the presidential election in November, no matter who wins. An emissions regime, however, may well lead to the installation of trade barriers in participating countries against carbon-intensive products from nonparticipating countries. Moreover, global warming cannot be seriously addressed without China, which has become the world's largest polluter. Unless Washington and Beijing find ways to cooperate in attacking the problem together, the result could be a trade war between them and little or no action on the environment.

China has already indicated some skepticism about the adoption of new international guidelines, even if voluntary and nonbinding, regarding the structure and investment activities of SWFs. But the United States is championing such codes in order to permit continued foreign investment and head off the risk of protectionist domestic reactions. Since the U.S. economy is especially dependent on Chinese capital, without some new agreement a frontal clash could develop over this issue, triggered either by China's rejection of proposed new guidelines or by the United States' rejection of Chinese investments in particularly sensitive areas.

Whether in dealing with old or new issues, the basic idea would be to develop a G-2 between the United States and China to steer the global governance process. Other major powers, such as the EU and,

on some issues, Japan, would of course need to be deeply involved as well. The new rules, codes, or norms could frequently be implemented through existing multilateral institutions, such as the IMF and the WTO. Some of them might work better through new worldwide organizations created to deal with truly new issues, such as a global environmental organization to manage climate-change policy. But effective systemic defenses against international economic challenges in today's world must start with active cooperation between its two dominant economies, the United States and China.

Given other powers' sensitivities, of course, it would be impolitic for Washington and Beijing to use the term "G-2" publicly. But for the strategy to work, the United States would have to give true priority to China as its main partner in managing the world economy, to some extent displacing Europe. Nothing less is likely to attract China or engage the United States sufficiently to create the effective leadership that the world so desperately needs.

It is not enough for China to be seen as a "responsible stakeholder." It must also be accorded full rights as a true leadership partner.

Some initial steps have already been taken in this direction. After I floated the idea of a G-2 in late 2004, Robert Zoellick, in his new capacity as deputy secretary of state, which he undertook in February 2005, launched initial discussions with Chinese counterparts. In 2007, Treasury Secretary Henry Paulson escalated the engagement to what is now known as the U.S.-China Strategic Economic Dialogue, which involves the leaders of ten or so cabinet agencies in each country. The beginnings of an institutional framework for a working G-2 have thus already been put in place, and patterns of cooperation are already developing on topics such as the environment and international finance. But it is not nearly enough for China to be seen as a "responsible stakeholder." It must be seen, and accorded full rights, as a true leadership partner.

Such a relationship between a rich developed country and a poor developing one would be unprecedented in human history—as is there being a poor economic superpower, which is what China is. There are enough examples of similar cooperation on specific issues, however,

to suggest that converting U.S.-Chinese disputes into systemic management issues can be extremely effective. In the late 1970s, for example, the United States was applying countervailing duties to scores of Brazilian products because Brazil's export subsidies accounted for almost half the value of all of its foreign sales. A frontal assault on the subsidies was politically unacceptable in Brazil, but the two countries agreed to cooperate closely in negotiating a new subsidy code for the General Agreement on Tariffs and Trade (the precursor to the WTO): this agreement turned out to be simultaneously the linchpin of a successful Tokyo Round of trade talks, a basis for adding an injury clause to the U.S. countervailing-duty law, and a foundation for phasing out the Brazilian subsidy policy.

Are the United States and China ready for such a substantial reorientation? Washington would need to accept China as a true partner in managing global economic affairs, the development of an intimate working relationship with an Asian country rather than its traditional European allies, and constructive collaboration with an authoritarian political regime rather than a democracy. All these changes would pose substantial challenges for U.S. policymakers and would likely encounter domestic political resistance.

China is rapidly approaching a moment when its chosen strategy of integration into the world economy will force it to assume increased responsibility for the successful functioning of that economy. China's own interests, in other words, should lead it to accept an invitation from the United States to help steer the system in a mutually acceptable direction. The Chinese today are hotly debating whether their country should proceed unilaterally or work within the international system, and an offer of true partnership could tilt the outcome of that debate decisively and constructively, raising the possibility that China could continue its upward trajectory without provoking the clashes that previous rising powers have.

If China is reluctant to get too close to the United States—say, because of continuing controversies over security issues—alternative institutional arrangements are of course available. The EU could be a member from the outset of a G-3, a group of the current global economic superpowers. The new G-5, recently created by the IMF to conduct its intensified multilateral consultative process, which adds Japan and

Saudi Arabia (to represent the oil producers) into the mix, is another possibility. The central need is to embrace China in the context of a new and effective leadership grouping in light of its critical role in the world economy and its legitimate desire to be engaged in systemic management at all relevant stages of the process.

Under seven successive presidents, the United States has chosen to engage, rather than confront, China, taking the eminently sensible view that provoking an unnecessary confrontation would be profoundly contrary to U.S. interests. Given the signs that China's economic advance will continue, the same logic suggests that Washington should make every effort to engage Beijing as a true partner in steering global economic affairs. At a minimum, creating a G-2 would limit the risk of bilateral disputes escalating and disrupting the U.S.-Chinese relationship and the broader global economy. At a maximum, it could start a process that might, over time, generate sufficient trust and mutual understanding to produce active cooperation on crucial issues.

Right now, the prospects of such active cooperation are uncertain. But in addition to their differences, the two countries share many common interests, and their global economic positions are converging rather than diverging. Developing a partnership of the sort outlined here will not be easy and will take much time and effort. But the issues at stake are so important that even partial success would be worthwhile, and the only way to gauge the idea's feasibility is to try it. The upcoming negotiations to create a global strategy to counter global warming offer a compelling opportunity for just such an experiment.

In the Tank

Making the Most of Strategic Oil Reserves

David G. Victor and Sarah Eskreis-Winkler

Since the Arab oil embargo of the early 1970s, the United States has spent nearly $50 billion (in today's dollars) to build and maintain a huge strategic stockpile of crude oil. Stored in underground salt domes along the coasts of Louisiana and Texas, the U.S. Strategic Petroleum Reserve (SPR) now holds more than 700 million barrels of oil. Other major oil importers—notably European countries and Japan—have spent heavily to accrue their own reserves, and many are evaluating whether they should build even larger ones. In his January 2007 State of the Union address, President George W. Bush urged increasing the country's stocks to 1.5 billion barrels in the near future. With the price of crude oil likely to continue to rise above $100 per barrel, the venture could cost between $70 billion and $100 billion. Congress has authorized boosting the SPR to one billion barrels but has not yet appropriated the necessary funds. (And in May, motivated by high oil prices and election-year politics, it temporarily blocked efforts by the Bush administration to keep filling the SPR.) After the military resources spent to keep oil supplies flowing reliably from the Persian Gulf and other significant oil-producing regions, the SPR is the United States' costliest investment in energy security.

David G. Victor is a Professor at Stanford Law School, Director of the Program on Energy and Sustainable Development at Stanford University, and an Adjunct Senior Fellow at the Council on Foreign Relations. Sarah Eskreis-Winkler was Research Associate in National Security at the Council on Foreign Relations in 2006–7. For a bibliographical note, see www.foreignaffairs.org/in-the-tank.

The theory behind the effort is that a well-coordinated system of oil stocks can buffer the country against foreign and domestic shocks to the world oil market. Strategic reserves allow governments to relieve the pressure of unexpected interruptions in oil supplies by releasing some of their stocks on the market. They can help the governments of oil-importing countries dampen the effects of crises in oil-exporting regions or along critical supply routes, such as the Strait of Hormuz, through which about one-third of all the world's oil exports pass. Strategic reserves reduce dependence on pivotal suppliers prone to using oil as a bargaining chip when the market is tight, such as Iran and Venezuela. And they may reduce (at least a bit) the massive revenues that flow to oil exporters such as Russia, helping to make them less formidable troublemakers. Thus, in theory, oil reserves are an important tool of both economic and foreign policy.

In practice, however, strategic stocks can only boost energy security when they are handled properly. And on that front, the track record of most states with large holdings is discouraging. Most countries have opaque and unreliable procedures governing when their governments can fill the stocks and when they can release the oil. Washington, among other governments, makes decisions about stocking and using oil based on an outdated vision of the oil market. When the United States and other countries first built their oil caches, several major oil firms and the main oil-exporting countries controlled the reliability and the pricing of oil supplies because they held most of the world's excess production capacity. Today's market, by contrast, has little excess capacity, and supplies are priced in commodity markets dominated by massive volumes of private trading for deliveries today and in the future. Yet strategic stocks are rarely handled with an accurate view of these markets, even though effective management would mean offering reliable supplies in a crunch without undermining the enormous benefits of market speculation at other times. Bigger reserves could help improve U.S. energy security, but until the U.S. government better manages its strategic oil, spending up to $100 billion to double the SPR—already the world's largest and costliest system of oil caches—would be a tremendous waste of money.

Such an effort would be warranted only if Washington radically reformed its approach to the United States' reserves and coordinated it with those of the rest of the world. Most important, the United

States should shift control over its oil reserves from the president (and his political appointees in the Department of Energy and the State Department) to an independent oil reserve board. Presidential discretion, once thought to lend flexibility to the system and make the SPR a powerful foreign policy tool, now has the opposite effect. Presidential control has politicized decisions about the reserves, especially as most U.S. presidents have proved unable to move nimbly and credibly with the commodity markets.

Furthermore, because oil is a fungible global commodity, the United States must also promote better international coordination of national reserves. The current system for international coordination has generally worked well during brief crises, such as in the aftermath of Hurricanes Katrina and Rita, but it is prone to fail when it is needed most—that is, when interruptions in oil supplies are severe and states are most likely to help themselves first. The current metric for assessing whether importers are doing their part to protect against insecure oil supplies is how much oil they store in strategic caches. A better system would focus instead on how well they manage their stocks.

RESERVOIR DOGS

ONE LESSON oil importers learned in 1973, after the Arab oil states reduced exports and raised prices in retaliation for Western support of Israel in the Yom Kippur War, was just how vulnerable they were to shocks in supplies: the price of crude shot up from about $3 to about $12, and it stayed there until 1979—when it shot up again. To help limit the United States' dependence on fickle oil suppliers, in 1975 Congress passed legislation that authorized the construction of the SPR in order to empower the U.S. government to acquire and store oil and release it when needed.

The original model for the SPR reflected the structure of the oil market at the time, in which predictability hinged on the ability of a few major companies and producing countries to deliver extra supplies in a pinch. The 1975 statute focused on the event of a "severe energy supply interruption" and set out conditions for when the president could declare a crisis and then, through the secretary

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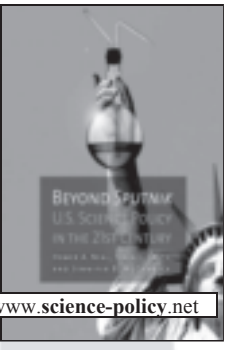

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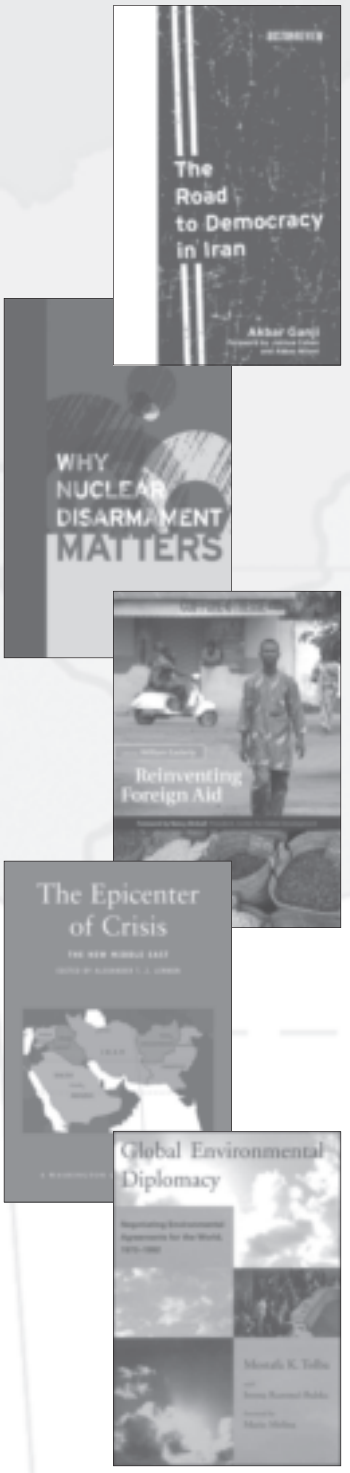

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of energy, draw on government-owned oil stocks through a competitive sales process. Over the next several years, the United States steadily amassed reserves, pausing briefly in 1979–80 when the fallout from the Iranian Revolution caused oil prices to spike again and then resuming as prices abated in the 1980s. It also started to rely more on market forces at home by removing most price controls and quotas.

The first serious test to the system came in 1989, after the *Exxon Valdez* oil spill wreaked havoc on oil shipments from Alaska, creating shortages on local markets and boosting prices once again. President George H. W. Bush did not release SPR oil then, partly because he was reluctant to do so but partly, too, because the law gave him authority to act only in full-blown emergencies. To correct this, Congress passed legislation granting the president license to sell, loan, and swap oil in the SPR even in instances that fell short of a "severe energy supply interruption." And the new law recognized that domestic interruptions to the oil supply were as dangerous as those caused by a foreign power.

Despite these efforts, misuse of the SPR continued to undermine the stocks' purpose. Bush dealt it a blow during the Gulf War by failing to release significant stocks until after he had announced U.S. air strikes against Iraq in January 1991. Six months earlier, when Saddam Hussein invaded Kuwait and seized its oil fields, he had authorized only a five million barrel "test" sale, which accomplished little. The president finally sold 17.3 million barrels during Operation Desert Storm. Although the market did calm down, that outcome was due mainly to the coalition forces' victory on the battlefield and assurances from Saudi Arabia that it would boost production if needed. The damage to the SPR's credibility had already been done.

The reserves were also mismanaged in times of relative calm. Filling of the SPR slowed in the early 1990s, ground to a halt in 1994, and then was reversed when President Bill Clinton struck a deal with budget hawks to sell some reserves in order to help balance the budget. In doing so, he did exactly the opposite of what the situation required: oil prices were low at the time; it was an ideal opportunity to fill up. A decade later, President George W. Bush made the reverse error. After the attacks of 9/11 revived anxiety

about global oil security, Congress authorized the government to bring the SPR to one billion barrels (at the time, it stood at 545 million barrels). Bush redoubled efforts to fill the SPR to its current capacity, 728 million barrels, without enough regard for how that would affect market prices. He even pushed the effort through part of the December 2002 oil strike in Venezuela, which temporarily sent prices of crude shooting up. Under the presidencies of Clinton and George W. Bush, the United States managed the SPR exactly backward—selling when prices were low and buying when they were high—squandering perhaps as much as $1 billion over two decades.

Meanwhile, the SPR has still not been put to much good use. Facing low inventories and volatile prices on the eve of the invasion of Iraq in 2003, oil traders expected Bush to release oil reserves to calm the market. Bush did not, his administration having concluded that the government should not undercut private speculation and that the nation's oil reserves should remain as large as possible in case of future need. This was a bad call because private stocks were insufficient to buffer a shock as great as a war in the Persian Gulf. Confusion and criticism followed, as well as even more volatile prices. In 2005, the Bush administration did sell or lend more than 20 million barrels of SPR oil after Hurricanes Katrina and Rita devastated the oil-supply and oil-refining systems in the Gulf of Mexico, and the move helped ease the ensuing shortages of crude oil. But what helped the most was importing extra supplies of refined products, such as gasoline, and temporarily easing environmental restrictions, which allowed fuel markets to operate more flexibly.

Thanks to the unpredictability of the United States' management of its oil stocks, the SPR's usefulness is now called into question.

Unlike in the 1970s, oil security today is a function of prices that arise in complex and often shifting commodity markets—circumstances that make it impractical for the president to act decisively. At the same time, the oil industry has shifted to a more just-in-time delivery system, with longer supply chains, which are more sensitive to disruptions than shorter ones. Geopolitical vulnerabilities have multiplied.

Oil producers that used to hold large amounts of spare capacity now hold very little, so that even small disruptions in supplies can have large effects. The game for ensuring oil security has changed.

THE WORLD TANK

Other countries have also built—and rarely used—strategic oil stocks. Nearly all the members of the Organization for Economic Cooperation and Development have joined the International Energy Agency, an arm of the OECD created in 1974 to help oversee national energy policies. The IEA requires its members to stockpile enough oil to cover 90 days' worth of imports. They must also participate in the International Energy Program, a scheme that coordinates the release of strategic stocks and outlines procedures for curbing demand for oil in times of severe shortage. The International Energy Program was originally designed to be triggered when any IEA country suffered a (staggering) seven percent reduction in oil supply. But the IEA's members soon learned that setting numerical targets was a poor way to manage petroleum commodities. During the oil shock that followed the 1979 Iranian Revolution, they found the IEA's oil-sharing protocols too cumbersome to be useful in such a fast-evolving crisis: although the shortages were serious, they failed to reach the seven percent mark. Another problem was that when pressed, IEA members tended to look after their own interests first: rather than sharing oil, many of them hoarded it, causing shortages to multiply and prices to rise further still.

In response to these failures, in 1984 the IEA adopted new procedures intended to allow a more flexible and rapid response. Contingency plans based on these procedures have been drawn up four times—on the eve of the 1991 Gulf War, in anticipation of the Y2K computer problem, shortly after 9/11, and in the aftermath of Hurricanes Katrina and Rita—and used twice. During the Gulf War, the IEA's members committed to collectively releasing nearly two million barrels of oil stocks per day for at least ten days; after the hurricanes in 2005, they promised to release up to two million barrels per day for 30 days. In both instances, the IEA proved to be a useful forum for coordination; the system seemed valuable at least during these contained crises.

It is unclear, however, whether the IEA can be effective in the face of the type of serious shortage that prompted Western governments to build strategic oil stocks in the first place. The agency measures members' compliance according to how many days' worth of imports are covered by the stocks held in their territories. It gives almost no consideration to the factors that govern how countries actually manage their stocks or whether those stocks would be credibly available in times of crisis. Yet management varies enormously. Most countries, including the United States, concentrate strategic decision-making at the highest levels of government, meaning that, at least in theory, they can act promptly. But they generally do not, and actual policies vary as governments change, which undercuts these policies' credibility. Other states, especially European countries with long traditions of corporatist management, rely on cumbersome joint government-and-industry decision-making. (The European Union is, however, currently rewriting its rules so as to shift control of the reserves held by its members to a single EU authority, which could make stock management more transparent and more predictable.) Many states, such as Japan, also commingle the state's strategic stocks with the commercial stockpiles that oil traders use to buffer against changes in market conditions. This can be a problem because in a crisis private and public holders of stocks generally have diverging incentives, and it is doubtful whether such arrangements are flexible enough to allow the government to reliably draw on private stocks for strategic purposes. Compliance with the IEA's standards also varies so widely that the agency's 90-day rule is at best a benchmark. The United States falls far short, with less than enough stocks to cover 60 days of imports. Japan overcomplies: it holds 160 days' worth of imports, despite both declining domestic oil consumption and the hefty costs of storing its reserves in earthquake-proof tanks.

Nobody knows how the IEA's procedures would really work in a serious crisis, but the signs are not auspicious. With spare capacity at its lowest ever, when governments next face an oil shock, they will be even more likely to adopt policies favoring their particular interests over the collective good than they did in the wake of the crises in the 1970s. International systems for coordination are always hampered by the fact that ultimate decision-making authority resides with

national governments, but the IEA faces an additional hardship: the fact that key governments keep executive control over their countries' oil reserves makes it easier for politicians to meddle in the reserves' management exactly at the moments when participants in the oil market need to be confident that governments will work in concert. Compared with other international institutions, the IEA is effective, but it can do no more than what its members allow.

GETTING ONBOARD

BEFORE IT spends as much as $100 billion to double the SPR, the U.S. government should manage its existing stocks more effectively, as well as encourage other countries to do the same. Its first step should be to create a new, independent oil reserve board that would take over nearly all the SPR responsibilities currently assigned to the president, the Department of Energy, and the State Department. The board would be the IEA's main point of contact in the United States and would decide when to stock oil and when to release it, with a view to building the U.S. government's ability to respond efficiently to large geopolitical shocks in the world oil market. (It would not, however, act to influence oil prices on a regular basis, which is best left to market forces.) Such independent management would boost the SPR's usefulness and allow for better syncing with commodity markets. The board would have a broad mandate to release oil when it determined that the markets could not generate an orderly response to a shock on their own. Using this broad authority, it would not only release oil when necessary but also announce ahead of crises under what conditions it would step in. Such signaling would help reduce some of the confusion that reigns today. The board would also tailor its measures to the particular problems that needed solving. If an oil shock prompted concerns over inflation, for example, then the board might urge adjustments in monetary policy by the Federal Reserve, which would be more effective in that case than a release of oil stocks.

This new management system would require Congress to pass new laws, including one updating the SPR's size. For now, the best approach in this regard would probably be to expand the SPR so that

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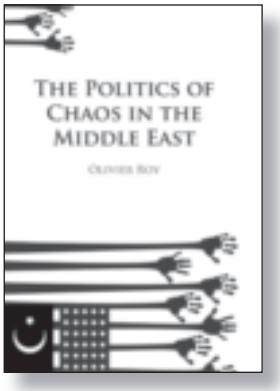

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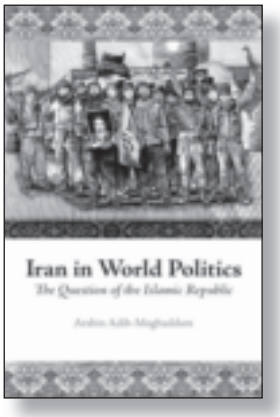

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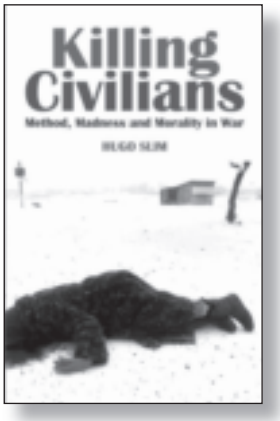

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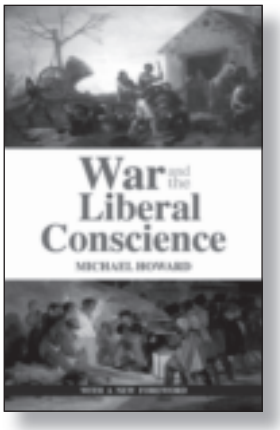

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it covered 90 days' worth of imports (the IEA's requirement anyway), which, at current import levels, would be about 1.2 billion barrels. But the new legislation should also empower the Oil Reserve Board to adjust that figure if it could justify that a larger or smaller cache was required.

The Oil Reserve Board's success will hinge on how the market responds to it. Today's SPR is huge—although assessments vary, it is believed to be about twice the size of all the private stocks on U.S. soil—but little is known about how private stocks are managed. The board would help gather and publish more information on such stocks in the United States and contribute to the varied international efforts to improve data on oil production, trade, and storage. Such information is now surprisingly poor given the importance of oil to modern economies, the tightness of today's oil market, and the necessity of understanding the exact relationship between public stocks and private stocks. Also, poor management of strategic reserves can discourage private investors from building stocks of their own. There appears to be little such crowding out today, but that could simply reflect the fact that the SPR is largely considered to be dormant or "dead." But a more effective SPR would amplify the danger, and so the board would have to be especially vigilant and make sure to devise clear rules allowing use of the SPR only in the face of severe and unexpected shocks.

A good model for an effective stockpile system can be drawn from the Federal Reserve's role in monetary policy.

The Oil Reserve Board would also periodically assess whether the U.S. government needed other types of reserves, such as of gasoline, jet fuel, and other refined products. Such stocks, which are very costly to build and maintain, do not appear to be warranted now. They were not warranted in the aftermath of the 2005 hurricanes because the temporary easing of U.S. environmental standards allowed more such products to be sold on the domestic market and ample additional supplies were redirected from Europe. The situation could change, however, as the United States increasingly depends on large imports of refined products from distant locations that could be more vulnerable to disruption.

There are no perfect models for an effective stockpile system, but a good example can be drawn from the U.S. Federal Reserve's role in monetary policy. Much as with the Federal Reserve's Federal Open Market Committee, the point of creating the Oil Reserve Board would be to vest critical economic decision-making power in an authority that is relatively independent of political meddling and yet also subject to political oversight. During crises, the Oil Reserve Board would also have the independence to make difficult decisions that could cause near-term harm—as did the Federal Reserve when it chose to take actions that prompted the inflation-taming recession of the early 1980s. But there would also be important differences between the two bodies. For instance, the Oil Reserve Board would do little much of the time because its role would be to act only in the context of large geopolitical shocks to the oil market. Thus, it might be best to embed the Oil Reserve Board within the Federal Reserve system, whose large and competent staff could be drawn on when the normally dormant board surged into activity. The board could be an arm of the Federal Reserve Bank of Dallas (which has the most expertise in energy markets) or the Federal Reserve Bank of New York (which is best equipped to interact with the commodity markets).

The Oil Reserve Board would need to control the funds to support itself, maintain existing oil stockpiles, and, especially, purchase additional oil for the SPR. Unlike the Federal Reserve, which pays for most of its activities with the securities and other financial instruments it holds, the Oil Reserve Board would best be financed through direct authorization from Congress. If Congress balks at this proposal, a less-than-perfect alternative would be to fund the Oil Reserve Board's activities by channeling to the board oil delivered to the country by producers instead of paying federal royalties on that oil into the SPR (currently the government's favorite strategy for stocking the reserves while hiding the real costs of doing so). Such "royalty in kind" oil or, perhaps, the proceeds from an oil-import fee could be earmarked for the board and put into a trust fund managed by the Treasury Department.

IT'S A SMALL WORLD

THE BETTER management of oil reserves in the United States could help with reserves worldwide by allowing Washington to lead by

example and exert more leverage with other IEA members. For starters, new standards are needed to better reflect the realities of the oil trade today. The IEA rule requiring that members hold reserves to cover 90 days of imports is arbitrary and ineffective: with domestic markets integrated into global ones, the exact volume of a country's oil imports is unimportant. All IEA members should instead be required to hold reserves in proportion to the amount of oil they consume, and the IEA should develop metrics that could be used to adjust members' reserve requirements according to their exposure to interruptions in supply and delivery. That approach, rather than a focus on the sheer volume of imports, would give countries incentives to invest in securing their supply networks—in the case of the United States, for example, the oil platforms and ports along the Gulf of Mexico. The IEA should also assess its members' compliance based on their reserve management. Reserves that are overseen by independent professional authorities and are fully integrated into the IEA's reserve-coordination system—such as would be the case under the Oil Reserve Board—would be deemed most reliable because the IEA could count on their being more readily available in times of need than those managed by opaque and unpredictable processes or institutions vulnerable to political interference.

The IEA should also encourage countries to count the stocks they hold outside their territories as part of the fulfillment of their reserve obligations. This approach would encourage Japan and South Korea, for example, to satisfy their reserve requirements by holding strategic stocks anywhere along the supply chain, from the Persian Gulf to their own shores, at a fraction of current costs. (Japan currently relies heavily on steel tanks on high-value property at home to store its reserves.) This approach would also make for a more constructive interaction between producers and consumers: it would encourage producers to keep their oil stocks in large importing countries, which would mean more reliable deliveries and so be good for consumers, too. South Korea already counts as part of its strategic reserves oil stored for it by Norway's StatoilHydro, and Saudi Arabia is exploring a similar option with Chinese and Indian companies.

Oversight of the strategic-oil-management procedures of the IEA's members could be added to the agency's existing reviews of national

energy policies. The IEA's review teams should grade each country's strategic-oil-reserve system according to the credibility, transparency, and independence of its management. Such an approach on the part of the IEA would make it easier for states to integrate their choices about strategic oil reserves with other aspects of their energy policies. For example, a country that could reliably reduce its demand for oil in a crisis—by either using other fuels or relaxing environmental standards temporarily to allow for the use of high-sulfur crude—would not be required to hold as large a stockpile as one that could not. With such a system in place, the international management of oil stocks would in time come to be less dominated by energy ministries and more by the type of coordination exercised by central bankers and financial-market regulators.

SHOCK ABSORBERS

MUCH OF U.S. energy policy to date has focused on measures that poll well but do not have much impact on real security, such as expanding mandates for the production of corn-based ethanol (a very costly way to save oil and one that wreaks ecological havoc). Many elements of a sensible energy policy, such as increasing energy efficiency and boosting investment in research and development, are well known. But others, including a better management system for the SPR, have largely been ignored.

This is unfortunate because in addition to increasing U.S. energy security, the better management of the country's oil reserves would create a tremendous opportunity to engage the rising powers of China and India. Both countries have recently become major oil consumers, but, unsure how best to manage their growing needs, they have tried to promote their energy security by seeking direct access to supplies overseas—a practice that has bred instability in already fragile countries and undercut patient efforts by the West to promote good governance there. They have also started building oil reserves (China is filling a cache with 100 million barrels) but have not signaled how they will manage them. A first step toward helping these countries understand that energy security comes above all from well-functioning markets is to enlist them in the IEA and reform the agency's standards so that

it prizes good and independent management. A better-run and better-coordinated international system of oil caches (including greater reserves of their own) could help convince China and India that treating oil as a true commodity and trusting the markets more are better ways to improve their energy security than pursuing oil mercantilism.

The better management of strategic reserves at home and worldwide will not by itself eliminate the United States' and the world's excessive dependence on oil. Solving that problem will require a comprehensive strategy that limits overall demand for oil, develops more sources of supplies, and encourages the use of alternative types of energy. But the current system will not turn on a dime, and such a comprehensive strategy would not bear fruit for decades. In the meantime, shock absorbers such as properly managed strategic oil reserves have a central role to play in limiting the effects of the crises that periodically convulse the world oil market.

The Future of North America

Replacing a Bad Neighbor Policy

Robert A. Pastor

On January 20, 2009, if not before, a new national security adviser will tell the incoming president of the United States that the first two international visitors should be the prime minister of Canada and the president of Mexico. Almost every new president since World War II has followed this ritual, because no two countries in the world have a greater impact economically, socially, and politically on the United States than its neighbors. The importance of Canada and Mexico may, however, come as a surprise to most Americans, as well as to the new president. In the presidential campaign, instead of discussing a positive agenda for North America's future, the candidates have focused critically on two parts of that agenda, the 14-year-old North American Free Trade Agreement (NAFTA) and immigration. And overall, one could conclude from listening to the campaign that Iraq is key to U.S. national security, China is the United States' most important trading partner, and Saudi Arabia and Venezuela supply most of the United States' energy.

None of these propositions is true. For most of the past decade, Canada and Mexico have been the United States' most important trading partners and largest sources of energy imports. U.S. national security depends more on cooperative neighbors and secure borders than it does on defeating militias in Basra.

Robert A. Pastor is a Professor at and Founding Director of the Center for North American Studies at American University. He is currently writing a book entitled *The North American Idea*.

The Future of North America

The new president will take office at a low moment in U.S. relations with its neighbors. The percentage of Canadians and Mexicans who have a favorable view of U.S. policy has declined by nearly half in the Bush years. The immigration debate in Congress and the exchange between the two leading Democratic presidential candidates on who dislikes NAFTA more has left a bitter taste in the mouths of Canadians and Mexicans. The ultimatum issued by Senators Hillary Clinton (D-N.Y.) and Barack Obama (D-Ill.) to Canada and Mexico—renegotiate NAFTA on U.S. terms, or else—hardly displayed the kind of sensitivity to the United States' friends that they have promised. On the other side, Senator John McCain (R-Ariz.) has offered such an unvarnished defense of NAFTA that it would appear he feels nothing more is needed. Moreover, although an author of legislation on immigration reform, McCain retreated from such reform after being harshly criticized. CNN's Lou Dobbs' reports on the disastrous effects of illegal immigration and trade seem to have had a more profound effect on the national debate than many people have thought. Indeed, the candidates seem to have accepted Dobbs' variation on Hobson's choice—either reject NAFTA or suffer decline as a candidate and as a nation.

Sadly, the United States' leaders are looking backward at NAFTA rather than forward by articulating a new vision of shared continental interests. NAFTA has become a diversion, a piñata for pandering pundits and politicians—even though it succeeded in what it was designed to do. It dismantled trade and investment barriers, and as a result, U.S. trade in goods and services with Canada and Mexico tripled—from $341 billion in 1993 to more than $1 trillion in 2007—and inward foreign direct investment quintupled among the three countries and increased tenfold in Mexico between 1990 and 2005. North America, not Europe, is now the largest free-trade area in the world in terms of gross product.

The new U.S. administration needs to replace a bad neighbor policy with a genuine dialogue with Canada and Mexico aimed at creating a sense of community and a common approach to continental problems. The new president must address the full gamut of North American issues not covered by NAFTA, as well as the governance issues arising from the successful enlargement of the market. North

America's leaders should deepen economic integration by negotiating a customs union. They should establish a North American investment fund to narrow the income gap between Mexico and its northern neighbors. This would have a greater effect on undocumented immigration to the United States than so-called comprehensive immigration reform. And they should create a lean, independent advisory commission to prepare North American plans for transportation, infrastructure, energy, the environment, and labor standards.

For the last eight years, North America's experiment in integration has stalled. The new president needs to restart the engine.

THE NORTH AMERICAN DISADVANTAGE

NO PRESIDENT has met with his counterparts in Canada and Mexico more and yet accomplished less than George W. Bush. Between February 2001 and April 2008, President Bush met the Mexican president 18 times and the Canadian prime minister 21 times. All three huddled together 12 times.

What have they accomplished? They have devised a North American game of Scrabble with intergovernmental committees meeting periodically to spell new acronyms that purport to be initiatives. NAFTA set the precedent with 29 working groups. President Bush brought the Scrabble game to a higher level, inventing and discarding new acronyms with great abandon. In his first visit to Mexico in February 2001, he announced the goal of building an NAEC (North American economic community). Seven months later, during a visit by the Mexican president to the White House, Bush abandoned the community in favor of the P4P (Partnership for Prosperity). To deal with security fears arising from 9/11 and economic fears that a more formidable border would reduce trade, the United States signed separate "smart border" agreements with Canada and Mexico. These gave birth to still more working groups and initiatives, including FAST (Free and Secure Trade), PIP (Partners in Protection), C-TPAT (Customs-Trade Partnership Against Terrorism), WHTI (Western Hemisphere Travel Initiative), IBETS (Integrated Border Enforcement Teams), ACE (Automated Commercial Environment). SENTRI provided a fast-lane approach to the U.S.-Mexican border, and

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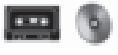

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NEXUS did the same for the U.S.-Canadian border. No one explained why they could not do this with one, rather than two, acronyms—or rather one agency and procedure rather than two.

In March 2005, the SPP, the Security and Prosperity Partnership of North America, replaced the P4P. This was another bureaucratic exercise aimed at delivering "measurable results" to make North America more competitive and secure. It initially listed 300 goals, almost all technical—for example, to harmonize regulations on jelly beans or eliminate "rules of origin" regulations, which tax the part of each product that is not made in North America. After three years, officials still have not harmonized jelly-bean labels, but they have removed "rules of origin" provisions on $30 billion of goods. That may sound like a lot, but it represents less than the growth of annual trade in North America. A year later, in 2006, the three North American leaders invited a group of CEOs from some of the largest corporations in North America to establish the NACC (North American Competitiveness Council). They focused on 51 recommendations, which included eliminating pesky regulations, and agreed on the need to work "under the radar screen" of public attention.

Assaults from both ends of the political spectrum have transformed the debate on North America.

If you measure progress by examining the growth in trade, the reduction in wait times at the borders, and the public's support for integration, all of these initiatives have failed miserably. The growth in trade in the Bush years has been less than one-third of what it was in the previous seven years—three percent versus 9.8 percent. The wait times have lengthened, and public opinion toward the rest of North America in all three countries has deteriorated, in part because the United States failed to comply with NAFTA on issues (for example, trucking and softwood lumber) of great importance to Canada and Mexico.

North American integration has stalled in the Bush years for several reasons, beginning with 9/11, which led to intense security inspections on the two borders, creating giant speed bumps for commerce. A study of the U.S.-Canadian border found a 20 percent

increase in border delays crossing southbound and a 12 percent increase in delays northbound since 9/11.

Second, although North American trade has tripled, and 80 percent of the goods from that trade is transported on roads, there has been little investment in infrastructure on the borders and almost none for roads connecting the three countries. Thus, the delays are longer and more costly than before NAFTA. The steel industry recently estimated that wait times for their shipments, which are generally 5–6 hours, result in annual losses of $300–$600 million. Another study estimated that delays added a cost of 2.7 percent to the goods.

Third, trucks are still impeded from crossing the U.S.-Mexican border. Despite NAFTA's mandate that Mexican trucks be allowed to enter the United States starting in 1995, the first trucks—beginning with 55—crossed in March 2008, on a pilot project that Congress has tried to stop. (As a point of reference, about 4.2 million Mexican trucks bring their products to the border each year.) Each year, more than four billion pounds of fruits and vegetables are placed on trucks in the Mexican state of Sonora. When the trucks reach the border crossing at Mariposa, the produce is unloaded in a warehouse, then retrieved by another truck that takes it several miles into Arizona, where it is unloaded again into another warehouse and then retrieved by an American carrier. With 280,000 trucks coming to the Arizona border each year, think of the inefficiency and cost of transferring fresh produce three times to cross one border.

Fourth, complying with the "rules of origin" provisions takes so long that many firms simply use the standard tariff that NAFTA was intended to eliminate. Finally, North American integration stalled because China joined the World Trade Organization in 2001, and its exports to all three North American countries grew so fast that in 2007 it overtook Mexico as the United States' second-largest trading partner. In 2001, the United States imported more textiles and garments from Mexico than from China, but by 2006 it imported almost four times as much from China as from Mexico. (The United States still exports 60 percent more to Mexico than to China.)

Intraregional exports among the three North American countries as a percent of their global exports increased from 43 percent in 1990

to 57 percent in 2000—a level of integration almost matching that of the European Union after five decades of integration. Since then, intraregional integration in North America has not changed. Auto parts for one car cross the borders eight times in the course of being assembled. With added security, inadequate infrastructure, and the interruption of trucking from Mexico, the transaction costs now not only exceed the tariff that was eliminated but also are much higher than the tariffs imposed on foreign cars that need to enter the United States only once, as a completed product. In short, the North American advantage has turned into the North American disadvantage.

The immigration debate has added insult to injury by antagonizing Mexico without accomplishing anything. Only Senator John Cornyn (R-Tex.) dared to propose a North American investment fund to help close the income gap (and thus slow immigration), but he withdrew his proposal after being criticized by conservatives. That would have helped Mexican workers much more than the eight core labor conventions proposed for inclusion in the NAFTA agreement.

A TWO-FRONT STORM

ASSAULTS FROM both ends of the political spectrum have transformed the debate on North America in recent years. From the right have come attacks based on cultural anxieties of being overrun by Mexican immigrants and fears that greater cooperation with Canada and Mexico could lead down a slippery slope toward a North American Union. Dobbs, among others, viewed a report by a 2005 Council on Foreign Relations task force (which I cochaired), *Building a North American Community*, as the manifesto of a conspiracy to subvert American sovereignty. Dobbs claimed that the CFR study proposed a North American Union, although it did not. From the left came attacks based on economic fears of job losses due to unfair trading practices. These two sets of fears came together in a perfect storm that was pushed forward by a surplus of hot air from talk-show hosts on radio and television. In the face of this criticism, the Bush administration was silent, and the Democratic candidates competed for votes in the rust-belt states,

where unions and many working people have come to see NAFTA and globalization much as Dobbs does.

The debate in the United States became so insular that Americans essentially reversed roles with their neighbors. For nearly two centuries, many in Canada and Mexico built walls to limit U.S. influence. Within two decades of their decision to dismantle the walls, the United States is being pressed by anti–North American Union populists to rebuild the barriers to keep out its neighbors. The idea that the United States should fear being taken over by its weaker neighbors is bizarre, but it is becoming a staple of the populist critique.

During the NAFTA debate, people in all three countries had anxieties and reservations. Canada and Mexico feared U.S. investors would take over their industries, and Americans feared that Canadians and Mexicans would take their jobs. None of this happened. Canadians invested at a more rapid pace in the United States than U.S. firms invested in Canada, and although foreign investment in Mexico soared—from $33 billion in 1993 to $210 billion in 2005—the percentage coming from the United States declined by ten percent.

Meanwhile, all three economies became more connected. Many national firms became North American, producing and marketing their products in all three countries. The international sector of all three economies grew (and export-oriented firms pay wages 13–16 percent higher than the national average). Needless to say, as the market expanded and the competition grew more intense, there were more winners and losers, but as consumers, all North Americans benefited from more choices, lower prices, and higher-quality products.

In an econometric analysis of the effects of NAFTA, the World Bank estimated that by 2002 Mexico's GDP per capita was 4–5 percent higher, its exports 50 percent higher, and its foreign direct investment 40 percent higher than they would have been without NAFTA. NAFTA's effects on the United States, given the much larger size of its economy, are much smaller and harder to measure. Still, the first seven years of NAFTA, from 1994 to 2001, were a period of great trade expansion and job creation in the United States. NAFTA does not deserve the credit for all or even much of this job growth, but

it surely cannot be blamed for serious job losses. If one focuses only on jobs, U.S. employment grew from 110 million jobs in 1993 to 137 million in 2006 (and in Canada, from 13 million to 16 million). And U.S. manufacturing output increased by 63 percent between 1993 and 2006.

These benefits have not yielded a positive consensus in part because they have not been equitably shared with those who paid a price. On

this, North America's different voices are audible. One is the strident and angry voice, personified by Dobbs, which argues that Mexicans have little in common with Americans, that free trade hurts workers and the economy, and that the United States can solve the "immigration problem" by building a wall. This voice has echoes in Canada and Mexico, and it resonates among those who are uneasy or fearful about trade and integration. Another voice represents those who welcome integration and are willing to experiment with new forms of partnership. Public opinion surveys suggest that the latter voice represents the majority, even if few leaders speak for them today.

There are many surveys of public opinion conducted in North America, and they have found that values in all three countries are similar and converging. Americans, Canadians, and Mexicans like and trust one another more than they do people from almost any other country, even though Canadian and Mexican views of U.S. policy have grown negative in the past seven years. Thirty-eight percent of the people in all three countries identify themselves as "North American," and a majority of these publics would even be in favor of some form of unification if they thought it would improve their standards of living without harming the environment or diminishing their national identities. A majority believes that free trade is good for all three countries, although respondents also believe that free trade has benefited the other countries in North America more than it has theirs. A majority of the publics in all three countries would prefer "integrated North American policies" rather than independent national policies on the environment and border security, and a plurality feel the same way about transportation, energy, defense, and economic policies.

Given these surveys, the obvious question is why the current presidential candidates believe that the American public is anti-Mexican and supports protectionism. There are several possible explanations. Support for free trade is evident over an extended period, but the degree of support varies over time and space, depending on the state of the economy and the size of the trade deficit. A CNN national poll conducted in October 2007 found that more Americans believed foreign trade was an opportunity than believed

trade was a threat. But exit polls of Democrats voting in the Ohio primary on March 4, 2008, showed that 80 percent blamed trade for job losses. In a tight race, the candidates responded to the negative view, which was more intense than the hopes reflected in the public opinion surveys. For that reason, and because no political leader is contesting him in the marketplace of ideas, Dobbs is shaping the debate, and the unions are shaping the policy prescription.

North America faces a Dobbsean choice—between reversing and accelerating integration, between putting up barriers and finding new ways to collaborate. Ironically, the Dobbs view has strengthened just as economic integration in North America has weakened.

A CONTINENTAL APPROACH

It is clear that the Bush administration's incremental, quiet, business-based approach has not succeeded in promoting economic integration or closer collaboration with the United States' neighbors. Instead, it has raised some legitimate concerns and provoked a nativist backlash. It was a mistake to allow CEOs to be the only outside advisers on deregulation and the harmonization of remaining regulations. Civil society and legislatures must be heard on these issues, which are less about business than about how to pursue environmental, labor, and health goals. More broadly, free trade is clearly not enough. Those groups that pay the price of increased competition need to share the benefits and need to have a safety net that includes wage insurance, education and trade adjustment assistance, and health care. Nor is free trade all that is needed to help Mexico enter the developed world.

The dual-bilateral strategy (U.S.-Canada, U.S.-Mexico) is also failing. It exacerbates the defining and debilitating characteristic of the United States' relations with its neighbors—asymmetry. It leads Washington to ignore them or impose its will, and it causes Ottawa and Mexico City to either retreat or be defensive. Given the imbalance in power and wealth, a truly equal relationship may be elusive, but it is in the long-term interests of all three countries to build institutions that will reduce the imbalance. The genius of the Marshall Plan was that the United States used its leverage not for short-term

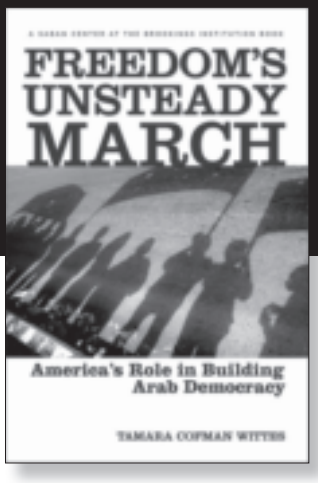
gain but to encourage Europe to unite. That kind of statesmanship is needed to step beyond short-term and private interests and construct a North American Community.

There are other reasons for a North American approach. If three governments rather than two sit at the table, they are more likely to focus on rules than on power, on national and continental interests rather than on the interests of specific companies or unions. On issues such as transportation and the environment, a three-sided dialogue could produce North American plans. Even on border issues, the three nations could benefit from comparing procedures and borrowing from one another the ones that work the best.

A North American approach needs a vision based on the simple premise that each country benefits from its neighbors' success and each is diminished by their problems or setbacks. With such a vision, it becomes logical to consider a North American investment fund to reduce the income disparity between Mexico and its northern neighbors. Without such a vision, such a proposal has no chance. Without a vision, the governments will continue to grapple with one issue, one country at a time, reinforcing old stereotypes, such as that of Mexico as a corrupt, drug-dealing, immigrant-sending problem. With a vision of a community, all three governments should see one another as part of the transnational problem and essential to a solution.

North America's model differs from Europe's. It respects the market more and trusts bureaucracy less.

The first step is to deepen economic integration by eliminating the costly and cumbersome "rules of origin" regulations, allowing all legitimate goods to move seamlessly across the borders, and permitting border officials to concentrate on stopping drugs and terrorists. To eliminate the rules of origin, the three governments will need to negotiate a common external tariff at the lowest levels. This will not be easy, as there are other free-trade agreements that would need to be reconciled, but it will make the North American economy more efficient. A smaller measure, which could have as large an economic impact, would be to comply with NAFTA and harmonize the three countries' regulations on truck safety so as to permit trucks to travel in all three countries.



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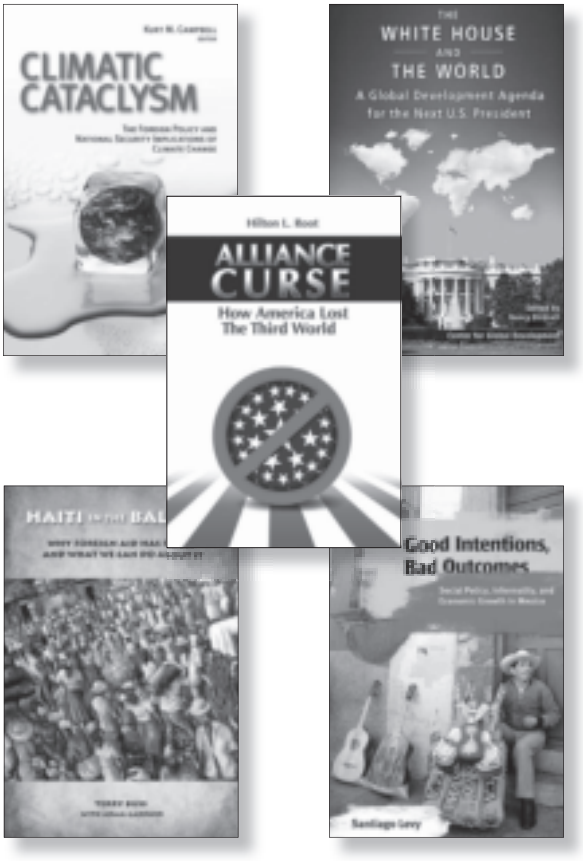

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Other decisions could harness the comparative advantage of each country to mutual benefit. For example, more Americans live and retire in Mexico than in any other foreign country. If the United States certified hospitals in Mexico and allowed retirees to use Medicare there, both countries would benefit. The second step is to secure national borders and the continental perimeter. The best approach would be to train Canadian, Mexican, and U.S. officials together to avoid duplication, share intelligence, and secure the borders as a team.

Another challenge is to narrow the gap in income that separates Mexico from its northern neighbors by creating a North American investment fund. The fund should target $20 billion a year to connect central and southern Mexico to the United States with roads, ports, and communications. With the goal of building a North American Community, all three governments should commit to narrowing the income gap, with each deciding how it could best contribute. Since it will benefit the most, Mexico should consider contributing half of the money for the fund and also undertake reforms—fiscal, energy, and labor—to ensure that the resources would be effectively used. The United States should contribute each year 40 percent of the fund's resources—less than half the cost each week of the war in Iraq—and Canada, 10 percent. Since NAFTA was put into place, the northern part of Mexico has grown ten times as fast as the southern part because it is connected to the Canadian and U.S. markets. North America can wait a hundred years for southern Mexico to catch up, or it can help accelerate its development—which would have positive consequences in terms of reducing emigration, expanding trade, and investing in infrastructure to help Mexico enter the developed world.

North America's model of integration is different from Europe's. It respects the market more and trusts bureaucracy less. Still, some institutions are needed to develop continental proposals, monitor progress, and enforce compliance. The three leaders should institutionalize summit meetings at least annually, and they should establish a North American commission composed of independent and distinguished leaders from academia, civil society, business, labor, and agriculture and with an independent research capacity. The commission should offer continental proposals to the three leaders. The leaders would continue to be staffed by their respective governments, but they would

respond to a continental, rather than a dual-bilateral, agenda. The commission should develop a North American plan for transportation and infrastructure and plans on labor, agriculture, the environment, energy, immigration, drug trafficking, and borders.

The three heads of state must also commit to building a new consciousness, a new way of thinking about one's neighbors and about the continental agenda. Americans, Canadians, and Mexicans can be nationals and North Americans at the same time. Indeed, an appreciation of one's neighbors as part of a compelling North American idea could enhance the prestige of each country. To educate a new generation of students to think North American, each country should begin by supporting a dozen centers for North American studies. Each center should educate students, undertake research, and foster exchanges with other North American universities for both students and faculty.

This is a formidable agenda that could transform North America and each of its states. It is not possible without a vision, and it is not feasible without real leadership and credible institutions. But with all three, a North American Community can be built. The existence of such a community would mean that the United States would consult its neighbors on important issues that affected them. It would mean that Canada would work closely with Mexico to build rule-based institutions and to develop a formula for closing the development gap. It would mean that Mexico would undertake reforms to make good use of the additional resources.

This is a very different agenda than seeking to improve working conditions and the environment by rewriting NAFTA and threatening to increase tariffs. Labor and environmental issues should be part of the North American dialogue working to improve the continent, but there is no evidence that foreign investors move to Mexico in order to take advantage of lax labor and environmental rules. Quite the contrary: Mexico's labor laws are so rigid that they often discourage foreign investors. Moreover, they incorporate the eight core international labor standards, whereas the United States has not approved six of them. As for its environmental laws, Mexico maintains standards that are quite good; the problem is that it lacks funds for enforcement or cleanup.

The immigration issue also needs to be addressed in this broader context. A fence is needed in some places, but building a 700-mile wall would be more insulting than effective. If the United States is going to try to forge a community, it needs to articulate an approach that acknowledges that it is complicit in the immigration problem in hiring illegal immigrants, who work harder for less. More important, if the United States were to join with Mexico in a serious commitment to narrow the income gap, then cooperation over other issues would become possible. The best place to enforce immigration policy is in the workplace, not at the border, but national, biometric identification cards will be needed for everyone to make the policy effective, and a path to legalization will be needed to make it just.

A NORTH AMERICAN COMMUNITY

IT MIGHT seem strange that President Bush would host his final North American summit meeting in New Orleans, as he did in April. His response to Hurricane Katrina was deservedly criticized for its mismanagement. But New Orleans was, at the same time, an appropriate site: both Canada and Mexico mobilized to assist the people of New Orleans after Katrina, with Mexico even sending troops to bring food and undocumented Mexican workers helping to rebuild the city.

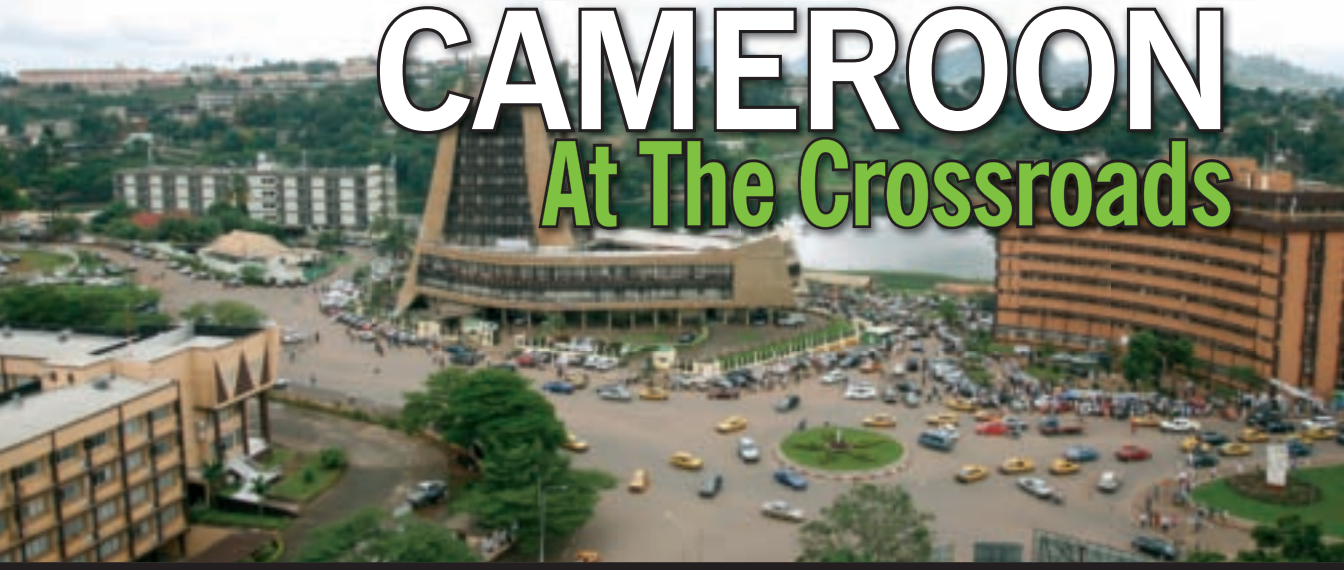
The April summit meeting was probably the last hurrah for the SPP. The strategy of acting on technical issues in an incremental, bureaucratic way, and of keeping the issues away from public view, has generated more suspicion than accomplishments. The new president will probably discard the SPP. Annual summits, however, should be continued, but be opened to civil society, as Senator Obama has proposed, and intergovernmental connections should be strengthened.

It would be desirable for Canada and Mexico to join in making a comprehensive proposal for a North American Community, but Canada's aloofness from Mexico makes that unlikely. Therefore, the responsibility for defining North America's future will lie with the new U.S. president. If the next administration seeks to renegotiate NAFTA, presses for enforceable labor and environmental provisions, and allows

special interests, such as the Teamsters Union and the trucking industry, to prevent competition and avoid compliance with the agreement, the United States' neighbors may look back on the Bush years with nostalgia. Canada and Mexico would be under pressure to seek their own exemptions to NAFTA, and they would likely remind Washington that when it comes to enforceable sanctions, the United States has been more guilty of noncompliance than they have. Renegotiating NAFTA would require a significant investment of the new administration's time and political capital without, in the end, helping workers or the environment much, if at all.

The alternative approach needs to start with a vision of a North American Community and some institutions—quite different from Europe's—designed to pursue a bold agenda that includes a customs union, a North American commission, a North American investment fund, and a common team of customs and border guards to man the borders and the continental perimeter. To move toward these goals, the next president should designate a national adviser for North American affairs, who would chair a cabinet-level committee to formulate a comprehensive plan and to help the president negotiate the difficult tradeoffs between special interests and national and continental interests. Instead of refighting the NAFTA debate, this comprehensive approach would lay the foundation for a new North America.

This is a very ambitious agenda, but on the eve of NAFTA's 15th anniversary, Americans are looking for a fresh approach, and no set of foreign policies would contribute more to U.S. prosperity and security than those devoted to building a North American Community. If the United States wants to compete, it cannot march backward, nor can it stand in place without falling behind. The new president—working with counterparts in Canada and Mexico—has the opportunity to redefine the face of North America for the twenty-first century. If the principal foreign policy challenge for the next administration is to restore trust in the United States, then the first step is to demonstrate to the world that it can work with and respect its neighbors.



CAMEROON
At The Crossroads

In two years, Cameroon will celebrate the 50th anniversary of its independence. Those with long memories will recall that Cameroon became an independent nation in January 1960 amid a great deal of uncertainty—new leadership in the capital Yaoundé, and a civil conflict rumbling in the south of the country. Therefore, the journey of the country from such a difficult beginning to its present condition as a united entity with considerable positive prospects, has been remarkable.

Although it cannot be denied that the country still faces some political challenges, there is general consensus that its economy is on a sound and solid base. Therefore, as the anniversary approaches, many Cameroonians both inside and outside the country have high hopes that this vibrant West African country will not only realize its immense potential, but also celebrate its 50th birthday at its apex—both economically and politically.

Geographical Situation

The Republic of Cameroon is a middle-sized country that lies just north of the equator on the West African coast.

Cameroon's diverse population of over 18.5m people represents a mix of Christian, Muslim and indigenous religious groups. The country occupies an area of just under 190,000 square miles, which ranges from a dense tropical forest in the south to a dry savannah in the north.

Cameroon is one of Africa's great opportunities for massive economic development. The country has substantial wealth, derived from a balance of agricultural, human, and mineral riches.

Cameroon's Role in Africa and the World

In its African policy, Cameroon has been mindful of its unusual colonial heritage. Under the name Kamerun the country became a German colony in 1884. Following the First World War, France and Britain signed the Covenant of the League of Nations, dividing Cameroon between them. Independence was sought by the Union des Populations du Cameroun political party until it was outlawed in the 1950s. However, French Cameroun finally gained independence as a republic under President Ahmadou Ahidjo in 1960, merging with the southern part of British Cameroons in 1961.

The German imprint is still apparent and Cameroon's triple heritage makes its relationship with Europe unique. The fact that the European Economic Community's (EEC) first agreement with a group of African states was signed in Yaoundé is indicative of the unique relationship with Europe.

Cameroon became a member of La Francophonie, an international organization of French-speaking countries and governments in 1986 and of the Commonwealth of Nations ten years later. The country is strongly attached to African unity and hosted the Organization of African Unity (OAU) Summit in Yaoundé in 1996. Two OAU Secretary Generals were from Cameroon.

The country enjoys relative political, economic, and social stability. In terms of gross domestic product (GDP) it is the richest in the six-nation Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC), a putative customs union with a single currency (the Central African CFA). The regional grouping comprises Cameroon, the Central African Republic (CAR), Chad, the Republic of the Congo, Equatorial Guinea, and Gabon.

Access to CEMAC's market of 35 million people has been a selling point in Cameroon's efforts to attract investors. Cameroon, a driving force in CEMAC, wants to achieve full and free movement of goods and peoples by 2009, but the proximity to conflict zones contributes to difficulty in meeting this goal. Cameroon has had to offer hospitality to some 100,000 refugees due to sporadic conflicts in neighboring CAR and Chad.

Indeed, in its international relationships Cameroon has, with great pragmatism, always given priority to economic relations, which are now dominant. This applies, for example, to its membership of the African, Caribbean, and Pacific Group of States as a major beneficiary of the European Development Fund since 1960. At the end of last year, Cameroon was the only CEMAC country to initial an interim Economic Partnership Agreement with the EU. As a middle-ranking economy, it could not afford to lose access to the EU market for its agricultural exports, such as cotton, bananas, coffee, and cocoa.

Cameroon has also always valued its links with the World Bank and International Monetary Fund (IMF), which have helped it secure important debt relief under the Heavily Indebted Poor Countries (HIPC) process. Relations with the Middle East countries have also developed considerably, and significant strides have been made in Asia. The Chinese government, in need of new sources of raw materials and markets, is rapidly consolidating its growing trade with Cameroon.

Cameroon at a Glance	
President	Paul Biya
Prime Minister	Ephraim Inoni
Area	183,568 square miles
Population	18,5 million (UN, 2007)
Capital	Yaoundé
Religions	Christianity, Islam, indigenous
Life expectancy	50 years
GNI per capita	$1,010 (World Bank 2006)
Languages	French & English
Currency	CFA franc
Exchange rate	1 US dollar= 424 CFA francs

The Present Political Situation

Since independence, Cameroon faced a serious problem of governmental authority that tended to put democracy on the back burner. Even though more democratic practices were permitted in the English-speaking part

President Paul Biya

of the country, the regime of the country's first President Ahmadou Ahidjo (1960-82) was better known for its authoritarianism. His sudden decision to resign and hand over power to his Prime Minister Paul Biya was surprising, especially as this involved a "power shift" from the north to the southeast.

The northerners reacted with an attempted coup and failure in 1984. But the coup attempt did not deter President Biya. He moved very quickly from a slow and calculated transition to a more open society, introducing a multi-party system. The ruling party, the Cameroon Democratic People's Movement (CDPM) previously the only party, has managed to retain control through all subsequent multi-party elections. The main opposition leader John Fru Ndi, head of the Social Democratic Front, who was a serious challenger in the 1992 elections, has become an increasingly isolated figure. Thus, with less influence being exerted by the opposition, President Paul Biya is said to represent the best advocate of stability in Cameroon.

President Biya has been in power for 26 years, and recently secured from the National Assembly, where the ruling party has an extremely comfortable majority, a constitutional amendment to permit him to stand again when his current 7-year term expires in 2011. The President's aloofness from the political scene has sometimes been criticized, but there have been moments when it has been seen to be an advantage.

Opposition to constitutional change is said to have been behind the unprecedented rioting in Douala and Yaoundé as well as other towns in the southwest in February. But it is generally agreed that what really lay behind the riots was the sharp increase in fuel prices. The fuel increase came at the same time as food price hikes arising from dramatic jumps in cost of wheat and rice on the world market. The riots are also seen as a symptom of the dangerous problem of rising youth unemployment. The situation was calmed after the fuel price increase was halved and salary increases for government workers were promised. The government has also announced a new program to increase food production, although Cameroon has traditionally been self-sufficient in food.

As part of its policy to promote good governance, Cameroon is committed to the war on corruption, which has seen some major casualties from the highly competitive political elite. Although the anti-corruption moves come partly from donor pressure, it responds to a popular mood, often expressed in Cameroon's quasi-independent media.

An Economy on the Brink of Take-off?

In Cameroon, oil production began in 1977 thus the country was too late to benefit from the first oil boom in the early 1970s. Cameroon's economy suffered from the slump in oil prices in the 1980s, which led to a heavy debt burden and years of securing and paying back loans with the World Bank, the IMF and other western donor institutions. When oil production peaked in 1995, the economy began to recover. But despite a period of decline in production, oil revenues have continued to rise because of the unusually buoyant oil prices that have prevailed in recent years. Production rose from 87,000 barrels a day in 2006 to 92,000 barrels a day in 2007. It is estimated that production will increase further this year, stimulated by the current high world oil price.

Studying the correlation between oil revenues and growth rates, it is possible to determine that, after years of recession in the 1980s and early 1990s, GDP growth became regular at around 4 percent between 1995-2003. Although since then growth has been slightly uneven, it is back to over 4 percent in the current year.

Apart from oil, Cameroon is rich with a number of other solid minerals, including gold, diamonds and 50 lesser-known minerals that are being developed through small and large-scale mining. There are also new investments in cobalt, iron, nickel, and bauxite. Bauxite mining is partly aimed at feeding the aluminum smelter at Edea.

As part of the necessary reform to modernize the country, a privatization program is slowly taking shape. Attention is also focused on improving Cameroon's infrastructure, especially in transport and energy sectors, in order to create a favorable business climate that will attract the kind of investment needed to help the economic take-off.

Progressive economic framework: Constructing Cameroon's new National Sports Stadium.

In terms of its energy supply, the country is fortunate in having massive hydroelectric potential, such as the dam on the Sanaga River which mostly furnishes power to the Edea aluminium smelter. But only 2 percent of this huge potential is currently being exploited. Thus, apart from plans for further hydro expansion, oil and natural gas-fired plants have been developed to meet a rapidly expanding energy market.

Increased dynamism in the economy is further evidenced in the success of the country's banking sector. In addition, Cameroon's famous "tontines" investment vehicle of the 1960s is a testament to the thriving informal economy. Although the informal sector is only calculated at 32 percent of GDP (against 57 percent in Nigeria and reportedly more in Ghana), this sector is growing and it plays an important role in Cameroon's economic well-being.

Building a New Atlantic Alliance

Restoring America's Partnership With Europe

James P. Rubin

This spring's NATO summit in Bucharest marked the end of President George W. Bush's stewardship of the transatlantic alliance. This year, Germany, not the United States, played the role of NATO power broker. All the key NATO foreign ministers were huddled with German Chancellor Angela Merkel to determine the future of NATO enlargement. When their decision was announced, Georgia and Ukraine were stunned that the clout of the United States was not enough to put them on the path to NATO membership. The situation in Bucharest laid bare the underlying damage done to the United States' stature during the Bush era.

On the surface, transatlantic relations are in far better shape today than they were during the run-up to the Iraq war. But it would be a mistake to underestimate the depth of the wounds Washington's reputation has suffered. Today, the United States lacks concrete European support on vital issues, and European confidence in U.S. leadership has collapsed. Fortunately, both the Democratic and the Republican presidential candidates recognize how much harm has been done and have vowed to restore the United States' standing in the world. The 2008 presidential election provides an opportunity

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James P. Rubin is an Adjunct Professor at Columbia University's School of International and Public Affairs. He served as Assistant Secretary of State for Public Affairs from 1997 to 2000.

for a fresh start in U.S.-European relations. The new administration should capitalize on this moment by declaring that the era of U.S. unilateralism is over and that partnership with Europe is a central tenet of U.S. foreign policy. Then, it should launch a diplomatic initiative to win closer cooperation from European allies in exchange for substantial changes in U.S. policies toward Afghanistan and Iran and on issues such as climate change and the war on terrorism.

President Bush's second term was unquestionably better than his first on a number of pressing issues—especially Iran, the Israeli-Palestinian peace process, and North Korea. Washington's emphasis on diplomacy over military force and its shift from belligerency to persuasion have had a salutary effect on U.S.-European relations. Key European countries have worked in harmony with the State Department to demand a halt to Iran's uranium-enrichment program and to secure UN Security Council sanctions against Tehran. Since the Annapolis peace conference in November 2007, European frustrations with Washington's hands-off stance in regard to the Israeli-Palestinian peace process have largely disappeared. And thanks to the Bush administration's about-face on negotiations with North Korea—as well as the recent glimmerings of diplomatic progress with Pyongyang—European leaders no longer feel compelled to send their own envoys to Kim Jong Il as peacemakers.

The erosion of respect for the United States is a threat to U.S. national security.

Likewise, decisions by the Supreme Court and Congress to rein in the Bush administration's extremist policy on the treatment of terrorist suspects and enemy combatants has helped quiet the outrage throughout Europe over the U.S. detention center at Guantánamo Bay, Cuba, and the Abu Ghraib prison scandal. And although Europeans continue to be frustrated by what they see as Washington's selfishness on the subject of global warming, they are now at least hopeful about the future. The combination of former Vice President Al Gore's Nobel Peace Prize and the fact that all three remaining presidential contenders have recognized the need for action to reduce greenhouse gas emissions has created a sense of optimism across the Atlantic that the United States is finally coming around to the global consensus.

Most important of all, however, has been the change of personalities. The electoral victories of Merkel in Germany and Nicolas Sarkozy in France have altered the political landscape in the two major countries that parted ways with the United States over the Iraq war. Merkel's pro-Americanism and Sarkozy's stated intention to improve France's prickly partnership with the United States stand in stark contrast to the policies of their predecessors, Gerhard Schröder and Jacques Chirac, who teamed up with Russian President Vladimir Putin to challenge President Bush over the Iraq war. Both leaders have gone out of their way to avoid public spats with the Bush administration, making transatlantic relations far less strained than they were a few years ago.

THE GREAT ATLANTIC RIFT

DESPITE THESE bright spots, Washington continues to pay a heavy price for alienating its allies during Bush's first term. U.S. soldiers are fighting and dying in large numbers in Afghanistan and Iraq, and some of the United States' closest military allies are offering only modest contributions. With the exception of the United Kingdom, whose contingent is shrinking, no allies have sent a significant number of combat troops to operate alongside the approximately 150,000 U.S. troops in Iraq.

In Afghanistan, U.S. military commanders and NATO's secretary-general, Jaap de Hoop Scheffer, have all been frustrated by the relatively small number of NATO troops committed to the war against the Taliban and al Qaeda. Unlike in regard to Iraq, there is political and public support across Europe for the mission in Afghanistan, and it is largely a NATO operation. Although France has now added a battalion to its contingent, many NATO members continue to impose restrictions on those troops they have deployed. Whether European governments admit it or not, much of the problem stems from lingering European resentment of the first Bush administration's unilateralism and its arrogant dismissal of the need for NATO assistance in Afghanistan.

Building new partnerships with European governments will not be nearly enough to restore respect and admiration for the United States,

for it is European publics, not European elites, that worry most about U.S. leadership. This is not simply a global popularity contest; the erosion of respect for the United States is a threat to U.S. national security. Without the support and cooperation of multiple governments, it will not be possible for Washington to confront the threats of a new era: climate change, the rise of China, the resurgence of Russian nationalism, nuclear proliferation, and terrorism.

Not too long ago, Washington could secure international support and legitimacy with relative ease for a mission such as ejecting Iraq from Kuwait in 1991. First, European and Japanese support would be obtained. A united Europe would then make Russia more amenable. With Russian acquiescence, China would likely abstain in the UN Security Council. And little attention had to be paid to Brazil, India, or South Africa. Now, there is a new power equation. Russia is more confrontational, China is an independent player, and other large powers matter.

As numerous studies and polling data have shown, and as any traveler outside the United States knows firsthand, the United States' popularity has declined dramatically. During Bush's first term, this slide in support was often summarized abroad as "We like Americans, we just hate the Bush administration." After voters in the United States reelected Bush in 2004, this explanation no longer made sense, and divisions deepened further.

Indeed, there is a growing values gap between Americans and Europeans. There has long been a divide between American and European views on a number of domestic policy issues, including the death penalty, religion, and the social safety net. It has grown dramatically in the last eight years, primarily as a result of Washington's declaration of independence from the constraints of multilateral diplomacy and its assault on a series of pending and existing international treaty regimes, such as the Kyoto Protocol, the International Criminal Court, the Anti-Ballistic Missile Treaty, the Comprehensive Test Ban Treaty, and the Biological Weapons Convention.

Reports of prisoner abuse at Abu Ghraib, "waterboarding," and CIA renditions and "black sites" have been even more devastating to the United States' image in Europe. Europeans across the political spectrum used to have a strong sense of shared values with Americans.

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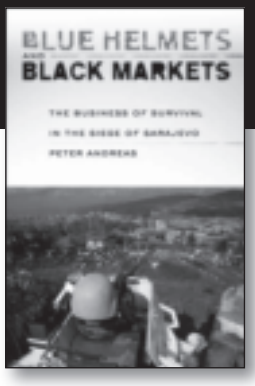

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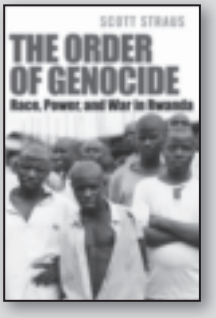

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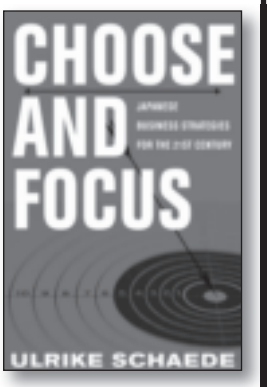

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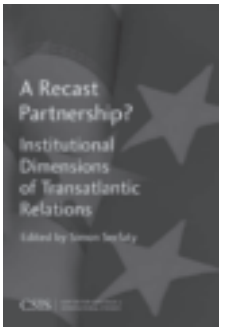

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Recent revelations have broken that bond. The growing values gap is also apparent when it comes to environmental policy. It is not just the Green Party in Germany that regards climate change as a planetary peril. From the Conservative Party in the United Kingdom to the Christian Democratic parties on the continent, thinking green has taken hold regardless of political ideology. With Washington now seen as dragging its feet in the face of such an awesome danger, the average European has come to doubt whether the United States is a responsible member of the international community. This perception is an unprecedented threat to the United States' role as a global leader. One notable exception was Washington's reaction to the 2005 Asian tsunami, which demonstrated that a dramatic U.S. response can have a real effect on world opinion and, crucially, on the attitudes of moderate Muslims.

The collapse in European public support for the United States creates a vicious circle for U.S. policymakers. For most of the last 50 years, the United States' friends and allies in Europe, as well as allies in Asia and moderate governments in the Middle East and the Islamic world, have regarded cooperation with Washington as more than just sensible diplomacy. Until now, striking an agreement with the United States was good domestic politics, too. That is no longer true. With foreign public opinion so anti-American, it has become harder and harder for U.S. diplomats to convince wavering governments to support U.S. policies. The fact that all of President Bush's key allies during the Iraq war—John Howard in Australia, José María Aznar in Spain, and Tony Blair in the United Kingdom—either were voted out of office or left under a cloud has not been lost on elected governments around the world.

Despite this grim reality, key European leaders and many in the public recognize that Washington's leadership is indispensable. In a series of meetings, high-level officials from France, Germany, and the United Kingdom told me candidly of their desire for new policies and renewed leadership from Washington. European governments have been criticizing Washington for its indifference to their interests, and a new administration should take this criticism to heart. At the same time, it should insist that with an increased role in decision-making comes greater responsibility. It is time for the United States to test its European allies—to see if Europe can take yes for an answer.

CONTINENTAL DRIFT

WASHINGTON'S FIRST priority should be to begin closing the values gap. Closing this gap will take time. But much of it can be accomplished with early announcements by the new administration on prisoners and climate change. The White House should issue an executive order stating that all terrorist suspects will be treated in accordance with the *U.S. Army Field Manual*, which prohibits waterboarding and other "enhanced interrogation techniques." It should also order the Defense Department to close Guantánamo immediately and prosecute terrorist suspects under the Uniform Code of Military Justice as quickly as possible. Military courts appear to have substantial advantages over the criminal justice system when it comes to the speedy processing of detainees. These advantages should not be ignored simply because the Bush administration failed to pay, in the words of the Declaration of Independence, "a decent respect to the opinions of mankind" in setting up military tribunals. It may be difficult to prosecute some of those detainees for whose cases the evidence of criminal behavior is thin; indeed, some detainees may even have to be released. That is a risk that must be understood and accepted in the service of a greater goal: the United States' good name.

This should be followed by an affirmation of support for the Geneva Conventions and a public investigation of all charges of detainee abuse. A candid discussion of how to properly apply these conventions in contemporary circumstances and a high-profile inquiry modeled on the 9/11 Commission—with the full support of the U.S. military—could have a dramatic and long-lasting effect on the United States' reputation. If respected politicians—former Senator Sam Nunn (D-Ga.) and Senator John Warner (R-Va.), for example—were to lead such an investigation, the armed forces could be assured of fairness and respect for military traditions and practices, and top officials could be granted immunity in exchange for sworn testimony. By answering lingering questions about whether prisoner abuses were authorized at the highest levels, such a commission would show the United States at its finest. Collective guilt would be expunged, and individual responsibility assigned. Nothing

would be a more powerful reminder to the world of the United States' strength and its commitment to human rights and the rule of law.

For their part, U.S. allies should support the establishment of new procedures and accepted practices in the area of capturing and detaining terrorist suspects. They should be as determined as Washington to undertake reforms in order to make international legal instruments effective in the fight against Islamist extremism. A legal conference should be organized to discuss policies on the long-term detention of enemy combatants, the streamlining of judicial procedures, and the gray area of rendition.

Compromising on climate change will require both the United States and Europe to discuss the promises and the limitations of treaties. For Europeans, international institutions and multilateral diplomacy are not a choice but a way of life. That is why they consider treaties to be the essential currency of international relations. And because they expect approval to be a mere formality, they negotiate treaties without giving much thought to the issue of ratification. In the United States, however, there are dozens of treaties still languishing in the Senate Foreign Relations Committee. Europeans must recognize that it is unreasonable to expect to achieve critical objectives alongside the United States, such as reversing the threat of global warming, through international treaties. They must accept that U.S. laws are different and that small constituencies can scuttle treaties. In the United States, the new administration must therefore demonstrate its bona fides by passing domestic legislation instead.

France's full integration into NATO would be a huge step toward a new Atlantic partnership.

After announcing its intention to seek congressional approval of binding limits on greenhouse gas emissions, representatives of the new administration should sit down with their counterparts from European governments (and from other key players, such as China, India, and Russia) to develop a new joint approach to the pressing challenge of climate change. An executive agreement between governments would bypass the thorny process of ratification, and European cooperation would be tremendously helpful in convincing China and India to impose more serious restrictions on their emissions.

James P. Rubin

THE OTHER SURGE

November's election will constitute a national referendum on whether to stay the course in Iraq, as Senator John McCain (R-Ariz.) has advocated, or begin a substantial withdrawal of U.S. troops. Although it is certainly possible to encourage a greater European role in supporting the Iraqi government and a greater UN role in political reconciliation, it is unrealistic to expect much more in terms of troop contributions.

In Afghanistan, almost seven years after 9/11, the United States and its allies are still battling the Taliban for control of key parts of the country. This stalemate could continue for several years unless there is a dramatic change in strategy. Success, according to key policymakers in Europe, would require a "smart surge" of military forces, a new billion-dollar training program for Afghanistan's police force, and a new plan to centralize the coordination of security, economic, and political efforts.

As NATO celebrates its 60th birthday next year, the new administration will have a unique opportunity to strike a bargain with the French government and, in the process, strengthen NATO and ease the perennial bickering over European security institutions. President Sarkozy has told NATO officials that he is ready to resolve a decades-old anomaly in which France is a member of NATO but not part of NATO's military structure. France will either want a new command that is responsible for joint civilian-military missions, including police functions, or want to rotate with the United Kingdom in picking the European deputy to the NATO supreme allied commander for Europe, who is always an American. These are reasonable requests given the potential size of France's military contributions to the alliance. If successful, France's full integration into NATO would be a huge step toward a new Atlantic partnership. A renewed and strengthened NATO could undertake a sorely needed "surge" in Afghanistan. Unlike the war in Iraq, the war in Afghanistan has direct links to 9/11. These clear ties should give the new administration a sufficient rationale to pressure European allies for assistance. One-third of the roughly 20,000–30,000 troops required should come from Europe. France, for one, has made its commitment to this mission clear; Sarkozy declared in March that "we cannot afford to lose Afghanistan."

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AMERICA ABROAD

Even under optimistic conditions, NATO forces will have to stay in Afghanistan for five to ten years. As part of a new bargain with the United States, European leaders should play a greater role in determining NATO's political strategy there. To secure European support, the United States may have to consider European prescriptions. After all, what is missing in Europe is not the capability to send troops to Afghanistan but the political will to do so. Germany is particularly problematic. Even if pro-U.S. German politicians wished Germany to play a greater role in Afghanistan, they would have to overcome strong public opposition. In the absence of a sea change in German public attitudes, the government in Berlin will have little room to maneuver. That is why the United States must make Germany its primary focus in rebuilding the NATO alliance.

As an implicit price for increasing their contributions, France and Germany will probably insist on a broader strategic outlook that takes into account the crucial role of Pakistan in any NATO approach to Afghanistan. When it comes to key questions, such as how to address the existence of Taliban resupply corridors originating in Pakistan, whether to make tactical alliances with former Taliban officials (as U.S. military commanders have done with Sunni insurgents in Iraq to such good effect), how best to handle drug-eradication programs, and how to improve civilian-military cooperation, European countries should be given a role in the decision-making commensurate with their military and financial contributions. Since establishing an effective Afghan police force is still a critical problem, that mission should be offered to the European Union. In taking it on, the EU could be asked to increase its contribution and would be required to show that it can function well alongside NATO.

By acknowledging European countries' concerns and granting them a greater role in Afghanistan, the United States would be in a better position to press for new resources from EU countries. That is what has been missing so far in Afghanistan. And it is what will make the difference in securing new troop contributions and sustained support over many years. A new commitment to success in Afghanistan would not only be beneficial for transatlantic relations; it could also assuage long-standing bitterness over Washington's condescending and dismissive treatment of NATO in the days and weeks after 9/11.

James P. Rubin

ALL UNITED ON THE WESTERN FRONT

Even as European governments, especially Paris and Berlin, have signaled their desire to move beyond the rancor of the first Bush term, Russia under Putin has gone in the opposite direction. Moscow has become an increasingly bitter and defiant player in international affairs, and managing relations with Russia under Putin and his protégé president, Dmitry Medvedev, remains a formidable challenge. After 9/11, Moscow offered the United States partnership in the war on terrorism by accepting the existence of U.S. military bases in Central Asia and by sharing intelligence. When Washington failed to reciprocate—by offering speedy support for Russian membership in the World Trade Organization, engaging in high-level consultations on Iraq, or showing sensitivity to Russian interests in former Soviet states—Moscow complained bitterly. By Bush's second term, Russian policy had changed dramatically, and Putin adopted a much more confrontational stance toward the West. In the case of Kosovo, this has meant a promise to veto any UN Security Council resolution on independence and an offer of full support to Serbia in challenging the recognition of Kosovo by most Western governments. Likewise, rather than seeking solutions to difficulties in implementing arms control treaties, such as the Conventional Forces in Europe Treaty, Russia has simply stopped complying. Its reaction to U.S. plans to place missile defense systems in the Czech Republic and Poland, until recently, was to threaten to increase the size and capability of its strategic nuclear arsenal. And on those occasions when Moscow has decided that the West's support for states such as Georgia and Ukraine has gone too far, it has taken economic and military steps to intimidate those countries.

A strengthened partnership with Europe would help Washington deal with a defiant Russia. Indeed, the Bucharest summit was a reminder of how unity in NATO directly affects Moscow's willingness to challenge Washington's policies. For several years now, Russia has worked assiduously to divide European countries on the question of missile defense. But once NATO unified in support of missile defense, Moscow's posture suddenly changed, and Russia now appears willing to find common ground. By contrast, Russia has taken advantage of

divisions in NATO over the proposed entry of Georgia and Ukraine into the alliance, denouncing the move and threatening to retaliate by recognizing Georgia's breakaway regions of Abkhazia and South Ossetia. The lesson is clear: to deal with the new Russia, Washington must maximize unity with Europe.

Meanwhile, the threat of a nuclear Iran looms. Yet the West is further away from convincing Tehran to forego its uranium-enrichment program than it was in 2003, when Washington and Europe were pursuing different policies. One reason is that Washington has had to settle for a lowest-common-denominator approach, in which the sanctions are weak and the incentives not strong enough to convince Iran to change course. The European countries (and Russia) have repeatedly refused to accept UN resolutions imposing stiff sanctions against Iran, as urged by the Bush administration. (European officials readily admit that their reluctance stems from a fear that Washington is preparing for another war in the Gulf.) When it comes to Iran, a certain amount of continuity between the old and the new administrations will be crucial. The new team must avoid the temptation to copy the early Bush administration's "anything but Clinton" approach to policymaking. Instead of launching a review, the new administration should build on the Bush administration's recent diplomatic efforts while seeking to establish stronger cooperation with Europe.

A strengthened partnership with Europe would help Washington deal with a defiant Russia.

Washington should then go further by declaring that it is willing to open direct, unconditional negotiations with Tehran—a step European officials have been urging for years. The new administration should also offer much stronger incentives, including technology for nuclear power, security assurances, and full participation in the international economy, in exchange for Iran's agreement to scale back its uranium-enrichment program. Meanwhile, European countries must overcome their reluctance to impose an escalating set of economic sanctions and enforcement mechanisms in the event that Tehran remains recalcitrant.

Such a policy would put Iran to the test. That is the only way to answer the critical question of whether it is possible to achieve a

diplomatic solution before Iran's nuclear program reaches the point of no return. Most analysts agree that the West still has several years of breathing room. That is sufficient time to determine whether diplomacy can succeed. If diplomacy fails and Washington and its allies must choose between allowing Iran to obtain nuclear weapons and taking military action, at least the West will be acting as one.

Likewise, even though the Bush administration's last-minute push for peace between the Israelis and the Palestinians may not bear fruit, the next administration should continue this effort nonetheless. Without it, friends and allies of the United States will be frustrated that Washington is not using its unique leverage over the parties. They will also (fairly or unfairly) cite the lack of progress on the Israeli-Palestinian front as a reason to oppose other U.S. policies in the greater Middle East region.

The new administration's honeymoon period is likely to be short. With ongoing wars in Afghanistan and Iraq and the constant threat of a terrorist attack, there will be little time to make up for lost ground before the next crisis hits. That is why a new partnership with Europe should be launched right away. The path to such a partnership is straightforward, and the benefits would be substantial. Most of the United States' leading politicians know that restoring lost respect and admiration for the United States is crucial, and both parties' candidates for president say such an effort is imperative. That political will must be translated into a new resolve to compromise with the United States' European allies. Although there are risks to any diplomatic enterprise of this kind, the costs of the United States' failing to win back the support of its allies would be far greater. Undoing the damage to the United States wrought by the Iraq war and other Bush administration policies is a tall order. Washington may never again achieve the kind of automatic solidarity with its European allies that it enjoyed during the Cold War, but progress is possible. And building a new partnership across the Atlantic is the place to start.

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If ethnic hatreds are not at work, separating groups may not make much sense as a strategy for mitigating the corrosive effects of ethnic divisions.

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Democratization and Its Discontents

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Eva Bellin

Freedom's Unsteady March: America's Role in Building Arab Democracy. BY TAMARA COFMAN WITTES. Brookings Institution Press, 2008, 176 pp. $26.95.

Beyond the Façade: Political Reform in the Arab World. EDITED BY MARINA OTTAWAY AND JULIA CHOUCAIR-VIZOSO. Carnegie Endowment for International Peace, 2008, 295 pp. $22.95.

Shortly after 9/11, President George W. Bush declared that the best hope for peace and security in the Middle East lay in the expansion of democracy and freedom there. The stroke of a speechwriter's pen had collapsed the divide between U.S. ideals and U.S. interests in the region. But soon enough, democratization began to collide with core U.S. interests after all. U.S. pressure for political reform proved distracting (and potentially destabilizing) to regional allies whose assistance was crucial in the drive to stabilize Iraq and restart the Israeli-Palestinian peace process. And when democratic elections were held, they often delivered outcomes at odds with Washington's hopes and intentions. Hamas' victory in Palestinian elections, the onset of political paralysis in Lebanon, the deepening sectarian divide in Iraq—all raised significant doubts about the wisdom of a U.S. strategy built around promoting democracy.

Is it time to reconsider the democratization agenda in the Arab world? For many observers, this seems a foregone conclusion. Promoting democracy from the outside is a challenging task anywhere. Democratization is a long and uncertain process, one prone to stalls and setbacks, one that is often chaotic and sometimes violent. In the Middle East, the difficulties are even more daunting: despite the Bush

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administration's claims, nowhere else do U.S. ideals and U.S. interests seem so starkly counterposed.

Two excellent new books—*Freedom's Unsteady March*, by Tamara Cofman Wittes, and *Beyond the Façade*, edited by Marina Ottaway and Julia Choucair-Vizoso—help negotiate this terrain in an informed way. Although they vary significantly in their tone and enthusiasm for democracy promotion in the Arab world, their policy recommendations are surprisingly congruent. Washington must narrow its efforts to the protection of political freedoms (in the hope of building "people power" on the ground), press reluctant regimes to include Islamists in the political process, and make aid and trade conditional on performance on these more limited goals.

INSTRUMENTAL IDEALISM

Freedom's Unsteady March is billed as a "realist's guidebook for democracy promotion." Wittes does not shrink from acknowledging the failures of the Bush administration in this area. But she attributes these failures to a halfhearted effort rather than the inherent unachievability or inadvisability of the objective. "Interest requires us to embrace democracy," she argues unabashedly. Historically, the United States has had three core interests in the Middle East: preserving the free flow of oil and gas, securing the movement of maritime traffic through the Suez Canal, and guaranteeing the safety of key allies, such as Israel and Saudi Arabia. (More recently, a fourth objective has joined the list: gaining assistance in counterterrorism efforts.) For much of the post–World War II era, these interests spelled a devil's bargain: ally with reliable autocrats and forgo pressuring them to pursue democratic reform. Consequently, even when the United States was enthusiastically embracing the "third wave" of democratization that swept southern and eastern Europe, Latin America, and Africa in the late twentieth century, its endorsement of a democratic agenda in the Middle East was halfhearted and inconsistent, marred by a "deep-seated ambivalence."

This has remained true even during the Bush administration, notwithstanding its soaring rhetoric about the importance of democracy and freedom. Wittes offers a trenchant analysis of the Bush administration's policies. Democracy promotion was too "small bore," focusing on financial support and technical assistance to civil-society associations, political parties, and legislative institutions and ignoring the fact that absent true freedom (to speak, to organize) in society, these technical improvements would do little to reapportion political power or force popular accountability. In addition, many in the Bush administration were persuaded that the first priority of the United States should be the promotion of economic development and economic reform "in the hope . . . that democratization [would] follow as a natural consequence of economic freedom." An "economics first" approach was doomed to failure: economic irrationality was an essential part of the political survival strategy of many regimes in the region, and political interests in the economic status quo made economic reform as challenging as outright political reform.

The administration also made the mistake of focusing much of its democratizing energy on places where governance was severely challenged (Iraq, Lebanon, and Palestine). The promotion of democracy in weak states (or nonstates) was bound to

fail. Where government institutions cannot deliver basic security or welfare to society, people tend to fall back on kith and kin to secure these basic needs. In this primordially charged context, the introduction of democratic elections often serves to reinforce sectarian and ethnic cleavages and undermine social peace—not a promising environment for democracy's success.

To do better, Wittes argues, Washington must make a more concerted effort and develop the backbone to confront recalcitrant autocrats (even those who are U.S. allies). As a prior condition to both, however, the United States must overcome its ambivalence about the entire democratization enterprise. Americans, as Wittes sees it, must recognize that whatever the flaws in his administration's approach, Bush was right when he argued that U.S. interests and U.S. ideals are not in conflict when it comes to democracy promotion in the Arab world.

Wittes' argument rests on three legs. First, she argues, the region's long-term stability can be guaranteed only by democratization. Political crisis looms on the horizon. A growing number of Arab states are on the brink of failure, facing the triple threat of population explosion, economic stagnation, and political alienation. The three pillars of regime durability in the region—rent, repression, and (nationalist) rhetoric, "the three *r*'s"—are less available and less effective than they once were. The end of the Cold War has shrunk the number of sources of foreign aid, and oil prices, no matter how high, cannot keep pace with population growth. In addition, the rise of new technology (the Internet, cell phones, satellite TV) has made regime behavior far more visible to the public, both domestically and internationally, raising the costs of repression. And the old nationalist rhetoric, which used to buy autocratic regimes some legitimacy, fails to resonate with a younger generation born after the end of formal colonialism and the nationalist struggles for independence. The mismatch between the challenges and the coping strategies means "the political status quo is beginning to crumble." Political change is inevitable, and the United States has an interest, Wittes argues, in "put[ting its] thumb firmly on the scale on the side of Arab democracy" to make sure that change is "managed toward a progressive end."

Second, democratization is the only way to prevent the empowerment of radical Islamists. Authoritarianism gives Islamist movements an advantage, because when political freedom and organization are constrained, the mosque becomes one of the few viable arenas for collective activism. Opening up the political system and expanding political freedoms would "level the playing field" in the Arab world and increase "the ability of Arab societies to debate, test, and, it is hoped, reject the claims of the radical Islamist movement."

Third, Wittes disputes the notion that democracy promotion will compromise the United States' ability to secure cooperation from allies, since cooperation is "forged on mutual interest." Working together on such issues as counterterrorism, advancing the peace process, and containing instability in Iraq and in Gaza is as much in the strategic interests of Egypt, Jordan, and Saudi Arabia as it is in the interest of the United States. Washington can push its autocratic allies harder on the issue of political reform without worrying that this will cause them to abandon the United States in its pursuit of other goals.

INEVITABLE INCONSISTENCY

All of this adds up to an impassioned, well-reasoned, and highly readable case for U.S. democracy promotion in the Arab world. Wittes has mustered some of the strongest evidence possible for this stand. Still, the argument does not quite square ideals and interests—and it falls short as a result.

The case for squaring democracy promotion with strategic interests turns on the proximity of regime breakdown in the Arab world and the utility of democratic reform for guiding the region into safer terrain. Wittes is unpersuasive on these points. First, she overstates the threat of regime breakdown. She is quite right to emphasize the challenges posed by economic stagnation and population growth. Deep pockets of popular grievance have developed in the Arab world, and they ought not to be discounted. But the conclusion that mounting discontent spells regime breakdown seems profoundly apolitical. As students of revolution know well, popular grievance is a near constant in human history, whereas successful regime overthrow is rare. The latter requires an effective capacity for collective action on the part of the aggrieved and political opportunity (particularly in the form of a dysfunctional coercive apparatus) on the part of the state, neither of which exists in most Arab countries. Arab regimes have been quite successful in thwarting collective organization through repression, co-optation, and fragmentation. And the coercive apparatus remains largely intact in most places in the Middle East. So why believe regime breakdown is inevitable? Analysts have been warning about the "yawning gap" between aspiration and opportunity in the region for decades—during the 1980s, many Middle Eastern countries were even more economically strapped than they are today—and yet nearly every regime in the Middle East has survived.

Wittes also overstates the challenges Arab regimes face. True, greater public scrutiny (made possible by new technology) raises the costs of repression. But are the costs of repression really so high as to outweigh the desire for survival? Does anyone doubt that when push comes to shove, these regimes will repress their enemies? Did close public scrutiny prevent the Egyptian government from imprisoning the opposition presidential candidate Ayman Nour? As for rents, it is true that their availability from some sources has declined (or at least not kept pace with population growth), but those that are available are still generally sufficient to sustain the coercive apparatuses of autocratic regimes. The bottom line is that regime elites in the Arab world continue to have a deep vested interest in regime endurance, and they generally command sufficient coercive capacity to hold on to power.

The idea that democracy is the best way to manage collapsing states also seems odd. Even if states in the region were on the verge of failing, would democracy promotion be the best recourse? Wittes' own insightful observation is that failed states do not constitute propitious environments for democratic experiments. People's first priority is to secure basic safety and welfare. Embarking on democratic experiments in the context of deep social division and insecurity is a recipe for disaster.

Similarly, Wittes may be overly optimistic about how democracy promotion can advance the fight against Islamic

radicalism. It is true that the exposure of the Islamist platforms and parties to open debate and political competition would be an effective way to challenge the hold of radicals. The question is whether a rapid transition to democracy is the surest route to achieve this end. Immediate democratization may actually privilege Islamists, since they are generally the only group with effective mass movements. Fear of this outcome provides the primary rationale for gradual liberalization rather than rapid democratization in the Arab world, an approach that Wittes rejects. This is why (or at least the cover story for why) the Jordanian regime has gerrymandered districts and rigged election laws to limit (but not eliminate) Islamist representation in parliament. This is why (or at least the cover story for why) Egypt has amended its party law to forbid religiously inspired parties. The logic of Wittes' argument seems a more fitting defense for limited liberalization than for immediate, full-fledged democracy promotion.

Finally, Wittes argues that the United States' strategic interests are sufficiently shared by its key allies in the region that Washington need not fear losing their cooperation. But although King Abdullah may share Washington's interest in the peace process or the Saudi royal family may share its interest in counterterrorism, this is not the same as saying that Jordan or Saudi Arabia necessarily do. These shared interests are regime-specific; should allied regimes fall, there is no guarantee that their replacements would share the same objectives. (An Islamist or a Palestinian-led regime in Jordan might, for example, be less supportive of the Israeli-Palestinian status quo.)

In short, the ideal of democracy promotion will, at times, conflict with the United States' core interests. Some inconsistency and halfheartedness is thus an inevitable part of democracy promotion. Recognition of this fact ought to recommend retreat to a more modest agenda than that suggested by the Bush administration's rhetoric. And in fact, Wittes herself evidences such pragmatic "realism" in the concrete policy recommendations she makes. Despite its impassioned defense of democracy promotion, *Freedom's Unsteady March* outlines policies that largely echo those put forth by the much more skeptical analysts in the Ottaway and Choucair-Vizoso volume.

THE LIMITS OF REFORM

After Wittes' manifesto, the sober account put forth by Ottaway, Choucair-Vizoso, and their contributors in *Beyond the Façade* feels like a splash of a cold water. This superb collection traces the empirical reality of political reform in the Arab world, recounting the experience of ten countries in a coherent, concise, and consistently insightful fashion. Overall, the authors find no evidence of a genuine political paradigm shift occurring in the region. They see no substantive redistribution of power, no creation of effective checks and balances at the institutional level to limit executive power, no reforms sufficient to make political leadership truly accountable to the popular will. At most, they find cosmetic reform: some liberalization, some introduction of competitive elections. But such initiatives are hobbled in ways that are preventing a tangible shift in the balance of power. Reform in the Arab world has largely given rise to "façade democracy" rather than true democracy.

What accounts for the limited progress of political reform? The problem lies, first and foremost, in the provenance of the reform initiative. For the most part, reform in the Arab world has been launched from above, by regime incumbents, urged on by outsiders "who want to promote democratization without risking destabilization." Consequently, the reform process has prioritized incumbent survival rather than genuine political opening. The inability of domestic forces to build mass organizations has prevented them from advancing a more radical political agenda. And without substantial pressure from below, regime elites are unlikely to relinquish power voluntarily.

These elites employ many different strategies to protect their position. Recognizing the potential challenge that organized social forces might pose, they use every resource imaginable—legal, financial, ideological, repressive—to disorganize society and co-opt, fragment, and control collective action of any sort. Political parties are subject to onerous constraints (if they are permitted at all); associations are obliged to obtain government licenses (often denied); subsidies are spread around to duplicate NGOs and shape their agendas; and when all else fails, troublesome activists are harassed or arrested.

Regime elites also embrace the tools of institutional engineering to undermine checks on executive power. It is not uncommon in the Arab world for the chief executive to be constitutionally empowered to dismiss parliament at will, legislate by executive decree, form governments without taking into account parliamentary results, appoint and dismiss members of the judiciary, and bypass the judiciary alto-

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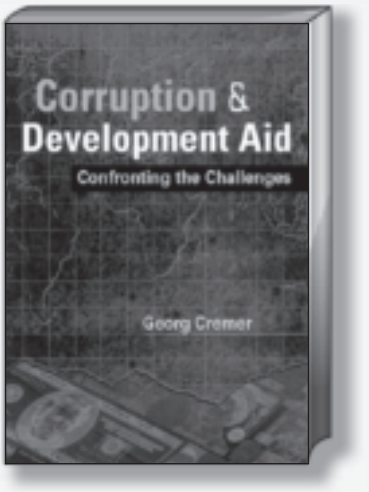

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Finally, should elites find that even their limited reforms are too threatening, they can simply reverse course. In Egypt, the unprecedentedly strong showing by the opposition in the parliamentary elections of 2005 so frightened the regime that it postponed the next scheduled elections for two years and then forced through a set of constitutional amendments that aimed to exclude the Muslim Brotherhood from future political activity altogether. In Jordan, when the initiation of free, fair, and competitive elections resulted in significant Islamist victories in 1993, the regime simply rewrote the election law, adopting a new system more likely to favor tribal (as opposed to Islamist) success.

This analysis of reversals and constraints is not meant to imply that there has been no progress in the region. The political situation in the Arab world today, at least in some countries, is quite different from what it was 20 years ago. In Kuwait, women now enjoy the right to vote and run for office; a competitive, pluralistic political scene prevails; and the opposition is sufficiently emboldened that it was able to push through the restructuring of the electoral system. In Morocco, the human rights situation has improved, a more progressive personal-status law has been enacted, and an opposition party has led the government. In Jordan, political parties are now legal, parliamentary elections have become more regular, and media freedom has increased. These are significant gains. But limited liberalization does not mean democracy. And the authors of this collection are largely pessimistic about the ability of these liberalizing initiatives to develop into democracy. None of these reforms has targeted the distribution of power in a serious way, and the constraints imposed on society and institutions forestall a true shift in political control.

Can outsiders do anything about this? In contrast to Wittes, the authors in *Beyond the Façade* are restrained. A number of them emphasize the limitations of U.S. economic leverage with some Arab countries awash in oil and gas (Algeria, Saudi Arabia) and with others that have limited trade and aid relations with the United States (Syria). Others emphasize the United States' conflicting objectives in the region and unlikeliness to follow through on democratization consistently. The broader concern is that foreign enthusiasm may outpace local enthusiasm—a clear recipe for failure.

Given these reservations, the volume includes four basic policy recommendations. First, foreign powers should focus on protecting political freedoms. The primary objective of this initiative should be to build "people power" on the ground. It is impossible to advance democracy without developing domestic social forces committed to this agenda and capable of mobilizing local political weight behind it. Consequently, the most important contribution an outside power can make is to foster the conditions, and especially the civil liberties, that will enable people to find their own footing, their own speech, and their own associations. Second, Islamists must be included in the political process. Outsiders must recognize that the Islamists constitute the main (and sometimes the only) mass movement in many of these countries. They are here to stay, and no project aimed at mass empowerment can legitimately exclude them. Political inclusion (albeit on certain

terms) is necessary to create incentives for compromise and dialogue with more secular forces in Arab society. Third, Washington must be prepared to confront its allies on these issues and make aid, trade, and security agreements conditional on performance on these goals. And fourth, the United States must take the long view and scale down its ambitions. Democratization will not happen overnight, and overreaching will mean hypocrisy and failure.

Surprisingly, for all her differences in tone, Wittes makes many of the same recommendations. She, too, argues for freedoms first, Islamist inclusion, and building conditionality into aid and trade. She, too, cautions the United States to make sure that "external pressure never outstrips internal demand." She points to the cases of Chile, the Philippines, and South Korea as evidence that "a credible, grassroots, domestic democracy movement" has always been central to the success of U.S. interventions on behalf of democracy. And like the authors of *Beyond the Façade*, she argues against unilateralism in democracy promotion. The surest way to ensure commitment and follow-through on the part of Arab elites is to anchor these democratizing initiatives in international, rather than bilateral, relationships, linking them to multilateral agreements or international organizations.

TAMED AMBITION

The bottom line is that U.S. strategic interests do not require democracy promotion in the Arab world, at least not unambiguously and certainly not in the short run. Rapid democratization carries with it the danger of tipping deeply divided countries into sectarian civil war, fueling radicalism rather than moderation, and empowering forces that are deeply anti-American. But this is not equally true in every country; in many cases, a process of political opening, properly calibrated, would enhance stability and advance the process of moderation.

Of course, strategic interests are not the only factor informing U.S. foreign policy. Concern for human rights and basic freedoms gets a vote as well. How to reconcile all this? If nothing else, the work of these authors suggests that democratization is a messy process, that no great power can afford to pursue it with utter consistency, and that there are serious limits to the role that outsiders can play in coaxing democratization along. Since outsiders have neither the interest nor the endurance to see this protracted, nonlinear process through to its end, democratization must be the work of forces on the ground who daily make their own calculations of the costs and benefits of mobilizing collective power and challenging the status quo. The best that outsiders can do is cheer from the sidelines, pressure allied regimes to make space for these local forces, and provide material and technical assistance where possible.

Furthermore, they must do all this without the slightest hope of cashing in any political returns in the near term, certainly not within the timeframe of an election cycle. The work must be undertaken on faith. Recognizing the temporal, material, and political constraints that work against the achievement of democracy should lead to, at the very least, a deflation of ambition and rhetoric in its pursuit.

Review Essay

Shortsighted Statecraft

Washington's Muddled Middle East Policy

Daniel C. Kurtzer

A Choice of Enemies: America Confronts the Middle East. BY LAWRENCE FREEDMAN. PublicAffairs, 2008, 569 pp. $29.95.

There is a feature of my seminars on U.S. Middle East policy at Princeton that I call "déjà vu all over again"—with apologies to Yogi Berra. I ask students to assess the bungled efforts and missed opportunities of generations of U.S. diplomats and seek in them lessons for the future. They examine the hubris that drove the U.S. government to engineer the 1953 overthrow of Mohammad Mosaddeq's democratically elected government in Iran. This traumatic episode was conveniently forgotten by 1979, when National Security Adviser Zbigniew Brzezinski encouraged Mohammad Reza Shah Pahlavi to use force against the opposition, ignoring the warnings of U.S. diplomats on the ground in Iran that the shah's reign was doomed. Similarly, the United States forgot the lesson of the limited and United Nations–approved 1991 war in response to Iraq's aggression in Kuwait when it launched an ideologically inspired invasion of Iraq in 2003. Likewise, in 2006, Washington seemed to have forgotten the fiasco that followed Israel's 1982 invasion of Lebanon. Rather than learn from the past, Washington backed Israel's ill-advised attempt to deliver a knockout blow against another Lebanese foe, this time Hezbollah. My students and I conclude—only half-jokingly—that U.S. policymakers ought to take the class before taking office.

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SOLUTIONS IN THE PUBLIC INTEREST

They should also read Lawrence Freedman's provocative new book, *A Choice of Enemies*, a sweeping overview of the United States' responses to foreign policy crises in the Middle East over the past 30 years. The book poses a crucial question: Has the United States' Middle East policy consistently failed since World War II, or have the region's problems become so entrenched that they are impervious to change? Freedman, a professor at King's College London, is best known for his writings on war and is an admitted novice when it comes to the Middle East. Nevertheless, he has assembled an impressive array of sources and presents them well in *A Choice of Enemies*.

Taking the dramatic events of 1979 and the early 1980s—the Iranian Revolution, the Soviet invasion of Afghanistan, the Camp David peace accords, Israel's invasion of Lebanon, and the rise of Hezbollah—as his starting point, Freedman argues that a sea change occurred in the politics of the region, from secular Arab nationalism to Islamist-based politics. The United States, Freedman contends, failed to adjust: its policies were haphazard and self-contradictory, its officials spent more time arguing with one another than trying to understand what was happening in the region, and it chose enemies based on a shortsighted appreciation of what its own interests were.

Freedman is not optimistic when it comes to resolving the region's vexing foreign policy dilemmas. Toward the end of his book, he argues that the Middle East's problems cannot be solved and "must be managed or endured" instead. But coming after hundreds of pages about pain and suffering in the region and so many poor—but easily avoidable—U.S. policy choices, this conclusion is somehow comforting. Freedman seems to be assuring policymakers that these problems are not of their own making, thus absolving them of the responsibility to fix them. His temptation to give up is understandable to those who have studied or worked on the Middle East at any time during the past six decades. Nevertheless, Freedman's conclusion is odd given that the earlier chapters of his book make a compelling case that the United States' missteps in the Middle East have stemmed from ideological obstinacy, a failure to understand history, and often plain obtuseness. If such blunders lie at the root of the United States' policy failures in the region, why does Freedman argue for throwing in the towel rather than repairing the policy process by recruiting experts, pragmatists, and those who have learned the lessons of the past—and entrusting them with fixing the Middle East?

BEFORE THE THAW

Freedman recognizes the degree to which Cold War competition and a commitment to containing communism motivated U.S. policy and actions in the Middle East for decades. The Cold War rivalry between the United States and the Soviet Union was so encompassing that it overshadowed and dominated the dramas of regional politics throughout the world. After World War II, the United States flirted with the idea of supporting decolonization and, for a short while, saw Gamal Abdel Nasser's revolution in Egypt as an opportunity to organize secular Arab politics in the postcolonial era and keep the region out of the Soviet sphere of influence. But this was a short-lived romance, and the hard realities of containment quickly

discredited the idea that nation-states could remain nonaligned in an era of superpower competition. Washington saw Nasser's insistence on driving the British out of their base at Suez after 1952 and establishing Egyptian control over the Suez Canal not just as the logical consequence of decolonization but also as a dangerous opening for the spread of Soviet influence in the Middle East.

Nasser's revolution led to economic and social upheaval that had essentially bankrupted Egypt by the early 1970s. Nasser attempted to destabilize and overthrow conservative regimes, such as the Jordanian monarchy. His government went so far as to align many aspects of Egypt's foreign policy with that of the Soviet Union—a price it was willing to pay in exchange for the massive amounts of Soviet aid that helped finance the Aswan High Dam and the arsenal Nasser needed to pursue his military adventures in Yemen. But the Soviets did not get much out of the alliance. Indeed, both superpowers should have learned early in the Cold War that their competition for regional allies yielded only meager payoffs.

Freedman, whose focus is on the past three decades, does not spend much time on this earlier period or on the crucial turning point of the Six-Day War. Historians have long debated whether there was a chance for peace after the war or whether the September 1967 Arab summit in Khartoum—during which the Arab states refused to recognize Israel or negotiate peace with it—pushed the conflict onto the path it has followed ever since. After June 1967, Israeli policy shifted from a politics of necessity—securing its borders, integrating immigrants, and gaining international legitimacy—to a politics of choice. As a result, internal debates in Israel since the 1980s have focused not on the country's survival but on the future of the territories the Israeli army occupies and the people it rules over. Freedman does not enter this discussion, and so his rehashing of U.S. involvement in the Arab-Israeli peace process after 1979, although adequate, breaks no new ground.

THE UNFORESEEN TSUNAMI

Freedman's strong suit is his focus on what he calls "the second radical wave" of Islamist politics, which emerged during the 1979 Iranian Revolution and displaced Nasser's secular Arab nationalism as the dominant political force in the region. Interestingly, both Islamism and Nasserism shared three important traits: vehement anticolonialism, a deep animosity toward Zionism, and ideological origins in Egypt. It is how they diverged, however, that has made all the difference. Political Islam represents far more than a way of ordering politics; it demands a fundamental reorientation of the organization and governance of all societies in which Muslims live.

The United States has had numerous interactions with Islamist actors. Not all of these experiences have begun badly, but all have ended badly. In the case of Iran, the fallout continues to pollute relations with Washington to this day. The United States did not much concern itself with the ayatollahs during the 1953 coup; in fact, the ayatollahs largely supported the U.S. effort to remove Mosaddeq from power. After that, however, Iran's Islamic clergy became increasingly radicalized, notably after the shah expelled Ayatollah Ruhollah Khomeini from Iran in 1964. Still, U.S. policymakers failed to take this development seriously. As late as 1978,

cables from the U.S. embassy in Tehran needed to identify Khomeini for readers in Washington, who were unfamiliar with him or his standing among the growing Iranian opposition.

Freedman makes much of U.S. policymakers' lack of historical understanding, as well as the bureaucratic infighting that resulted in a near-total breakdown in dialogue and policy coordination between the State Department and the National Security Council in the run-up to the shah's departure. He also provides refreshing reminders, here and throughout the book, about the competing priorities of Washington decision-makers. In 1978 and 1979, as the shah was weakening and his regime was collapsing, President Jimmy Carter was mostly preoccupied with the Israeli-Egyptian peace process. Referring to this and other episodes, Freedman points out that historians have the luxury of sorting out events neatly into separate chapters, but policymakers do not. Caught in the swirl of events and committed to the preconception that the Iranian regime was stable and capable of weathering the storm, they opted to maintain the status quo rather than abandon the shah or reach out to the opposition.

Three other "second wave" Islamist upheavals followed closely on the heels of the Iranian Revolution: the mujahideen's anti-Soviet war in Afghanistan, the emergence of Hezbollah in Lebanon, and the rise of Hamas in Gaza. In all three cases, U.S. policymakers overlooked or underestimated the Islamist threat, or were too busy with other matters to give it the attention it deserved. In Freedman's eyes, Washington's reactions to these developments represent crucial moments in U.S. policy in the region. Freedman shows in great detail how the United States' responses were haphazard, driven by short-term thinking, and prone to the same push and pull of bureaucratic infighting that had afflicted Washington's responses to earlier, non-Islamist threats during the Nasser era.

By the 1990s, U.S. policymakers finally did recognize the threat of Islamism, but they treated it largely as a terrorism problem and failed to see the deeper significance: that radical Islam was replacing secular nationalism as the most powerful political ideology in the region. On this point, Freedman's analysis is not as biting as might have been expected, especially given the setbacks suffered by the United States in recent years. U.S. support for the Afghan mujahideen blew back in a storm of terrorist strikes against the United States starting in the 1990s and culminating in the 9/11 attacks. Freedman should have had more to say about the Clinton administration's failure to understand the depth and the danger of the threat and its hesitant and tepid responses to the first terrorist attacks.

FRIENDS AND FOES

Freedman has provided an expansive yet tightly written overview of a complex topic and made good sense of it. *A Choice of Enemies* will likely become required reading in university courses on U.S. policy in the modern Middle East. The book will also serve the policy community well by making sense of a region that has in the past defied the best efforts of so many busy and conflicted decision-makers.

But Freedman leaves several overarching questions unanswered: Are the Middle East's problems—poverty, a resistance to globalization, terrorism, violence—endemic, or can an outside power such as

the United States stimulate the kinds of positive reforms that could lead to political freedom, democratic governance, and economic equality? Will territorial and political compromise yield a two-state solution in Israel and Palestine, or has the conflict become a religion-based existential fight to the death? Should the president of the United States continue to personally invest valuable time and power in trying to resolve this conflict, or should Washington remain content with basic conflict management? And most fundamental, has Freedman's "second radical wave" so completely engulfed Middle Eastern politics that it is only a matter of time before it sweeps the remaining secular regimes away?

The current U.S. administration clearly lacks the energy, interest, and vision to confront these questions. As a result, the next president will face fundamental decisions in the Middle East—whom to choose as enemies and whom as friends—almost immediately on taking office. The differences between the remaining presidential candidates on whether Washington should engage Tehran without preconditions—and the larger question of the role of diplomacy in projecting national power—make the issues raised by Freedman even more meaningful. "Choosing enemies," Freedman writes, "is an art and not a science, and one that usually takes place in confusing and ambiguous circumstances." The problem is that the next president will not be able to hide behind the excuses Freedman offers for the United States' past policy failures.

If U.S. policymakers read Freedman's book and agree with his conclusion that the Middle East's problems cannot be solved, the United States is in trouble. The Israeli-Palestinian impasse, the sectarian conflict in Iraq, and the prospect of a nuclear Iran are serious problems that must be addressed; they cannot simply be "managed or endured."

The alternative is to learn from the past: instead of seeing the Middle East through an ideological lens, the next administration must rely on agile and nuanced diplomacy and engagement based on hardheaded U.S. interests. Washington can accept the region for what it is and still work tirelessly in an attempt to craft lasting solutions to seemingly intractable problems.

Strong U.S. leadership in the Arab-Israeli peace process can make a difference. A coherent strategy in Iraq can be formulated so as to disengage and withdraw U.S. forces, instead of pursuing the illusion of a "victory" that remains undefined after more than five years of war. And although engagement with Iran will not instantly end Tehran's nuclear ambitions and ongoing support of terrorism, it is surely preferable to waiting until military action becomes the only option available. Smart, sustained diplomatic engagement may make the challenge of choosing enemies—and bolstering ties with friends—much easier for the next president.

Barbados
A New Approach to Excellence

Sweeping into victory in last January's elections, David Thompson's Democratic Labor Party (DLP) won 20 of the 30 Parliamentary seats indicating a clear vote for change by the Barbados people. Nevertheless, the makeover is not drastic for those interested in doing business in Barbados. Prime Minister Thompson underlined a pro-growth strategy during one of his first speeches to the private sector, saying: "This mandate will involve assisting in the attraction of new investment, creating a more business friendly environment, finding global export markets for our services and building a distinctive 'Business Barbados' brand."

Making Tourism Everybody's Business

Not so very long ago, Barbados' political leaders had a revelation, a true Eureka moment. Human resources, traditionally the country's most valued asset, could be enhanced in an exciting new approach to promoting the island. Minister of Tourism Richard Sealy explains how rather than having a handful of individuals run the entire campaign strategy, Barbados could tap into a vast human resource pool to promote the Caribbean island nation. The basic idea consisted of taking a page from the success formulas of social networking sites such as Facebook and Myspace, and applying it to real life by engaging the extensive Barbadian diaspora. By serving as personal ambassadors for their home country, Barbadians abroad are in an ideal position to pass the word about the beauty and attractiveness of Barbados within their own communities. "There are more Barbadians living outside of Barbados than here and many of them reside in the very countries from where we want to achieve better tourist arrivals," says Sealy, referring to target markets on the East Coast of the U.S., in Canada, and throughout the British Isles. "We want to leverage that resource much better. Tourism must be seen as being part and parcel of the whole national life and the national wellbeing. We are serious about community tourism and want to see these examples become the rule and not the exception."

Travel and tourism in Barbados generated almost $2 billion in revenue in 2007, having grown 4 percent despite rising fuel and airline costs. This is mostly due to the fact that Barbados attracts high-end clientele, a popular destination for the rich and famous. Nevertheless, tourism provides employment, directly and indirectly, for 66,000 people, almost 50 percent of the country's population. Making sure everybody benefits from this prime source of income is now the focal point of Prime Minister David Thompson's new government. "The new Barbados," clarifies Sealy, "will see exactly what we are saying right now; that we are making tourism everyone's business. I think that for too long, in spite of the tremendous contribution that it makes to the economy at the macro level, there is a view, and with some justification, that the distribution has not been as wide as it should be. Tourism is no longer an industry; it is an entire sector, the largest in terms of foreign exchange earnings. We want to see greater involvement by all Barbadians at the level of ownership of much of the tourism product, at the level of management of various entities and of course at the level of marketing."

Some may say that the timing for such a bold approach may not be right, seeing the Caribbean as fierce with competition in a market that is already under strain from a possible recession in the United States. But Sealy is not worried about the economic downturn in the U.S., nor the weakening dollar; just under 40 percent of Barbados' tourists come from the U.K. and have proven to be the biggest spenders among all visitors, accounting for 55 percent of all tourism-related revenue. In addition, the Barbados Tourism Authority (BTA) applies innovative marketing strategies, much like engaging the diaspora, which result in high levels of brand loyalty, even from the States. In the meantime there is still room for waking up other markets such as continental Europe and Asia to the Barbadian potential. "Our marketing budget is modest when compared to what some of our competitors are spending," highlights Tourism Minister Sealy, "but we are being very careful and crafty, almost, in how we deploy these resources to make sure we get the maximum impact."

Many visitors equate Barbados with the word paradise. For Sealy, this welcome association is not limited to tourism, but can be equally applied to the country's financial services and investment climate. "Whatever you are looking to do, whatever the nature of your activity, you must think quality, you must think of a very high standard of living. We have one of the highest human development indexes in the world. It is a place that is safe and secure and a place that you can be comfortable, whether you are coming for leisure or for business or for both." ■

New Opportunities On Board

There are plenty of opportunities for the discerning investor who wants to be associated with a quality destination. One of the most recent is the government's call for an expansion and improvement of the island's marina infrastructure. As the first landfall from the Atlantic Ocean, Barbados is an obvious location to capture the luxury yacht segment, and the government is accepting proposals for a top-level marina to be initiated before the end of the year. There is also still an open market for globally recognized hospitality groups to establish luxury hotels and resorts in Barbados. Currently, the Hilton is the only brand of its kind to have a presence in the country.

"When investors set up businesses here they rely on a cadre of well trained professionals," explains Central Bank of Barbados Governor Dr. Marion Williams, adding that this highly skilled excellence equally extends into the area of accounting, finance, and wealth management. "They get high quality service and you really cannot say that they were in any way disadvantaged compared with the services they would have received in London or New York."

In order to maximize these assets and stay ahead of the competition, a tourism master plan is being developed by the Barbados Tourism Authority. At the same time, a special tourism investment unit has been set up within the Barbados Tourism Investment Inc (BTI). Together they will generate much of the required restructuring and rejuvenation of the island's tourism industry. "We walk foreign investors through the process," says BTI's CEO Charles Holder, "and from our end interface with our local regulatory agencies to ensure that the best possible attention is given to their need for information or for communication." BTI will shift its focus and work exclusively on attracting and facilitating business for tourism investors, while creating joint ventures with the local and international private sector.

Chay Davis, Corporate Communications Consultant at the Barbados Tourism Authority points out that the New Barbados policy should be understood within a wider context of a vision where Barbados owns the space in which its brand of tourism operates. "The BTA will continue to pursue a targeted, proactive marketing approach where all markets are segmented," says Davis. These segments include the nation's hosting of international sporting and cultural events, such as last year's Cricket World Cup.

Such initiatives offer both long-term and short-stay visitors an increased value to their already unique vacation. In addition to the yachting sector, there is also still a margin of expansion in the services Barbados can offer to cruise ships and their patrons. "The stabilization of the cruise sector to guarantee a minimum 600,000 passengers annually is a priority, as is the development of new visitor markets in Asia and Europe," says Davis. "Assisting in the growth of the industry is the homeporting of several lines, including Princess Cruises and Ocean Village Cruises."

People are Barbados' highest priority, whether they are citizens or visitors. This commitment has inspired many investors to do business in Barbados and positively impact the country's development. Tourism Minister Sealy appreciates this partnership, and stresses that continued collaboration is the key to maintaining the country's high standards, especially in the hospitality sector: "We need to attract people interested in tourism investment; we need to look for partners critical to our long-term survival." ■

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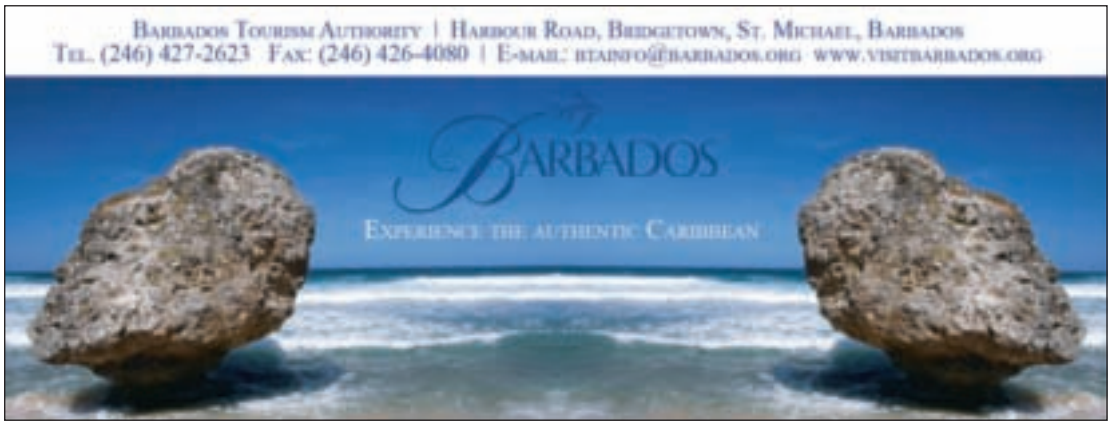

Review Essay

Present at the Re-Creation

A Neoconservative Moves On

Andrew J. Bacevich

The Return of History and the End of Dreams. BY ROBERT KAGAN. Knopf, 2008, 128 pp. $19.95.

If a neoconservative is a liberal who has been mugged by reality, as Irving Kristol once said, what is a neoconservative who gets mugged yet again? A realist.

So, at least, one might conclude from reading Robert Kagan's *The Return of History and the End of Dreams*. Over the past two decades, Kagan has emerged as the neoconservative movement's chief foreign policy theorist. The author of numerous opinion pieces and a signatory of manifestoes of the neoconservative organization the Project for the New American Century, he has also written serious books. Notable among them is the 2006 *Dangerous Nation*, the first volume of an ambitious two-part project that recasts the entire history of American statecraft as an affirmation of neoconservative ideals and aspirations. Yet in this latest rumination on international politics, Kagan largely eschews neoconservative theology and instead sounds themes reminiscent of the great American realists Hans Morgenthau and Reinhold Niebuhr. Kagan once professed to believe that "there is something about realism that runs directly counter to the fundamental principles of American society." But now he deploys realist principles to explain the world.

Or at least most of the world. Amid the great outpouring of recent books on U.S. foreign policy, *The Return of History* stands out in one particular respect: it all but ignores the ongoing debacle that is the war in Iraq, a war that neoconservatives such as Kagan so passionately supported in 2003. To be fair, neoconservatives did not concoct the war; it was George W. Bush

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who chose to invade Iraq, and the chief responsibility for all that has ensued since is his. Yet Kagan was among those lobbying for the war, chiding as "nervous nellies" those people who had the temerity to suggest that overthrowing Saddam Hussein might prove unwise. Now, instead of reflecting, forthrightly and with humility, on all that has gone awry since March 2003, the chief foreign policy theorist of the neoconservative movement has chosen to put the war in his rearview mirror. While American soldiers remain stuck in Iraq, Kagan is moving on to other things.

DREAMERS

Kagan moves on by looking into the past, primarily concerning himself with what came before Iraq. And he primarily concerns himself with ideas, taking his cue from Kristol, the founding father of neoconservatism, who once observed, "What rules the world is ideas, because ideas define the way reality is perceived." During the decade between the end of the Cold War and the attacks of September 11, 2001, commentators eager to chart the future course of U.S. foreign policy produced a plethora of such ideas—or "dreams," according to the title of Kagan's book—including the defective notion that the end of the U.S.-Soviet rivalry heralded a fundamental change in the international order.

But "what reason was there to believe," Kagan asks with evident exasperation, "that after 1989 humankind was suddenly on the cusp of a brand-new order?" According to Kagan, no such thing was ever in the cards. "People and their leaders longed for 'a world transformed,'" he writes, derisively quoting the title of George H. W. Bush's 1998 memoir. "But that was a mirage. The world has not been transformed." Instead, the iron laws of history and politics have remained intact, and "struggles for status and influence in the world have returned as central features of the international scene." Competition among great powers will define the twenty-first century, Kagan asserts, "producing

alliances and counteralliances, and the elaborate dances and shifting partnerships, that a nineteenth-century diplomat would recognize instantly." In other words, geopolitics is back.

Kagan does not identify the silly people who deluded themselves and misled everyone else with visions of a world transformed. He contents himself with dismissive allusions to nameless figures who peddled naive illusions of "nation-states growing together or disappearing [a jab at Jessica Tuchman Mathews?], ideological conflicts melting away [a kick to Francis Fukuyama?], cultures intermingling [remember those ubiquitous Benetton ads?], and increasingly free commerce and communications [Bill Clinton borrowing from Thomas Friedman?]."

Kagan's catalog of the ideas that surfaced during the heady days after the Soviet Union's fall is nothing if not selective. To be sure, the big ideas that wowed members of the American policy elite in the 1990s look the worse for wear today. But blaming the likes of Mathews, Fukuyama, and Friedman for the United States' present predicament is like blaming Harriet Beecher Stowe for the American Civil War; it lets the real culprits off the hook. The ideas that have really mattered are those that influenced the National Security Strategy of 2002 and Bush's second inaugural address, which articulated Bush's "freedom agenda" and his doctrine of preventive war, the intellectual bases not only for the invasion of Iraq but also for the global war on terrorism. Of those ideas, which are covered with the neoconservatives' fingerprints, Kagan says strangely little.

Above all, Kagan fails to mention his own contribution to the promotion of fin-de-siècle illusions. Writing in *Present Dangers* with the commentator William Kristol about a decade ago, he was among those who expressed great certainty that with the end of the Cold War, "the world had indeed been transformed"—and transformed, at that, "in America's image." He and Kristol argued that with the disintegration of the Soviet empire, the United States had achieved a position of preeminence "unmatched since Rome dominated the Mediterranean world"—an ascendancy, they added, that "undergirded what President George Bush rightly called 'a new world order.'" To sustain this uniquely advantageous position, U.S. policymakers simply needed to shed any lingering reluctance to exercise what Kagan and Kristol called "benevolent global hegemony."

The Kagan of old thus had little patience with realists, who endlessly cited John Quincy Adams' warning against the dangers of going "abroad in search of monsters to destroy." After all, Kagan (and Kristol) maintained, the United States possessed more than sufficient "capacity to contain or destroy many of the world's monsters, most of which [could] be found without much searching." Keen to put that muscle to work, Kagan encouraged in the 2000 book a broad strategy of regime change, "in Baghdad and Belgrade, in Pyongyang and Beijing, and wherever tyrannical governments acquire the military power to threaten their neighbors, our allies and the United States itself."

For Kagan, the marriage of American power with American values after the Cold War rendered geopolitics obsolete. What was imperative was keeping faith in the American mission. Given that "the principles of the Declaration of Independence

are not merely the choices of a particular culture but are universal, enduring, 'self-evident' truths," as he and Kristol put it in a 1996 essay for *Foreign Affairs*, taking on monsters became a duty of sorts; shirking that duty, on the other hand, was like succumbing to "a policy of cowardice and dishonor." Mounting a final offensive against the world's last pockets of illiberalism was to "relish the opportunity for national engagement, embrace the possibility of national greatness, and restore a sense of the heroic"—the heroic having been lost, according to Kagan and Kristol, when the Cold War era ended.

ROBERT THE REALIST?

In *The Return of History*, Kagan offers a decidedly different view. Having once denounced realists as "professional pessimists," he now allows that "the realists had a clearer understanding of the unchanging nature of human beings." The collapse of communism, he now writes, produced "not a transformation but merely a pause in the endless competition of nations and peoples." In a statement to which Morgenthau and Niebuhr would surely have subscribed, he even concedes that "it is not so easy to escape history."

If the old Kagan expressed considerable optimism about the United States' capacity to spread freedom, democracy, and other principles enshrined in the Declaration of Independence, the new Kagan encloses "universal values" in quotation marks, as if to distance himself from Thomas Jefferson's claims. Kagan dismisses outright the notion that the advance of democracy reflects "merely the unfolding of certain ineluctable processes of economic and political development." In fact, he acknowledges, "We really don't know whether such an evolutionary process, with predictable stages and known causes and effects, even exists." This is a bit like a senior Vatican official expressing skepticism about whether Jesus Christ rose from the dead.

Cribbing from the realist tradition, Kagan outlines the contours of the great-power competition he expects will define the twenty-first century, with China, Europe, India, Japan, Russia, and, of course, the United States as key players. In the process, he engages in considerable oversimplification and more than a little hype. To justify Japan's making the cut, for example, Kagan claims that Tokyo today "displays great power ambitions" and even plays a "global military role." Yet Japan's military spending has actually declined in recent years; the country's top national security priority is not power projection but ballistic missile defense. As a participant in global military affairs, Japan lags well behind Canada.

Kagan views a rising China and a resurgent Russia as potential problems: both are authoritarian states whose ambitions could threaten international stability. In response, he calls for the formation of a "league of democracies," led by the United States and including European states, that would hold "regular meetings and consultations among democratic nations on the issues of the day." (Headline: "Mars and Venus Announce Plans to Marry!") That he now advocates creating a talking society shows how far Kagan has traveled since the days when he was touting the benefits of the United States' global hegemony. It is hard to see what this league would accomplish apart from providing sinecures for large numbers of second-tier government officials and civil servants. In all likelihood, it would

be a new NATO without the clout or the cohesion of the old.

How does violent Islamic radicalism figure in this vision of the twenty-first century? For Kagan, the threat turns out not to be so great after all. Refreshingly devoid of inflammatory references to "Islamofascism" or World War IV, *The Return of History* does not foresee a new caliphate seizing control of the Muslim world and attempting to impose sharia on the West. Kagan sees the Islamist cause as doomed to fail. He describes political Islam as a "hopeless dream," believing (correctly, in my view) that "in the struggle between traditionalism and modernity, tradition cannot win." Thus, for Kagan, mounting an all-out global assault against terrorism no longer ranks as a top priority.

Neither does the war in Iraq. In the run-up to the U.S. invasion in 2003, Kagan, writing in *The Washington Post*, described Iraq as "a historical pivot" and events there as destined to "shape the course of Middle Eastern politics, and therefore world politics, both now and for the remainder of this century." After five years of fighting, more than 4,000 U.S. deaths, several hundred billion dollars frittered away, and some 140,000 U.S. troops still on the ground, he no longer seems to think so. *The Return of History* barely mentions Iraq. For Kagan, at least, the longer the war drags on, the less important it becomes. In this, he is like a 1960s hawk writing a book in 1968 who consigns the Vietnam War to a couple of sentences.

THE EXCEPTION TO THE RULE

There is one central point on which the new Kagan sees eye to eye with the old: the strictures of realism do not apply to

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the United States. For Kagan, the United States' "sense of a universal mission and belief in the righteousness of its own power" inform its behavior. This, in his view, is a good thing. Out of righteousness comes assertiveness, and, indeed, the United States has "intervened and overthrown sovereign governments dozens of times throughout its history." Kagan characterizes U.S. policy as inherently "expansive, even aggressive," and as deriving its force from a set of deeply internalized core convictions. Chief among them is the belief that securing American freedom and American prosperity requires a world that adheres to American (or "universal," with quotation marks, as Kagan might put it) principles.

Most U.S. citizens and almost all U.S. politicians pretend otherwise, preferring to see themselves as "an inward-looking and insular people, always just a step away from retreating into their fortress." Kagan rightly dismisses this as so much posturing. In effect, he aligns himself with the historiographical tradition founded by Charles Beard and subsequently refined by William Appleman Williams. This is more than slightly ironic, since both Beard (a leading critic of U.S. intervention in World War II) and Williams (the founding father of Cold War revisionism) rejected the heroic narrative of U.S. history to which neoconservatives such as Kagan subscribe. Yet in his recent writings, Kagan joins these revisionists in debunking the myth of U.S. isolationism. He acknowledges the intimate yet flexible relationship between the United States' ideals and its relentless pursuit of more tangible interests, the neat alignment between the imperatives of righteousness and the imperatives of power. When he mocks Americans' pretensions to innocence—"It is as if the United States somehow arrived at the present pinnacle of global power by accident, that Americans neither desire nor enjoy their role as the world's predominant power"—Kagan almost seems to be channeling Williams, who over three decades ago said of historians evading the reality of American power, "All have written, willy-nilly or with the kind of a priori certainty that slams the door on truth, that the American Empire just grew like Topsy."

Unfortunately, Kagan diverges from Beard and Williams in one critical respect. Whereas they saw the United States' penchant for expansionism as problematic, he does not. Whether the country's aim was empire, hegemony, or making the world safe for democracy, Beard and Williams believed that expansionism was fundamentally at odds with the long-term interests of the American people. They proposed that rather than looking abroad for solutions to the problems afflicting the United States, Americans learn to live within their means. Beard and Williams acknowledged that this might require substantially changing the fundamental principles governing the American way of life. Yet they believed that transforming the United States was likely to prove an easier task than transforming the world in order to sustain American self-indulgence and profligacy.

Despite his newfound realism, Kagan balks at considering the possibility that the United States and Americans ought to change. He makes no effort to assess whether the Bush administration's recent revival of an expansionist conception of statecraft serves U.S. interests today.

Has the doctrine of preventive war enhanced the well-being of the American people? Has the pursuit of President Bush's "freedom agenda" improved the United States' standing in the world? Or have the policies devised in the wake of 9/11 squandered the United States' power and multiplied its problems?

Although there is abundant empirical evidence bearing directly on these questions, Kagan evinces almost no interest in such data. He has little time for contemplating the costs of Bush's aggressive policies in the Middle East, even though, according to some estimates, the price of the Iraq war alone may reach into the trillions of dollars. Key indicators of basic economic health—such as the size of the national debt, the strength of the dollar, the extent of the trade deficit, and the country's ever-increasing dependence on imported oil—do not figure in his analysis, even though they all have worsened under President Bush.

For Kagan, the United States remains indispensable. It "is still the keystone to the arch," he writes. "Remove it, and the arch collapses." Here, Kagan the recent convert to realism gives way to Kagan the unrepentant neoconservative, who refuses to acknowledge that the United States' traditional foreign policy of expansionism has long been counterproductive. From the end of the Revolutionary War through the 1950s, expansionism did enhance U.S. power and wealth, and it did make freedom possible for ever larger numbers of Americans. But that correlation came undone in the 1960s. Recent efforts at expansion—such as President Bush's ill-fated attempt to pacify the Muslim world—have served only to dissipate U.S. power while weakening the U.S. economy and creating pretexts for the government to curtail individual freedoms at home. Expansionism no longer offers a way out—and this fact, as much as and perhaps more so than the rise of China or the resurgence of Russia, defines the world that must be reckoned with today. But Kagan, eager to move on, bury the Iraq war, and whitewash the entire post-9/11 era, which he and other neoconservatives have so profoundly misunderstood, cannot or will not acknowledge this new reality.

Review Essay

Terror and the Law

The Limits of Judicial Reasoning in the Post-9/11 World

Curtis A. Bradley

Law and the Long War: The Future of Justice in the Age of Terror. BY BENJAMIN WITTES. Penguin Press, 2008, 277 pp. $25.95.

Lawyers and courts have become a central part of the Bush administration's "war on terror." The Justice Department's so-called torture memos and other legal documents have triggered extensive debates. The federal courts have entertained numerous habeas corpus challenges from detainees at the Guantánamo Bay detention center, as well as lawsuits on issues ranging from the electronic surveillance of U.S. citizens to the rendition of terrorist suspects to foreign countries. The Supreme Court has already issued three significant decisions concerning the war on terror, and by the time this review is published, it is expected to have issued a fourth.

Yet many fundamental legal questions remain unanswered. Who qualifies as an "enemy combatant" in this conflict? How must this classification be made? How long can such combatants be detained by the U.S. military without trial? These issues remain unresolved partly because the war on terror has been regulated not by Congress but by interactions between the executive branch and the courts, and the courts have tended to decide issues in an ad hoc and case-specific manner. Such an approach can be sensible, especially in the face of fluid circumstances. But as the war on terror becomes a more permanent state of affairs, it is becoming increasingly inadequate.

In an important new book, *Law and the Long War*, Benjamin Wittes, a fellow and the research director in public law

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at the Brookings Institution, critiques what he calls the "legal architecture" of the war on terror. He finds fault with many players: with the Bush administration, for its "consistent—sometimes mindless" fixation on executive power and its repeated unwillingness to seek support from Congress; with Congress, for not asserting itself; with the administration's critics, for attempting to deny the White House the flexibility it legitimately needs to fight the war on terror; and with the Supreme Court, for using ongoing legal disputes "to carve itself a seat at the table in foreign and military policy matters over which it has [had], for good reasons, a historically limited role." Wittes' purpose, he explains, is to "shake somewhat the certainty" of both the executive-power enthusiasts and the administration's critics alike. He also seeks to move the debate beyond formal arguments about what is and what is not allowed under existing law toward consideration of a new legal regime that would provide the government with needed flexibility while protecting individual liberties.

With these goals in mind, Wittes offers general strategies for legislative reform on issues such as surveillance, detention, interrogation, rendition, and prosecution. Some of these strategies, such as the call to establish an administrative detention scheme that would be supervised by the courts and would involve periodic assessments of suspects' dangerousness, resemble proposals that have been floated recently. Others, such as requiring the CIA to disclose its interrogation techniques (and deviate from them only with express authorization from the president and with notification to Congress), are more novel. With all of these proposals, Wittes expresses the view that "only Congress can ultimately write the law of this long war."

In his critique as well as in his proposals for reform, Wittes engages with arguments from both the left and the right in a remarkably detached and fair-minded way. Unlike many commentators, he seems genuinely interested in moving past partisan politics and finding workable solutions. The result is a cogent and generally persuasive analysis. The book does, however, have some minor shortcomings: in particular, Wittes' criticism of the Supreme Court seems overstated, and his methodology is not always consistent.

A MISSED METAPHOR

Critics of the Bush administration have argued from the start of the war on terror that it is a war only in a metaphorical sense, much like the "war on drugs" or the "war on poverty." This charge is unfair, and Wittes rightly disputes it. Al Qaeda is not a mere criminal organization; it is a military organization with the express purpose of fighting the United States. Even before the attacks of September 11, 2001, the United States was using military force against al Qaeda: in 1998, for example, President Bill Clinton ordered cruise-missile strikes after the U.S. embassies in Kenya and Tanzania were bombed. A week after 9/11, Congress gave the president broad authorization to use military force, implicitly targeting both the Taliban and al Qaeda. Within a month, the United States was engaged in a major and widely supported military campaign against both organizations in Afghanistan. The war metaphor for the battle against Islamist terrorism developed then, Wittes notes, because "in the short term, no remotely viable alternative to it existed."

But, as Wittes also explains, the war model is an imperfect fit for terrorism. In a traditional conflict, enemy troops typically wear uniforms and are affiliated with a state, which can compel them to fight. Thus, in such cases, it is both relatively easy to identify combatants and reasonable to treat them as dangerous. In addition, if they are captured, their home state can bring their detention to an end—for example, by surrendering or entering into an armistice agreement.

It is much more difficult, however, to identify members of the enemy forces in the conflict with al Qaeda. The organization's chain of command is often unclear, and many individuals involved with the group neither wear uniforms nor are citizens of a state officially at war with the United States. This increases the likelihood that harmless civilians will be incorrectly identified as enemies—a problem that has only been heightened in recent years as al Qaeda has morphed into a confederation of loosely associated groups. Formal membership in al Qaeda is also an inadequate proxy for dangerousness. The members of such a decentralized organization are likely to commit to it and to the hostilities it wages in varying degrees. Moreover, terrorist suspects are likely to be detained longer than traditional combatants, and perhaps significantly so, since they have no state to represent them and help bring the conflict to an end.

Ironically, as Wittes notes, although the war model was helpful to the executive branch early on, it may have unduly constrained the White House as the war on terror progressed. The template forced the executive branch to justify its policies by reference to "enemy combatants," "war crimes," and "the theater of war"—categories that do not readily apply to a global struggle against a nonstate terrorist organization or advance the full range of goals that the executive branch wished to pursue. For example, a war model envisions that hostilities will eventually end, at which time enemy prisoners will be released, but in the conflict with al Qaeda, there may be a need to detain particularly dangerous operatives indefinitely. Meanwhile, as Wittes observes, "the farther into the conflict America waded and the less military the day-to-day operation of the conflict came to appear, the harder it became to sustain public support for [the administration's] activities."

THE RULES OF LAW

The descriptive inadequacy of the war model creates problems for regulating the war on terror through law. By its nature, legal reasoning tends to be backward-looking: it focuses on the Constitution and existing statutes, judicial precedents, and historical practices rather than on designing a new framework. Lawyers and judges are now debating, for example, whether the war on terror is controlled by a Supreme Court decision from the Civil War era or another one from World War II, even though neither addresses the unique features of the current conflict.

There is nothing inherently wrong with this sort of reasoning. It is what lawyers and judges are trained to do, and it is useful in many settings. The past can sometimes provide important guidance about what works and what does not and about a nation's collective values. Furthermore, the approach is properly designed to limit the ability of administration lawyers and

unelected federal judges to make fundamental policy choices. But it is not the ideal way to regulate a long-term security situation that raises difficult and novel issues. Courts tend to hide the functional considerations that influence their decisions, and as they strain to interpret statutes or precedents in ways that accommodate their preexisting preferences, they can undermine the rule of law.

Another problem is that there is little existing law that is directly applicable to the war on terror. None of the Supreme Court's war-powers decisions from earlier conflicts addresses this one's unique features. This is the reason why in its 2004 decision in *Hamdi v. Rumsfeld,* the Supreme Court declined to rule on the most difficult legal questions, such as how to define who, other than fighters on the battlefield in Afghanistan, qualifies as an enemy combatant and how long these enemy combatants can be detained. International law also provides only limited guidance. The Geneva Conventions are surely some of the most important post–World War II treaties, but they are ill suited to regulate the war on terror because they are primarily focused on conflicts fought by organized state armies. It would be an overstatement to say that there is no law at all to guide efforts to combat terrorism, but as Wittes observes, much of what is available are "underdeveloped strands of law intended for other purposes, interacting in peculiar and often perverse ways."

Perhaps as a result, the current approach has tended to work in a piecemeal fashion. As Wittes persuasively explains, because the government's various tactics in the war on terror are interconnected, the government can adapt to a judicial ruling about one of them by altering its practices with

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respect to another. For instance, if the courts make it too difficult for the administration to resort to military trials, the government might start holding suspects without trial for a longer period. Increased judicial oversight of the treatment of detainees at Guantánamo may cause the military to rely more heavily on detention centers in, say, Afghanistan. This substitution effect—a problem in other areas of judicial decision-making as well—can make it difficult to develop a coherent and effective regulatory regime.

JUDICIAL UNRESTRAINT

One of the few instances in which Wittes' analysis misses the mark is his treatment of the Supreme Court. Wittes is highly critical of the Court for playing too active a role in regulating the war on terror. He acknowledges that the Court has not yet imposed significant limitations on the government's ability to fight terrorism, but he finds "doctrinal seeds of a far more aggressive judicial posture" and warns of a "major expansion of judicial power over foreign policy and warfare."

This criticism seems both misdirected and unsupported. The Supreme Court's intervention in the war on terror has been understandable and restrained: it has stepped in to respond to the executive branch's aggressive claims and Congress' inattention while still limiting the scope of its involvement. The Court has been careful to rest its decisions not on the Constitution but on statutes, which Congress can amend. In fact, some of its decisions have already prompted congressional action—a desirable outcome, according to Wittes. The Court has also avoided deciding issues not squarely presented to it, again allowing the political process a broad space in which to operate.

Wittes predicts with dismay that the Supreme Court will hold that the Guantánamo detainees have a constitutional right to have a federal court review the validity of their detentions. But much of this part of his critique is based on legal sources that he discounts in other parts of the book. Despite his general view that judicial precedents from prior wars are not very useful in the war on terror, for instance, he complains that an extraterritorial approach to habeas corpus would be inconsistent with the 1950 decision in *Johnson v. Eisentrager*. In any event, the circumstances of that case can be distinguished from those regarding the detentions in the war on terror: it concerned the military trial of German soldiers captured in China at the end of World War II—detainees who were citizens of an enemy state and had already received a trial. Moreover, given Wittes' focus on the consequences of policies rather than the formal reasoning underlying them, he is hard-pressed to explain why someone held by the U.S. military in the United States should benefit from the full panoply of constitutional rights but someone who is held 90 miles offshore in a facility over which the U.S. government has just as much control should not.

THE LAW OF CONSEQUENCES

As the issue of extraterritoriality illustrates, Wittes is not always consistent in his methodological approach. He tends to favor a consequentialist method, arguing that the war on terror should be regulated according not to abstract categories but to the specific policies that are most likely to be effective. And he criticizes both ideologues in the Bush administration and civil libertarians for being nonconsequentialist:

according to him, the first group stakes out claims of executive power as a matter of principle, and the second tries to restrict the executive's flexibility based on ill-fitting legal rules or absolutist moral claims.

Yet when it comes to the issue of torture, Wittes appears to waver in his approach. He makes clear that he supports the interrogation tactic that the British used in 1946 with the wife of Rudolf Hoess, the commandant of the Auschwitz concentration camp, in which they threatened to send her sons to a country where they would likely be killed. And he notes, "dig deep enough—and it often does not take much digging—and the most categorical opposition to coercive interrogation gives way to consequentialism." There are consequentialist arguments against ever allowing torture, but Wittes does not make them. Instead, he largely avoids the question of torture altogether, ostensibly because the administration does not currently claim it has the authority to use it against terrorist suspects and has reportedly discontinued the practice known as waterboarding. When Wittes does refer to torture, he asserts in passing that it should never be allowed, even in exceptional circumstances, without explaining whether that conclusion is based on consequentialist or nonconsequentialist grounds. Nor does he clarify the notoriously difficult distinction between "coercive interrogation," which he would allow in some circumstances, and "torture," which he would not. Wittes ultimately defends only the limited claim that "it is simply not clear that the optimal level of coercion in intelligence-gathering is zero."

Occasionally, Wittes' commitment to consequentialism also leads him to overlook other important values. This problem is most evident in his chapter on surveillance, much of which is dedicated to explaining how the 1978 Foreign Intelligence Surveillance Act does not adequately allow the government to take advantage of modern technologies. Wittes may be right about this (it is hard to tell given how little is known about the government's current surveillance needs), but he misses the main point, which is that after 9/11 the Bush administration secretly developed a warrantless surveillance program that very likely violated federal law, including criminal law. After the press revealed the program's existence in December 2005, the Justice Department suggested that as commander in chief, the president could simply disregard the 30-year-old statute—staking out precisely the same type of extreme position on executive power that the administration took with respect to its infamous torture memos. Even if one concludes, like Wittes, that the executive branch had good reason for its surveillance program, this does not excuse its failure to seek authorization for it from Congress, at least not if one believes that transparency and respect for established institutional processes are important parts of the rule of law.

Despite these limitations, *Law and the Long War* deserves to be read widely. It is one of the most balanced and nonpolemic accounts of the legal issues in the war on terror to date, and its suggestions for reform are thoughtful and realistic. Written with enough attention to detail to engage legal experts, it is also accessible to lay readers interested in the general policy issues. Although not all of its themes are novel, it is more comprehensive and more substantive, and clearer and more concise, than many of the other recent treatments of this topic.

Responses

Is Ethnic Conflict Inevitable?

Parting Ways Over Nationalism and Separatism

Better Institutions, Not Partition

JAMES HABYARIMANA, MACARTAN HUMPHREYS, DANIEL POSNER, AND JEREMY WEINSTEIN

Jerry Muller ("Us and Them," March/April 2008) tells a disconcerting story about the potential for ethnic diversity to generate violent conflict. He argues that ethnic nationalism—which stems from a deeply felt need for each people to have its own state—"will continue to shape the world in the twenty-first century." When state and ethnic-group boundaries do not coincide, "politics is apt to remain ugly."

Muller points to the peace and stability in Europe today as evidence of the triumph of "the ethnonationalist project": it is only because of a half century of violent separation of peoples through expulsions, the redrawing of state boundaries, and the outright destruction of communities too weak to claim territories of their own that Europe today enjoys relative peace. Elsewhere, the correspondence between states and nations is much less neat, and there Muller seems to agree with Winston Churchill that the "mixture of populations [will] . . . cause endless trouble." He advocates partition as the best solution to this difficult problem.

If correct, his conclusion has profound implications both for the likelihood of peace in the world and for what might be done to promote it. But is it correct? Do ethnic divisions inevitably generate violence? And why does ethnic diversity sometimes give rise to conflict?

In fact, ethnic differences are not inevitably, or even commonly, linked to violence on a grand scale. The assumption that because conflicts are often ethnic, ethnicity must breed conflict is an example of a classical error sometimes called "the base-rate fallacy." In the area of ethnic conflict and violence, this fallacy is common. To assess the extent to which Muller falls prey to it, one needs some sense of the "base."

How frequently does ethnic conflict occur, and how often does it occur in the context of volatile mismatches between ethnic groups and states? A few years

ago, the political scientists James Fearon and David Laitin did the math. They used the best available data on ethnic demography for every country in Africa to calculate the "opportunities" for four types of communal conflict between independence and 1979: ethnic violence (which pits one group against another), irredentism (when one ethnic group attempts to secede to join co-ethnic communities in other states), rebellion (when one group takes action against another to control the political system), and civil war (when violent conflicts are aimed at creating a new ethnically based political system). Fearon and Laitin identified tens of thousands of pairs of ethnic groups that could have been in conflict. But they did not find thousands of conflicts (as might have been expected if ethnic differences consistently led to violence) or hundreds of new states (which partition would have created). Strikingly, for every one thousand such pairs of ethnic groups, they found fewer than three incidents of violent conflict. Moreover, with few exceptions, African state boundaries today look just as they did in 1960. Fearon and Laitin concluded that communal violence, although horrifying, is extremely rare.

The base-rate fallacy is particularly seductive when events are much more visible than nonevents. This is the case with ethnic conflict, and it may have led Muller astray in his account of the triumph of European nationalism. He emphasizes the role of violence in homogenizing European states but overlooks the peaceful consolidation that has resulted from the ability of diverse groups—the Alsatians, the Bretons, and the Provençals in France; the Finns and the Swedes in Finland; the Genoese, the Tuscans, and the Venetians in Italy—to live together. By failing to consider the conflicts that did not happen, Muller may have misunderstood the dynamics of those that did.

Of course, ethnic divisions do lead to violent conflict in some instances. Violence may even be so severe that partition is the only workable solution. Yet this extreme response has not been required in most cases in which ethnic divisions have existed. Making sense of when ethnic differences generate conflict—and knowing how best to attempt to prevent or respond to them when they do—requires a deeper understanding of how ethnicity works.

Muller offers one explanation for why ethnic identities figure so centrally in political conflict. Corresponding as it does to "enduring propensities of the human spirit," he argues, ethnonationalism "is a crucial source of both solidarity and enmity." This explanation echoes a fairly conventional account of ethnic conflict according to which people tend to prefer members of their own group and, in some cases, have active antipathy toward outgroup members, making conflict the inevitable result. This is an appealing narrative. It helps outsiders make sense of the seemingly gratuitous violence of Africa's bloodiest conflicts. It resonates with the demonization of immigrants and the threats of ethnic domination that politicians around the world invoke in election campaigns. It appears consistent with demands for greater autonomy and self-government by ethnic enclaves in eastern Europe and the former Soviet Union. If ethnic diversity generates antipathies so deep that they cannot be realistically resolved, separation becomes the obvious and, perhaps, only feasible antidote, as Muller concludes. But positive feelings

toward in-group members and antipathies for out-group members might not be the correct explanation for why political action is often organized along ethnic lines.

Indeed, recent research points to at least two alternative explanations. One argument suggests that members of the same group tend to work together to achieve collective ends not because of their discriminatory preferences but because of efficiency: they speak the same language, have access to the same types of information, and share social networks. In environments with scarce resources, they may even choose to work together against other groups, whether or not they care for or even like their peers. Thus, political coalitions form along ethnic lines not because people care more for their own but simply because it is easier to collaborate with their ethnic peers to achieve collective ends.

A second account emphasizes the norms that may develop within ethnic groups. Even when people see no efficiency gains from working with their co-ethnics and have no discriminatory preferences, they may still favor their own simply because they expect them to discriminate in their favor as well. Such reciprocity is most likely to develop in environments that are devoid of the institutions and practices—for example, enforceable contracts and impartial state institutions—that protect people from being taken advantage of by others. In such cases, reciprocity is a protection against being cheated.

Distinguishing these different theories is important because each one suggests a starkly different strategy for dealing with ethnic conflict. If the problem is tribal or national antipathies, there may well be some utility in separating groups. But if it stems from the technological advantages that accrue to members of the same ethnic group, then initiatives that break down barriers to cooperation (for example, Julius Nyerere's introduction of Swahili as a common language in Tanzania in the 1970s) are more likely to bear fruit. If instead discrimination in favor of one's ethnic peers is a coping strategy that individuals employ to compensate for the absence of functional and impartial state institutions, then the best response may be greater investment in formal institutions so that individuals are assured that cheating will be punished and that cooperation across ethnic lines will be reciprocated.

To discern these competing perspectives, we set out to study ethnicity and conflict using experimental games. We put people in strategic interactions with members of their own and other ethnic groups and examined the decisions they made. We carried out our research in Uganda, where differences between ethnic groups have been a basis for political organization and the source of persistent national political crisis and violent conflict since independence.

Remarkably, we found no evidence that people care more for the welfare of individuals from their own ethnic groups than for the welfare of those from other groups. Given the opportunity to make anonymous donations of cash to randomly selected partners, individuals were just as generous to out-group members as they were to their co-ethnics. One could easily tell a story that links Uganda's decades of ethnic conflict to tribal antipathies (and many have), but our research provided no evidence of such antipathies at work among a diverse sample of Ugandans.

We also found only weak evidence that impediments to cooperation across group lines explain the ethnic dynamics of Ugan-

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dan politics. In another set of experiments, we randomly matched participants with a partner and confronted the pairs with tasks that put a premium on successful communication and cooperation. We found no relation between the success in completing these tasks and the ethnic identities of the participants; success rates were just as high when individuals were paired with members of their own ethnic groups as when they were paired with people outside their ethnic groups. Hence, efficiency gains alone cannot easily account for the propensity of political coalitions to take on an ethnic character.

Instead, our studies suggested that patterns of favoritism and successful collective action within ethnic groups should be attributed to the practice of reciprocity, which ensures cooperation among group members. Our subjects showed no bias in favor of in-group members when given the opportunity to make cash donations anonymously, but their behavior changed dramatically when they knew that their partners could see who they were. When they knew that other players would know how they behaved, subjects discriminated strongly in favor of their co-ethnics. This shows, at least in our sample of Ugandans, that ethnic differences generate conflict not by triggering antipathy or impeding communication but by making salient a set of reciprocity norms that enable ethnic groups to cooperate for mutual gain.

Our experimental findings—from a setting quite different from the European context that Muller treats but in which ethnic divisions run equally deep—reveal that what might look from the outside like an intractable problem of discriminatory preferences may instead reflect norms of reciprocity that develop when individuals have few other institutions they can rely on to police the behavior of others.

Of course, ethnicity may not work in Uganda today the same way that it does in other parts of the world or that it did at other points in history. But our results do point out a need to consider seriously the possibility that the conventional view is at best an incomplete and at worst an incorrect explanation for why ethnic nationalism generates conflict when and where it does.

If ethnic hatreds are not at work, separating groups may not make much sense as a strategy for mitigating the corrosive effects of ethnic divisions. It might be far more important to invest in creating impartial and credible state institutions that facilitate cooperation across ethnic lines. With such institutions in place, citizens would no longer need to rely disproportionately on ethnic networks in the marketplace and in politics. In this respect, modernization may be the antidote to ethnic nationalism rather than its cause.

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Separatism's Final Country

RICHARD ROSECRANCE AND ARTHUR STEIN

Muller argues that ethnonationalism is the wave of the future and will result in

more and more independent states, but this is not likely. One of the most destabilizing ideas throughout human history has been that every separately defined cultural unit should have its own state. Endless disruption and political introversion would follow an attempt to realize such a goal. Woodrow Wilson gave an impetus to further state creation when he argued for "national self-determination" as a means of preventing more nationalist conflict, which he believed was a cause of World War I.

The hope was that if the nations of the Austrian, Ottoman, and Russian empires could become independent states, they would not have to bring the great powers into their conflicts. But Wilson and his counterparts did not concede to each nation its own state. They grouped minorities together in Hungary, Italy, and Yugoslavia, and the Soviet Union ultimately emerged as a veritable empire of nationalities. Economists rightly questioned whether tiny states with small labor forces and limited resources could become viable, particularly given the tariffs that their goods would face in international trade.

More important, the nationalist prospect was and remains hopelessly impractical. In the world today, there are 6,800 different dialects or languages that might gain political recognition as independent linguistic groups. Does anyone seriously suggest that the 200 or so existing states should each, on average, be cut into 34 pieces? The doctrine of national self-determination reaches its reductio ad absurdum at this point.

Furthermore, the one-nation, one-state principle is unlikely to prevail for four good reasons. First, governments today are more responsive to their ethnic minority communities than were the imperial agglomerations of yesteryear, and they also have more resources at their disposal than their predecessors did. Many provinces populated by discontented ethnic groups are located in territories adjacent to national capitals, not overseas. And many governments in this era of globalization have annual budgets equivalent to nearly 50 percent of their GDPs, much of which is spent on social services. They can—and do—accommodate the economic needs of their states' differentiated units. They also respond to those units' linguistic requests. Basques, Bretons, Punjabis, Québecois, and Scots live quite well inside the bonds of multinational sovereignty and in some cases better than residents of other provinces with no claims of being a distinct nation.

Second, the achievement of separate sovereignty today depends on external recognition and support. Prospective new states cannot gain independence without military assistance and economic aid from abroad. International recognition, in turn, requires the aspiring nationalist movement to avoid international terrorism as a means of gaining attention. If a separatist group uses terrorism, it tends to be reviled and sidelined. If an ethnic group does not have enough support to win independence by peaceful electoral means inside its country, its resorting to terrorism only calls into question the legitimacy of its quest for independence.

Recognizing this, the Québecois abandoned the terrorist methods of the Quebec Liberation Front. Most Basques castigate Basque Homeland and Freedom (known by its Basque acronym ETA). Enlightened Europeans have withdrawn their support for the Chechen rebels.

And the continued terrorist shelling of Israeli cities from a Hamas-dominated Gaza might undermine the previous international consensus in favor of a two-state solution to the Palestinian problem, or at least warrant an exceptional approach to Gaza.

With the possible exception of the Palestinians, the notion that any of these peoples would be better off in smaller and weaker independent states in a hostile neighborhood is unrealistic. Occasionally, dissidents make the case that if they were to leave the state unit, they would be taken into the comforting embrace of the European Union or the North American Free Trade Agreement, thereby gaining access to a large market. But that would depend a great deal on outsider support for their cause. The United Kingdom might not wish to see Scotland in the EU and would be in a position to veto its membership. The United States and Canada might not agree to let an independent Quebec join NAFTA. The belief that when a tiny nation is born it falls automatically into the loving hands of international midwives is questionable. The truth varies from case to case.

Third, although globalization initially stimulated ethnic discontent by creating inequality, it also provides the means for quieting discontents down the road within the fold of the state political system. Distributed economic growth is a palliative for political discontent. Indonesia, Malaysia, Singapore, and Thailand contain different ethnic groups that have largely profited from the intense economic resurgence of their states stimulated by globalization. Northern and southern Vietnam are culturally different, but both have benefited from the country's economic growth. Cambodia has a diverse population, but it has gained greatly from China's move to externalize some of its production.

Fourth, a discontented population may react to ethnic discrimination, but it also responds to economic need, and whatever its concerns, it does not always have to seek independence to alleviate them. It has another safety valve: emigration to another country. The state of Monterrey has not sought independence from Mexico; rather, many of its inhabitants have moved, legally or illegally, to the United States. The huge emigration from the Maghreb to France and Italy reflects a similar attitude and outcome; the dissatisfied populations of North Africa can find greater welfare in Europe. And when Poles move to France or the United Kingdom, they do not secede from the mother country but demonstrate greater satisfaction with French or British rule. Emigration is the overwhelming alternative to secession when the home government does not sufficiently mitigate economic disparities.

Even where the central government has used force to suppress secessionist movements, it has offered carrots at the same time that it has yielded sticks. The province of Aceh has been coaxed, even as it has been subjected to threats, to remain inside the Indonesian republic. Kashmir, facing a balance of restraints and incentives, is unlikely to emerge as an independent state in India. And the Tamil Tigers have lost the sympathy of the world by their slaughter of innocent Sinhalese.

The recent formation of an "independent" Kosovo, which has not yet been recognized by various key countries, does not foretell the similar arrival of other new states. It is unlikely that Abkhazia or South

Ossetia, although largely autonomous in fact, will gain full and formal independence from Georgia or that the Albanian areas of Macedonia will secede. Rather, prospective secessionists, dissuaded by both central governments and the international community, are likely to hold back. Indeed, the most plausible future outcome is that both established states and their international supporters will generally act to prevent a proliferation of new states from entering the international system.

Much empirical work, which shows that a province's aspirations for sovereign status can be confined within a state if the province has access to monies from the central government and is represented in the governing elite, supports this conclusion. The Sikh party Akali Dal once sought Punjab's independence from India, but to little effect, partly because Punjabis are heavily represented in the Indian army and because fiscal transfers from New Delhi quieted dissidence in the region. The Québecois benefit from financing from Ottawa, elite connections, flows of private capital into Quebec, and the Canadian government's acceptance of bilingualism in the province. Chechnya remains poor, but if it seeks to remedy its relative neglect through a strategy of terrorism, it will undercut its own legitimacy. Lacking external support, and in the face of Russia's continued firmness, Chechnya has settled into a degree of political stability. In all three cases, the maintenance of the existing national boundaries seems likely, and so, too, does it seem likely in other cases.

The apostles of national self-determination would do well to consider a still more important trend: the return to bigness in the international system. This is happening not only because great powers such as China, India, and the United States are now taking on greater roles in world politics but also because international economics increasingly dwarfs politics. To keep up, states have to get bigger. The international market has always been larger than the domestic ones, but as long as international openness beckoned, even small powers could hope to prosper and attain some degree of economic influence. In the past decade, however, the tariff reductions proposed in the Doha Round of international trade negotiations have failed, industrial duties have not fallen, and agriculture has become even more highly protected than it was in the nineteenth century.

Globalization has clearly distributed economic boons to smaller countries, but these states still require greater political scale to fully realize globalization's benefits. To generate scale, states have negotiated bilateral and multilateral trade preferences with other states regionally and internationally, thereby gaining access to larger markets. The EU has decided to make up in the enlargement of its membership and a bigger free-trade area what it lacks in internal economic growth. The 27 countries of the EU currently have a combined GDP of over $14 trillion, besting the United States' $13 trillion, and the union's expansion is not over yet.

Europe never faced the limits on "manifest destiny" that confronted the United States—the shores of the Pacific Ocean. Charles de Gaulle was wrong when he heralded a "Europe from the Atlantic to the Urals": the EU has already expanded into the Caucasus. And with at least eight new members, it will proceed into Central Asia. As the borders of Europe approach Russia, even Moscow will seek de facto ties with the increasingly monolithic European giant.

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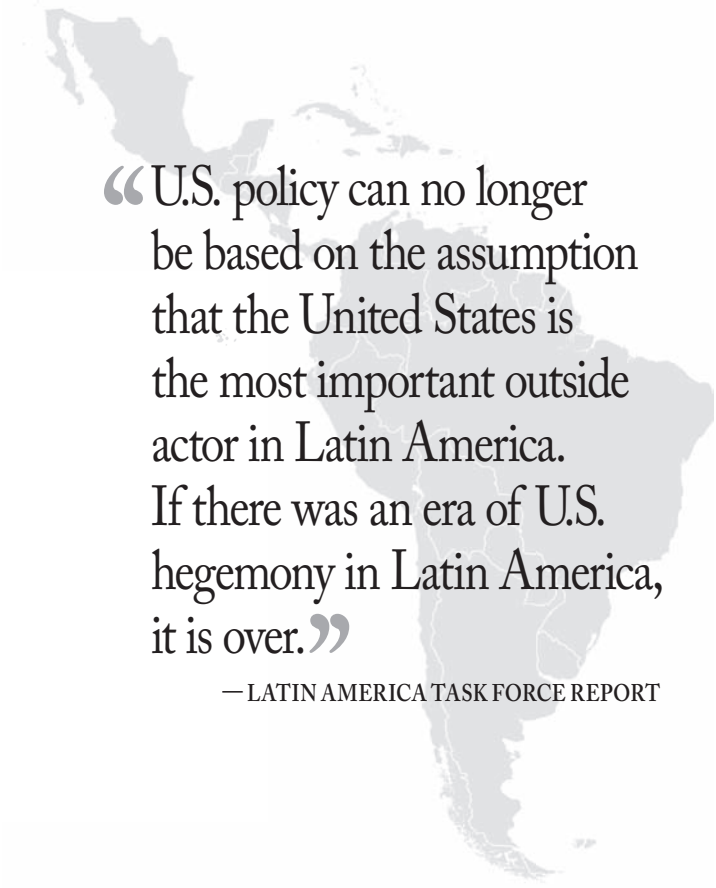
COUNCIL ON FOREIGN RELATIONS

NEW INDEPENDENT TASK FORCE REPORT

U.S.-Latin America Relations: A New Direction for a New Reality



"U.S. policy can no longer be based on the assumption that the United States is the most important outside actor in Latin America. If there was an era of U.S. hegemony in Latin America, it is over."

— LATIN AMERICA TASK FORCE REPORT

The stalling of the Colombian and Panamanian free trade agreements in Congress, the rise of anti-American leaders such as Hugo Chávez and Evo Morales, and the dismissal by the Bush administration of plans to revise policy toward Cuba, despite the leadership change there, all point to problems in U.S. policy toward Latin America.

A new Independent Task Force report, U.S.-Latin America Relations: A New Direction for a New Reality, *identifies four issues—poverty and inequality, public security, human mobility, and energy security—that represent fundamental challenges and opportunities for Latin America and for U.S. policy toward it. Established by the Council on Foreign Relations, the Task Force offers concrete recommendations and urges the United States to expand its policy framework and concentrate on strategic regional partnerships.*

CHARLENE BARSHEFSKY and JAMES T. HILL, Chairs

SHANNON K. O'NEIL, Project Director

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Independent Task Force Report No. 60 • 2008 • 96 pages • ISBN 978-0-87609-411-2 • $15.00

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In Asia, current tensions between China and Japan have not prevented proposals for a free-trade zone, a common currency, and an investment bank for the region. Chinese in Indonesia, Malaysia, the Philippines, Singapore, Taiwan, and Vietnam draw their adopted countries toward Beijing. China will not expand territorially (except titularly when Taiwan rejoins the mainland), but it will move to consolidate an economic network that will contain all the elements of production, except, perhaps, raw materials. Japan will adjust to China's primacy, and even South Korea will see the writing on the wall.

This will leave the United States in the uncomfortable position of experiencing unrealized growth and the possible failure of new customs unions in the Western Hemisphere. NAFTA may have been deepened, but a Free Trade Area of the Americas now seems beyond reach because of opposition from Argentina, Bolivia, Brazil, and Venezuela. U.S. politics has also turned, temporarily at least, against such ventures. South American nations have, in recent years, been far more responsive to China and Europe than to the United States. The U.S.–Central American Free Trade Agreement, now in the making, may be the only likely new string to the current U.S. bow.

Some economists contend that great size is not necessary in a fully open international economic system and that even small countries can sell their wares abroad under such conditions. But the international economic system is not open, and the future resides with broad customs unions, which substitute expanded regional markets for restricted international ones. China is seeking bilateral preferential trade arrangements with several other states, and so is the United States. Prospective secessionists will not prosper under such circumstances. They have to depend on international assistance, membership in trade pacts, and the acquiescence of their mother countries. They may have none of these, and they will fail if they use terrorism to advance their causes.

Under the present circumstances, secessionists will generally be better off remaining inside existing states, if only because the international system now advantages larger agglomerations of power. Economies of industrial scale are promoting economies of political size. In U.S. politics, the problem of outsourcing gets much political attention, but how is it possible to prevent that activity when national production and the national market are too small? Only larger political entities can keep production, research and development, and innovation within a single economic zone. Big is back.

RICHARD ROSECRANCE *is Adjunct Professor of Public Policy at the John F. Kennedy School of Government and Senior Fellow at the Belfer Center for Science and International Affairs, both at Harvard University.* ARTHUR STEIN *is Professor of Political Science at UCLA. They co-edited* No More States? Globalization, National Self-Determination, and Terrorism (2006).

Muller Replies

My essay is not agenda-driven or prescriptive. It is meant to suggest that the power of ethnic nationalism in the twentieth century has been greater than is generally recognized and that the probability of its ongoing global impact is greater than is generally appreciated. I argue that Americans often have a distorted sense of

substantial areas of the world because they tend to generalize on the basis of their own national experience or, rather, a truncated and idealized version of that experience. Of course, ethnicity (and its conceptual cousin, race) has long played a role in American life and continues to do so, as reflected in everything from residential patterns to voting behavior.

But by and large, ethnic identification in the United States tends to erode across generations, and the notion that different ethnic groups ought to have their own political entities is marginal. (Voting districts drawn along racial lines echo conceptions of ethnic nationalism. And the Chicano vision of the reconstitution of Aztlán—a lost nation of indigenous Americans said to include Mexico and much of the American Southwest—would qualify as ethnonationalist but seems to have limited appeal.) Thus, Americans have a hard time imagining the intensity of the desire that many ethnic groups abroad have for a polity of their own or the determination of others to maintain the ethnic structure of existing polities. If Poles and Ukrainians get along tolerably well in Chicago, why not Sunni Arabs, Kurds, and Turkmen in Kirkuk?

I further argue that this misperception also occurs among educated western Europeans, who project the cooperative and pacific model of the EU onto the rest of the world while losing sight of the history of ethnic disaggregation that seems to have served as a precondition for the comity of contemporary Europe. The propensity to impose on the rest of the world one's own categories and idealized conceptions of one's historical and current experiences leads to a kind of misleading universality, apt to result in misunderstanding and miscalculation.

There are categories of self-definition that are unfamiliar or uncomfortable to some people's sensibilities—including ethnonational identity, caste (common in India), or tribe (common in much of Africa and the Muslim world). But the fact that some people may find these categories unreal (since they know that beneath the skin humans are ultimately the same: put them in a room together with a game to play, and see how little they differ) does not make them any less real to those who do believe in them.

The problem of taking seriously the diverse ways in which people in different parts of the world define themselves is exacerbated by the universalizing and scientistic pretensions of some streams of academic political science. "Scientism" refers to the endeavor to apply the methods and criteria of the natural sciences to all realms of human experience—although for some they are inappropriate. This includes the effort to explain all phenomena with simplified theories of human motivation and the attempt to replicate the hard sciences by using laboratory conditions to study political science. History provides a useful source of data with which to study the range and complexity of human behavior. It is a highly imperfect laboratory, where both the data and their interpretation are influenced by the methodological and ideological predispositions of the investigator. But it is often superior to the alternative: apparently scientific forms of explanation.

My claim is not that the violence of the European experience will repeat itself but a more modest one: that ethnic tensions are likely to be exacerbated, rather than eliminated, by the occurrence of similar processes of modernization in other parts

of the world. Contrary to what James Habyarimana, Macartan Humphreys, Daniel Posner, and Jeremy Weinstein claim, nowhere do I argue that "ethnic divisions inevitably generate violence." And while I quoted Churchill, I did not endorse his views as a general policy prescription.

What I actually wrote, toward the end of my article, was this:

> Sometimes, demands for ethnic autonomy or self-determination can be met within an existing state. . . . But such arrangements remain precarious and are subject to recurrent renegotiation. In the developing world, accordingly, where states are more recent creations and where the borders often cut across ethnic boundaries, there is likely to be further ethnic disaggregation and communal conflict. And as scholars such as Chaim Kaufmann have noted, once ethnic antagonism has crossed a certain threshold of violence, maintaining the rival groups within a single polity becomes far more difficult.
>
> . . . When communal violence escalates to ethnic cleansing, moreover, the return of large numbers of refugees to their place of origin after a cease-fire has been reached is often impractical and even undesirable.
>
> . . . Partition may thus be the most humane lasting solution to such intense communal conflicts.

Habyarimana, Humphreys, Posner, and Weinstein continue their misrepresentations by claiming that I attribute ethnic tension merely to "enduring propensities of the human spirit"; in fact, I attribute ethnic tension to "some enduring propensities of the human spirit that are heightened by the process of modern state creation." My explanation, drawn largely from the sociologist Ernest Gellner, is actually echoed by the four co-authors, albeit in a different vocabulary, when they write that members of the same ethnic group tend to come together because "they speak the same language, have access to the same types of information, and share social networks." As so often happens in the social sciences, here is an attempt at product differentiation through rebranding—recasting known insights in a new vocabulary.

More novel is the authors' belief that their quasi-scientific experiments in Uganda provide useful new avenues for public policy. They say that their game-playing experiments provide insights as to how the diverse ethnic actors would behave when freed of the social and political contexts in which their actions are known to others. Perhaps, but it is precisely the nature of the real world that this would never be the case.

Moreover, their conclusion that the problem lies in a weak institutional environment characterized by an "absence of functional and impartial state institutions" is both true and misleading, for it fails to consider that the very multiplicity of ethnicities is among the major sources of this institutional environment. A reading of Chinua Achebe's 1960 novel, *No Longer at Ease*—about the plight of an idealistic young civil servant who tries to embody the ethos of impartiality in a setting in which such norms are at odds with the understanding of his co-ethnics, who regard his bureaucratic position as a form of group property—would cast more light on the situation than hundreds of experimental games.

This is not the place for a full critique of the much-cited calculations of Fearon and Laitin on the incidence of interethnic violence in Africa from 1960 to 1979. If one lives in a neighborhood where three

in a thousand interactions result in violence and one has three interactions per day, one is violently attacked only three times a year. But is that a safe neighborhood or a dangerous one? The assertion that "with few exceptions, African state boundaries today look just as they did in 1960" is also both true and misleading. It attests as much to the ability of the dominant ethnic coalitions to suppress attempts at rebellion as to the absence of ethnic conflict.

The Biafran War (1967–70) counts as only one incident of interethnic violence in Fearon and Laitin's data and resulted in no change of borders. The million or so lives lost do not register in their calculations. Had Fearon and Laitin repeated their computations for the years since 1979, the murder of some 800,000 Rwandans (mostly Tutsis) would also have appeared as a matter of small statistical consequence.

The claim by Richard Rosecrance and Arthur Stein that the ethnonationalist ideal of a separate state for each cultural unit has been a source of instability is true or, at least, a half-truth. That is what a good part of my article is about. But the fact that ethnonationalism is destabilizing has not diminished its appeal or impact. The other half-truth is that the fulfillment of the ethnonationalist ideal has had a stabilizing effect, at least for large groups.

However, as my article notes and as Rosecrance and Stein emphasize, not every ethnonational aspiration can be realized, and ethnonational aspirations for autonomy and self-determination can be realized within larger political units through federalism—the devolution of power and income to subnational units. As such, federalism represents a form of "semi-partition," as the political scientist Donald Horowitz has noted. It has the very real advantage of permitting participation in larger political and economic units. But, as Horowitz has also noted, "federalism is not cheap. It involves duplication of facilities, functions, personnel and infrastructure" and often entails jurisdictional disputes. Moreover, "states that could benefit from federalism typically come to that realization too late, usually after conflict has intensified."

Rosecrance and Stein may be right that a greater pool of income can alleviate ethnonational aspirations. But it is worth recalling that the governments in a position to distribute sums equivalent to 50 percent of their GDPs are in Europe, whereas the ethnic groups in potential conflict are in Africa, Asia, and Latin America, where there is less wealth and so less GDP available for redistribution. Moreover, massive government redistribution through taxation may itself inhibit economic growth or make capturing the state apparatus too enticing a prize compared with other pursuits.

Various claims by Rosecrance and Stein are questionable, if not clearly mistaken. The authors assert that mass emigration can serve as an "alternative to secession when the home government does not sufficiently mitigate economic disparities." First, this assumes that all discontents are ultimately expressions of individually conceived economic interest, a radical simplification of human motivation that ignores the desire of some people to share a common culture and their perception that protecting that culture requires political autonomy. For example, throughout much of the first half of the twentieth century, French Canadians emigrated from Canada to the United States, where over time they assimilated into the

larger population. Québecois nationalism represents a rejection of that path.

Second, the authors' emigration-as-safety-valve strategy ignores the fact that in contrast to the earlier era of globalization (from the late nineteenth century through World War I), the current era of globalization is characterized by governments better able and more inclined to police their borders and, hence, by the comparatively limited mobility of people across national borders. Moreover, discontent in the relatively wealthy states of the West with some recent streams of immigration has already led to pressures for governments to exercise greater control over the movement of people from particular regions. It is far from clear that emigration from the Maghreb to France, for example, will be allowed to continue indefinitely.

Rosecrance and Stein's assertion that a new era of bigness in international economic affairs is here is truer than the implications they draw from it. The economic advantages of the division of labor do expand with the extent of the market, as Adam Smith explained over two centuries ago. But it is simply not true that "to keep up, states have to get bigger." States can negotiate treaties and other forms of association that allow for freer international trade. As the authors note in passing, smaller nations have opted for inclusion in transnational markets and have often prospered as a result.

In short, Rosecrance and Stein assume that a rational economic calculus governs international activity. This simplification of human motivation has the advantage of methodological elegance. But their predictions conflate three very different circumstances: what global actors would do if they rationally calculated their utilities based on a set of preferences much like those of American professors of political science; what global actors would do if they rationally calculated their utilities based on their actual preferences, which may diverge substantially from those of American political scientists; and what may actually happen given the unlikelihood that either American political scientists or global actors would rationally calculate their utilities. That is to say, Rosecrance and Stein have purchased methodological elegance at the expense of explanatory power by radically reducing the range of relevant motivations and interactions.

For a historian, the authors' assertion that "international economics increasingly dwarfs politics"—like so much of their response to my essay—is eerily resonant of a British bestseller of a century ago. In 1910, Norman Angell published *The Great Illusion,* which explained on economic grounds why an extended war between great powers was impossible under the contemporary economic conditions. His argument was logically compelling but wrong. In 1933, Angell published a new edition of his book, in which he suggested that nations could not enrich themselves by conquering their neighbors and that war was therefore futile. He was awarded the Nobel Peace Prize, but his message seems not to have reached all the relevant parties. I fear that the predictions of Rosecrance and Stein about the future of ethnic nationalism will meet the same fate.

Still, Rosecrance and Stein do raise an important issue that I did not explore in my article: the question of external recognition and support for potential new states. What ought to be the response by external countries, such as the United

States, to ethnonationalist claims for independence? If one takes seriously the forces leading to the enduring power of ethnonationalism—rather than dismissing them as archaic, illusory, or subject to elimination by good governance conjured out of the blue—the implications for policy are by no means self-evident.

I leave aside the purely legal and philosophical issues, since the "right" to self-determination, like so many others, often conflicts with other purported rights. Representatives of existing states are strongly disposed against the redrawing of borders and the formation of new states. They see self-interest in maintaining the international status quo, which may or may not be justified by prudence. To recognize that national self-determination does provide satisfactions of its own and may well result in viable states is not to say that the endless creation of new states is either viable or desirable. Yet there are dangers both in supporting ethnonationalist claims and in denying them prematurely.

One danger of the international recognition of insurgent ethnonationalist claims to sovereignty is that it may lead to unilateral secession (as in the recent case of Kosovo) as opposed to mutually agreed separation. Secession without ethnic partition usually means that the new political entity will include a substantial minority of people whose co-ethnics dominate the state from which the new state has seceded. This provides a ready source for new ethnic tensions within the new state and international tensions between the new state and the old. Mutually agreed partition that separates the rival ethnic groups may be preferable in order to minimize the likelihood of future conflict. Another danger of a greater international willingness to recognize ethnonationalist movements is that it may create an incentive for the governments of existing countries to violently crush incipient ethnic political movements before they can organize.

There are perils, however, in a blanket refusal of the international community to recognize the claims of legitimate ethnonationalist movements. For having deemed secession an impossibility, governments may feel no incentive to respond to the desire of ethnic groups for greater power and self-determination within the confines of the current states. To recognize the enduring power of ethnic nationalism is not to support it or provide a ready recipe for action but to offer a more realistic appreciation of the dilemmas that will continue to arise in the twenty-first century.

Responses

When to Leave Iraq

Today, Tomorrow, or Yesterday?

Walk Before Running

COLIN H. KAHL

In "The Price of the Surge" (May/June 2008), Steven Simon correctly observes that the Sunni turn against al Qaeda in Iraq (AQI), known as the Sunni Awakening, has been a key factor in security progress during the period of "the surge." Simon is also on point when he notes that the Awakening, which began before the surge, was not a direct consequence of additional U.S. troops. But although Simon gets much of the past right, he ultimately draws the wrong lessons for U.S. policy moving forward.

Rather than unilaterally and unconditionally withdrawing from Iraq and hoping that the international community will fill the void and push the Iraqis toward accommodation—a very unlikely scenario—the United States must embrace a policy of "conditional engagement." This approach would couple a phased redeployment of combat forces with a commitment to providing residual support for the Iraqi government if and only if it moves toward genuine reconciliation. Conditional engagement—rather than Simon's policy of unconditional disengagement—would incorporate the real lesson from the Sunni Awakening.

The Awakening began in Anbar Province more than a year before the surge and took off in the summer and fall of 2006 in Ramadi and elsewhere, long before extra U.S. forces started flowing into Iraq in February and March of 2007. Throughout the war, enemy-of-my-enemy logic has driven Sunni decision-making. The Sunnis have seen three "occupiers" as threats: the United States, the Shiites (and their presumed Iranian patrons), and the foreigners and extremists in AQI. Crucial to the Awakening was the reordering of these threats.

When U.S. forces first arrived in Anbar, upending the Sunni-dominated social order, they were viewed as the principal threat. Because AQI fought the United States, it was seen by the tribes as a convenient short-term ally, despite deep distrust. This ordering of threats changed in 2005 and 2006. For one thing, U.S. forces became more effective and discriminating in their counterinsurgency activities. AQI, meanwhile, became more brutal

and indiscriminate, forcing the tribes to start defending themselves. In the fall of 2006, it also declared the establishment of the Islamic State in Iraq, asserting political and economic hegemony over Anbar and other provinces with significant Sunni Arab populations. It started demanding brides, enforcing harsh fundamentalist social norms, and cutting into the tribes' smuggling revenues.

At the same time, U.S. forces had to convince the Sunnis that they were not occupiers—that is, that they did not intend to stay forever. Here, growing opposition to the war in the United States and the Democratic takeover of both houses of Congress in the November 2006 elections were critical. Major General John Allen, the Marine Corps officer responsible for tribal engagement in Anbar in 2007, recently told me that among Sunni leaders, the Democratic victory and the rising pro-withdrawal sentiment "did not go unnoticed. . . . They talked about it all the time." According to Allen, the marines, from top to bottom, reinforced the message sent by the Democratic takeover by saying, "We are leaving. . . . We don't know when we are leaving, but we don't have much time, so you [the Anbaris] better get after this." As a result, U.S. forces came to be seen as less of a threat than either AQI or the Shiite militias—and the risk that U.S. forces would leave pushed the Sunnis to cut a deal to protect their interests while they still could. As Major Niel Smith, the operations officer at the U.S. Army and Marine Corps Counterinsurgency Center, and Colonel Sean MacFarland, the commander of U.S. forces in Ramadi during the pivotal period of the Awakening, wrote recently in *Military Review*, "A growing concern that the U.S. would leave Iraq and leave the Sunnis defenseless against Al-Qaeda and Iranian-supported militias made these younger [tribal] leaders [who led the Awakening] open to our overtures." In short, contrary to the Bush administration's claims, the Awakening began before the surge and was driven in part by Democratic pressure to withdraw.

It was also critical, however, that U.S. forces did not leave immediately. According to Allen, the continued U.S. presence allowed U.S. commanders to argue that their troops would be the Sunnis' "shock absorbers" during the transition. In other words, the surge and the threat of withdrawal interacted synergistically: the threat of withdrawal made clear that the U.S. commitment was not open-ended, and the surge made clear that U.S. forces would be around for a while. Together they provided a strong incentive for the Anbaris to cooperate with the United States and turn on AQI.

This revised history of the Sunni Awakening has significant implications moving forward. Now, the principal impediment to long-term stability in Iraq is the reluctance of Prime Minister Nouri al-Maliki's central government to engage in genuine political accommodation. That will require a hydrocarbon law designed to equitably share oil revenues, better budget execution and service provision, steps to resettle and compensate victims of sectarian violence, resolution of the disputed status of Kirkuk, and efforts to demobilize and co-opt the Shiite militias (principally Muqtada al-Sadr's Mahdi Army). It will also require that the Shiite government integrate or otherwise employ the 90,000 "Sons of Iraq," mostly Sunni tribal militia members and former insurgents. After considerable cajoling, Maliki

has agreed to integrate about 20 percent of the Sons of Iraq into the Iraqi army and police and provide the remainder with nonsecurity jobs. But his government has been very slow in carrying out this pledge, and the 20 percent figure is unlikely to be sufficient. Brigadier General Shija al-Adhami, the head of the Awakening force in Baghdad's Ghazaliya neighborhood, recently told *The Washington Post*, "This is a big failure—either they take us all in or this is not going to work."

Convincing the Iraqi government to make the tough decisions needed for accommodation requires following the same logic that drove the Awakening: using the risk of abandonment to generate a sense of urgency while committing to protecting groups that make tough choices. The Bush administration has thus far failed to generate the leverage such a strategy would produce because it has effectively given the Iraqi government a blank check. To the degree that minimal political progress has occurred, it can be attributed at least as much to the prospect that the Democrats in Congress might force a withdrawal as to overt threats from the Bush administration. Secretary of Defense Robert Gates admitted as much last April: "The debate in Congress . . . has been helpful in demonstrating to the Iraqis that American patience is limited. The strong feelings expressed in the Congress about the timetable probably has had a positive impact . . . in terms of communicating to the Iraqis that this is not an open-ended commitment."

As the United States moves forward in Iraq, more leverage is required, but the positions now being advanced by many Republicans and Democrats fail to offer the right mix of incentives to get the Iraqis to act. President George W. Bush has signaled his intent to "pause" the planned troop withdrawals when the surge ends, and Senator John McCain (R-Ariz.) speaks of staying in Iraq for a hundred years, no strings attached. This policy of unconditional engagement will not work, because there are no consequences for Iraq's leaders if they fail to accommodate one another. Some Democrats, on the other hand, side with Simon and are calling for a unilateral timetable for the complete withdrawal of all U.S. forces, regardless of the conditions on the ground. This policy of unconditional disengagement also gives up too much leverage, because it provides no ability to the Iraqi government to affect the pace of redeployment or the nature of U.S. support in exchange for making tough choices. Unconditional engagement is all carrots, no sticks; unconditional disengagement, all sticks, no carrots.

A new policy of conditional engagement would take advantage of the ongoing talks aimed at shaping a long-term U.S.-Iraqi security framework to push the Iraqis toward political accommodation. U.S. negotiators should exploit the continuing discontent among Democrats in Congress and the impending presidential election to signal that a long-term U.S. commitment to Iraq is not politically sustainable unless there is tangible evidence of reconciliation. Because the Iraqi government has an interest in a long-term security relationship with the United States, especially continued U.S. support for the Iraqi security forces, this tactic could prove very effective.

The presidential candidates from both parties should reinforce this strategy by publicly endorsing the conditions the Iraqi government must meet in order to influence the pace of future U.S. withdrawals and

gain their future administrations' support for the Iraqi security forces in the years ahead. This will require the Democratic nominee to clarify his or her stance on the disposition of residual forces in Iraq after a withdrawal of most of the combat troops (only Senator Barack Obama [D-Ill.] has proposed explicit conditions to be placed on continued support for the Iraqi security forces), and it will require McCain to abandon his unconditional pledge to stay in Iraq.

When the new administration takes office in January 2009, it must follow up on this approach by initiating a down payment on redeployment. Starting from the roughly 15 combat brigades (a total of 130,000–140,000 troops) it is likely to inherit, the new administration should signal its intention to transition to a "support," or "overwatch," role by announcing the near-term reduction of U.S. forces to perhaps 12 brigades. The new administration should also immediately sign a formal pledge with the Iraqi government stating unequivocally that it will not seek, accept, or under any conditions establish permanent or "enduring" military bases in Iraq. Taken together, these actions would signal to the Iraqi government that the U.S. commitment is no longer open-ended while still maintaining enough forces in the near term to prevent a major reversal of progress on security. These steps would also signal to groups inside the Iraqi parliament that strongly oppose the occupation (especially the Sadrists), as well as to the organizations representing the nationalist wing of the Sunni insurgency, that the United States does not intend to stay forever. This might open up additional avenues for bringing those Sunnis into formal and informal negotiations.

Simultaneous with these decisions, the United States should start negotiations to establish a broad time horizon for the transition of the remaining U.S. forces to an overwatch role and the conditions for continued U.S. support for the Iraqi government. Once U.S. forces have reached a sustainable overwatch level, the primary mission of the U.S. military in Iraq will switch to counterterrorism, training and advising of the Iraqi security forces, and force protection for U.S. civilians and advisers. U.S. negotiators should make clear, however, that continued economic and diplomatic support, as well as continued support for the Iraqi security forces (something the Iraqi government deeply desires and needs), will hinge on continued progress toward political accommodation. U.S. negotiators should emphasize that over the long run, the United States intends to normalize its relationship with the Iraqi government and redeploy all of its remaining forces as conditions permit. This policy of conditional engagement should be nested within a wider regional diplomatic initiative that seeks to leverage the U.S. drawdown in Iraq and the common interest among Iraq's neighbors in avoiding a failed Iraqi state.

In the end, this approach may not work. If the Iraqis prove unwilling to move toward accommodation, then no number of U.S. forces will be able to produce sustainable stability, and the strategic costs of maintaining a significant presence will outweigh the benefits. If so, the new administration should shift to Simon's unconditional disengagement as Plan B.

COLIN H. KAHL *is an Assistant Professor in the Security Studies Program at Georgetown's Edmund A. Walsh School of Foreign Service and a Fellow at the Center for a New American Security.*

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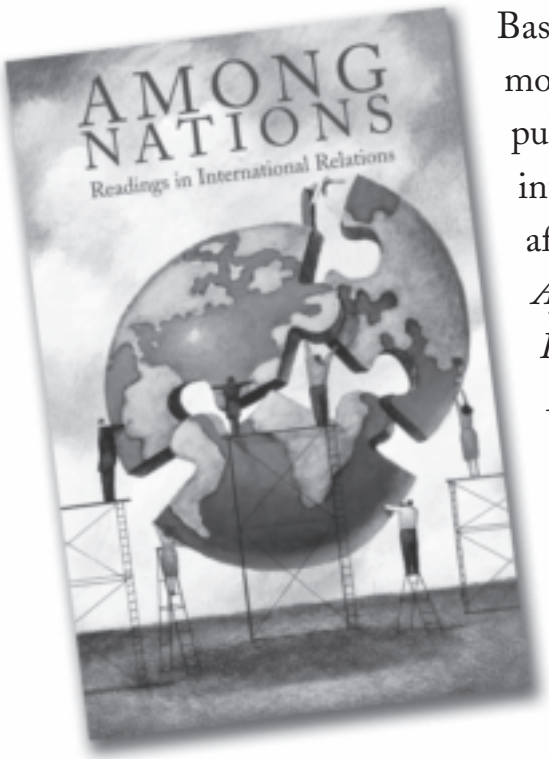

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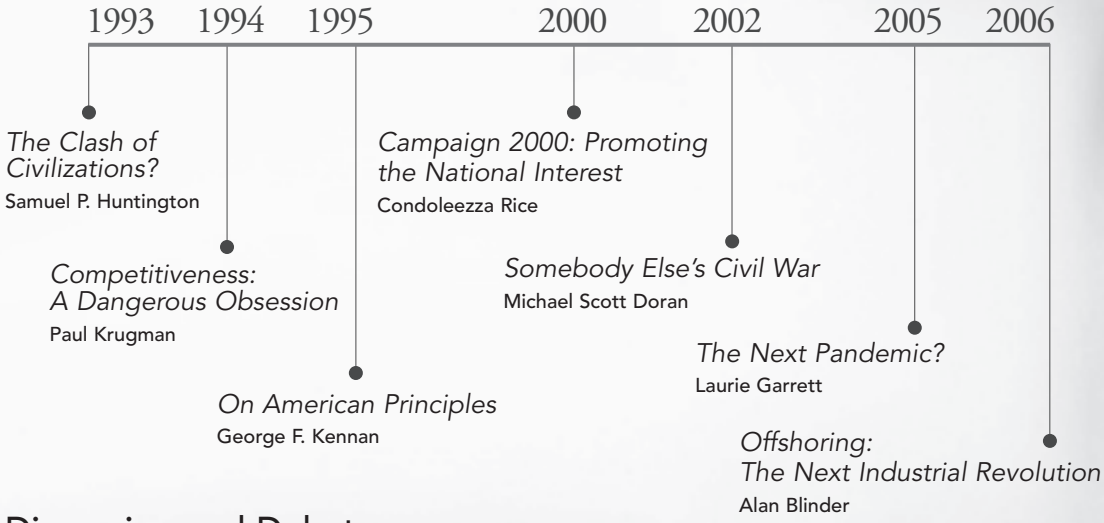

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Rush to the Exit

WILLIAM E. ODOM

Simon provides a brilliant analysis of Iraq's political realities, past and present, exposing the effects of the U.S. occupation. Sadly, neither the administration nor all but a few outside analysts foresaw them. More recently, most media reporting has wholly ignored the political dynamics of the new "surge" tactic. And peripatetic experts in Washington regularly return from their brief visits to Iraq to assure the public that it is lowering violence but fail to explain why. They presume that progress toward political consolidation has also been occurring, or soon will be. Instead, as Simon explains, political regression has resulted, a "retribalization" of the same nature as that which both the British colonial rulers and the Baathist Party tried to overcome in order to create a modern state in Iraq.

This should hardly come as a surprise. The history of tribalism in Iraq is well known. When the United States replaced the British in the Middle East after World War II, it set "stability" above all other interests there, maintaining it through a regional balance of power. President Bush's invasion of Iraq broke radically with this half-century-old strategy. The prospects of success, as Simon shows, were worse than poor.

Until recently, the wisdom of this new strategy has not been challenged. Instead, just as happened with regard to the war in Vietnam, the mainstream discussion has focused on tactics, "nation building" through elections, and diplomacy aimed at reconciling irreconcilable Iraqi elites. As a result, the domestic dialogue has not been serious, not even in this magazine, until the appearance of Simon's analysis.

Serious discussion today must be about how to deal with the repercussions of the tragic error of the invasion. The key to thinking clearly about it is to give regional stability higher priority than some fantasy victory in Iraq. The first step toward restoring that stability is the complete withdrawal of U.S. forces from Iraq. Only then will promising next steps be possible. Simon moves in the direction of such an approach, although not far enough. He shows unambiguously why the United States must withdraw from Iraq, but his hesitant formula for withdrawal risks sustaining the paralysis U.S. strategy now suffers from and could make regional stability far more difficult to restore.

Fear of the chaos that a U.S. withdrawal would catalyze is the psychological block that prevents most observers from assessing the realities clearly. As such observers rightly claim, the United States will be blamed for this chaos, but they overlook the reality that the U.S. military presence now causes much of the chaos and has been doing so since 2003. The United States cannot prevent more chaos by remaining longer. Preventing it is simply not an option. The United States can, however, remove the cause of disorder by withdrawing its forces sooner rather than later. That is the only responsible option.

I was convinced that Simon understood this until he began speaking of "a top-down approach to reconciliation" to be implemented "under UN auspices and led by a credible special envoy." Why should a UN special envoy move into the U.S.-guarded Green Zone as long as

insurgents and militias occasionally fire mortar rounds and rockets into it? Some sort of UN-led effort may eventually become possible, but it is not likely as long as U.S. forces remain. And even a UN envoy could not "reconcile" Iraq's warring factions "from the top down."

Simon does understand that the United States' departure will force other countries, especially in Europe, to reconsider their hands-off policies toward Iraq. It will also lead Iraq's neighbors to rethink their hands-on policies. They all want stability there, but some are meddling in ways that exacerbate instability. Once U.S. forces leave, instability may be even less in their interests. Thus, the faster U.S. forces depart, the greater the shifts in other countries' policies will be. A two-year schedule for removing U.S. forces, as Simon proposes, would fail to achieve most of this shock effect.

After recognizing the breakout potential of withdrawal, Simon effectively reembraces strategic paralysis. Otherwise, he would not insist that Iraq's tribal fragmentation must be overcome by means other than civil war and violence. He recognizes that U.S. legitimacy for sponsoring such an effort has been lost—if it ever existed—and so he wants to try a multilateral substitute involving the UN. Its prospects for success, however, are dubious in the extreme. If it consists only of Western countries, it will never be seen as legitimate, only as a Crusade in another form. If it includes countries from the region, they are unlikely to agree on fundamental issues about the kind of Iraq they will permit. Moreover, a UN entity's military component would prove far less effective in dealing with insurgents, militias, and the Ministry of Interior's death squads. Its weakness would invite violence, not reduce it. And neighboring countries would support militant resistance for their own interests.

Tribalism will not be subdued in a couple of years, or even a couple of decades. Two well-known British officials in the 1920s, fluent in Arabic and deeply knowledgeable about the Arabs, T. E. Lawrence and Gertrude Bell, slowly relinquished their hopes for such an outcome in Iraq. And the fragmentation there today is not just along tribal lines. The larger Sunni-Shiite sectarian divide, although often overemphasized, has been made far more serious as a result of the U.S. occupation and the holding of democratic elections before a political consolidation was achieved. Kurdish separatism is probably as strong as it has ever been. These divides are unlikely to be bridged by any means other than a civil war fought to a decisive conclusion. This reality indicates that Iraq's eventual rulers are not now in the Green Zone, and when they one day occupy the capital, all foreign elements will be gone. Association with U.S. forces contaminates any would-be Iraqi regime. A UN entity would not overcome that handicap; at best, it could only sustain political instability and abet conflict.

Simon also argues that logistical imperatives require at least two years for the withdrawal of U.S. forces. That is probably true if all U.S. weapons and materiel are to be removed, but much of it is not worth the costs of hauling it back to the United States. Vast numbers of trucks and other equipment withdrawn from Kuwait in 1991 have never been used again and have been left in costly storage to rust. At least a thousand five-ton trucks can be found stored in Italy today, unused

yet costing money to retain. If the highest priority is given to the withdrawal of personnel, not materiel, the required time can be dramatically shortened.

Other factors favor speed. Retrograde movements in war are risky affairs. They must be made when one has lost the initiative or when one's own forces are poorly deployed, which means the opponent has the advantage. More time favors the opponent even more. More speed reduces his opportunities. Speed would also improve diplomacy abroad and boost public morale at home. In the very best circumstances, uncertainties abound during strategic withdrawals.

Most critical in the long run is recognizing that the primary U.S. strategic interest in this part of the world was and still is regional stability. That means subordinating the outcome in Iraq to the larger aim. Getting out of the paralysis in Iraq, chaotic or not, is the sine qua non of any sensible strategy for restoring regional stability.

Finally, some kind of rapprochement with Iran is essential. Regional stability from the 1950s to the fall of the shah in 1979 rested on three pillars: cooperative relations with Iran, moderate Arab states, and Israel. That arrangement served the strategic interests, if not always the tactical interests, of all parties. When the United States lost its footing in Iran, U.S. military requirements for maintaining the balance rose dramatically. That explains the rapid buildup and eventual creation of the Central Command during the Carter administration. The only way to reduce U.S. military requirements in the region is to restore the United States' diplomatic straddle between the region's two major conflicts—the Arab-Israeli conflict and the Persian-Arab conflict. The invasion of Iraq not only destroyed the balance but is now imposing additional military requirements on the United States that cannot be sustained indefinitely.

WILLIAM E. ODOM, *a retired three-star General in the U.S. Army and former Director of the National Security Agency, is a Professor at Yale University and a Senior Adviser at the Center for Strategic and International Studies.*

Response

Revolutionary Road?

Debating Venezuela's Progress

How Chávez Has Helped the Poor

BERNARDO ALVAREZ HERRERA

When President Hugo Chávez was first elected, in 1998, his critics, many of whom have published in these pages, argued that he would slowly move Venezuela away from democracy. After 12 elections, including the December 2007 referendum, which he narrowly lost, that claim has finally crumbled under the evidence. Now the argument against Venezuela has shifted, and instead of being called undemocratic, Chávez's social programs are labeled as inefficient and his economic management categorized as catastrophic. Much like the first accusations against Chávez, the new criticisms, put forth by Francisco Rodríguez in "An Empty Revolution" (March/April 2008), simply do not stand up to the facts.

This much is undeniable: poverty has decreased in Venezuela under Chávez's administration. According to the 2007 *Social Panorama of Latin America*, a report released by the United Nations' Economic Commission for Latin America and the Caribbean, between 2002 and 2006 Venezuela decreased poverty by 18.4 percent and extreme poverty by 12.3 percent, an achievement second in the region only to that of Argentina. The report attributed these dramatic decreases to "rapid GDP growth and the ongoing implementation of broad social programs" and recognized that the "swift pace of progress considerably brightens the prospects for further reductions in poverty and significantly increases the feasibility of meeting the first target associated with the first Millennium Development Goal."

Rodríguez seeks to dismiss these advances not by claiming that they have not occurred but by arguing that they are just not good enough. He posits that the government's social-spending patterns have not changed from prior governments, that the social programs have not met their goals, and that Chávez's management of the country has not led to any significant redistribution of wealth. On all counts, he is wrong.

According to the Central Bank of Venezuela, social spending as a percentage

of all government spending grew from 38.6 percent in 1997 to 44 percent in 2007. Looking more broadly, figures from the National Budget Office show that social spending accounts for a higher percentage of all spending than it did in 1992—Rodríguez claims otherwise—or during the oil-boom years of the 1970s. But more important is that since 2003 the state-owned oil company, PDVSA, has contributed significant sums to social programs—a point that Rodríguez ignores. In 2004, PDVSA announced that it would spend $1.7 billion a year on social programs, a sharp increase from the $400 million it had been spending in years past. In 2006 alone, it contributed $13.3 billion, or 7.3 percent of GDP, to social programs. According to a report by the Center for Economic and Policy Research, when PDVSA's contributions are factored in, social spending during the Chávez administration has grown by an incredible 314 percent per person in real terms.

Venezuela's social programs, many of which have been funded by PDVSA, have been both effective and popular. Rodríguez seeks to dismiss them by quoting isolated and questionable statistics, but he fails to fully consider the gains they have achieved. According to the Central Bank's System of Social Indicators, school attendance at every level increased between 1998 and 2006, and today nine times as many children have access to free meals at school. Through the health mission Barrio Adentro, doctors located in Venezuela's poorest communities have provided more than 200 million checkups, saved over 47,000 lives, and overseen 3,100 births in the 715 different offices and specialized clinics built throughout the country. The treatment provided to HIV/AIDS patients is indicative of the larger commitment to health under the Chávez administration: whereas in 1999 only 335 patients received antiretroviral medications, in 2006 the number was over 18,000. The many social missions have been so well received that during the 2006 presidential campaign, the opposition candidate Manuel Rosales pledged to keep them in place if he won the presidency.

Policies enacted since Chávez was elected have also helped redistribute the gains of Venezuela's record economic growth. Unemployment is down, employment in the formal sector is up, and the minimum wage has increased notably. More important, income has grown fastest for Venezuela's poorest. According to the polling firm Datanalisis, from 1998 to 2006 Venezuela's poorest sectors saw an increase in income of 445 percent, and the wealthiest saw a gain of 194 percent. These gains have come despite a concerted effort by certain sectors of the opposition to throw the country into crisis in 2002 and 2003. In a shocking omission, Rodríguez does not mention that the sabotage of the oil industry in late 2002 and early 2003 bled Venezuela of 24 percent of its GDP. By comparison, during four years of the Great Depression, the United States lost 29 percent of its GDP.

The policies of the Chávez administration have served to help lower poverty, increase access to necessary social services, and better distribute Venezuela's resources. But more than trust the numbers, one can turn to public opinion to verify this. According to a 2007 Latinobarómetro report, Venezuelans rank their country among the most democratic in the region, second only to Uruguay. On a number of measures—equality between the sexes, the protection of private property, equality of opportunity, solidarity with the poor,

social security, employment opportunities, and even income distribution—respondents ranked Venezuela highest in the region. When asked how their families' economic situations would be in 12 months, 61 percent of the Venezuelan people said "much better" or "a bit better," higher than the figure for Brazil (60 percent) and the regional average (46 percent). On education and health services, 64 percent and 74 percent, respectively, expressed their satisfaction.

None of this is to say that the Venezuelan government is perfect, much less that it does not face ongoing challenges. It does, as Chávez recognized after his December 2007 referendum loss. One of the main challenges, inflation, has already decreased this year, and food shortages have similarly abated. More important, Venezuela will continue growing its economy, with eight percent expansion expected for 2008.

Trying to argue that Venezuela's economic growth and social gains are all a myth sustained by effective international lobbying and public relations both underestimates the intelligence of the Venezuelan people and does a grave disservice to the facts. Contributors to *Foreign Affairs* may not like Chávez personally, but they should not keep looking for unsubstantiated reasons to attack Venezuela's efforts to create a vibrant and equitable democracy.

BERNARDO ALVAREZ HERRERA *is Venezuela's Ambassador to the United States.*

Rodríguez Replies

Ambassador Bernardo Alvarez Herrera argues that I have ignored evidence showing the Chávez administration's commitment to the poor and the effectiveness of its social policies, and he cites several indicators that would appear to counter the central arguments of my article. Let us look closely at each of his claims. The ambassador argues that the share of social spending has increased during the Chávez administration from 38.6 percent in 1997 to 44 percent in 2007. However, it is important to be careful about what is meant by "social spending." The growth cited by the ambassador was driven by a substantial increase in the payment of pensions, whose share of total government spending doubled, from 6 percent to 12 percent. There is an extensive literature documenting the regressivity of pensions in countries such as Venezuela, where the poor do not participate in the formal economy and thus are not beneficiaries of the social security system. This is why I restricted myself to the categories of spending that can truly be argued to be mainly directed at the poor: education, health, and housing. The share of spending devoted to these categories has been essentially unchanged during the Chávez administration.

Ambassador Alvarez also argues that I have ignored the large amount of social spending carried out by the state-owned oil company, PDVSA, which totaled $13.3 billion in 2006. Again, it is necessary to be careful about definitions. PDVSA categorizes all of its spending on the direct support of government initiatives as "social development expenditures," regardless of the type of projects it supports. The bulk of these expenditures do not go to programs that under any reasonable definition would be described as pro-poor. The two largest single items of expenditure reported under this category in PDVSA's financial statements are $3.2 billion given to the Ministry of Finance for debt restructuring and $1.1 billion given to the Ministry of

Defense. Only 26.8 percent of PDVSA's "social development expenditures" went to support education, health, and housing programs. This is roughly the same percentage spent by the central government on such programs, confirming my claim that the data do not show that pro-poor spending is being prioritized by the Chávez administration any more so than it was by past administrations.

The ambassador also shows that school attendance rates have increased since Chávez reached office and that a large number of people have benefited from the government's Barrio Adentro health initiative. Both of these assertions are correct, but neither provides evidence that this administration has done more to help the poor than its predecessors did. The increase in school attendance observed since 1998 simply continues a long-term trend of improvement. Between 1975 and 1998, attendance rates for students between the ages of 6 and 14 increased from 77 percent to 94.4 percent; since 1998, that increase has continued, with the rate reaching 96.2 percent in 2006. (To its credit, the Chávez government maintained the previous administration's program Escuelas Integrales, rechristened Escuelas Bolivarianas, which appears to have been vital in further improving attendance rates.)

Regarding the government's flagship health program, Barrio Adentro, the picture is more mixed. To be sure, a considerable number of Venezuelans have benefited directly from the services of this program. On the other hand, the program's growth has been accompanied by a decline in resources allocated to the conventional functions of the public health system, generating a crisis in many traditional health services, such as hospitalization

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and the prevention of endemic diseases. According to the Ministry of Health, only 28 percent of hospital beds in the public health system are currently in operating condition, and the number of cases of malaria and dengue fever have skyrocketed, growing by 94 percent and 203 percent, respectively, since 1999. The positive effects of Barrio Adentro must be weighed against the collapse in the broader public health system. It is precisely because of this mixed picture that most Venezuelan health indicators do not show significant improvements—and some show worrying deteriorations.

When it comes to the distribution of income, there are two series based on major surveys carried out by Venezuelan statistical offices. One of them, the Central Bank's Household Expenditure Survey, shows a substantial deterioration in the share of income accruing to the lowest quintile between 1997 and 2005, and the second one, produced by the National Institute of Statistics, shows a moderate increase. The improvement in the National Institute's results appears to be due to some questionable methodological decisions taken by the agency in its calculation. The World Bank, using the same base data as the National Institute, found that the share of income received by the poorest quintile declined from 4.1 percent to 3.7 percent between 1998 and 2005—a period for which the National Institute reported that it increased from 4.1 percent to 4.6 percent. (At the time of this writing, neither the World Bank nor Venezuela's Central Bank had produced estimates for years after 2005.)

The ambassador has pointed to survey results indicating that Venezuelans are satisfied with the state of their democracy and the direction of the country. There are at least two reasons to take these results with a grain of salt. First, responses to such questions tend to be significantly correlated with economic growth, which has been quite high since the current oil boom began. Second, there is growing evidence that Venezuelans do not feel free to express their political opinions. A 2006 Associated Press survey, for example, found that only 42 percent of Venezuelans were "very confident" that their votes in that year's elections would be kept secret. These misgivings have their roots in the publication five years ago by government supporters of the names of 3.5 million Venezuelans who signed a recall-referendum petition against Chávez. The list was widely used to threaten public-sector workers so that they would withdraw their signatures and to ensure that opposition sympathizers would not have access to public-sector jobs. In our recent research, my co-authors and I have shown that signers of the recall-referendum petition received significantly lower incomes than nonsigners after the dissemination of the list.

Whether one looks at the rate of poverty reduction, the evolution of spending patterns, or the performance of health and social-development indicators, the evidence paints a consistent picture of an administration that has not effectively prioritized the well-being of Venezuela's poor.

Response

Does Osama Still Call the Shots?

Debating the Containment of al Qaeda's Leadership

The Reality of Grass-Roots Terrorism

MARC SAGEMAN

I am compelled to respond to Bruce Hoffman's review essay, "The Myth of Grass-Roots Terrorism" (May/June 2008), in which he substantially misrepresents my new book, *Leaderless Jihad*, ignoring all of its main points while making up others that appear nowhere in it.

Most serious, Hoffman blatantly misrepresents my position on the status of al Qaeda's central leadership. He writes, "*Leaderless Jihad*'s salient weakness is its insistence that this dimension [informal local terrorist groups] represents the entire threat facing the United States today." He adds, "According to Sageman, al Qaeda has ceased to exist as either an organizational or an operational entity" and claims that "the grass-roots dimension . . . is *Leaderless Jihad*'s sole preoccupation." Because he repeats this mischaracterization numerous times, the reader is seriously misled.

What the book actually says is that the threat from this core group is still substantial and will grow if vigilance is relaxed. I wrote, "Al Qaeda Central is of course not dead, but it is still contained operationally. . . . The surviving leaders of al Qaeda are undoubtedly still plotting to do harm to various countries in the world and have the expertise to do so, but they are hampered by the global security measures that have been put in place." And one of my recommendations is that "the core group of people who comprise al Qaeda Central—those who have blood on their hands or are plotting against the United States—must be eliminated or captured and tried for their crimes."

Hoffman portrays *Leaderless Jihad* as a simple-minded polemic and ignores the subtleties of its arguments. In the process, he neglects its main point, namely, that the threat from al Qaeda and its progeny has evolved over time. The process of radicalization is still going on but now proceeds in a hostile, post-9/11, wired environment, resulting in a social structure comprised of disconnected groups. The core of the book centers on my description of the four-pronged process of radicalization, which explains the difference between the terrorist threat in Europe and that in

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the United States. I show how the Internet has enabled a new wave of terrorist wannabes, who now constitute the main—but not the entire—threat to the West. However, this new wave has been completely neglected in recent analyses of terrorism; I can find no other source providing a comprehensive examination of this new phenomenon. This is why my book is focused more on the new than the old. Missing the evolution of the threat condemns us to keep fighting the last war.

Hoffman claims that homegrown, spontaneously self-organizing groups of friends who become terrorists are a "myth." But this is completely at odds with the evidence found in trial transcripts from Australia, Canada, France, Germany, the Netherlands, Spain, the United Kingdom, and the United States, not to mention what I have heard from law enforcement agencies around the world during my extensive consultations with them. Even Hoffman acknowledges the importance of these "radicalized 'bunches of guys'" in the last two sentences of his review, and our practical recommendations are not that far apart.

Disagreements among experts are the driving force of the scientific enterprise. However, science has some rules for settling such arguments. These rules do not condone taking quotes out of context and building a straw man through gross misrepresentation and then subjecting him to a hatchet job. Hoffman chastises me for lacking deference to authority, noting what he calls my "brusque dismissal of much of the existing academic literature." I plead guilty to the charge. In science, the strength of the evidence should trump loyalty to authority. But far from dismissing

work that is relevant, I engage with it. My book spends several pages, for example, carefully weighing Hoffman's own argument that al Qaeda is on the march, only to come down against it on the basis of empirical evidence. And contrary to Hoffman's implication that I ignore British exceptionalism, I deal with it explicitly and explain it.

Furthermore, although it is important to deal with the relevant literature, the real focus should be on empirical data. Hoffman likes to cite as evidence secondary sources and political statements (National Intelligence Estimate summaries, transcripts of congressional testimony, and the work of other experts). But there is no substitute for careful scrutiny of primary sources, field research, and analysis of court documents (in which suspected terrorists challenge government claims).

Hoffman acknowledges that the first chapter of my book is about methodology but later comments that my book "has a surprisingly curt discussion of methodology." To learn from him, I looked for the section on methodology in his book *Inside Terrorism*—but there was none. Hoffman mistakenly characterizes my call for "middle-range analysis" as evidence that I favor "analyzing terrorism from an individual perspective rather than taking an organizational or collective approach." This was a surprise to me, as both my books explicitly reject the individual perspective. In the field, my view of terrorism is known as the "bunch of guys" theory, and it is a collective perspective.

My work attempts a paradigm shift toward a new, evidence-based standard in terrorism research. Hoffman accurately quotes my description of much of the existing literature as amounting to "nothing more than arguments made for the sake of scoring political points." His review is an excellent illustration of this practice.

MARC SAGEMAN *is Founder and Principal of Sageman Consulting LLC and Scholar in Residence at the New York City Police Department.*

Hoffman Replies

A book titled *Leaderless Jihad* would seem to explain itself. I was therefore both puzzled to read Marc Sageman's statement that the threat posed by al Qaeda Central "is still substantial" and relieved to see that Sageman has finally recognized the continued danger posed by al Qaeda's centralized command-and-control apparatus.

Three or four years ago, Sageman's "bunch of guys" bottom-up thesis about the nature of the contemporary terrorist threat may have seemed compelling. Less was known then about the extent to which al Qaeda had regrouped and reorganized along Pakistan's border with Afghanistan. But ever since the July 7, 2005, attacks in London and the plot to bomb airplanes over the Atlantic that was foiled in August 2006, evidence has continually come to light about al Qaeda Central's top-down direction of these and other operations.

Rather than address such facts, however, Sageman claims that I have mischaracterized his work and selectively quoted him out of context. I have not. The book's very first paragraph—exactly the place one would expect to find an author's statement concerning the fundamental thesis of his work—argues that "the present threat has evolved from a structured group of al Qaeda masterminds, controlling vast resources

and issuing commands, to a multitude of informal local groups," and the rest of the book expands on that point.

As for methodology, Sageman writes in these pages that "in science, the strength of the evidence should trump loyalty to authority." But he seems not to understand that science is cumulative. Sageman publicly shared his data on the "bunches of guys" he studied for his last book, *Understanding Terror Networks*, but he has not done the same with his data for *Leaderless Jihad*. The type of appendix that appeared in the first book, with the names of his subjects and brief biographies, is absent from the second. It is therefore impossible for a reader to determine if Sageman's new evidence really is superior to other existing data. It is also curious that an author who rails in his book against scholars who supposedly rely on information from "mysterious sources—anonymous tips from the 'intelligence community'—that cannot be verified" defends himself by citing "what I have heard from law enforcement agencies around the world during my extensive consultations with them."

Sageman alleges that my review of *Leaderless Jihad* was written "for the sake of scoring political points." This is offensive and absurd. I have been arguing that al Qaeda is on the march, not on the run, for two years now—long before doing so was either fashionable or accepted wisdom inside the U.S. government or out. I reached this conclusion on the basis of empirical evidence indicating that al Qaeda Central had reconstituted itself in Pakistan's tribal frontier areas and from that base was again actively directing and initiating international terrorist operations on a grand scale. This dispute is not about personalities or politics or recondite academic theories but about the true nature of the United States' most pressing national security concerns. In such circumstances, the need for meticulous research and accurate analysis could not be greater.

Foreign Affairs (ISSN 00157120), July/August 2008, Volume 87, Number 4. Published six times annually (January, March, May, July, September, November) at 58 East 68th Street, New York, NY 10065. Subscriptions: U.S., $44.00; Canada, $54.00; 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 420235, Palm Coast, FL 32142-0235. 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 Palm Coast, FL, address indicated above.

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