

INSIDE THE WHITE HOUSE WAR ROOM

JANUARY/FEBRUARY 2016

FOREIGN AFFAIRS



Inequality

**What Causes It
Why It Matters
What Can Be Done**

FOREIGN AFFAIRS

JANUARY/FEBRUARY 2016 • VOLUME 95 • NUMBER 1 • INEQUALITY

THE OVER AND ABOVE UNDERWRITER.



STARR
COMPANIES
GLOBAL INSURANCE & INVESTMENTS

At Starr, insurance is not just something we do—it's who we are. New risks are constantly emerging, which is why, at Starr, we believe you need both the creativity and the resources to take those risks head-on. With some of the most knowledgeable, committed and innovative experts in the industry on our team, you can always be sure the right people are working over and above on your business. Learn more about the lengths we go to for our clients at starrcompanies.com

Accident & Health | Aviation & Aerospace | Casualty | Construction | Crisis Management | Cyber | Energy | Environmental
Financial Lines | Marine | Professional Liability | Property | Public Entity | Specialty Products | Travel Assistance

FOREIGN AFFAIRS



Volume 95, Number 1

INEQUALITY

-
- | | |
|---|---|
| Inequality and Modernization | 2 |
| Why Equality Is Likely to Make a Comeback | |
| <i>Ronald Inglehart</i> | |
-
- | | |
|--|----|
| Inequality and Globalization | 11 |
| How the Rich Get Richer as the Poor Catch Up | |
| <i>François Bourguignon</i> | |
-
- | | |
|--|----|
| How to Create a Society of Equals | 16 |
| Overcoming Today's Crisis of Inequality | |
| <i>Pierre Rosanvallon</i> | |
-
- | | |
|--|----|
| Equality and American Democracy | 23 |
| Why Politics Trumps Economics | |
| <i>Danielle Allen</i> | |
-
- | | |
|--|----|
| How to Spread the Wealth | 29 |
| Practical Policies for Reducing Inequality | |
| <i>Anthony B. Atkinson</i> | |
-
- | | |
|--|----|
| Brazil's Antipoverty Breakthrough | 34 |
| The Surprising Success of Bolsa Família | |
| <i>Jonathan Tepperman</i> | |



SINGAPORE AIRLINES

BUSINESS CLASS

The most spacious the world has ever seen

Relax in the world's widest Business Class seat, which transforms seamlessly into a fully flat bed. En route, enjoy KrisWorld, your personal entertainment system, our World Gourmet Cuisine, and the in-flight service even other airlines talk about. In addition, A380 flights to and from the USA are now configured with a dedicated all Business Class upper deck, for the ultimate in luxury and privacy.



singaporeair.com



Available onboard all Singapore Airlines Airbus A380-800 and Boeing 777-300ER Aircraft.

ESSAYS

Obama's Way The President in Practice <i>Fred Kaplan</i>	46
Time to Get Tough on Tehran Iran Policy After the Deal <i>Eliot Cohen, Eric Edelman, and Ray Takeyh</i>	64
When Congress Gets Mad Foreign Policy Battles in the 1950s and Today <i>Steven Casey</i>	76
Prosperity Rising The Success of Global Development—and How to Keep It Going <i>Steven Radelet</i>	85
How China Sees Russia Beijing and Moscow Are Close, but Not Allies <i>Fu Ying</i>	96
Putin's Power Play in Syria How to Respond to Russia's Intervention <i>Angela Stent</i>	106
Not-So-Smart Sanctions The Failure of Western Restrictions Against Russia <i>Emma Ashford</i>	114
The Transatlantic Data War Europe Fights Back Against the NSA <i>Henry Farrell and Abraham Newman</i>	124

ON FOREIGNAFFAIRS.COM

▶ **Daniel Byman** on ISIS' big mistake in France.

▶ **Elisabeth Braw** on Russian draft dodging.

▶ **Salvatore Babones** on China's two-child policy.

FAST-TRACK YOUR CAREER IN INTERNATIONAL AFFAIRS

Join PSIA's ONE-YEAR Master

MASTER IN ADVANCED GLOBAL STUDIES in

- > International Security
- > International Public Management
- > International Economic Policy
- > Development Practice
- > Human Rights and Humanitarian Action
- > Environmental Policy
- > International Energy

+ 23 concentrations

SciencesPo

PARIS SCHOOL OF INTERNATIONAL AFFAIRS

www.sciencespo.fr/psia/master-advanced-global-studies

Sciences Po is France's leading university in the social sciences, ranked #5 in the world for international studies (QS 2015).

Getting to Democracy	134
Lessons From Successful Transitions	
<i>Abraham F. Lowenthal and Sergio Bitar</i>	

Latin Americans Stand Up To Corruption	145
The Silver Lining in a Spate of Scandals	
<i>Jorge G. Castañeda</i>	

REVIEWS & RESPONSES

Big Ben	154
Bernanke, the Fed, and the Real Lessons of the Crisis	
<i>Adam S. Posen</i>	

The European Disunion	160
How the Continent Lost Its Way	
<i>Ngairé Woods</i>	

Recent Books	166
---------------------	-----

Letters to the Editor	191
------------------------------	-----

“Foreign Affairs . . . will tolerate wide differences of opinion. Its articles will not represent any consensus of beliefs. What is demanded of them is that they shall be competent and well informed, representing honest opinions seriously held and convincingly expressed. . . . It does not accept responsibility for the views in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear.”

Archibald Cary Coolidge, Founding Editor
Volume 1, Number 1 • September 1922

FOREIGN AFFAIRS

January/February 2016 · Volume 95, Number 1

Published by the Council on Foreign Relations

GIDEON ROSE Editor, Peter G. Peterson Chair
JONATHAN TEPPERMAN Managing Editor
KATHRYN ALLAWALA, STUART REID, JUSTIN VOGT Deputy Managing Editors
REBECCA CHAO, BRIAN O'CONNOR Deputy Web Editors
NIKITA LALWANI Staff Editor
SIMON ENGLER, SAM WINTER-LEVY Assistant Editors
ANN TAPPERT Copy Chief
LORENZ SKEETER Production Manager
IB OHLSSON Contributing Artist
SARAH FOSTER Business Administrator
CHRISTINE CLARK Editorial Assistant

Book Reviewers

RICHARD N. COOPER, RICHARD FEINBERG, LAWRENCE D. FREEDMAN, G. JOHN IKENBERRY, ROBERT LEGVOLD, WALTER RUSSELL MEAD, ANDREW MORAVCSIK, ANDREW J. NATHAN, NICOLAS VAN DE WALLE, JOHN WATERBURY

LYNDA HAMMES Publisher
EMILIE HARKIN Marketing Director
ANIQUE HALLIDAY Senior Product Manager
JONATHAN CHUNG Business Operations Manager
NORA MATHEWS Assistant Marketing Manager
EDWARD WALSH Advertising Director
MICHAEL PASUIT Senior Manager, Advertising Accounts and Operations
ELENA TCHAINIKOVA Senior Manager, Events and Business Development
ANDREW REISMAN Events and Marketing Associate
KIRK BROWN Manager, Business Development and Partnerships
RENÉ R. PÉREZ Account Executive
CLIFFORD HUNT Publishing Associate
TOM DAVEY Director, Web Management and Development
CREE FRAPPIER Website and Mobile Operations
RICHARD WANDERER Regional Advertising Manager
PROCIRC LLC Circulation Services

LISA SHIELDS, IVA ZORIC, ANDREW PALLADINO Media Relations

Board of Advisers

JAMI MISCIK Chair
JESSE H. AUSUBEL, SUSAN CHIRA, JESSICA P. EINHORN, MICHÈLE FLOURNOY, FRANCIS FUKUYAMA, THOMAS H. GLOCER, ADI IGNATIUS, CHARLES R. KAYE, MICHAEL J. MEESE, RICHARD PLEPLER, COLIN POWELL, DAVID M. RUBENSTEIN, KEVIN P. RYAN, MARGARET G. WARNER, DANIEL H. YERGIN

SUBSCRIPTION SERVICES:

ForeignAffairs.com/services
TELEPHONE:
800-829-5539 U.S./Canada
813-910-3608 All other countries
EMAIL: service@ForeignAffairs.customersvc.com
MAIL: P.O. Box 60001, Tampa, FL, 33662-0001

Foreign Affairs

58 E. 68th Street, New York, NY 10065

ADVERTISING: Call Edward Walsh at 212-434-9527 or visit www.foreignaffairs.com/advertising
WEB SITE: ForeignAffairs.com
NEWSLETTER: ForeignAffairs.com/newsletters
VIDEO: ForeignAffairs.com/video
FACEBOOK: Facebook.com/ForeignAffairs

REPRODUCTION: The contents of *Foreign Affairs* are copyrighted. No part of the magazine may be reproduced, hosted or distributed in any form or by any means without prior written permission from *Foreign Affairs*. To obtain permission, visit ForeignAffairs.com/about-us

Foreign Affairs is a member of the Alliance for Audited Media and the Association of Magazine Media.
GST Number 127686483RT
Canada Post Customer #4015177 Publication #40035310

CONTRIBUTORS

DANIELLE ALLEN grew up in an “intensely political” household, with a father who was a prominent conservative political philosopher. She identified as conservative herself into college, at Princeton, until her appreciation of rising economic inequality triggered a change in her political orientation. She went on to earn two Ph.D.’s, one in classics and the other in government, and to receive a MacArthur Fellowship “genius grant” for her work in political theory. Now a professor at Harvard, Allen argues in “Equality and American Democracy” (page 23) that reducing economic inequality requires tackling political inequality first.



FU YING’s diplomatic career has taken her from her hometown in China’s Inner Mongolia Autonomous Region to ambassadorships in Australia, where she represented China from 2003 to 2006, and the United Kingdom, where she served from 2006 to 2009. In 2009, she returned to Beijing to become a vice foreign minister. Now chair of the Foreign Affairs Committee of China’s National People’s Congress, Fu offers an insider’s perspective on relations between Beijing and Moscow in “How China Sees Russia” (page 96).



Born in Mexico City to a Jewish refugee from Russia and a future foreign minister of Mexico, **JORGE CASTAÑEDA** grew up surrounded by politics. Educated at Princeton and the University of Paris, he followed in his father’s footsteps, serving as Mexico’s foreign minister from 2000 to 2003. In that position, he sought to improve U.S.-Mexican relations on such issues as immigration, drug control, and trade. Now a professor at New York University, in “Latin Americans Stand Up To Corruption” (page 145), he argues that the region has reached a turning point in its fight against graft.



An expert on global economic governance, **NGAIRE WOODS** left her native New Zealand in 1987 to study international relations at Oxford as a Rhodes scholar. Apart from a stint teaching at Harvard, she has stayed at Oxford, and in 2011, she became the inaugural dean of its Blavatnik School of Government. Along the way, she found time to present a BBC series on public policy and advise the International Monetary Fund and the UN. She has also published extensively on globalization, governance, and inequality. In “The European Disunion” (page 160), Woods takes a skeptical look at the future of European unity.



INEQUALITY

Back in 1980, Irving Kristol, the “godfather of neoconservatism,” wrote an essay mocking the left’s obsession with income inequality: “The intensity with which economists work out their Gini coefficients, and the subtlety with which they measure income trends in the quintiles or deciles of the population, is matched—so far as I can see—by the utter lack of interest of the average American in their findings.” Having been impressed at the time by what seemed his cool logic, I checked back recently to see how the piece held up in the Age of Piketty. In retrospect, what was most striking was the setup: “It is my understanding, from surveying various studies of trends in income distribution in the United States over the past three decades, that economists have found very little significant change to have taken place.”

That was then; this is now. Were Irving still around to chime in, he would probably continue to mock. But ever the empiricist, he would have to concede that the objective realities of the situation had changed dramatically. Over the intervening years, real incomes and wealth have stagnated for the vast majority of Americans, even as they have skyrocketed for those at the very top. With some national variations, moreover, something similar has happened across the developed world.

These trends are starting to define our era. But what is driving them? What is the significance of the economic inequality that has resulted? And what can or should be done about

it? These are the questions this issue’s lead package tackles.

Ronald Inglehart explains both the fall and the rise of inequality over the last century as the product of the shifting balance of power between elites and masses, which has in turn been driven by the process of modernization. François Bourguignon points out that rising inequality within countries has been matched and probably exceeded by lowered inequality among countries, thanks mostly to sustained growth in China and India.

Pierre Rosanvallon and Danielle Allen note that economic inequality cannot be separated from social and political inequality—and that what a healthy democracy requires is not simply the lessening of extreme material differences but also the nurturing of a community in which all citizens share opportunity and dignity.

Anthony Atkinson and Jonathan Tepperman, finally, address possible remedies, the former reviewing options for egalitarian policies in the developed world and the latter telling the story of Brazil’s successful antipoverty program Bolsa Família.

The old saw about frogs and boiling water is not true, of course: they will jump out of the pot if they can as the temperature rises. Democratic publics, increasingly feeling the heat, are unlikely to behave differently.

—Gideon Rose, *Editor*



The extent to which inequality increases or decreases is ultimately a political question.

—Ronald Inglehart

Inequality and Modernization

Ronald Inglehart

2

Equality and American Democracy

Danielle Allen

23

Inequality and Globalization

François Bourguignon

11

How to Spread the Wealth

Anthony B. Atkinson

29

How to Create a Society of Equals

Pierre Rosanvallon

16

Brazil's Antipoverty Breakthrough

Jonathan Tepperman

34

Inequality and Modernization

Why Equality Is Likely to Make a Comeback

Ronald Inglehart

During the past century, economic inequality in the developed world has traced a massive U-shaped curve—starting high, curving downward, then curving sharply back up again. In 1915, the richest one percent of Americans earned roughly 18 percent of all national income. Their share plummeted in the 1930s and remained below ten percent through the 1970s, but by 2007, it had risen to 24 percent. Looking at household wealth rather than income, the rise of inequality has been even greater, with the share owned by the top 0.1 percent increasing to 22 percent from nine percent three decades ago. In 2011, the top one percent of U.S. households controlled 40 percent of the nation's entire wealth. And while the U.S. case may be extreme, it is far from unique: all but a few of the countries of the Organization for Economic Cooperation and Development for which data are available experienced rising income inequality (before taxes and transfers) during the period from 1980 to 2009.

The French economist Thomas Piketty has famously interpreted this data by arguing that a tendency toward

economic inequality is an inherent feature of capitalism. He sees the middle decades of the twentieth century, during which inequality declined, as an exception to the rule, produced by essentially random shocks—the two world wars and the Great Depression—that led governments to adopt policies that redistributed income. Now that the influence of those shocks has receded, life is returning to normal, with economic and political power concentrated in the hands of an oligarchy.

Piketty's work has been corrected on some details, but his claim that economic inequality is rising rapidly in most developed countries is clearly accurate. What most analyses of the subject miss, however, is the extent to which both the initial fall and the subsequent rise of inequality over the past century have been related to shifts in the balance of power between elites and masses, driven by the ongoing process of modernization.

In hunting-and-gathering societies, virtually everyone possessed the skills needed for political participation. Communication was by word of mouth, referring to things one knew of firsthand, and decision-making often occurred in village councils that included every adult male. Societies were relatively egalitarian.

The invention of agriculture gave rise to sedentary communities producing enough food to support elites with specialized military and communication skills. Literate administrators made it possible to coordinate large empires governing millions of people. This much larger scale of politics required specialized skills, including the ability to read and write. Word-of-mouth communication was no longer sufficient for political participation: messages had to be sent across great distances. Human memory

RONALD INGLEHART is Professor of Political Science at the University of Michigan and Founding President of the World Values Survey.

was incapable of recording the tax base or military manpower of large numbers of districts: written records were needed. And personal loyalties were inadequate to hold together large empires: legitimating myths had to be propagated by religious or ideological specialists. This opened up a wide gap between a relatively skilled ruling class and the population as a whole, which consisted mainly of scattered, illiterate peasants who lacked the skills needed to cope with politics at a distance. And along with that gap, economic inequality increased dramatically.

This inequality was sustained throughout history and into the early capitalist era. At first, industrialization led to the ruthless exploitation of workers, with low wages, long workdays, no labor laws, and the suppression of union organizing. Eventually, however, the continuation of the Industrial Revolution narrowed the gap between elites and masses by redressing the balance of political skills. Urbanization brought people into close proximity; workers were concentrated in factories, facilitating communication; and the spread of mass literacy put them in touch with national politics, all of which led to social mobilization. In the late nineteenth century and early twentieth century, unions won the right to organize, enabling workers to bargain collectively. The expansion of the franchise gave ever more people the vote, and leftist political parties mobilized the working class to fight for its economic interests. The result was the election of governments that adopted various kinds of redistributive policies—progressive taxation, social insurance, and an expansive welfare state—that caused inequality to decline for most of the twentieth century.

The emergence of a postindustrial society, however, changed the game once again. The success of the modern welfare state made further redistribution seem less urgent. Noneconomic issues emerged that cut across class lines, with identity politics and environmentalism drawing some wealthier voters to the left, while cultural issues pushed many in the working class to the right. Globalization and deindustrialization undermined the strength of unions. And the information revolution helped establish a winner-take-all economy. Together these eroded the political base for redistributive policies, and as those policies fell out of favor, economic inequality rose once more.

Today, large economic gains are still being made in developed countries, but they are going primarily to those at the very top of the income distribution, whereas those lower down have seen their real incomes stagnate or even diminish. The rich, in turn, have used their privilege to shape policies that further increase the concentration of wealth, often against the wishes and interests of the middle and lower classes. The political scientist Martin Gilens, for example, has shown that the U.S. government responds so attentively to the preferences of the most affluent ten percent of the country's citizens that "under most circumstances, the preferences of the vast majority of Americans appear to have essentially no impact on which policies the government does or doesn't adopt."

Because advantages tend to be cumulative, with those born into more prosperous families receiving better nutrition and health care, more intellectual stimulation and better education, and more social capital for use in later life, there is an enduring tendency for the rich to get

richer and the poor to be left behind. The extent to which this tendency prevails, however, depends on a country's political leaders and political institutions, which in turn tend to reflect the political pressures emerging from mobilized popular forces in the political system at large. The extent to which inequality increases or decreases, in other words, is ultimately a political question.

Today the conflict is no longer between the working class and the middle class; it is between a tiny elite and the great majority of citizens. This means that the crucial questions for future politics in the developed world will be how and when that majority develops a sense of common interest. The more current trends continue, the more pressure will build up to tackle inequality once again. The signs of such a stirring are already visible, and in time, the practical consequences will be as well.

NOT ABOUT THE MONEY

For the first two-thirds of the twentieth century, working-class voters in developed countries tended to support parties of the left, and middle- and upper-class voters tended to support parties of the right. With partisan affiliation roughly correlating with social class, scholars found, unsurprisingly, that governments tended to pursue policies that reflected the economic interests of their sociopolitical constituencies.

As the century continued, however, both the nature of the economy and the attitudes and behaviors of the public changed. An industrial society gave way to a postindustrial one, and generations raised with high levels of economic and physical security during their formative years displayed a "postmaterialist"

mindset, putting greater emphasis on autonomy and self-expression. As post-materialists became more numerous in the population, they brought new issues into politics, leading to a decline in class conflict and a rise in political polarization based on noneconomic issues (such as environmentalism, gender equality, abortion, and immigration).

This stimulated a reaction in which segments of the working class moved to the right, reaffirming traditional values that seemed to be under attack. Moreover, large immigration flows, especially from low-income countries with different languages, cultures, and religions, changed the ethnic makeup of advanced industrial societies. The rise of religious fundamentalism in the United States and xenophobic populist movements in western European countries represents a reaction against rapid cultural changes that seem to be eroding basic social values and customs—something particularly alarming to the less secure groups in those countries.

All of this has greatly stressed existing party systems, which were established in an era when economic issues were dominant and the working class was the main base of support for sociopolitical change. Today, the most heated issues tend to be noneconomic, and support for change comes increasingly from postmaterialists, largely of middle-class origin. Traditional political polarization centered on differing views about economic redistribution, with workers' parties on the left and conservative parties on the right. The emergence of changing values and new issues gave rise to a second dimension of partisan polarization, with postmaterialist parties at one pole and authoritarian and xenophobic parties at the opposite pole.



The 99 percent: an Occupy Wall Street protester in New York, September 2012

The classic economic issues did not disappear. But their relative prominence declined to such an extent that by the late 1980s, noneconomic issues had become more prominent than economic issues in Western political parties' campaign platforms. A long-standing truism of political sociology is that working-class voters tend to support the parties of the left and middle-class voters those of the right. This was an accurate description of reality around 1950, but the tendency has grown steadily weaker. The rise of postmaterialist issues tends to neutralize class-based political polarization. The social basis of support for the left has increasingly come from the middle class, even as a substantial share of the working class has shifted its support to the right.

In fact, by the 1990s, social-class voting in most democracies was less than half as strong as it was a generation earlier. In the United States, it had fallen so low that there was virtually no room for

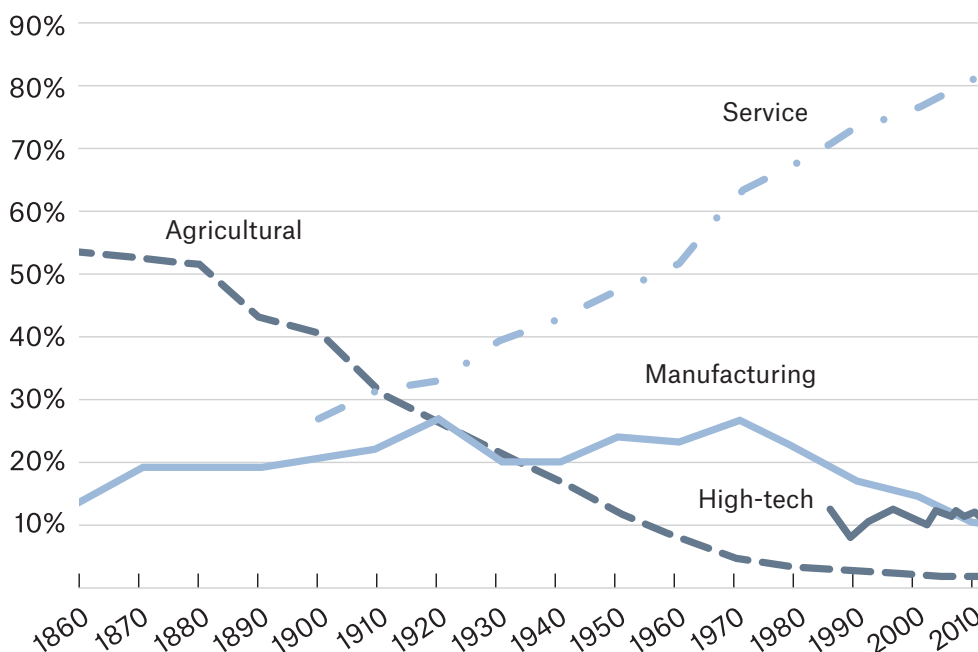
further decline. Income and education had become much weaker indicators of the American public's political preferences than religiosity or one's stand on abortion or same-sex marriage: by wide margins, those who opposed abortion and same-sex marriage supported the Republican presidential candidate over the Democratic candidate. The electorate had shifted from class-based polarization toward value-based polarization.

THE MACHINE AGE

In 1860, the majority of the U.S. work force was employed in agriculture. By 2014, less than two percent was employed there, with modern agricultural technology enabling a tiny share of the population to produce even more food than before. With the transition to an industrial society, jobs in the agricultural sector virtually disappeared, but this didn't result in widespread unemployment and poverty, because there was a massive

From Farm to Table

Composition of U.S. Work Force by Sector, 1860–2012



SOURCES: Paul Hadlock, Daniel Hecker, and Joseph Gannon, “High Technology Employment: Another View,” *Monthly Labor Review* (U.S. Bureau of Labor Statistics), July 1991; Daniel E. Hecker, “High Technology Employment: A NAICS-Based Update,” *Monthly Labor Review* (U.S. Bureau of Labor Statistics), July 2005; Stanley Lebergott, “Labor Force and Employment, 1800–1960,” in *Output, Employment, and Productivity in the United States After 1800*, ed. Dorothy S. Brady (National Bureau of Economic Research, 1966), 117–204; National Science Board, 2014; U.S. Bureau of Labor Statistics, 2014; U.S. Census Bureau, 1977.

NOTE: Data are not available for the service sector before 1900 or for the high-tech sector before 1986.

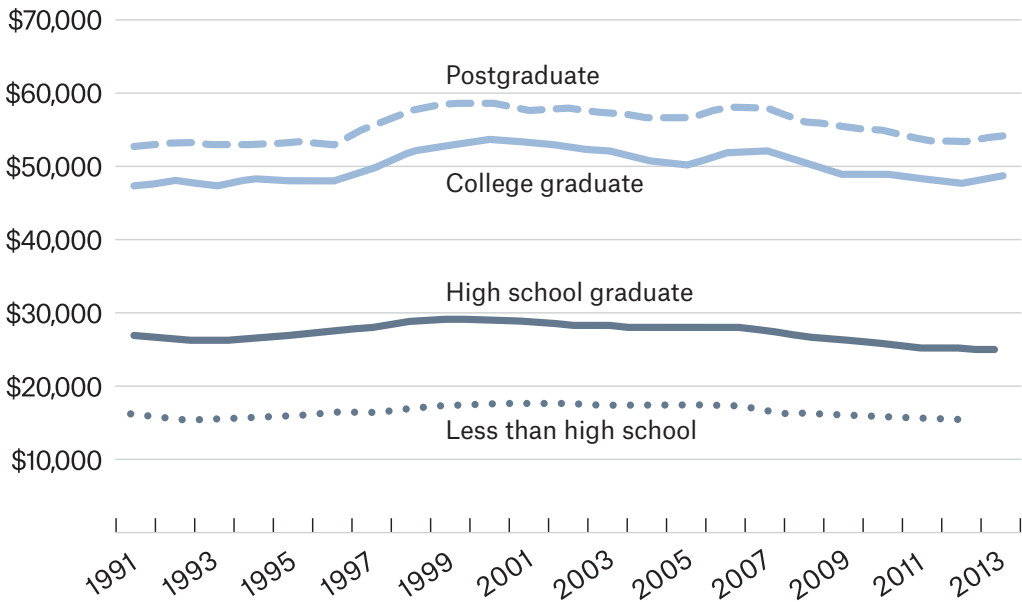
rise in industrial employment. By the twenty-first century, automation and outsourcing had reduced the ranks of industrial workers to 15 percent of the work force—but this too did not result in widespread unemployment and poverty, because the loss of industrial jobs was offset by a dramatic rise in service-sector jobs, which now make up about 80 percent of the U.S. work force.

Within the service sector, there are some jobs that are integrally related to what has been called “the knowledge economy”—defined by the scholars

Walter Powell and Kaisa Snellman as “production and services based on knowledge-intensive activities that contribute to the accelerated pace of technical and scientific advance.” Because of its economic significance, the knowledge economy is worth breaking out as a separate category from the rest of the service sector; it is represented by what can be termed “the high-tech sector,” which includes everyone employed in the information, finance, insurance, professional, scientific, and technical services categories of the economy.

The World Is Flat

Median Real Income by Educational Level in the United States, 1991–2013



SOURCE: U.S. Census Bureau, 2014.

NOTE: Incomes are in 2013 dollars.

Some assume that the high-tech sector will produce large numbers of high-paying jobs in the future. But employment in this area does not seem to be increasing; the sector's share of total employment has been essentially constant since statistics became available about three decades ago. Unlike the transition from an agricultural to an industrial society, in other words, the rise of the knowledge society is not generating a lot of good new jobs.

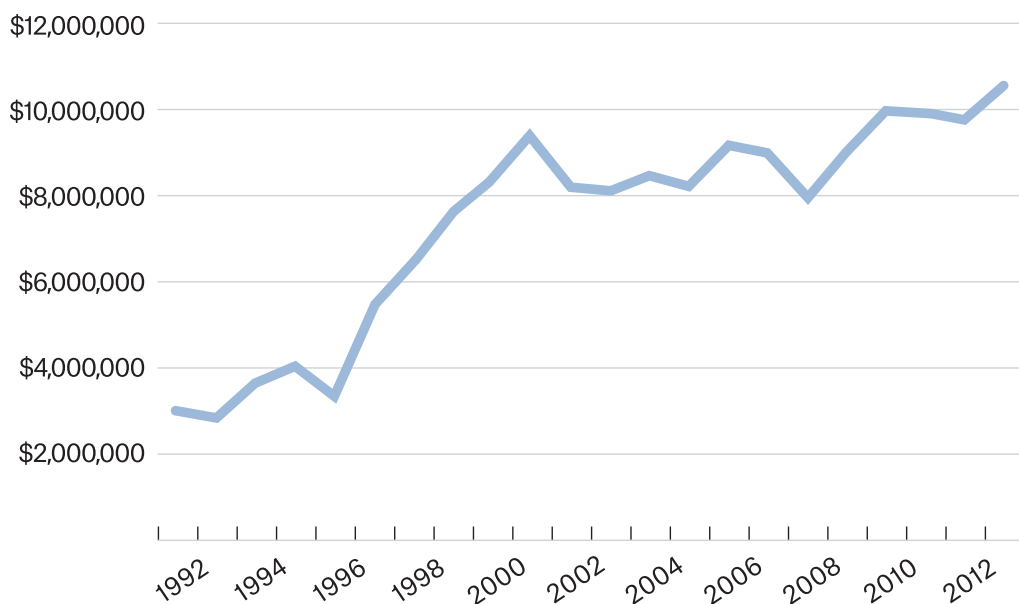
Initially, only unskilled workers lost their jobs to automation. Today, even highly skilled occupations are being taken over by computers. Computer programs are replacing lawyers who used to do legal research. Expert systems are being developed that can make medical diagnoses

better and faster than physicians. The fields of education and journalism are on their way to being automated. And increasingly, computer programs themselves may be written by computers.

As a result of such developments, even highly skilled jobs are being commodified, so that even many highly educated workers in the upper reaches of the income distribution are not moving ahead, with gains from the increases in GDP limited to those in a thin stratum of financiers, entrepreneurs, and managers at the very top. As expert systems replace people, market forces alone could conceivably produce a situation in which a tiny but extremely well-paid minority directs the economy, while the majority have precarious jobs, serving the minority as gardeners,

Onward and Upward

Median Total Compensation of CEOs of Top 500 Corporations, 1992–2013



SOURCES: CEO salary data for 1998–2008 are from Carola Frydman and Dirk Jenter, “CEO Compensation,” *Annual Review of Economics*, 2010; data for 2009–13 are from Joann S. Lublin, “CEO Pay in 2010 Jumped 11%,” *Wall Street Journal*, May 9, 2011, and Ken Sweet, “Median CEO Pay Crosses \$10 Million in 2013,” *Associated Press*, May 27, 2014.
NOTE: Incomes are in 2013 dollars.

waiters, nannies, and hairdressers—a future foreshadowed by the social structure of Silicon Valley today.

The rise of the postindustrial economy narrowed the life prospects of most unskilled workers, but until recently, it seemed that the rise of the knowledge society would keep the door open for those with sophisticated skills and a good education. Recent evidence, however, suggests that this is no longer true. Between 1991 and 2013, real incomes in the United States stagnated across the educational spectrum. The highly educated still make substantially larger salaries than the less educated, but it is no longer just the unskilled workers who are being left behind.

The problem is not aggregate growth in the economy. During these years, U.S. GDP increased significantly. So where did the money go? To the elite of the elite, such as the CEOs of the country’s largest corporations.

During a period in which the real incomes of even highly educated professionals, such as doctors, lawyers, professors, engineers, and scientists, were essentially flat, the real incomes of CEOs more than tripled. The pattern is even starker over a longer timeframe. In 1965, CEO pay at the largest 350 U.S. companies was 20 times as high as the pay of the average worker; in 1989, it was 58 times as high; and in 2012, it was 273 times as high.

WORKERS OF THE WORLD, UNITE?

Globalization is enabling half of the world's population to escape subsistence-level poverty but weakening the bargaining position of workers in developed countries. The rise of the knowledge society, meanwhile, is helping divide the economy into a small pool of elite winners and vast numbers of precariously employed workers. Market forces show no signs of reversing these trends on their own. But politics might do so, as growing insecurity and relative immiseration gradually reshape citizens' attitudes, creating greater support for government policies designed to alter the picture.

There are indications that the citizens of many countries are becoming sensitized to this problem. Concern over income inequality has increased dramatically during the past three decades. In surveys carried out from 1989 to 2014, respondents around the world were asked whether their views came closer to the statement "Incomes should be made more equal" or "Income differences should be larger to provide incentives for individual effort." In the earliest polls, majorities in four-fifths of the 65 countries surveyed believed that greater incentives for individual effort were needed. By the most recent surveys, however, that figure had dropped by half, with majorities in only two-fifths of the countries favoring that. Over a 25-year period in which income inequality increased dramatically, publics in 80 percent of the countries surveyed, including the United States, grew more supportive of actions to reduce inequality, and those beliefs are likely to intensify over time.

New political alignments, in short, might once again readjust the balance of power between elites and masses in the



LYNNE RIENNER PUBLISHERS
CELEBRATING 32 YEARS OF INDEPENDENT PUBLISHING

Strategic Advising for Foreign Assistance:

A Practical Guide

NADIA GERSPACHER

"This seminal work on strategic advising is long overdue.... Anyone engaged in writing policy, planning, or operationalizing strategic advising efforts needs to read it."

—John M. Gillette,

Endgame Solutions
hc \$55 • pb \$22.50



Movies, Myth & the National Security State

DAN O'MEARA, ALEX MACLEOD, FRÉDÉRIK GAGNON,
AND DAVID GRONDIN

"Highly engaging and thought provoking.

Sweeping in its analysis, it brings together a sophisticated discussion of US political history since WW II with a very sharp evaluation of movies during these years."

—Robert Snyder,
Southwestern University
hc ~~\$69.50~~ \$35 for Foreign
Affairs readers!



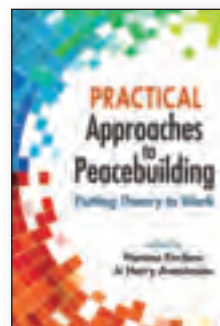
Practical Approaches to Peacebuilding:

Putting Theory to Work

PAMINA FIRCHOW AND
HARRY ANASTASIOU, EDITORS

"This well-balanced volume approaches peacebuilding from a variety of important geographical and theoretical directions.... It is a valuable asset for anyone looking for a comprehensive view of the subject."

—Karl DeRouen, University
of Alabama • hc \$55 • pb \$22



TEL: 303-444-6684 • www.rienner.com

developed world, with the emerging struggle being between a tiny group at the top and a heterogeneous majority below. For the industrial society's working-class coalition to become effective, lengthy processes of social and cognitive mobilization had to be completed. In today's postindustrial society, however, a large share of the population is already highly educated, well informed, and in possession of political skills; all it needs to become politically effective is the development of an awareness of common interest.

Will enough of today's dispossessed develop what Marx might have called "class consciousness" to become a decisive political force? In the short run, probably not, because of the presence of various hot-button cultural issues cutting across economic lines. Over the long run, however, they probably will, as economic inequality and the resentment of it are likely to continue to intensify.

It was the rise of postmaterialist values, together with a backlash against the changes that the postmaterialists spearheaded, that helped topple economic issues from their central role in partisan political mobilization and install cultural issues in their place. But the continued spread of postmaterialist values is draining much of the passion from the cultural conflict, even as the continued rise of inequality is pushing economic issues back to the top of the political agenda.

During the 2004 U.S. presidential election, for example, same-sex marriage was so unpopular in some quarters that Republican strategists deliberately put referendums banning it on the ballot in crucial swing states in the hope of increasing turnout among social conservatives in the middle and lower echelons of the income distribution. And they were

smart to do so, for the measures passed in every case—as did virtually all others like them put forward from 1998 to 2008. In 2012, however, there were five new statewide referendums on the topic, and in four of them, the public voted in favor of legalization. Crosscutting cultural divisions still exist and can still divert attention from common economic interests, but the former no longer trump the latter as reliably as they used to. And the fact that not just all the Democrats but even several 2016 Republican presidential candidates have pledged to abolish the tax break on "carried interest" benefiting elite financiers might well be a portent of things to come.

The essence of modernization is the linkages among economic, social, ideational, and political trends. As changes ripple through the system, developments in one sphere can drive developments in the others. But the process doesn't work in just one direction, with economic trends driving everything else, for example. Social forces and ideas can drive political actions that reshape the economic landscape. Will that happen once again, with popular majorities mobilizing to reverse the trend toward economic inequality? In the long run, probably: publics around the world increasingly favor reducing inequality, and the societies that survive are the ones that successfully adapt to changing conditions and pressures. Despite current signs of paralysis, democracies still have the vitality to do so. 🌐

Inequality and Globalization

How the Rich Get Richer as the Poor Catch Up

François Bourguignon

When it comes to wealth and income, people tend to compare themselves to the people they see around them rather than to those who live on the other side of the world. The average Frenchman, for example, probably does not care how many Chinese exceed his own standard of living, but that Frenchman surely would pay attention if he started lagging behind his fellow citizens. Yet when thinking about inequality, it also makes sense to approach the world as a single community: accounting, for example, not only for the differences in living standards within France but also for those between rich French people and poor Chinese (and poor French and rich Chinese).

When looking at the world through this lens, some notable trends stand out. The first is that global inequality greatly exceeds inequality within any individual country. This observation should come as no surprise, since global inequality reflects the enormous differences in wealth between the world's richest and the world's poorest countries, not just the differences within them. Much more striking is the fact that, in a dramatic

FRANÇOIS BOURGUIGNON is Professor of Economics at the Paris School of Economics, former Chief Economist of the World Bank, and the author of *The Globalization of Inequality*.

reversal of the trend that prevailed for most of the twentieth century, global inequality has declined markedly since 2000 (following a slower decline during the 1990s). This trend has been due in large part to the rising fortunes of the developing world, particularly China and India. And as the economies of these countries continue to converge with those of the developed world, global inequality will continue to fall for some time.

Even as global inequality has declined, however, inequality within individual countries has crept upward. There is some disagreement about the size of this increase among economists, largely owing to the underrepresentation of wealthy people in national income surveys. But whatever its extent, increased inequality within individual countries has partially offset the decline in inequality among countries. To counteract this trend, states should pursue policies aimed at redistributing income, strengthen the regulation of the labor and financial markets, and develop international arrangements that prevent firms from avoiding taxes by shifting their assets or operations overseas.

THE GREAT SUBSTITUTION

Economists typically measure income inequality using the Gini coefficient, which ranges from zero in cases of perfect equality (a theoretical country in which everyone earns the same income) to one in cases of perfect inequality (a state in which a single individual earns all the income and everyone else gets nothing). In continental Europe, Gini coefficients tend to fall between 0.25 and 0.30. In the United States, the figure is around 0.40. And in the world's most unequal countries, such as South Africa, it exceeds 0.60. When considering the world's

FOREIGN AFFAIRS

Assistant Editor

Foreign Affairs is looking for an Assistant Editor to join our editorial team.

The Assistant Editor position is a full-time paid job offering exceptional training in serious journalism. Previous Assistant Editors have included recent graduates from undergraduate and master's programs. Candidates should have a serious interest in international relations, a flair for writing, and a facility with the English language.

The Assistant Editor works for one year, starting in July or August.

For more information about how to apply for the 2016–17 Assistant Editor position, please visit:

www.foreignaffairs.com/Apply

Applications will be due February 1, 2016.

population as a whole, the Gini coefficient comes to 0.70—a figure so high that no country is known to have ever reached it.

Determining the Gini coefficient for global inequality requires making a number of simplifications and assumptions. Economists must accommodate gaps in domestic data—in Mexico, an extreme case, surveys of income and expenditures miss about half of all households. They need to come up with estimates for years in which national surveys are not available. They need to convert local incomes into a common currency, usually the U.S. dollar, and correct for differences in purchasing power. And they need to adjust for discrepancies in data collection among countries, such as those that arise when one state measures living standards by income and another by consumption per person or when a state does not collect data at all.

Such inexactitudes and the different ways of compensating for them explain why estimates of just how much global inequality has declined over the past two-plus decades tend to vary—from around two percentage points to up to five, depending on the study. No matter how steep this decline, however, economists generally agree that the end result has been a global Gini coefficient of around 0.70 in the years between 2008 and 2010.

The decline in global inequality is largely the product of the convergence of the economies of developing countries, particularly China and India, with those of the developed world. In the first decade of this century, booming economies in Latin America and sub-Saharan Africa also helped accelerate this trend. Remarkably, this decline



Left behind: scavenging in a garbage dump in Hefei, China, December 2012

followed a nearly uninterrupted rise in inequality from the advent of the Industrial Revolution in the early nineteenth century until the 1970s. What is more, the decline has been large enough to erase a substantial part of the inequality that built up over that century and a half.

Even as inequality among countries has decreased, however, inequality within individual countries has increased, gaining, on average, more than two percentage points in terms of the Gini coefficient between 1990 and 2010. The countries with the biggest economies are especially responsible for this trend—particularly the United States, where the Gini coefficient rose by five percentage points between 1990 and 2013, but also China and India and, to a lesser extent, most European countries, among them Germany and the Scandinavian states. Still, inequality within countries is not

rising fast enough to offset the rapid decline in inequality among countries.

The good news is that the current decline in global inequality will probably persist. Despite the current global slowdown, China and India have such huge domestic markets that they retain an enormous amount of potential for growth. And even if their growth rates decline significantly in the next decade, so long as they remain higher than those of the advanced industrial economies, as is likely, global inequality will continue to fall. The prospects for growth are less favorable for the smaller economies in Latin America and sub-Saharan Africa that depend primarily on commodity exports, since world commodity prices may remain low for some time. All told, then, global inequality will likely keep falling in the coming decades—but probably at the slow pace seen during

the 1990s rather than the rapid one enjoyed during the following decade.

The bad news, however, is that economists might have underestimated inequality within individual countries and the extent to which it has increased since the 1990s, because national surveys tend to underrepresent the wealthy and underreport income derived from property, which disproportionately accrues to the rich. Indeed, tax data from many developed states suggest that national surveys fail to account for a substantial portion of the incomes of the very highest earners.

According to the most drastic corrections for such underreporting, as calculated by the economists Sudhir Anand and Paul Segal, global inequality could have remained more or less constant between 1988 and 2005. Most likely, however, this conclusion is too extreme, and the increase in national inequality has been too small to cancel out the decline in inequality among countries. Yet it still points to a disheartening trend: increased inequality within countries has offset the drop in inequality among countries. In other words, the gap between average Americans and average Chinese is being partly replaced by larger gaps between rich and poor Americans and between rich and poor Chinese.

INTERCONNECTED AND UNEQUAL

The same factor that can be credited for the decline in inequality among countries can also be blamed for the increase in inequality within them: globalization. As firms from the developed world moved production overseas during the 1990s, emerging Asian economies, particularly China, started

to converge with those of the developed world. The resulting boom triggered faster growth in Africa and Latin America as demand for commodities increased. In the developed world, meanwhile, as manufacturing firms outsourced some of their production, corporate profits rose but real wages for unskilled labor fell.

Economic liberalization also played an important role in this process. In China, the market reforms initiated by Deng Xiaoping in the 1980s contributed just as much to rapid growth as did the country's opening to foreign investment and trade, and the same is true of the reforms India undertook in the early 1990s. As with globalization, such reforms didn't just enable developing countries to get closer to the developed world; they also created a new elite within those countries while leaving many citizens behind, thus increasing domestic inequality.

The same drive toward economic liberalization has contributed to increasing inequality in the developed world. Reductions in income tax rates, cuts to welfare, and financial deregulation have also helped make the rich richer and, in some instances, the poor poorer. The increase in the international mobility of firms, wealth, and workers over the past two decades has compounded these problems by making it harder for governments to combat inequality: for example, companies and wealthy people have become increasingly able to shift capital to countries with low tax rates or to tax havens, allowing them to avoid paying more redistributive taxes in their home countries. And in both developed and developing countries, technological progress has exacerbated

these trends by favoring skilled workers over unskilled ones and creating economies of scale that disproportionately favor corporate managers.

MAINTAINING MOMENTUM

In the near future, the greatest potential for further reductions in global inequality will lie in Africa—the region that has arguably benefited the least from the past few decades of globalization, and the one where global poverty will likely concentrate in the coming decades as countries such as India leap ahead. Perhaps most important, the population of Africa is expected to double over the next 35 years, reaching some 25 percent of the world's population, and so the extent of global inequality will increasingly depend on the extent of African growth. Assuming that the economies of sub-Saharan Africa sustain the modest growth rates they have seen in recent years, then inequality among countries should keep declining, although not as fast as it did in the first decade of this century.

To maintain the momentum behind declining global inequality, all countries will need to work harder to reduce inequality within their borders, or at least prevent it from growing further. In the world's major economies, failing to do so could cause disenchanted citizens to misguidedly resist further attempts to integrate the world's economies—a process that, if properly managed, can in fact benefit everyone.

In practice, then, states should seek to equalize living standards among their populations by eliminating all types of ethnic, gender, and social discrimination; regulating the financial and labor markets; and implementing

progressive taxation and welfare policies. Because the mobility of capital dulls the effectiveness of progressive taxation policies, governments also need to push for international measures that improve the transparency of the financial system, such as those the G-20 and the Organization for Economic Cooperation and Development have endorsed to share information among states in order to clamp down on tax avoidance. Practical steps such as these should remind policymakers that even though global inequality and domestic inequality have moved in opposite directions for the past few decades, they need not do so forever. 🌍

How to Create a Society of Equals

Overcoming Today's Crisis of Inequality

Pierre Rosanvallon

There has been much discussion of rising economic inequality in the developed world recently, along with a generalized sense that the problem has grown to intolerable proportions. But at the same time, there has been little movement to address the situation; instead, there is tacit acceptance of many specific forms of inequality and the processes that produce it. The result is widespread discontent together with practical passivity.

One might call this a Bossuet paradox, after the seventeenth-century theologian Jacques-Bénigne Bossuet, who said, “God laughs at men who complain of the consequences while cherishing the causes.” Today, people deplore inequality in general, appalled by broad social statistics or extreme examples of wealth and poverty, but often consent to it in particular, regarding smaller variations in life outcomes as the result of presumptively legitimate individual choices and circumstances. A recent survey conducted in France on the “perception of inequality and feelings of injustice,”

for example, found that nearly 90 percent of respondents thought income disparities should be reduced, and an even larger percentage felt that a just society ought to guarantee the fulfillment of everyone's basic needs (for education, food, health care, and shelter). Yet 57 percent also felt that income inequalities were inevitable in a dynamic economy, and 85 percent said that income differences were acceptable when they rewarded individual merits.

This situation is the product of a strong general moral revulsion at excessive inequality combined with a weak consensus on the theoretical grounds for acting to reduce it. Some might think the latter means that nothing can or will be done about the problem. But during the early and middle decades of the twentieth century, Western governments managed to reduce inequality dramatically, even without a shared vision on the need to do so. They were driven by three objective factors instead: fear that a lack of reform would cause social and political turmoil, the practical impacts of the two world wars, and a decline in the belief in individual responsibility for people's destinies. Together, these led to policies such as social insurance, a minimum wage, a strong welfare state, and a progressive income tax, all of which helped make economies and societies more egalitarian.

In recent decades, however, all these objective factors have disappeared, and with them, the support for egalitarian public policy. Those concerned with combating rising inequality today, therefore, have to start at the theoretical level first, formulating a conceptual framework that justifies such efforts on their own merits.

PIERRE ROSANVALLON is Professor of Political History at the Collège de France, Director of Studies at l'École des Hautes Études en Sciences Sociales, and the author of *The Society of Equals*.

WHAT DROVE THE AGE OF EQUALITY

The growth of workers' movements in the late nineteenth and early twentieth centuries, together with the advent of universal suffrage, presented Western elites with a difficult choice: accept a fiscal revolution or risk a social one. In the most famous example, the conservative chancellor Otto von Bismarck pioneered the modern welfare state in imperial Germany, trying to counter the spread of socialist ideas by showing government concern for the working class. After 1918, fears of revolution increased, thanks to the communist seizure of power in Russia and the spread of copycat uprisings across Europe. The ravages of the Great Depression only contributed to the problem, as did the persistent fear of communism in the decades after World War II. The result was a reformism of fear, with reduction in inequality becoming a major government priority.

The experience of World War I also produced a new vision of the social bond tying countries together. In a sense, the war "nationalized" people's lives. Just as it threatened everyone's existence, so it fostered the idea everyone owed a debt to the broader community. Millions of deaths across the European continent, moreover, compelled people to think in new ways about what united them. "If the war didn't happen to kill you it was bound to start you thinking," George Orwell put it. Of course, the soldier's lot was the hardest. Each combatant learned in the mud of the trenches that his life was just as vulnerable as that of his comrade. As one of them wrote, "The consciousness of a community of nature gave rise to a very vivid and comforting sentiment of equality." And the war

contributed to the growth of common national identities. As the German writer Robert Musil remarked, "Many German soldiers felt for the first time the exalting sense of having something in common with all other Germans. One suddenly became a simple, humble particle in an event that transcended the personal. Subsumed in the nation, one could almost feel it."

Even the United States emerged from the war profoundly changed. The experience revolutionized American attitudes toward taxation and redistribution. When the War Revenue Act of 1917 was passed, there was talk of "conscription of income" and "conscription of wealth" at a time when young men were enlisting en masse. "Let their dollars die for their country too," one congressman said. The call for fiscal patriotism helped legitimate the progressive income tax in the United States, and by 1944, the top marginal rate had risen as high as 94 percent.

In the United Kingdom and continental Europe, meanwhile, an intellectual and moral revolution helped make redistribution possible: the economy and society were "de-individualized" by thinkers who rejected older views of individual responsibility and talent. The idea of a society composed of sovereign, self-sufficient individuals gave way to an approach based on interdependence. "The isolated man does not exist," argued the French politician Léon Bourgeois, and the British philosopher L. T. Hobhouse argued similarly that every individual was shaped by the "social atmosphere" around him.

In this new context, the notions of right and duty, merit and responsibility, and autonomy and solidarity were completely redefined. During the nineteenth century, the core of the social question

had focused on personal responsibility. The key activity of the state and charitable institutions was considered to be distinguishing the “deserving poor,” whose condition derived from purely external circumstances, from the “undeserving poor,” whose problems were caused by their own misconduct and bad habits. The former should be supported, it was thought, but the latter had to be punished (say, by being put in a workhouse) or simply abandoned to their fate.

By the middle decades of the twentieth century, in contrast, individual behavior was no longer seen as the driver of social outcomes; rather, the reverse was believed to be true. Poverty was the consequence, rather than the cause, of social dysfunctions, and the welfare state acted universally, behind a “veil of ignorance.” From unemployment to disease or disability, the problems of citizens were seen as risks largely beyond individual control, with governments required to step in and manage those risks collectively through broad programs of social insurance.

These changed attitudes about individual responsibility were accompanied by a new approach to economic performance. Instead of celebrating entrepreneurs and innovation as the factors driving economic growth, mid-twentieth-century intellectuals emphasized the roles of managers and organizations. Writers such as Peter Drucker, John Kenneth Galbraith, and Andrew Shonfield exemplified in their work a new and influential approach to corporations. “In the mature enterprise,” Galbraith wrote in 1967, “. . . power has passed, inevitably and irrevocably, from the individual to the group. That is because only the group has the

information that decision requires.” Schumpeter was passé: “The entrepreneur no longer exists as an individual person in the mature industrial enterprise”; he had been replaced by the “technostructure,” a collective mind. Success depended more on the quality of a firm’s organization and the efficiency of its management than on the exceptional talents of particular individuals, even at the top of the corporate pyramid: “Retirement, death and replacement [of a CEO] . . . have no perceptible effect on the performance of General Motors or IBM.”

Within such an economic paradigm, economic efficiency was seen as a collective achievement. No one could claim the accomplishments of a company as his own. Executives were better paid than workers, but only within the framework of a functional hierarchy of skills. The management guru Drucker argued that the pay ratio between the top executive and the humblest worker in a company should be no greater than 20 to 1.

THE CONTEMPORARY CHALLENGE

The combination of these trends created a political and intellectual basis for policies that redistributed wealth and reduced economic inequality across the advanced industrial democracies throughout the middle decades of the twentieth century, even without any theoretical consensus about justice or equality. Over the past few decades, however, each of these trends has been reversed.

After the collapse of communism, there was no longer a need for a reformism of fear. The era of revolutions, in the classical sense of the term, is now over. Social fears still exist, but they concern such things as immigration, security, and terrorism. They appeal to an authoritar-



Walk on: in Manila, Philippines, January 2014

ian state, not a solidaristic one. Most of the countries heavily involved in the two world wars, meanwhile, have long since entered a period of peace, and their senses of a national community as an expression of a mutual debt and common destiny have been weakened. Welfare states have entered a period of deep crisis, both for financial reasons and because the notion of social risk has been eroded by a renewed belief in individual responsibility as a constitutive element of social life. And a new kind of capitalism has replaced the style of firms described by Drucker and Galbraith. Schumpeterian entrepreneurs and innovators have roared back to the fore of economic life, with individual performance and personal responsibility celebrated everywhere as central to success and efficiency.

What this means is that there are no longer strong exogenous factors driving developed countries toward policies that keep inequality in check—and unsurprisingly, in the

absence of those factors, such policies have eroded, contributing to the rise in inequality everyone has noticed. If inequality is to be reduced once more, therefore, the effort will have to be grounded in a solid, shared conception of what equality involves and why it is worth promoting.

There are two main contenders today for such a conception. One, the populist option, redefines equality as social identity or homogeneity. The other, the social-liberal option, emphasizes equality of opportunity. Both have flaws.

The populist option was first developed in Europe during the late nineteenth century, in an earlier era of intensive globalization. It could also be labeled as “national protectionism,” and it should be understood as a solidaristic alternative to unbridled capitalism. It is sustained by a purely negative definition of equality, forming a community of some by excluding others. The French activist Maurice Barrès put it bluntly: “The idea

of ‘fatherland’ implies a kind of inequality, but to the detriment of foreigners.” In a new era of intensive globalization, with economic stagnation among the middle and lower classes in developed countries and the welfare state in crisis, such xenophobic views are returning on both sides of the Atlantic as a powerful political force, with outsiders—foreigners, immigrants, refugees—portrayed as enemies exploiting and undermining existing national communities.

The social-liberal option, in contrast, seeks to update and extend the traditional liberal notion of equality of opportunity, going beyond the classical negative definition of it (the elimination of barriers to upward mobility) to incorporate broader positive efforts to achieve the same underlying goal. Different avenues for activism have been suggested, linked by their common desire to block the mechanisms through which economic, social, and cultural inequalities are reproduced from generation to generation. They generally involve some sort of redistribution—of cash, of goods, of privilege, of social capital, and so forth. They all seek to equalize the conditions in which individuals compete in a fair contest for meritocratic rewards.

The vigorous implementation of all these positive variants of equality of opportunity, however, raises problems. To be treated as true equals, individuals would need to be “desocialized”—separated from their families, their inheritances, and their personal contexts. That implementation could also lead to a hierarchical and depressing society, one in which everyone’s life outcome would be determined, following his desocialization, solely by his personal attributes and efforts. Such a meritocracy could well be a harsh and

unforgiving society, one in which individuals must internalize their despair over any problems they encounter.

The populist vision of equality, in short, is more about exclusion than inclusion and has little attractive positive content. And although the social-liberal vision lays the basis for a number of valuable practical policies, it is unsuitable for establishing a general and universal social theory of equality, since it focuses exclusively on individuals. So something more is needed, a positive theory into which the politics of equality of opportunity could be embedded.

THREE PRINCIPLES FOR DEMOCRATIC EQUALITY

These days, equality is usually defined mathematically, as a comparison of the economic positions of individuals or segments of the population. This notion has its uses. But equality should also, and perhaps primarily, be defined socially, as a measure of the communal bond. A theory of equality needs to focus on the structure of society. It should rest on three principles: a recognition of people’s singularity (as opposed to individualism), the organization of reciprocity (in the relation of citizens to one another), and the constitution of commonality (for the community as a whole).

The classic modern revolutionary idea has been to abolish privilege and create a world of similar, and similarly situated, people (best expressed by the French word *semblable*). But similarity does not require sameness, nor does it mean lack of individuality or autonomy. Each individual can stand out by virtue of the unique qualities that he or she alone possesses, with diversity becoming the standard of equality. Each individual

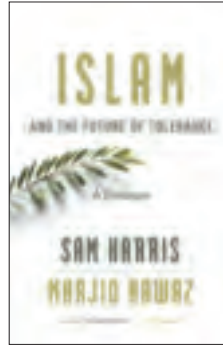
seeks his or her own path and control over his or her history. Everyone is similar by dint of being singular and incomparable.

Equality based on singularity requires a type of society grounded in neither abstract universalism nor identity-based communitarianism but rather the dynamic construction and recognition of specificities. Singularity is not a sign of withdrawal from society (individualism as retreat or separation). Rather, it signals an expectation of reciprocity, of mutual recognition. This marks the advent of a fully democratic age: the basis of society lies not in nature but solely in a shared philosophy of equality. Democracy as a type of political regime is mirrored by democracy as a form of society.

As for the relationships that singular individuals maintain with one another, Tocqueville argued that selfishness is “to societies what rust is to metal.” And today, the most important source of corrosion is the absence of reciprocity. Many studies have shown that political commitment is conditional: people are more likely to contribute efforts or funds if they believe that other citizens will do the same. Conversely, any perceived disruption of reciprocity can lead to withdrawal in one form or another. Inequality is felt most acutely when citizens believe that the rules apply differently to different people. They resent double standards and those who manage to manipulate the game to their own advantage. Such sentiments are a crucial source of social distrust, which in turn undermines the legitimacy of the welfare state, fosters aversion to taxes, legitimizes various forms of self-dealing (as justifiable compensation for others’ transgressions), and erodes public spirit.

Harvard

Conversation Leads to Understanding



Islam and the Future of Tolerance
A Dialogue

Sam Harris
Maajid Nawaz

“An honest yet affectionate exchange between the Islamist-turned-liberal-Muslim Maajid Nawaz and the neuroscientist who advocates mindful atheism, Sam Harris... Their back-and-forth clarifies multiple confusions that plague the public conversation about Islam.”

—Irshad Manji,
New York Times Book Review



The Burdens of Brotherhood
Jews and Muslims from North Africa to France

Ethan B. Katz

“A detailed, informative, and often colorful look at the ever-changing relationship between France’s predominant non-Christian immigrant minorities.”

—*Publishers Weekly*



Why Muslim Integration Fails in Christian-Heritage Societies

Claire L. Adida
David D. Laitin
Marie-Anne Valfort

“Adida and her colleagues make a persuasive case that anti-Muslim discrimination is a significant social phenomenon, not just in France (the focus of their research), but across historically Christian societies, including the United States. The problem, they warn, will not solve itself, and they conclude by offering a comprehensive set of policy recommendations.”

—Anne Sa’adah, Dartmouth College

HARVARD UNIVERSITY PRESS | www.hup.harvard.edu

A general sense that reciprocity has broken down in recent decades has fed frustrations that have been exploited by extremist political movements in many developed countries—groups that direct their fire at privileged elites and poor immigrants, both of whom are assumed to be taking advantage of the supposedly hard-working and exploited middle and working classes. Restoring reciprocity, accordingly, is a crucial first step toward creating a society of equals. Equality as reciprocity means above all equality of treatment and involvement. Abuse of the welfare and tax systems must be vigorously opposed in order to maintain confidence in these institutions, as must the provision of favors to special interests and any lack of equality or transparency in the operations of the state more generally.

The third element required for a society of equals is the development of some sense of community for society as a whole. Civil citizenship and the notion of human rights that goes along with it have reshaped the very idea of the individual. But citizenship is also a social form. The citizen is not merely an individual endowed with certain rights; he is also defined by his relation to others, his fellow citizens. What the French linguist Émile Benveniste tells us about the etymology of the word *civis* is especially enlightening in this regard. The Latin *civis*, he argued, was originally a term applied to people who shared the same habitat. Implicit in the meaning of the word was a certain idea of reciprocity. It was thus a term of relative order, as can be seen by a comparison with the root of the Sanskrit and Germanic words for “friend,” “relative,” and “ally.” The *civis* was a person who joined with his peers in the construction of a *civitas*, a

common society. I propose the term “commonality” as a name for this dimension of citizenship, citizenship as a social form, as distinct from its legal definition.

Commonality is today under serious attack thanks to various forms of social separation and withdrawal. The secession of the rich into their own private havens is the most visible and shameful of these, but it is not the only one; regional separatism, for example, is also on the rise. The response to such withdrawals, moreover, is often an equally destructive quest for homogeneity and identity politics, the driving force behind many populist movements. What democracy needs instead is a more active, creative concept, a more complex understanding of what elements of life and experience can and should be held and lived in common.

Without objective factors driving support for egalitarian policies, the only way to combat economic inequality today is to frame the quest within a broader project to create a society of equals. Neither the populist alternative of searching for comfort in a homogeneous band that excludes outsiders nor the social-liberal project of trying to achieve equality of opportunity can offer what is needed. Only a more robust vision of democratic equality—based on the singularity of individuals, reciprocal relations among them, and a social commonality—can provide the foundation for broadly accepted public policies that can attack the trends toward inequality that are hollowing out contemporary economies and politics. And only such a vision can provide guidance on how to make the necessary redistributive policies just: by seeing them as a way not simply to redress economic inequalities but also to build a society that engenders social peace and cooperation. 🌍

GAME PLAYER



GAME CHANGER

Oxford Executive MBA

Go from a game player to a successful game changer. The Oxford Executive MBA is your opportunity to transform yourself and your ambitions. Our participants are making a difference in every walk of life, influencing the rules of the game for businesses across the world. This modular programme offers you the chance to join one of the world's most powerful networks and create a new future for your organisation and for yourself as a leader.

To find out more and apply for September 2016 visit:

www.sbs.oxford.edu/emba



GLOBAL



CITIZEN



TO UNDERSTAND GLOBAL ISSUES, YOU MUST BECOME PART OF THEM.

The growing influences of new world powers, emerging states and non-state actors, socioeconomic transformation, and cross-border crises have reshaped the field of global affairs. Those pursuing careers in this area must not only study the issues, they must be deeply involved in them. The MS in Global Affairs, offered by the NYU School of Professional Studies Center for Global Affairs, positions you in the heart of the international community of NYC, providing you with the contextual perspectives you need to become an effective problem solver and innovator. Global field intensives, exposure to renowned expert practitioners, and challenging projects form the basis of an education that allows you to live what you learn—anticipating the next global challenge.

MS in Global Affairs

CONCENTRATIONS:

- Environment/Energy Policy
- Global Gender Studies
- Human Rights and International Law
- International Development and Humanitarian Assistance
- International Relations/Global Futures
- Peacebuilding
- Private Sector
- Transnational Security

Graduate Certificates in:

- Global Energy
- Peacebuilding
- Transnational Security

VISIT: sps.nyu.edu/cga/programs1d **CALL:** 212-998-7100

REQUEST INFO./APPLY TODAY: sps.nyu.edu/gradinfo12d



NYU

**SCHOOL OF
PROFESSIONAL STUDIES**

**FIND YOUR
FUTURE SELF**

Equality and American Democracy

Why Politics Trumps Economics

Danielle Allen

Since the trend toward rising economic inequality in the United States became apparent in the 1990s, scholars and commentators have heatedly debated its causes and consequences. What has been less evident is a vigorous positive discussion about what equality means and how it might be pursued.

Up through the middle of the nineteenth century, Americans saw equality and liberty as mutually reinforcing ideals. Political equality, shored up by economic equality, was the means by which democratic citizens could secure their liberty. The Declaration of Independence treats the equal capacity of human beings to make judgments about their situations and those of their communities as the basis for popular government and identifies the people's shared right to alter or abolish existing political institutions as the only true security for their freedom. And Abraham Lincoln famously summed up the founding as the birth of a nation "conceived in Liberty, and dedicated to the proposition that all men are created equal."

DANIELLE ALLEN is Director of the Edmond J. Safra Center for Ethics at Harvard University and a Professor in Harvard's Department of Government and Graduate School of Education.

As the historian James Hutson has shown, many of the founders understood the achievement of political liberty to require some meaningful degree of economic equality. One of the most important policy achievements of the era was the elimination in most states of primogeniture laws, a favorite cause of Thomas Jefferson. Thomas Paine advocated giving a cash grant to every man and woman on turning 21 and an annual pension to every person aged 50 and older, both to be funded through an estate tax. And even John Adams, who thought that the franchise should be limited to property holders, nonetheless believed that class should be defined as broadly as possible in order to avoid turning the new country into an oligarchy. In May 1776, he wrote to a fellow politician, "The only possible Way then of preserving the Ballance of Power on the side of equal Liberty and public Virtue, is to make the Acquisition of Land easy to every Member of Society: to make a Division of the Land into Small Quantities, So that the Multitude may be possessed of landed Estates."

The founders didn't just espouse economic equality; they lived it. According to the historian Allan Kulikoff, at the time of the Revolution, more than 70 percent of white households in western counties, such as the Piedmont area of Virginia and newly settled regions of Maine, New Jersey, Pennsylvania, and even New York, owned land. In eastern counties, property ownership had started to slip but still neared 60 percent. The new nation's successful development of political equality and liberty rested on a historically unprecedented level of economic equality within the white population.

The country's leaders, moreover, chose to perpetuate this situation through public policy. The egalitarian land distributions arranged in the Northwest Territory through the land ordinances of the 1780s may be the most famous case, but they were not alone. From 1805 to 1833, for example, Georgia distributed most of its land to white men, widows, and orphans through random lotteries.

But this, of course, is where the story turns sour. Where did Georgia's officials get that land to give away? From Native Americans, driven out of their homes thanks to the strenuous efforts of Andrew Jackson and others. Georgia's remarkably equal distribution of property is thus known by historians as "the Cherokee land lottery." Both the levelers among the founders and their critics agreed on where the wealth necessary for the new nation would come from: the expropriation of Native Americans, as well as from slave and indentured labor.

When the French traveler Alexis de Tocqueville visited the United States in the early 1830s, he was struck by the egalitarian nature of the young nation—both in its culture and in the distribution of wealth. And many in those days recognized that in order for political equality to persist over time, it needed to be matched by some degree of economic equality. This is no less true today than it was then. Now, however, Americans must find a way to achieve such equality without relying on extraction and appropriation.

LIBERTY VS. EQUALITY

In contrast to the early years of the republic, during which equality and liberty were understood to reinforce each other, by the middle of the twentieth century, it had become commonplace to

invoke the idea of an "eternal conflict" between the two values, as a classic 1960 libertarian article put it. What happened in the interim? The rise of industrialization, which changed the balance of power among land, labor, and capital.

Responding to the transformations they saw around them in the early days of the Industrial Revolution, Marx and Engels predicted in *The Communist Manifesto* that "the proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State." They continued: "Of course, in the beginning this cannot be effected except by means of despotic inroads on the rights of property and on the conditions of bourgeois production." Although Marx described his goal with the vocabulary of emancipation, his cause became linked to the ideal of equality—which soon lost its political meaning and came to be generally understood in economic terms. Economic equality thus came to be seen as something achievable only via "despotic inroads" on liberties such as the right to property. Fusing this with social Darwinism, the late-nineteenth-century thinker William Graham Sumner captured the new view succinctly: "Let it be understood that we cannot go outside of this alternative: liberty, inequality, survival of the fittest; not-liberty, equality, survival of the unfittest."

The idea that liberty and equality are necessarily in conflict with each other became a staple of Cold War rhetoric that cast free-market capitalism (alongside religiosity) as the defining feature of the political system of the United States and totalitarian equalization (alongside atheism) as the defining feature of the Soviet Union.



Evicted: Robert Lindneux's 1942 The Trail of Tears

In American public discourse, clichés abound for expressing what freedom means. “Give me liberty or give me death.” “Don’t tread on me.” “It’s a free country.” “A man’s home is his castle.” “Doing what you like is freedom; liking what you do is happiness.” But clichés about equality are much rarer, pretty much limited to “All men are created equal” and “One person, one vote.” George Orwell argued that clichés indicate the corruption of thought by politics; speakers relying on them reveal an absence of original mental effort. But surely the absence of clichés indicates an even greater absence of thought. There are so few clichés about equality because Americans have spent so little time dwelling on the subject.

SPHERES OF JUSTICE

The first task in any project of recovering an ideal of equality is to recognize that the concept requires further specification. When speakers invoke equality, do they mean moral, political, social, or

economic equality? Even in the economic sphere alone, are they concerned with equality of outcomes or of opportunity? And what do they assume about the relationships among these different types of equality, or “spheres of justice,” as the political theorist Michael Walzer has dubbed them?

Moral equality is the idea that all human beings have the same fundamental worth and deserve the same basic protection of rights. The framework of international human rights law rests on and captures this idea.

Political equality is the ideal that all citizens have equal rights of access to political institutions. It is most commonly defined as requiring civil and political rights—to freely associate and express oneself, to vote, to hold office, and to serve on juries. These are important rights, and protecting them from infringement is critical. But a richer notion of egalitarian empowerment would also consider whether society is structured so

as to empower citizens to enter the fray of a politically competitive system. Questions about a right to education, for instance, would come in here, as would questions about campaign finance and electoral redistricting, which could impede the potential for truly democratic representation.

Social equality involves the quality of social relations and associational life. Are neighborhoods integrated? Do equally qualified individuals have equal chances at jobs and valuable positions in society? During the civil rights movement, African American activists often had to set aside any claim to be pursuing social equality in order to get whites to support a project of securing political equality. The bargain was, to put it crudely, that the vote, the lunch counter, and public schools could be desegregated as long as that did not lead to greater rates of interracial marriage or social relations. Of course, that wasn't true, but at that point, explicit pursuit of social equality was a bridge too far. The Black Lives Matter campaign has now put the question of social equality squarely on the table, where it ought to have been all along.

Economic equality, finally, has come to the fore thanks to recent trends, with all the complexities and conundrums of its lack. There is now a broad consensus, for example, that straight equalization of economic resources can be achieved only at the cost of extreme, unjust, and counterproductive restrictions on personal liberty and a significant reduction of aggregate economic growth. This doesn't mean, however, that no egalitarian economic policy is possible, nor does it excuse us from trying to introduce into economic policy discussions notions of justice, fairness, and opportunity. The

political philosopher John Rawls, for example, made compelling arguments that it is moral to pursue economic policies that generate inequalities, but only if they benefit the worse off in absolute terms, or at least do them no absolute harm.

Treating each domain of equality on its own terms has its uses. But it is also important to treat them together, asking how they relate to one another and how they should be prioritized.

POLITICS FIRST

The early-nineteenth-century political philosopher Benjamin Constant famously argued that there was a critical difference between the liberty of the ancients and that of the moderns. The ancients, he averred, sought above all the freedom to participate in politics and to control their institutions, whereas the moderns preferred to be free from the burdens of politics in order to pursue their commercial enterprises and material pleasures. (Americans heard a strange echo of this argument when U.S. President George W. Bush, in the wake of the 9/11 attacks, called on them to continue their commercial activity in fulfillment of their civic duty.)

In modern mass democracies, it is indubitably harder to participate meaningfully in politics than it would have been in ancient Greek city-states or even republican Rome. This fact has led philosophers from John Stuart Mill to Isaiah Berlin to Rawls to accept the view that what we really need are experts who can set up a framework to protect citizens' liberties and material interests while they go about the business of living as they choose.

Yet this is to ask people to abandon the most powerful instrument available

to them to effect their safety and happiness, namely politics. For if there is now a consensus that full equalization of economic resources would require extreme and costly restrictions on liberty, there is also now a consensus that there is no such thing as a totally free market. To function well, markets depend on rules, norms, and regulations, backed by law and the power of the state, and it is politics that determines what those rules, norms, and regulations will be. Politics trumps economics, in other words, or at least sets the terms according to which the economic game is played. So discussions of economic equality cannot be contained within the economic sphere alone and need to come back around, in the end, to the political sphere.

Discussions of political equality, in turn, can and should bring economics into play, including the prospect of political contestation around issues of economic fairness. In other words, policies that secure political equality can have an effect on income inequality by increasing a society's political competitiveness and thereby affecting "how technology evolves, how markets function, and how the gains from various different economic arrangements are distributed," as the scholars Daron Acemoglu and James Robinson have noted. This is precisely the linkage the economist Amartya Sen called attention to with his research on the politics of famine in India, pointing out that there were some mass starvations under colonialism, despite the country's great agricultural fertility, but there have not been any under democracy.

And there are other, even more important reasons for prioritizing political equality, such as the argument from moral equality that the best way

to ensure that each person can be the author of his or her own life is by giving everyone an ownership stake in political institutions. Approaching egalitarianism through political equality rather than other routes leads to two further questions: How does one's status within the political realm relate to one's status in other spheres, and how can political equality itself be secured?

HOW TO PROMOTE POLITICAL EQUALITY

In his treatment of the spheres of justice, Walzer argued for ensuring that one's status in each domain support, or at least not undermine, one's status in the other domains. We should seek economic and social policies, for example, that build a foundation for political equality, and as a result, even though we will not find ourselves strictly equal in the economic realm, or even the social one, a rough equality there could support our political equality and permit us to achieve a "complex equality" more generally. But what, precisely, is required of the relations among the three spheres?

Political equality ultimately rests not on the right to vote or the right to hold office but on the rights of association and free expression. It is these rights that support contestation of the status quo, whether that is maintained by the government or by social majorities. The right to contract, meanwhile, is itself also deeply embedded in the right to association. But the moment that societies protect association, expression, and contract, as they must in order to protect human dignity at its most fundamental, they also secure two other phenomena: social discrimination and capitalism. Out of the right of association, socially differ-

entiated groups form, and lines of difference can easily evolve into lines of division and domination. The requirements of political equality, in other words—freedom of association, expression, and contract—generate social phenomena that potentially jeopardize social equality and can lead to economic exploitation.

How, then, can we build institutional frameworks in the social and economic domains that guide our associational practices in the direction of social equality and our economic practices in the direction of egalitarianism? We need a virtuous circle in which political equality supports institutions that, in turn, support social and economic equality—for without those frameworks, the result could well be the emergence of social castes or economic exploitation, either of which would feed back to undermine political equality.

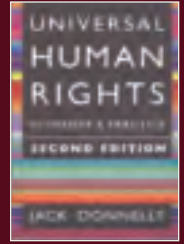
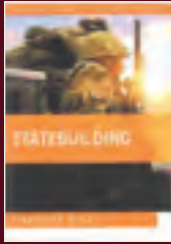
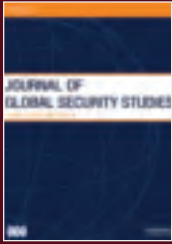
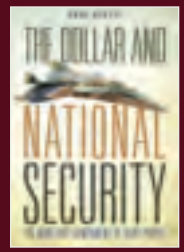
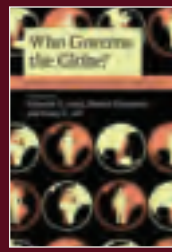
Rising to such a challenge is clearly difficult, but the basic issues involved can be sketched simply. The two fundamental sources of power in a democracy are numbers and control over the state's use of force. The media have access to eyeballs and ears, and therefore to numbers. Wealth, celebrity, and social movement organization can also provide access to eyeballs and ears. Wealth secures that access indirectly, by buying media resources; celebrity brings it directly. Organizing can also achieve such access, but only by dint of hard work. And wealth can also sometimes buy access to institutional control.

Many argue that the most important step needed to restore political equality now is to check the power of money in politics through campaign finance reform or to equalize the resources available to political actors by publicly subsidizing

campaigns. They have a point, but by themselves such remedies are insufficient because they focus on only part of the broader picture. Reformers should be considering not merely how to check the power of money in politics but also how to rebuild the power of organizers and organizing as a counterbalance to wealth.

A smart path toward this goal has been identified by the Yale law professor Heather Gerken, who argues for a new federalism that maps out consequential policy domains at all levels of the political system and supports citizen engagement at each level. Gerken's project is not about states' rights; the federal rights enforcement structure would continue to establish the rules of the game for engagement at the local level. But she correctly points out that significant power resides throughout the various layers of U.S. politics and that there are rich egalitarian possibilities in all sorts of areas, from zoning, housing, and transportation to labor markets, education, and regulation. Policy contestation at the local and regional levels, she notes, can drive changes at the national level, with the case of marriage equality being only the most recent prominent example.

Bolstering political equality throughout the lower and middle layers of the U.S. federalized political system is a not an easy or sexy task, but that is what is required to redress the outsize power of money in national life that has been both the consequence and the enabler of rising economic inequality. Liberty and equality can be mutually reinforcing, just as the founders believed. But to make that happen, political equality will need to be secured first and then be used to maintain, and be maintained by, egalitarianism in the social and economic spheres as well. 🌍



RIGOROUS RESEARCH

Ideas with impact—outside the Beltway

Located at the foot of the Rocky Mountains in vibrant Denver, Colorado, the Josef Korbel School of International Studies offers a fresh perspective on the most pressing issues of our time. With nearly \$4M in new funding for project-related research in 2015 alone, the Josef Korbel School is a leading social science research institution dedicated to global affairs. Our renowned faculty members and innovative students conduct pioneering research on a diverse range of problems with real-world relevance.

- Award-winning faculty featured in *The New York Times*, *The Wall Street Journal*, *The Washington Post*, *Foreign Affairs* and *Foreign Policy*
- Twenty-three-fold increase in sponsored research since 2007
- Twenty-five percent of graduate students engaged in faculty research
- Prize-winning peer-reviewed journals and blogs
- MA and PhD degrees covering a range of specialties including security, development and human rights
- Ninety-five percent of postgraduates employed or furthering their education within 12 months of graduation
- State-of-the-art 46,000 square foot building in 2016



UNIVERSITY of DENVER

JOSEF KORBEL SCHOOL OF INTERNATIONAL STUDIES

JOIN US: DU.EDU/KORBEL or 303.871.2544



“GMAP offers the perfect curriculum for anyone involved in political risk. This program has transformed my career and I recommend it to everyone in the field.”

– *Laurie Burns (GMAP 2012)*
Senior Vice President, Political Risk
and Structured Credit at Willis



GLOBAL MASTER OF ARTS PROGRAM

For the past 15 years, GMAP has set the standard for international leadership in and out of the classroom. An intensive one-year master’s degree program in international affairs, GMAP brings together distinguished mid- and senior-level leaders to examine issues at the intersection of business, law, finance, diplomacy, development, and geopolitics. The GMAP hybrid learning structure is designed to offer the ability to pursue an executive-level graduate degree program without career interruption or relocation. Join us today.

Courses Include:

- Corporate Finance and Global Financial Markets
- International Business and Economic Law
- International Macroeconomics
- Foreign Policy Leadership
- International Negotiation
- International Organization
- International Politics
- International Trade
- Leadership and Management
- Security Studies
- Transnational Social Issues

Visit us at fletcher.tufts.edu/GMAP
or call +1 617.627.2429

CLASSES START
JANUARY AND JULY.

How to Spread the Wealth

Practical Policies for Reducing Inequality

Anthony B. Atkinson

As growth slows in mature economies across the developed world, economic inequality has reached new heights. Defined in terms of the shares of disposable income of households across the economic spectrum, adjusted for varying needs, inequality today in the United States is significantly higher than it was a generation ago. The same is true in the United Kingdom, and even less laissez-faire countries, such as Germany and Sweden, have seen inequality increase dramatically.

The main reason for the rise in inequality is the explosion in gains accruing to those at the very top of the income distribution. But the circumstances of those at the bottom have contributed, too. According to government calculations, the poverty rate in the United States in 2014 stood some four percentage points higher than it did 40 years earlier. In Germany, poverty, as measured by the EU standard, has risen by nearly half since 2000. Europe as a whole has made little progress in aiding the poor in recent years, despite the EU's pledge to lift 20 million

ANTHONY B. ATKINSON is Centennial Professor at the London School of Economics, Honorary Fellow of Nuffield College, Oxford, and the author of *Inequality: What Can Be Done?*

Europeans out of poverty or social exclusion by 2020.

Global leaders have taken note, and they are worried. U.S. President Barack Obama called rising income inequality “the defining challenge of our time,” and Christine Lagarde, the head of the International Monetary Fund, warned of “the dark shadow it casts across the global economy.” But what officials have not said, by and large, is what they would do about it. Many seem to have resigned themselves to an ever-less-equal world.

The good news is that present levels of inequality are not inevitable. If governments are serious about tackling inequality—and that is a big if—then there are concrete steps they can take. Some of these actions might be controversial and difficult, and they would create losers as well as winners. But they are the best practical way to make a dent in a frustratingly persistent problem.

AN INCOME FOR EVERYONE

The standard explanation of rising inequality centers on supply and demand. Forty years ago, the Dutch economist Jan Tinbergen described a race between education, which increases the supply of skilled workers, and technological change, which increases the demand for them. Since demand has grown faster than supply, the premium paid to skilled workers has increased, widening the wage differential between them and their unskilled counterparts. Later, globalization entered the picture, causing jobs for low-educated workers in many places to disappear. The policy prescription that flows from this explanation is for societies to invest more in education and training. Such calls are justified, but there is more to the story.

For one thing, the drivers of technological change and globalization are not exogenous, uncontrollable forces. Most technological advancements are the product of decisions made by research managers, businesspeople, investors, governments, and consumers. These decisions affect the degree to which technological change favors skilled or unskilled workers and, more generally, the degree to which it favors capital or labor. A company may, for example, decide to invest in robotizing its warehouses and developing drones to deliver its goods. Those changes would reduce the demand for labor, and the company would no longer have to rely on a work force that wants to be properly treated and paid. But consumers may prefer to deal with a human and not a robot, and there is no guarantee that this preference can be conveyed via the marketplace.

To make sure that the concerns of all stakeholders are represented, governments should take an active interest in the direction of technological change; after all, their grants and labs are responsible for much of the underlying research. When allocating public research funds, governments should consider employment and other social needs. It might make sense, for instance, to shift priorities from driverless cars, which will likely reduce jobs, to technology that helps the elderly stay in their homes, which would increase the demand for caregivers.

The standard story about inequality is also incomplete in that it focuses on individual earnings—the gap between pay at the top and pay at the bottom. It ignores taxes and social transfers, which play a large role in determining how much income a household receives. Since

around 1980, developed countries have significantly unwound their policies of redistributing income. To undo the damage, the first requirement is to make income taxes more progressive. In the United States and the United Kingdom, the top marginal rate should rise from 45 percent to 65 percent—closer to the rates that prevailed for much of the twentieth century.

Governments interested in reducing inequality should also reform the way they tax the transfer of wealth. Namely, they should broaden the estate tax into a tax on all wealth received over one's lifetime in the form of bequests and gifts. The tax would be designed to reward those who gave away their wealth broadly, rather than concentrating it on one recipient. (John Stuart Mill argued in 1861 that "the State should favour the diffusion rather than the concentration of wealth.") And to compound the effect, the revenue from the wealth-transfer tax should be used to fund a minimum inheritance for everyone on reaching the age of 18. Such egalitarianism would undoubtedly promote equality of opportunity.

When it comes to government transfers, states should start by focusing on children. In the United Kingdom, the Child Benefit offers a weekly allowance to parents for every child they raise. That transfer should be better targeted by making it taxable as personal income, which would reduce the size of the benefit for those in higher tax brackets. The United States, by contrast, has no such universal program, and the result has been telling: whereas child poverty has fallen sharply in the United Kingdom, in the United States, it rose by nearly a third from 1969 to 2013. Introducing a



Tax day: mailing a return in Washington, D.C., April 2010

child-benefit program in the United States would make a major dent in child poverty and represent a powerful investment in future generations.

Just as some governments are providing what is in effect a basic income for children, they should offer everyone what I have called a “participation income.” Under this scheme, benefits would go only to those who participated in society—defined broadly to include not just employment but also self-employment, education, training, job hunting, and caregiving, with exceptions made for the ill or disabled. The participation income would replace the personal tax exemption, by offering everyone the same amount of cash. Although the idea may sound radical, it has found support in the past under the name “negative income tax”—a proposal made by no less a free-market economist than Milton

Friedman, whereby citizens whose incomes fell below a certain threshold would receive government payments.

Reducing income inequality is not just about taxes and spending; governments also need to tackle unemployment. Here, the United States has performed better than many developed countries, with its unemployment rate now standing at five percent. But there was a time after World War II when unemployment in such countries as the United Kingdom had fallen to around one percent. Back then, people regarded with horror the prospect that the rate might rise to 2.5 percent; today, the y-axis on the U.S. unemployment chart published by the Bureau of Labor Statistics begins at four percent.

Better is possible. To start, governments should establish an explicit target for unemployment, just as many do with

inflation. This is not such a radical idea. The U.S. Federal Reserve, for example, is already mandated by Congress to promote “maximum employment.” Then, political leaders would have to radically reconsider the way they battle unemployment. Past efforts to make the labor market more flexible—the very reform advocated by such bodies as the Organization for Economic Cooperation and Development and the International Monetary Fund—have not succeeded in returning countries to the low unemployment rates of the postwar decades. In large part, that’s because they have focused almost exclusively on the supply side of the labor market. On the demand side, the government can act as an employer of last resort by offering guaranteed jobs. Again, the concept is nothing new: in 1978, the U.S. Congress passed the Full Employment and Balanced Growth Act, which authorized the president to form “reservoirs of public employment.” Jobs are only part of the story, of course, since many people who work remain poor—hence the need to raise the minimum wage.

SPREADING THE WEALTH

States wishing to fight inequality will also have to rethink their approach to capital and wealth. Although wealth is much more evenly spread than it was a century ago, there has not been a corresponding democratization of the economic decisions associated with capital. A person with a retirement fund, such as a 401(k) in the United States, indirectly benefits from the dividends paid on shares in a company owned by that fund yet has no say in the decisions made by that company. It is time to rebalance the power among stakeholders. That means taking

inequality into consideration when making judgments about violations of antitrust law; after all, as the judge Learned Hand pointed out, Congress passed the Sherman Antitrust Act in 1890 “to put an end to great aggregations of capital because of the helplessness of the individual before them.” And it means ensuring that negotiations about trade deals involve not just businesses but workers and consumer representatives, too.

In terms of the ownership of wealth, plans to reduce inequality have fixated on taxing the rich, but as much attention should be paid to increasing the wealth of small savers. To that end, governments should introduce accounts for small savers that guarantee a positive return in excess of inflation. In the United Kingdom, for much of the past five years, small savers have experienced a negative return on investment, adjusting for inflation. Inflation-indexed savings vehicles would help people accumulate savings, and their use should find support across the political spectrum.

But governments need to look beyond individual wealth to national wealth, since inequality is also a function of the public’s share of state assets. Politicians around the globe obsess over public finances, yet they focus almost exclusively on national debt. Instead, they should look at the overall position of the state: both liabilities and assets. When considering what a state owns in addition to what it owes, things do not look good. The United Kingdom restored its wealth after World War II, and by 1979, its net worth equaled about three-quarters of national income. But after a wave of privatization in the 1980s, the country’s net worth fell sharply, and by 1997, it had nearly hit zero. In the

United States, the government's net worth peaked at around two-thirds of national income at the beginning of the 1980s, fell to a tenth in 1994, and is now negative.

Given this sorry state of affairs, the logical thing for a government to do is bring together its assets in a sovereign wealth fund and design its fiscal policy to build up state net worth. This would not be tantamount to nationalization, since the state would not acquire controlling interests in corporations. Rather, the state would purchase minority stakes in assets that yielded an income, which it could use to finance part of its spending. In the medium term, by acquiring shares in firms benefiting from increased automation, the state would reap some of the increased profits resulting from such macroeconomic developments. As the economist Laura Tyson has said, the implications of robotization depend on "who owns the robots." If the state gets a significant chunk of the profits—and after all, it paid for much of the development—then the income will be spread far more widely.

ANOTHER WAY

The Nigerian writer Ben Okri began a recent poem with: "They say there is only one way for politics." But, he concluded, "there's always a new way." In the fight against excessive inequality, there are alternative ways forward, yet they are not necessarily novel. U.S. Senator John Sherman, a Republican from Ohio, introduced his landmark 1890 Antitrust Act because he believed that among all the country's problems, "none is more threatening than the inequality of condition, of wealth, and opportunity." The philosopher Thomas

Paine proposed a minimum inheritance as far back as 1797.

Nor do these various proposals need to reduce inequality at the expense of economic performance. To the contrary, if properly designed, the measures can in fact improve the performance of the economy. A minimum inheritance, for example, could help young people finance their education, start a business, or buy property. A higher minimum wage, meanwhile, could nudge employers to develop higher-wage, higher-productivity opportunities for their employees.

Even in today's globalized world, there is room for national governments to take steps to reduce inequality. For too long, politicians concerned about inequality and poverty have portrayed the problems as regrettable but unfixable. Yet by and large, the solutions lie in their own hands. 🌐

Brazil's Antipoverty Breakthrough

The Surprising Success of Bolsa Família

Jonathan Tepperman

In recent years, as public anxiety over growing inequality has intensified, policymakers and academics have started scrambling for some increasingly extreme solutions. India, for example, has launched massive programs to provide the poor with food and jobs, and the French economist Thomas Piketty has famously proposed a redistributive global wealth tax.

But there are big problems with such efforts. Huge, heavily bureaucratic programs such as India's have proved inefficient and expensive. And the planet's richest citizens are certain to use all their influence to block any proposals along Piketty's lines from being implemented.

The good news is that these and other radical solutions are also unnecessary. Over the last dozen years or so, one country—Brazil—has shown that there's a far better, less provocative, and more market-friendly way to fight inequality.

Not long ago, the idea that Brazil might have something to teach the world about reducing inequality would have sounded like a joke. Latin America's

largest nation had long been among the most unequal places on earth, a state synonymous with savage social injustice. The country may have been blessed with a large, youthful population and abundant natural resources, but for a long time, Brazil did as bad a job spreading its wealth as could be imagined. Even tiny, benighted Haiti was more equal.

In the 1980s and 1990s, Brazil moved from dictatorship to democracy and embraced structural reforms that finally brought hyperinflation under control. But the mass of the population remained trapped in rural penury or urban favelas, while the fortunate few soared over the country's ungovernable megacities in private helicopters. At the turn of the millennium, about a third of Brazil's population languished beneath the international poverty line (surviving on \$2 a day), and about 15 percent was indigent (living on less than \$1.25 a day).

Since then, however, a peaceful revolution has occurred. By 2011, the Brazilian economy was growing at a respectable four percent a year and unemployment had hit a record low—and for once, the benefits were actually being widely shared. In the first decade of the new century, some 40 million Brazilians moved from poverty into the middle class, per capita household income shot up by 27 percent, and inequality dropped dramatically—unlike in every other BRIC country (Russia, India, and China), where it rose. Today, Brazil still faces many challenges, from an economic downturn to corruption scandals to the end of the commodity boom. But the country's incredible success in reducing poverty and inequality can and should light the way for further progress, both there and abroad.

JONATHAN TEPPERMAN is Managing Editor of *Foreign Affairs* and the author of the forthcoming book *Survival of Nations: How Countries Thrive in an Age of Decline*. Follow him on Twitter @j.tepperman.

THE RISE OF THE REVOLUTIONARY

The urbane Fernando Henrique Cardoso, Brazil's president from 1995 to 2003, started his career as a leftist academic but governed the country as a centrist. So when, during the 2002 presidential campaign, it started to look as though he would soon be succeeded by Luiz Inácio Lula da Silva, Brazil's elites and markets panicked.

Lula, as he is universally known, has attained such iconic status today that it can be hard to remember just how scary he seemed—at least to the rich—when he first burst onto Brazil's political scene. A proud child of the country's destitute northeast, Lula had been born the seventh of eight children in the hardscrabble state of Pernambuco. His family was so hard up that the future president was forced to drop out of school after the second grade in order to make money shining shoes. At ten, he taught himself to read. At 14, Lula somehow worked his way into a factory, where he eventually lost his left pinky finger to a machine press. Then he got involved in Brazil's powerful labor movement and discovered his calling. Rising rapidly through the ranks of the São Bernardo do Campo Metalworkers' Union, Lula became the organization's leader at age 30, and five years later—while the country was still ruled by a military dictatorship—he helped found the leftist Workers' Party (PT) in order to give the downtrodden a voice on the national stage.

By 2002, Lula had already run for president—and lost—three times. Although he had never been a Marxist (unlike many of his PT comrades), his earlier campaigns had featured calls to nationalize industry and default on the country's debt. When he finally started

climbing in the polls, such talk, along with his rough roots and his campaign promise to eradicate poverty within a generation, thoroughly spooked elites and investors at home and abroad. In the United States, Henry Hyde, the Republican chair of the House International Relations Committee, denounced him as a “pro-Castro radical.” Goldman Sachs began publishing a “Lulameter” that purported to track the risks to investors should the PT win. Nervous foreign banks started cutting off credit. Brazil's fragile economy, which was just starting to pick up, went into a dive. The main stock index fell by 30 percent. Investors started dumping their Brazilian holdings, yanking more than \$12 billion in capital out of the country within a few months. And the value of the real, Brazil's currency, fell by 40 percent against the dollar, hitting an all-time low toward the end of 2002.

Yet enough Brazilians were sick of the country's feudal social structure and the pain caused by Cardoso's necessary but unpopular structural reforms and austerity measures that Lula won anyway. As the unkempt union man prepared to take office and the economy continued to crater, the country braced for the epic confrontation. But the cataclysm never arrived.

Although Lula did enter office plotting a revolution, it was nothing like the one his conservative critics feared. His earlier defeats and the vicious reaction to his eventual victory hadn't weakened Lula's commitment to social change, but they had made him rethink how to produce that change. Between 1993 and 2001, he and José Graziano, an American-born agronomist who was one of Lula's closest advisers, had gone on extensive

listening tours throughout the country, and the politician who emerged was far more moderate, conciliatory, and politically canny than his earlier incarnation. Lula had realized that he would never get far if he tried to govern on behalf of just part of Brazil. He needed to ensure that his revolution would benefit everyone.

And so the rabble-rouser metamorphosed into the Great Conciliator. Lula banished all talk of debt defaults and wealth redistribution from his lexicon, recasting himself as what the Rio-based journalist Mac Margolis has called “the CEO-whisperer, amigo to the middle class, [and] champion of a rules-based market democracy.” The move caused grumbling within the PT, but Lula held firm. On taking office, he pledged to preserve Cardoso’s tight fiscal and monetary policies. Shortly after his inauguration in January 2003, he picked Henrique Meirelles—a well-regarded financial executive and Cardoso ally—to run Brazil’s central bank and Antonio Palocci, another sober centrist, as finance minister. And then he started hacking away at Brazil’s bloated national budget, cutting spending by about \$4 billion in his first year and imposing an even stricter budget-surplus target than the International Monetary Fund recommended.

The payoff was immediate. Many of the same antagonists who had attacked him during the campaign now swooned. In March 2003, Mohamed El-Erian, then managing director of the bond giant PIMCO, declared that the president’s initial moves had been “very good,” and the markets agreed. Within six months of Lula’s inauguration, the value of Brazil’s bonds rose by 20 percent, and even Goldman Sachs sheepishly admitted that its warnings had been wrong.

CASH AND CARRY

At the same time that Lula was wooing the moneymen, however, he was hard at work on another front, preparing to use his growing political capital to launch an ambitious new social welfare campaign. Rolled out a few months after his election, Fome Zero (Zero Hunger) eventually featured more than 40 different programs run by close to 20 government ministries. But one initiative stood at the campaign’s core: Bolsa Família (Family Grant), a poverty-fighting effort that was revolutionary in its size, ambition, and design.

Rather than provide the poor with goods or services, as most development programs did at the time, Bolsa Família would do something far more daring: simply hand out money. Brazil had actually started experimenting with this approach back in 1995, when the cities of Campinas and Brasília had launched small cash-giveaway programs on a trial basis. These proved so effective that they were soon copied by more than 100 other local governments, and in 2001, Cardoso had begun testing a similar scheme on the national level (although the payments were tiny and the execution was flawed). Lula, acting on Graziano’s advice, decided to roll all these various programs into a single new streamlined national initiative and to expand it to a scale far larger than even most experts had ever imagined possible.

The idea proved hugely controversial, at least at first. At the time, most experts and international organizations still considered the notion of simply handing money straight to the poor to be dangerously wrong-headed. It just felt wrong on an intuitive level. It also flew in the face of decades of social science research and what the World Bank had long consid-

ered best practice. Yet three insights had convinced Lula and his advisers of the benefits of their new approach.

First, Brazil's own experience had shown that large-scale attempts to alleviate poverty by distributing goods, such as a massive food program Cardoso launched in the late 1990s, generally flopped in an embarrassing and expensive fashion. Providing the poor with physical stuff is complicated, costly, and inefficient. It also requires a large bureaucracy, which creates endless opportunities for corruption—a perennial problem in Brazil.

Second, a few academic studies (which would later be confirmed by a slew of follow-on research) had started to confirm what Lula, who disdained experts, already knew: that the people who best understood what the poor really needed were the poor themselves. When given the chance, destitute families generally didn't squander their windfalls. Most spent the money quite rationally—especially when the cash went to mothers, not fathers, as it would under Bolsa Família. “It sometimes bothers my educated friends when I say this,” Lula told me in late 2014,

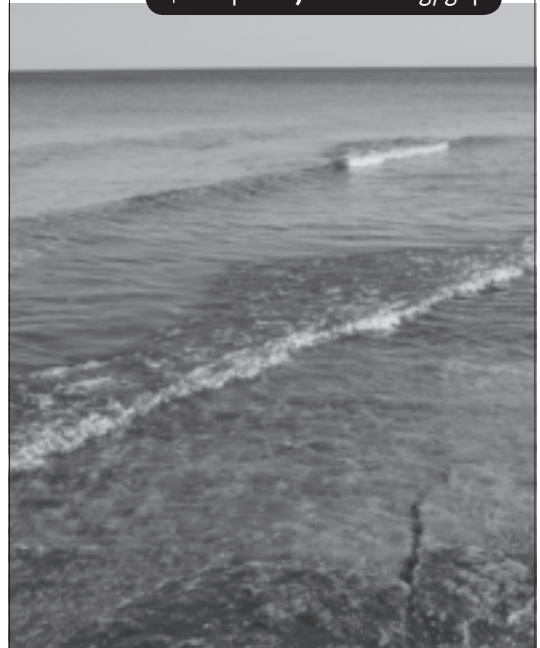
but the number one teacher in my life was a woman who was born and died illiterate: my mother. With all due respect to experts and academics, they know very little about the poor. They know a lot about statistics, but that's different, *sabe?* To an intellectual, putting \$50 in the hands of a poor person is charity; an academic has no idea what a poor person can do with it. But that's because at university, they don't teach you how to care for the poor. And it's because most experts have never experienced

Global Environmental Politics

KATE O'NEILL AND STACY D. VANDEVEER, EDITORS

Global Environmental Politics (GEP) examines the relationships between global political forces and environmental change, with particular attention given to the implications of local-global interactions for environmental management as well as the implications of environmental change and environmental governance for world politics.

 mitpressjournals.org/gep



what the poor go through every day. They've never had to go to work without breakfast. They've never lived in a flooded house, or had to wait three hours at a bus stop. To experts, a social problem like inequality is only numbers.

Finally, Lula had also realized that the wave of privatizations that had swept Latin America in the 1980s and 1990s—as governments sold off everything from airlines and energy producers to utility providers—had left hundreds of millions of citizens stranded, too poor to participate in the expanding market economies. Lula and his advisers reckoned that, rather than go through the nightmare of renationalizing big businesses, the best and simplest way to reverse the poor's exclusion was to put a little cash in their pockets. So Lula decided to do just that.

As the president and his aides devised the program, qualifying for assistance under Bolsa Família would be simple. Any family that could prove that it lived in extreme poverty—then defined as earning less than 50 reais (about \$42) per person per month—would be eligible for payments, as would moderately poor families that earned less than 100 reais per person.

But if getting into the program would be easy, staying in it would take work. Participants would have to meet several conditions, or *contrapartidas* (counterpart responsibilities): ensure that all their children between six and 15 years old attended school at least 85 percent of the time, make sure that any of their children under seven got immunized, and guarantee that both mothers and children got regular medical checkups. (Pregnant women would

also be required to get prenatal care and to breastfeed their infants.)

Lula had two reasons for imposing such rules. He knew that while he himself might have managed to claw his way out of poverty by the tips of his nine fingers, he had been exceptionally lucky to do so. For most Brazilians, demographics were destiny: if you were born poor, you would die that way, too. Lula was determined to break the intergenerational trap by enabling—and requiring—parents to give their children greater advantages than they themselves had enjoyed, in the form of education, health care, and nutrition.

Lula also knew that attaching strict conditions to his new aid program would make it easier to sell to the rest of society, something that would otherwise have been difficult. Prior to Lula, most social assistance programs in Brazil had taken the form of insurance schemes that disproportionately benefited the middle and upper classes. Bolsa Família was the first time a Brazilian president had really put combating poverty and inequality at the center of his agenda (at least more than rhetorically), and that all but guaranteed a fight.

THE BATTLE FOR BUY-IN

The pushback started the moment the program was introduced in October 2003. Some economists argued that the government should be investing in infrastructure, such as schools, rather than paying people to have their children attend them. Others said that parents shouldn't be told what to do for their kids. And conservative pundits warned that the cash transfers would create welfare dependency. "The opposition said we were going to create an army of lazy people," Lula told me.



Moving on up: participants in the Bolsa Família program, Rio de Janeiro, October 2013

Under Brazil's constitution, the president was able to launch a program such as Bolsa Família on his own executive authority. But the law also stipulated that he needed congressional approval within a year in order to get it renewed. This meant that Lula would have to secure broad-based support if his signature program was going to survive—and the *contrapartidas* were his key to getting it. “The idea was to show that we are not giving out money for free,” Lula explained to me. “We had to build trust, even among those who were skeptical about this kind of a program.” As Ariel Fiszbein and Norbert Schady, two World Bank economists, have documented, the conditions helped Lula do that by creating the popular impression that Bolsa Família was not some sop to the poor but rather a new sort of social contract with them, under which recipients had to do their part as well. Making beneficiaries show “clear evidence of

commitment” to the “positive behaviors” required by the program made those beneficiaries seem more deserving, explained Fiszbein and Schady, giving the public the sense that they had earned the cash.

Of course, simply announcing formal conditions wasn't enough; there also had to be consequences for noncompliance. To that end, Bolsa Família's architects designed a system of graduated penalties for those who failed to do their duty. Rule breakers would get a warning; if they still didn't comply, their benefits would be suspended; and if the trouble continued, they'd eventually get bounced out of the program altogether.

While such sanctions looked good on paper, Lula soon learned the hard way that getting the public to take them seriously would require proof that the rules were actually being enforced. In 2004, the program's rapid expansion diverted effort and attention away from

overseeing compliance with its requirements. Learning that only 55 percent of Brazil's public schools were even bothering to report on whether Bolsa Família recipients were meeting their attendance quotas, the administration decided to suspend all monitoring temporarily. This decision might have made sense bureaucratically, since it bought the government time to get its house in order. But it proved to be a public relations disaster.

Globo, an anti-Lula media conglomerate, saw the opportunity and pounced. Just a few days before nationwide municipal elections in October, *Fantástico*, a popular Sunday-evening news program on a Globo network, broadcast an investigative report alleging widespread abuse of Lula's flagship program by undeserving recipients. The rest of Brazil's media quickly jumped on the story, the public was incensed, and within a week of the broadcast, the government had received several thousand angry complaints.

Sensing the danger, Lula decided to face his critics head-on. "What is the lesson we learned from this moment? Humility," he told me. "You have to recognize that a very big program will have mistakes. You have to admit them. And then you have to fix them." To that end, Lula set up the new Ministry of Social Development and Fight Against Hunger (known by its Portuguese abbreviation, MDS) to centralize oversight of Bolsa Família. Departing from Brazil's long tradition of patronage politics, he staffed the new body with highly trained technocrats rather than partisan hacks. Then, in January 2005, he personally presided over the public launch of a sweeping new multiagency strategy for improving Bolsa Família's

implementation, including establishing a unified national registry to keep track of everyone who got assistance, centralizing Bolsa Família's eligibility criteria, implementing audits and spot checks, setting up citizen oversight committees and complaint hot lines, and requiring that Bolsa Família participants get recertified every two years.

By mid-2006, monitoring and enforcement had improved dramatically: in June of that year, the MDS cut some half a million ineligible recipients from its rolls. Brazilians noticed, and were impressed. The criticism ebbed, and public support for the program began to climb. Indeed, a 2010 analysis of polling data and media coverage by Kathy Lindert and Vanina Vincensini, two World Bank experts, found that by imposing rigorous conditions for assistance, Lula's government legitimized Bolsa Família with Brazilian voters, generating widespread enthusiasm for it on both ends of the political spectrum.

MONEY FOR (NEXT TO) NOTHING

As useful as Lula's *contrapartidas* were in boosting Bolsa Família's popularity, two other innovations would prove almost as important. First, for all its ambitions, Bolsa Família was, and remains, cheap—radically so, compared with most other social welfare programs in Brazil and elsewhere. Today, more than a decade after its launch, Bolsa Família reaches about 14 million families, which translates to about 55 million Brazilians—an enormous number. Yet because Lula and his advisers recognized that it takes only a small sum of money to make a big difference in a poor family's life, the individual payments (which vary according to income and family size) are tiny:

From 20th century walls to 21st century bridges.

From geopolitics to global business.

From security to humanitarian aid.

From investment to sustainable development.

From walled gardens to open source.

The world you inherit will require you to be agile across borders of many kinds—between countries, between academic fields, between knowledge and practice, between top-down policies and bottom-up ventures.

The Fletcher School's multidisciplinary approach to complex problem solving transcends the classroom and prepares graduates for leadership positions that span traditional boundaries.

Master of Arts in Law and Diplomacy (MALD)
Master of International Business (MIB)
Global Master of Arts Program (GMAP)
Master of Laws in International Law (LLM)
Doctor of Philosophy (PhD)
Master of Arts (MA)
Executive Education

Visit fletcher.tufts.edu or
email fletcheradmissions@tufts.edu



Maria Stephan, MALD '02, PhD '05
Senior Policy Fellow
United States Institute of Peace
and The Atlantic Council

Into the Praxis: Helping Policymakers Understand Why Civil Resistance Works (and Why It Fails)

Why do some non-violent movements succeed, while others—like the crisis in Syria—turn violent and collapse into civil war? From Washington, to Kabul, to Istanbul and back to Washington, Maria Stephan has spent a career trying to help policymakers understand the dynamics of civil resistance and how movements are transforming global politics. For her groundbreaking scholarship, Stephan is the inaugural recipient of the Henry J. Leir Human Security Award, to be given annually by The Fletcher School's Institute for Human Security.

Read her story at fletcher.tufts.edu/MariaStephan.

purpose beyond power

Pursue innovation and entrepreneurial engagement for the common good. Our multidisciplinary graduate programs in **Public Policy** prepare future changemakers to deal with global issues.

www.spp.ceu.edu | sppadmissions@ceu.edu

Is public administration immune to globalisation?



Face the global challenges and governance dilemmas of our time.

The Master of Public Administration, designed for mid-career professionals with aspirations of leadership, will take your career to the next level. Enquire now for admission in 2016.



**MELBOURNE
SCHOOL OF
GOVERNMENT**

Visit our website for more info
government.unimelb.edu.au



the average family gets just \$65 a month, and benefits top out at \$200.

As a result, “the amount spent on Bolsa Família is nothing,” says Yoshiaki Nakano, the director of the São Paulo School of Economics. That’s an exaggeration, but not a big one. The fact is that one of the world’s most ambitious antipoverty programs currently costs Brazilian taxpayers less than half a percent of the country’s \$2.3 trillion GDP, far less than the government spends on, say, pensions (a much more regressive support mechanism). Although precise international comparisons are hard to make, the evidence suggests that Bolsa Família is one of the cheapest antipoverty programs anywhere. Indeed, a 2011 study by the British government found that thanks in part to their minimal administrative expenses, cash-transfer programs such as Bolsa Família cost 30 percent less per person than more traditional aid programs.

The program was also structured in such a way that it would ultimately benefit all Brazilians, not just those at the bottom. As Lula explained when he first introduced it, “When millions can go to the supermarket to buy milk, to buy bread, the economy will work better. The miserable will become consumers.” By giving people money that they could spend however they wanted, Lula created what Lena Lavinas, a welfare economist at the Federal University of Rio de Janeiro, has called “a pro-market approach to combating poverty.” Indeed, no less an authority than Jorge Castañeda, a former conservative foreign minister of Mexico turned columnist and scourge of the Latin American left, has called Bolsa Família an “innovative welfare program” that is as “neoliberal . . . as one can get.”

Although the price tag for Bolsa Família may be small, its impact has proved enormous. Not only has it reached more than a quarter of the overall population (and 85 percent of the poor), but the payments, tiny though they are, have doubled the incomes of Brazil’s most destitute families. In its first three years, Bolsa Família cut extreme poverty by 15 percent, and by 2014, the percentage of Brazilians living in indigence had been slashed to less than three percent—a level the World Bank considers equivalent to eradication. At the same time, Bolsa Família has helped lift a total of 36 million people out of general poverty, producing what Matias Spektor, a political scientist and columnist for Brazil’s biggest newspaper, *Folha de S. Paulo*, described to me as “the single largest ten-year change to a country’s class structure since Japan after World War II.”

As for inequality, recent studies credit Bolsa Família with having helped reduce the country’s overall income gap by a third and rank the program as the second most important contributor to this change after general economic growth. According to Tereza Campello, the country’s minister of social development, the income of the poorest 20 percent of Brazilians rose by 6.2 percent between 2002 and 2013, while that of the country’s richest 20 percent grew by only 2.6 percent. (That stands in sharp contrast to the United States, where during the same period, the income of the richest ten percent rose by 2.6 percent, while that of the poorest ten percent shrank by 8.6 percent.) Although the Brazilian government has implemented a number of other important social support programs, including big hikes to the minimum

wage, and although a growing economy helped matters, most experts agree that Bolsa Família deserves a huge amount of the credit for the overall improvement in the lives of the country's poor. Bolsa Família has also proved an important cushion as Brazil's growth has slowed in recent years. The country's overall economy may be hurting today, but thanks to the buffer provided by Bolsa Família, the masses are not—or at least not compared to the way they suffered during the country's many past crises.

Bolsa Família has also made great strides toward Lula's goal of breaking the transmission of poverty from one generation to the next: by helping increase vaccination rates to 99 percent of the population, by decreasing malnutrition among children in Brazil's poorest regions by 16 percent, and by increasing their chances of having a healthy weight-to-age ratio by 26 percent. Infant mortality has dropped by 40 percent in the last decade, with deaths from malnutrition specifically down by 58 percent—one of the sharpest reductions ever seen anywhere. Meanwhile, the number of children forced to work instead of attending school has fallen by 14 percent. Bolsa Família recipients now boast a graduation rate double that of poor Brazilian children outside the program, and the initiative is credited with improving school attendance in the country's poorest regions by 14 percent. One happy consequence: the national literacy rate has already risen.

The program has also produced some less tangible and less predictable—although just as important—changes in the lives and attitudes of Brazil's poorest citizens. One recent survey found that by giving them authority over their

families' bank accounts, Bolsa Família has empowered Brazilian women; for example, female Bolsa Família participants are ten percent more likely to say that they have exclusive authority over contraception in their marriages. And the program seems to have had a dramatic impact on poor Brazilians' sense of agency. A recent survey of 1,400 Bolsa Família beneficiaries in three different cities found that rather than feeling stigmatized by their dependence on the government program, three-quarters of respondents said that they were proud to be enrolled and that, by allowing them to properly feed and clothe their children without having to beg, Bolsa Família has helped them "lead more autonomous and dignified lives."

Brazilians enrolled in the program even express increased faith in their country's democracy. That might seem an odd outcome for a welfare program, but as Lula explains, "Part of the reason Bolsa Família has been so successful is because the money is paid directly, with no intermediary. It is the beneficiary who goes to the bank with a plastic card to withdraw the money. So this person doesn't owe any favors to the president, to their governor, to their congressman, or to their mayor." And the lack of middlemen also makes it hard, if not impossible, for officials to skim off the top.

Finally, just as Lula promised, Bolsa Família has provided a significant boost to the overall economy. By giving the poor more money to spend, the program has increased domestic consumption, an especially important economic driver in a country like Brazil, which shuns most imports. Although most of the money is spent on food, Lula says that "of the

people that received benefits under the Bolsa, 80 percent of them bought a television set, 79 percent of them bought a refrigerator, and 50 percent of them bought a washing machine. So what had seemed like a program just for people who were living in eighteenth-century conditions helped meet the needs of modern manufacturers, generating millions of jobs. Everyone won." That may sound like boasting, but the numbers bear it out: economists calculate that since its launch, Bolsa Família has increased Brazil's GDP growth by 1.78 reais for every one real disbursed.

SOMETHING FOR EVERYONE

These accomplishments have made Bolsa Família incredibly popular in Brazil; recent polls put its approval rating at around 75 percent. "Today everybody's happy," Lavinás told me. "The poor because they are less poor, and the rich because the program is so cheap that they don't care." Even the middle class, traditionally the most conservative segment of Brazil's electorate, has embraced Bolsa Família. As Spektor explains, this group "grew up in a country that was always getting worse. As Brazil democratized [in the mid-1980s], violence went up, inequality went up, inflation went up. We were geared toward thinking things were awful. If you hoped for a future, you wanted to learn English and get the hell out of here. Now, suddenly, I'd rather be here than anywhere else. And that's thanks to Bolsa."

Seeing how popular the program is and how much it did to help Lula's political fortunes over the years, virtually all other Brazilian politicians have rushed to embrace it. Dilma Rousseff,

Lula's successor, has expanded the program's reach and upped its benefits several times. She even launched an initiative called Busca Ativa (Active Search) that sends intrepid social workers to the country's most remote corners—sometimes by jungle boat—in search of more needy Brazilians to enroll in the program. Meanwhile, during the 2014 election, both of her opponents promised to extend Bolsa Família still further. To do otherwise would have been "political suicide," says Thiago de Aragão, a political consultant in Brasília.

None of this enthusiasm means that Bolsa Família is perfect. Although the program has helped Brazil make historic progress, the country still remains far too unequal. Under Rousseff, economic growth has ground to a halt and the country's debt has soared. And despite Bolsa Família's massive reach, about 28 million Brazilians still live in poverty. Some experts worry that by focusing so intensely on the needs of Brazilian children, the program neglects their impoverished parents (whose benefits drop precipitously when their children reach 17). Feminist scholars such as Maxine Molyneux of University College London caution that "by making transfers conditional on 'good motherhood,'" initiatives such as Bolsa Família reinforce traditional gender roles. And Lavinás, among others, points out that while the Brazilian government has done a good job getting kids into school, it has done far less to improve the education they receive there—one of many reasons massive numbers of Brazilians took to the streets to protest poor government services in 2013.

Bolsa Família's positive impact is also undermined by Brazil's regressive

tax system, which relies excessively on consumption tariffs. These fees, which cover virtually every imaginable good and many services, eat up a big share—as much as 55 percent, by some estimates—of Bolsa Família stipends. Finally, financial analysts attack Bolsa Família for reducing inequality at the expense of overall growth, and some Brazilians still insist the cash transfers only make people more dependent on the dole.

Certainly, Bolsa Família can and should be improved. Brazil also desperately needs tax, health-care, and educational reform, as well as greater investment in infrastructure. But a wealth of evidence contradicts at least some of the critics' charges. Government statistics show that 75 percent of adult Bolsa Família recipients do work, for example, and generally those who don't, can't—because they live in areas with too few job opportunities.

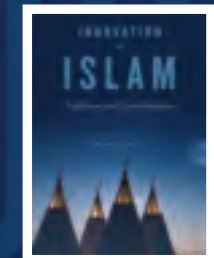
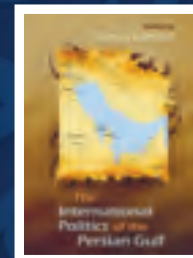
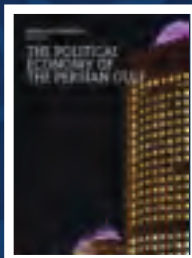
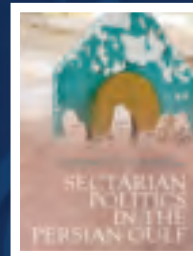
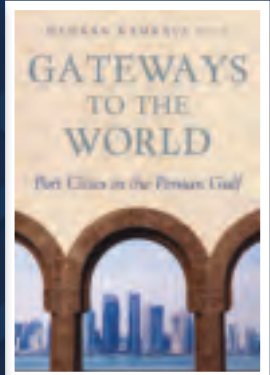
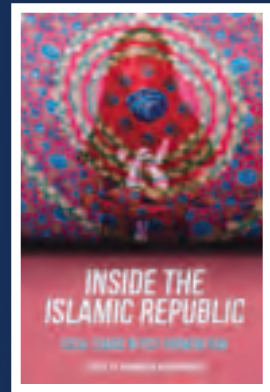
It should come as no surprise, then, that despite its imperfections, the program has attracted wide admiration abroad as well as at home. Nancy Bird-sall, the president of the Washington-based Center for Global Development, has called Bolsa Família “as close as you can come to a magic bullet in development.” Other boosters range from *The New York Times* (which dubbed Bolsa Família “likely the most important government anti-poverty program the world has ever seen”) to *The Economist* (which declared it “a stunning success”).

Perhaps the best testament to the brilliance of Bolsa Família's design, however—as well to the defiantly unorthodox, something-for-everyone approach Lula used to formulate and then sell it—is the fact that since the program's creation, more than 63 countries have sent experts to Brazil

to copy its model. Within just a few years of Bolsa Família's inception, in fact, the MDS was so swamped by all the foreign requests for advice that it began holding twice-yearly seminars on how to launch similar programs elsewhere. As of this writing, at least 40 states have taken that step, including most of the countries of Latin America, as well as Bangladesh, Indonesia, Morocco, South Africa, and Turkey (to name just a few). There have even been some copycat programs deployed in U.S. cities, such as Memphis and New York—more proof, if it's needed, of the global appeal of Brazil's great experiment. 🌐



GEORGETOWN UNIVERSITY
School of Foreign Service in Qatar
Center for International and Regional Studies



ABOUT CIRS

The Center for International and Regional Studies (CIRS) at the Georgetown University School of Foreign Service in Qatar is a premier research institute devoted to the academic study of international issues through dialogue, exchange of ideas, and research and scholarship.

BOOKS FROM CIRS

In order to contribute to the existing body of knowledge on issues related to the Persian Gulf region and the broader Middle East, CIRS sponsors a series of empirically-based research initiatives and activities, resulting in the publication of original books on the issues.

SOLUTION DRIVEN
PACIFIC FOCUSED
GLOBAL RESULTS



School of Global Policy and Strategy at the University of California, San Diego

Why UC San Diego?

Learn at a top university renowned for cutting-edge science and technology research

Expand your quantitative and analytical skills

Live in a global technology innovation hub at the crossroads of Asia and the Americas



School of
**GLOBAL
POLICY &
STRATEGY**

gps.ucsd.edu

Master of International Affairs

Master of Public Policy

Master of Advanced Studies in International Affairs

Ph.D. in Political Science and International Affairs

BA/Master of International Affairs

UC San Diego

ESSAYS



For the most part, Obama has kept sight of the big picture as others have gotten lost in the shrubs.
—Fred Kaplan

Obama's Way <i>Fred Kaplan</i>	46	Putin's Power Play in Syria <i>Angela Stent</i>	106
Time to Get Tough on Tehran <i>Eliot Cohen, Eric Edelman, and Ray Takeyh</i>	64	Not-So-Smart Sanctions <i>Emma Ashford</i>	114
When Congress Gets Mad <i>Steven Casey</i>	76	The Transatlantic Data War <i>Henry Farrell and Abraham Newman</i>	124
Prosperity Rising <i>Steven Radelet</i>	85	Getting to Democracy <i>Abraham F. Lowenthal and Sergio Bitar</i>	134
How China Sees Russia <i>Fu Ying</i>	96	Latin Americans Stand Up To Corruption <i>Jorge G. Castañeda</i>	145

Obama's Way

The President in Practice

Fred Kaplan

On January 28, 2009, barely a week into his presidency, Barack Obama met with the U.S. military's top generals and admirals on their own turf, inside "the tank," the Joint Chiefs of Staff's conference room on the second floor of the Pentagon. A senior official recalled the new president as "remarkably confident—composed, relaxed, but also deferential, not trying to act too much the commander in chief." Obama walked around the room, introducing himself to everyone; he thanked them and the entire armed forces for their service and sacrifice; then he sat down for a freewheeling discussion of the world's challenges, region by region, crisis by crisis. He was "the man in full," the official said, fluent on every issue, but more than that—a surprise to the officers, who had been leery of this young, inexperienced Democrat—he displayed a deep streak of realism.

At one point, Obama remarked that he was not the sort of person who drives down a street wishing he could park wherever he likes. If he saw an open spot, even one that required some tricky parallel parking, he would be fine with squeezing into it. Obama's meaning was clear: he had been dealt a bad hand (two unpopular wars, alienated allies, the deepest recession in decades), but he would find a way to deal with the world as it was.

Seven years later, many officers and defense officials, including some who were so impressed with Obama at the start, look back at his presidency as following a different style of governing. They laud the historic accomplishments—the Iran nuclear deal, the opening to Cuba, the Trans-Pacific Partnership, the prevention (so far) of another terrorist attack on American soil—and they acknowledge that he has often tried to make the best of bad choices. But too often, they say, he has avoided

FRED KAPLAN is the "War Stories" columnist for *Slate* and the author of the forthcoming book *Dark Territory: The Secret History of Cyber War*. Follow him on Twitter @fmkaplan.

taking action, waiting for conditions to get better—circling the block and, in his own metaphor, waiting for a better parking spot to open up.

This is a common critique of Obama's foreign policy: that he evades hard decisions, that he is allergic to military force if it risks American casualties or escalation, that there is often a mismatch between his words and his deeds. "This is a pattern," one retired four-star general said. "He issues stern warnings, then does nothing. It damages American credibility."

Is the charge true? And to the extent that it has some validity, how much can be laid at Obama's feet, and how much should be attributed to the intractability of the problems he has faced? Would a different sort of president have handled the decade's challenges better, and if so, how?

The following examination of key crises and decisions is based on conversations I have had with dozens of officials across the span of Obama's presidency and with 20 mid- to senior-level officials (past and present, almost all on a background basis) interviewed specifically for this article.

THE LESSON OF LIBYA

In December 2009, Obama journeyed to Oslo to receive the Nobel Peace Prize. The award was premature, to say the least, but he used his acceptance speech to lay down the principles of a foreign policy he hoped to follow—a sophisticated grappling with the tensions between idealism and realism. It was a daring speech for a Peace Prize recipient. "To say that force may sometimes be necessary is not a call to cynicism," he said. "It is a recognition of history, the imperfection of man, and the limits of reason." Nations must "adhere to standards that govern the use of force," and a just, lasting peace must be "based on the inherent rights and dignity of every individual." Still, "America cannot act alone," except on matters of vital national interest, and mere lofty rhetoric about human rights only sustains "a crippling status quo." Engagement with repressive regimes may lack "the satisfying purity of indignation," but "no repressive regime can move down a new path unless it has the choice of an open door."

Benjamin Rhodes, Obama's deputy national security adviser for strategic communications, said, "When people ask me to summarize [Obama's] foreign policy, I tell them to take a close look at that speech." Another former top White House official called it "a template to how

he approaches problems,” a “framework for how he thinks about U.S. power.” Whether he followed the template—how he grappled in action with the tensions he recognized in theory—would be, by his own standard, the measure of his presidency.

The early years of Obama’s term were taken up with challenges inherited from the Bush administration, especially the wars in Afghan-

Obama has, at times, talked more boldly than he has acted, creating a needless gap between words and deeds.

istan and Iraq. At the start of 2011, however, a string of new problems emerged, as domestic protests against authoritarian leaders broke out across the Middle East. The Ben Ali regime in Tunisia fell in January, and the Mubarak regime in Egypt followed in early February. By late February, rebels opposed to the Libyan dictator Muammar al-Qaddafi

had seized control in cities such as Benghazi, and the dictator’s days seemed numbered. But then the tide of war reversed, and Qaddafi’s forces moved to crush the uprising.

With tens of thousands of civilian lives at risk, the Obama administration, which had come out in support of the rebels, faced a difficult choice. The members of the Arab League were unanimously imploring the United States to get involved. NATO allies were keen to intervene in support of the armed rebels, and a UN Security Council resolution was in the works. At a National Security Council meeting called to discuss the crisis, Secretary of State Hillary Clinton, U.S. Ambassador to the UN Susan Rice, and some of Obama’s NSC staff argued for action, citing moral imperatives and the prospect of a truly multilateral force. But according to several people present at the meeting, Pentagon officials opposed intervening, pointing out that the United States had no vital interests in Libya and that any serious commitment would get Washington bogged down, possibly for years.

Two options were set before the president: go in all the way as the leader of an alliance, or don’t go in at all. Obama’s response was to come up with a third way, which emerged as he thought through the problem out loud. Early on, he articulated the principles that would underlie whatever course he chose: no U.S. boots on the ground, no military action at all unless it had a legal basis and a decent chance of succeeding, and, finally, an appropriate division of labor with allies—the U.S. military would provide its unique capabilities (among them

precision bombing and intelligence sharing), but U.S. allies, who had a far greater interest in the conflict's outcome, would assume the brunt of protecting Libyan civilians and restoring order after the fighting.

In an interview at the time with *The New Yorker*, an Obama adviser (whose identity remains unknown) dubbed this approach "leading from behind," a term that would come in for much derision. But in context, it made sense, and it fit Obama's outlook on the role and limits of military force, the distinction between interests and vital interests, and the need to align the instruments of power with the intensity of those interests.

The first phase of the resulting operation was ultimately a success. The combination of U.S. air strikes and intelligence, NATO air support, and rebel movements on the ground led to the defeat of Qaddafi's forces and (although this was not an explicit aim of the campaign) the killing of the Libyan leader himself. But the second phase was a failure: a new government was never fully formed, the rebel factions' squabbles degenerated into civil war, and the country's social order (such as it was) collapsed.

The problem was that the NATO allies that had promised to lead the stabilization phase of a post-Qaddafi Libya did not follow through, in part because this phase turned out to be much more violent than they had anticipated. Restoring (or, really, creating) order would have required armed intervention—and possibly serious combat—on the ground, a mission for which European states had little capacity and less appetite.

Obama recognized the failure, acknowledging in his September 2015 speech to the UN General Assembly, "Even as we helped the Libyan people bring an end to the reign of a tyrant, our coalition could have and should have done more to fill a vacuum left behind." And the lesson weighed on him when considering how to handle a similar crisis in Syria.

THE SYRIAN SINKHOLE

As the Arab Spring evolved, demonstrations broke out in Damascus against Syrian President Bashar al-Assad. Assad struck back with extreme force, killing protesters first by the hundreds, then by the thousands. Gradually, a rebel force arose, and the country plunged into civil war. With the United States having already intervened in Libya under similar circumstances, the question naturally arose whether it would intervene in Syria as well.

In an NSC meeting, Obama spelled out the differences between the two conflicts. Libya's fighting had taken place on an open desert, which allowed for clear targeting; Syria was enmeshed in urban warfare, with civilians, rebels, and soldiers intermingled. The Libyan rebels had had a chance at forming a cohesive government; there were

Syria is where Obama's tools for dealing with crises proved inadequate.

no such possibilities in Syria. No other outside power was calling on the United States to intervene this time around. Finally, the conflict was cascading into a proxy war for the regionwide Sunni-Shiite confrontation. Not only did the United States have little at stake in this

fight, but it also had little ability to influence its direction or outcome. According to several attendees of the meeting, nobody really disagreed with these points.

And yet the administration had aligned itself with the season's popular uprisings. In May, in a speech of uncharacteristic exuberance, Obama likened the turmoil to previous eras of democratic revolution. He spoke with particular urgency about Syria, proclaiming that Assad "must" stop shooting his own people and allow human rights monitors to enter the country. In August, Obama joined with the leaders of France, Germany, and the United Kingdom in calling on Assad to step down. Syria's ruler was "on the wrong side of history," Obama said, declaring that "the time has come for President Assad to step aside."

Such rhetoric was driven by two factors. First, the aides in Obama's inner circle—few of whom knew anything about Middle Eastern politics—really did think Assad's regime was nearing collapse. Second, given that apparent fact, they felt it was best to put the administration publicly on "the right side of history," especially since allied nations were calling on Obama to show "leadership."

The rhetoric was not entirely empty. Obama did ask his military and intelligence chiefs to come up with plans to speed history along, and in the summer of 2012, CIA Director David Petraeus laid out a scheme to arm a group of "moderate" Syrian rebels. The plan, which Petraeus had formulated with Saudi Prince Bandar bin Sultan and a few other Arab security chiefs, called for shipping small arms, mainly rifles, to a small, select group of the Syrian opposition. Petraeus did not promise the moon; he explicitly said that these rebels could not oust Assad right away and that the goal was to put "pressure" on Assad.

If you're saying Assad must go, he was telling the president, here's how the CIA can help. The plan had the backing of Clinton, Secretary of Defense Leon Panetta, and the Joint Chiefs of Staff. But the president rejected it.

Obama was not opposed to taking action; he had asked Petraeus and Panetta for options. But he was opposed to doing something merely for the sake of doing something, and the Petraeus plan seemed to fall into that category. Who were these rebels, he asked? Could the United States really distinguish the good ones from the bad ones? (Petraeus insisted that he could, but Obama was unconvinced.) If these rebels did emerge as a threat to the regime, would Iran, which had invested heavily in Assad, simply stand by, or would it intervene (as Obama thought more likely)?

In NSC meetings, several attendees recall, Petraeus acknowledged that it might take years for the rebels to mount an effective challenge to Assad's rule. Meanwhile, the CIA's plan might throw Assad psychologically and give Washington "skin in the game," a path to influence over the long haul. This was not a winning argument with Obama: he was looking for something that had a chance of succeeding in the near term, and he did not want skin in a game played in the quagmire of a sectarian civil war. While Petraeus was working up the plan, Obama asked the CIA to produce a paper on how often in the past U.S. arms had succeeded in helping rebels oust hostile governments. The answer: not very often. That sealed the case.

Although grounded in logic and history, the rejection of intervention in Syria set off the first waves of discontent over Obama's foreign policy in general—the notion that he did not want to use force, that he was always on the lookout for arguments that rationalized this disinclination, that he talked bold but failed to follow through, which made all his commitments ring hollow.

Later on, as the self-proclaimed Islamic State (also known as ISIS) took control of vast swaths of Iraq and Syria, Obama's critics argued that if only the president had accepted Petraeus' plan, ISIS might not have found a foothold. But the claim seems far-fetched—even though a few of Obama's close advisers allow, in retrospect, that it might have been worth giving Petraeus' option a chance. In any case, two years later, Obama approved a similar plan. However, when the American-backed rebels started racking up victories on the battlefield and appeared to be closing in on Assad, Obama's prediction of what would happen

next came true: the Iranians redoubled their support for Assad, sending Quds Force soldiers to fight the rebels. And Russian President Vladimir Putin, fearing the loss of Moscow's sole outpost outside the former Soviet Union, sent tanks, planes, and missiles to support the Syrian army.

REDLINE, RED FACE

Syria is where Obama's foreign policy met its most brutal challenge, and where his tools for dealing with crises—words, logic, persistent questions, and sequential problem solving—proved inadequate.

At least five times in the eight-month span between August 2012 and April 2013, Obama or administration officials publicly warned Assad that using chemical weapons against rebels and protesters would cross a "redline." It would mark "a game changer from our perspective," Obama elaborated on one occasion. "There would be enormous consequences," he said on another. It would be "totally unacceptable," and Assad would be "held accountable." Yet despite such utterances, say close aides and officials, the president never ordered up a plan for what to do if Assad crossed the line.

Then, on August 21, 2013, rocket shells containing sarin gas slammed rebel-controlled areas in the Damascus suburbs, killing an estimated 1,500 people. The redline had been crossed. Obama swiftly decided to retaliate. Attack plans were drawn up, most of them designed to destroy not the chemical stockpiles themselves (explosions of which might spread the gas far and wide) but rather the munitions and facilities required to launch them into battle. Assad's regime was not the explicit target in any of these plans, but some White House aides thought, or hoped, that his strength might erode as a side effect.

Obama seemed to be serious about launching the strikes. His aides were instructed to phone legislators and journalists to make sure they had read an unclassified intelligence report that the White House had just released proving that Assad was behind the chemical attacks. A UN resolution backing the use of force in Syria was unlikely; Russia and possibly China would veto it. So Obama rallied Arab and NATO nations to join in the attack, or at least to endorse it. He got no such support, except from France and the United Kingdom—but then British Prime Minister David Cameron requested authorization for an attack from Parliament, which voted it down.

On August 31, the NSC met for more than two hours. Everyone around the table agreed that the United Kingdom's backpedaling,



The Decider: Obama and other U.S. officials in New York, September 2014

although regrettable, should not affect the president's decision and that he should proceed with the air strikes. Kathryn Ruemmler, the White House counsel, suggested seeking a congressional resolution for the strikes, especially given the lack of support elsewhere, but she also said that Obama had the legal authority to order the strikes on his own. The meeting broke up, with everyone agreeing to proceed with the bombing. Then, Obama took a walk on the White House lawn with chief of staff Denis McDonough, returned to the Situation Room, and announced he would put the issue to Congress for a vote. Aides say Ruemmler's suggestion hadn't tilted his thinking; rather, it had reflected his views on the use of force generally.

In any case, everyone in the room was surprised by his reversal. Obama explained that he needed some institutional backing for such a risky move. What if, after the air strikes, Assad launched more chemical attacks? If the United States dropped more bombs, it would risk getting sucked into a civil war, and if it did nothing, that would be worse: the United States would look weaker, and Assad stronger. Some White House aides viewed air strikes as a one-time action, but Pentagon officials had warned that if the president proceeded with the bombing (which they supported), he should be prepared for escalation. Obama suspected they were right. Whatever he did, his actions (or inaction) would trigger criticism and disunity; without a prior vote, his support, slim from the outset, would rapidly erode. In discussions before the meeting, some of his aides had worried that if he bombed Syria on his own and the mission fell apart, he might even face impeachment.

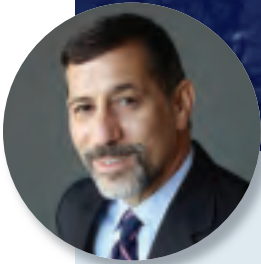
To many senior officials, each separate piece of Obama's argument made sense, but the overall logic did not. Maybe it was a bad idea to proceed with air strikes, but in that case, Obama should not have drawn those redlines: he should not have recited the rationale for air strikes to so many diplomats, journalists, and legislators; he should not have told Secretary of State John Kerry to make a case for the bombings (in a powerful speech just hours before he changed course); and after making this new decision, he certainly should not have gone ahead with a scheduled prime-time television address in which he detailed Assad's perfidy, laid out the national security concerns, claimed he had the legal authority to respond with unilateral air strikes—and then announced that he was sending the matter to Congress.

One NSC official who was relieved that the strikes did not take place nevertheless said, "We paid a price for pulling back. The perception among people in the region was that they couldn't rely on Obama to pull the trigger." A former top White House official said, "When people—serious people—say Obama is indecisive and uncertain, they're talking about this episode with Syria."

The White House lobbied Congress to pass a resolution authorizing the use of force, but the task was clearly futile: most Republicans did not want to do any favors for Obama, and many Democrats were leery of military action. In the end, Russia came to the rescue. At a press conference on September 9, Kerry was asked if Assad could do anything to avoid air strikes. Kerry replied, "Sure, he could turn over every bit of his [chemical] weapons to the international community within the next week, without delay," adding, "but he isn't about to." To everyone's astonishment, Russian Foreign Minister Sergey Lavrov replied that he could make that happen—and he did. Under Russian pressure, Assad surrendered very nearly all of his chemical weapons for destruction.

Obama and his aides declared victory, noting that this diplomatic solution was more effective than military strikes would have been and that the threat of those strikes was what had driven Russia to pressure Assad. The first claim was probably true; the second probably was not. The fact is Congress seemed certain to defeat Obama's motion before Russia stepped in. It is possible that Putin never believed that Obama would feel bound by Congress, that he would find some way to launch the strikes anyway. But more pertinent, Russian leaders have always taken pains to keep weapons of mass destruction—biological, chemical, or nuclear—out of their allies' hands: not so much because

The World's Leading MA Program in Security Studies Georgetown University



Dr. Bruce Hoffman, SSP Director, terrorism and insurgency expert. Author of *Inside Terrorism* and *Anonymous Soldiers*. Senior Fellow, U.S. Military Academy's Combating Terrorism Center. Commissioner, 9/11 Review Commission.

SSP offers:

- 36 Credit hours
- 7 Concentrations
- Flexible full and part-time enrollment
- Fall and spring admission

To learn more, visit <http://ssp.georgetown.edu> or call 202-687-5679.

"I believe so strongly in SSP, it truly changed my life. My SSP education allowed me opportunities to travel the world and serve in a leadership position in my career in international security."

—Taylor Hazelton, SSP '08

Secure Our World, Advance Your Career

As the oldest and most respected master's degree program in its field, the Security Studies Program (SSP) is dedicated to preparing a new generation of analysts, policymakers, and scholars fully knowledgeable about the range of international and national security problems and foreign policy issues of the 21st Century.

Terrorism and Counterterrorism; Disruptive Analytics; Cyberwar; China and its Military; Ethics of War; and, Net Assessment and Strategic Planning are just six of the more than 80 courses offered by SSP.

SSP teaches students about the latest security challenges and connects them with the most influential practitioners in Washington.

As the world leader in security studies, Georgetown's SSP has the curriculum, faculty, and network to advance your career.



GEORGETOWN UNIVERSITY

School of Foreign Service

Security Studies Program



COLUMBIA UNIVERSITY PRESS

CUP.COLUMBIA.EDU • CUPBLOG.ORG



Green Capital

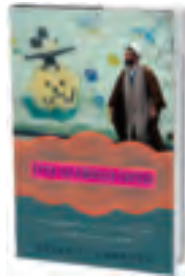
A New Perspective on Growth

**CHRISTIAN DE PERTHUIS AND
PIERRE-ANDRÉ JOUVET**

Translated by Michael Westlake

“Trend is not destiny. For those who want to find a better way to live on the earth, this book is a source of insight and inspiration.”

—Frank J. Convery, chief economist, Environmental Defense Fund



After the American Century

The Ends of U.S. Culture in the Middle East

BRIAN T. EDWARDS

“A fascinating tour of the appropriation and deployment of American popular culture in a globalized, restless Middle East. . . This wonderfully written and richly observed book presents novel and exciting readings of familiar cultural forms in new political environments.”

—Marc Lynch, author of *The Arab Uprising*



Dangerous Trade

Arms Exports, Human Rights, and International Reputation

JENNIFER L. ERICKSON

“With fresh thinking and originality, this book does not re-chew what others have already said or go down paths already trodden. Indeed, it shows an innovative mind at work.”

—Ulrich Krotz, European University Institute



Woodrow Wilson Center Press / Columbia University Press

Roots of Russia's War in Ukraine

**ELIZABETH A. WOOD,
WILLIAM E. POMERANZ,
E. WAYNE MERRY,
AND MAXIM TRUDOLYUBOV**

“[The book] shows the primacy of economic factors and cultural/intellectual choices in leading Russia and the EU to the brink of confrontation without necessarily realizing the gravity of the crisis until it was too late.”

—Dmitry Gorenburg, Harvard University



Woodrow Wilson Center Press / Columbia University Press

Across the Lines of Conflict

Facilitating Cooperation to Build Peace

**EDITED BY MICHAEL LUND
AND STEVE MCDONALD**

“This book charts new territory in its structured approach to understanding whether it is possible to build up will among host country or society leaders to take on peacebuilding roles, and if so, how.”

—Pamela Aall, U.S. Institute of Peace



Ballots, Bullets, and Bargains

American Foreign Policy and Presidential Elections

MICHAEL H. ARMACOST

“Don't miss this thought-provoking read that places American politics in a uniquely global context.”

—*Biographile*

“Readers will find this a useful, accessible survey of the topic, enriched by Armacost's firsthand recollections from his diplomatic career.”

—*Library Journal*

they abhor those weapons as because they abhor the loss of control. Moscow had its own interests in stripping the loose cannon Assad of these ghastly weapons, and since the redline crisis had forced Obama to focus on the chemicals and not on Assad's regime, the diplomatic save would serve one of Russia's vital interests—the preservation of Moscow's only foothold in the Middle East.

THE ISIS CRISIS

The redline fiasco was a low point in the administration's foreign policy, but the troubles in Syria were hardly over. Less than a year after the chemical weapons settlement, ISIS—which Obama had recently dismissed as a “JV” version of al Qaeda—stormed Mosul, the second-largest city in Iraq. The U.S.-trained Iraqi soldiers fled at first contact, and the armed jihadists barreled on to Ramadi and Fallujah and, for a while, came perilously close to Baghdad.

The jihadists had started out and were largely based in Syria, but Obama focused his anti-ISIS strategy on Iraq because that's where it might have some effect; the United States, after all, had resources, air bases, and a partnership of sorts with a functioning government in the country—and it had none of those things in Syria, where Obama remained properly wary of diving into a sectarian civil war. Even by September 2014, when Obama realized that Syria couldn't be ignored (it was, after all, the headquarters of ISIS' operations, and he knew very well that the Iraqi-Syrian border was porous to the point of meaningless), he stuck to what his aides called an “Iraq first” strategy. American air strikes, which had long begun against ISIS forces in Iraq, would be extended to Syria, but only over the paths that ISIS used to travel between the two countries. Obama also announced a program to train and equip “moderate” Syrian rebels on bases in Saudi Arabia but noted that they wouldn't be ready to fight ISIS for many months; clearly, Syria was on the back burner, at best.

Days after Obama's announcement, ISIS laid siege to Kobani, a mainly Kurdish town on the Syrian-Turkish border. The town had no strategic significance, but a massacre was in the making. More than that, ISIS was sending thousands of jihadists into the town—forming an easy concentrated target, which neither the Pentagon nor Obama could resist. Obama ordered massive air strikes, which killed an estimated 2,000 to 3,000 ISIS fighters.

In another unexpected feature of the battle, Kurdish fighters gathered to stave off ISIS, fought very capably, and recaptured the town. Obama had not been opposed to going after ISIS inside Syria; he just had not seen a suitable partner that could carry out the fight on the ground. In the Syrian Kurds, he found one, and U.S. air strikes con-

Obama's keen legal mind allows him to rationalize his own porous positions.

tinued, often in tandem with Kurdish ground assaults. At the same time, the CIA started covertly assisting a group of rebels in southern Syria whose main aim was to overthrow Assad. Again, Obama had opposed Petraeus' plan to

arm some rebels not because he was against arming rebels but because he did not see how that particular plan or those particular rebels would succeed. The new plan seemed more plausible, in part because the CIA and the U.S. military had gathered a lot more intelligence and scoped out reliable forces over the previous year. (A separate \$500 million Pentagon program to train and equip a small group of northern Syrian rebels to fight ISIS proved publicly disastrous: the rebels turned out to be more interested in fighting Assad's army than ISIS, taking them out of the fight to train in Saudi Arabia only disoriented them, and more militant rebels killed almost all of them on their reentry into Syria.)

Viewed piece by piece, tactical move by tactical move, Obama's operations appeared to be making progress. But foreign fighters kept flooding the region, ISIS was barely budged aside, and although Assad's army seemed imperiled, it was still quite large (at around 125,000 troops) and recovered much of its strength after Russia sent in tanks and jet fighters in September 2015. Russia's move raised the hackles of some of Obama's critics, who saw Putin as trying to revive the Soviet empire. Obama didn't bite, and wisely so. At an NSC meeting, he cautioned against viewing Russia's intervention through a Cold War prism. We are not at war with Russia over Syria, he said, according to officials who were at the meeting. Putin's vital interest in this had much to do with his own domestic politics, and an alarmed American response would play into his game. Finally, Obama doubted that the Russian military campaign would have much impact on the battle.

Nonetheless, Obama was still receptive to attractive options for his own military posture. The Syrian Kurds were racking up more successes (and requiring more protection from Turkey, which was pounding them with air strikes while claiming to be going after ISIS), and so Obama approved

plans to send the Kurds more ammunition—and to deploy U.S. Special Forces to join them in raids on ISIS strongholds, secret missions that resulted in six fatalities before Obama announced the actions publicly.

Obama has a keen legal mind, which serves him and the country well when he pokes holes in specious arguments for risky policies. But it also enables him to rationalize his own porous positions: for instance, that conducting joint raids falls in the category of “advise and assist,” not “boots on the ground.” He can also make firm assurances that he will not push these ground forces any further, ignoring that he has laid the groundwork and set the logic for his successor in the White House to escalate the fight, if he or she is so inclined. (Not to draw precise parallels, but in a similar vein, President John F. Kennedy firmly resisted pressure from the Joint Chiefs of Staff to deploy “combat troops” to Vietnam yet expanded the scope and numbers of “advisers” there, leaving President Lyndon Johnson to believe he was following in his predecessor’s footsteps when he poured 500,000 U.S. troops into the fight.)

THE SEARCH FOR ORDER

What has been missing in Obama’s Syria policy, in all its phases, is a coherent strategy. His two aims—defeating ISIS and pressuring Assad to step down—are in some ways contradictory. Assad’s continued reign has been a magnet for foreign Sunni fighters to join ISIS. But in the short run, Assad’s army, if properly directed, could be the most potent anti-ISIS force—second perhaps only to Iran, which has been sending members of its elite Quds Force to protect Assad’s regime. Obama has been constrained from forming an overt alliance with Assad or Iran, in part because he has needed Sunni allies—Egypt, Turkey, and the Gulf states—to delegitimize and defeat the Sunni radicals of ISIS; if he bonded with Shiite Iran or its client Assad, those countries might drop out of the coalition.

Therein lies the heart of the problem not only with Obama’s strategy against ISIS but with any U.S. president’s stab at such a strategy. If all the countries that feared and loathed ISIS—which is to say, almost all the countries in the region—joined forces, ISIS would crumble in short order. But each of those countries has more fear and loathing for at least one of its potential allies (Turkey for the Kurds and Saudi Arabia for Iran, for example). Forming an effective coalition has therefore been all but impossible—a fact that ISIS commanders have shrewdly exploited.

As many of Obama's critics contend, a coherent regional strategy—not just a series of piecemeal responses to crises—is needed to solve this problem. But what is this regional strategy? Who should lead it? What incentives might lure the potential coalition's players to subordinate their individual interests to the larger goal? (In October, Obama dropped his reluctance and invited Iran and Russia to join talks in Vienna to discuss a political solution to the Syrian crisis and a joint fight against ISIS. The prospects seemed dim, until—on the very eve of the conference—ISIS agents mounted coordinated terrorist attacks in Paris. Although the odds remain long, a plausible path to a settlement opened up. Obama seems to have recognized, along with others, that transcending the sectarian divide rather than accommodating it—and forming alliances with rivals against larger, common threats—is the only way toward a peaceful transition.)

These complexities are symptomatic of a larger phenomenon that accounts for the surge of violence throughout the Middle East: the breakdown of the colonial order imposed at the end of World War I. This order, with its artificial borders designed to split or suppress tribal identities, would have collapsed after World War II (along with the British and French colonies) but for the deep freeze imposed by the Cold War. When the Soviet Union imploded, the Cold War too dissolved, along with the international security system that it had created and sustained for nearly half a century. With the subsequent diffusion of global power and fragmentation of power blocs, the collapse of the Middle East's borders and authorities resumed—a process accelerated by President George W. Bush's 2003 invasion of Iraq, which disrupted the balance of power among nations, sects, and tribes that had kept an uneasy peace between Shiites and Sunnis, not only within Iraq but across the region, as the disruption's ripples spread.

Some of Obama's critics claim that if he had found a way to keep 10,000 American troops in Iraq instead of going through with a complete withdrawal in 2011, the renewal of sectarian violence and the rise of ISIS to fill the subsequent power vacuum would never have happened. But this is extremely unlikely, given that in an earlier era it took close to 170,000 U.S. combat troops using extraordinary measures to stem a similar tide, and even then they were able to do so only temporarily. In any case, Obama had no choice in the matter. The status-of-forces agreement (SOFA) that Bush signed in 2008 demanded, "All the United States Forces shall withdraw from all Iraqi territory



STUDY WITH PURPOSE

“In a world where problems of growth, poverty, governance, inequality, and vulnerability persist as central questions of global affairs, the demand for advanced study in international relations has never been higher. Johns Hopkins SAIS graduates play key roles solving critical global problems.”

— DEBORAH BRÄUTIGAM, PhD
Director of the International
Development program and the
China-Africa Research Initiative



JOHNS HOPKINS
SCHOOL *of* ADVANCED
INTERNATIONAL STUDIES

**NOW ACCEPTING APPLICATIONS FOR
GRADUATE PROGRAMS IN INTERNATIONAL RELATIONS**

sais-jhu.edu/applytoday

EUROPE • WASHINGTON • CHINA



ASU #1

**in the U.S.
for innovation**

Stanford #2 MIT #3

Medicine and energy, human rights and robotics, global management and sustainability – America’s most innovative university offers more than 600 degree options and educational collaborations in more than 80 countries.

.....
A top 10 school for international students representing 132 countries

–Institute of International Education

.....
One of the world’s top universities

–Academic Ranking of World Universities, Center for World University Rankings

.....
A top producer of Fulbright Student grant recipients teaching and studying abroad

–Chronicle of Higher Education



Learn to thrive
global.asu.edu

no later than December 31, 2011.” Obama was, in fact, amenable to keeping 5,000 troops in Iraq for the long haul and sent emissaries to Baghdad to see if an extension could be negotiated, but revisions to the SOFA, including a U.S. demand that American troops enjoy immunity from Iraqi law, required parliamentary approval, and no factions in the Iraqi parliament, except perhaps the Kurds, would vote for the Americans to stay. (Obama has been able to send military forces back to Iraq only because the SOFA expired after three years.)

As for Afghanistan, the other war that Obama promised and tried to end, it keeps raging as well. In October 2015, reversing an earlier policy to withdraw all U.S. troops from the country by the end of his term, Obama announced that 5,500 would remain there to continue training and equipping Afghan forces and to conduct counterterrorist operations.

Obama announced this change soon after Taliban fighters took over the northern city of Kunduz, but he had made the decision a few months earlier, according to a senior counterterrorism official. The new Afghan president, Ashraf Ghani, had asked Obama not to withdraw all U.S. troops, signed a bilateral security agreement giving U.S. forces legal protections (an accord that his predecessor, Hamid Karzai, had refused to consider), and promised reforms to broaden inclusivity and crack down on corruption. Meanwhile, terrorist groups still flourished across the border with Pakistan. No one in the NSC opposed sustaining a counterterrorist force on some base in the region; here was Ghani offering three existing bases. An interagency study conducted by General Martin Dempsey, then the chairman of the Joint Chiefs of Staff, concluded that the mission could be supported with 5,500 troops. And so the decision was made. Kunduz (which Afghan soldiers quickly recaptured) was the news peg that preempted political objections.

The tragedy of Obama's presidency is that, from the beginning, he has wanted to shift away from the stagnant battlefields in and around the Middle East and devote more attention to the Asia-Pacific region, with its prospects for dynamic growth, trade, and, in the form of China, an expansionist power that needs to be at once contained militarily and lured into the global economy. This focus on Asia came to be called the “pivot,” or “rebalancing,” but Obama had recognized its appeal and discussed it as far back as his 2008 presidential campaign. He understood, and still does, that this is where the United States' future interests lie—but the never-ending crises of the ancient world keep pulling him back in.

LIMITED INTERESTS, LIMITED RISKS

As the ISIS imbroglio widened, yet another crisis erupted, this time in Ukraine. After Putin bribed Ukrainian President Viktor Yanukovich with an aid package to stop him from signing an association agreement with the European Union, popular protests broke out in Kiev. When Yanukovich cracked down, the protests widened, and he was ultimately forced to flee. Putin responded by sending Russian forces to seize the Crimean Peninsula and support a secessionist rebellion in eastern Ukraine.

In NSC meetings held to decide how to respond to Russia's move, Obama quickly approved a script of denunciation, reinforcements of U.S. military exercises in and around eastern Europe's NATO allies (especially the Baltic states), and a string of economic sanctions.

Some Pentagon officials wanted to go further and supply the Ukrainian army with "lethal defensive weapons," especially TOW anti-tank missiles. According to NSC officials, Vice President Joe Biden strongly endorsed this position, saying that the United States had a moral obligation to help the Ukrainians defend themselves, as well as a strategic interest in making Putin pay for his land grab and in deterring him from going further. (No one in any NSC meeting, however, advocated sending Ukraine offensive weapons or deploying U.S. troops to the country.)

In the end, Obama approved the provision of nonlethal military assistance, such as night-vision and radar equipment, and training for Ukraine's National Guard. Beyond that, he was opposed. The United States had interests in Ukraine, but not vital interests. There were reasons two previous presidents had considered, then decided against, inviting Kiev's leaders to join NATO. First, polls had suggested that less than half of Ukrainians wanted membership. Second, Russia's interests in Ukraine, unlike the United States', were vital: Russia and Ukraine shared a border and a long history of trade, cultural exchange, and even common statehood. No Russian leader would stand by as Ukraine drifted too far from Moscow's orbit.

Obama likes to look ahead two or three steps. (His critics have seen this as a technique for avoiding the use of force; others see it as a method of rational decision-making.) Moscow could and would match or surpass any lethal weapons that the West supplied to Kiev. Then what? If Washington sent still more arms, it would risk getting sucked into an arms race, and the violence would intensify. If the United

States did not respond in kind, the West would have lost the contest; Obama would look weaker, and Russia stronger, than if he had not sent any arms in the first place.

This was Obama's first principle in all discussions about the crisis: he was not going to risk a war with Russia for the sake of Ukraine. At one meeting, he said, "If I wanted to invade Canada or Mexico, no one could do much about it." The same was true of Putin and Ukraine.

Still, Obama put a high value on enforcing international norms, one of which was the inviolability of borders. He felt it necessary to make Russia pay for its violation; the question was how. Military escalation, in this context, was a game Russia would win, but escalation of sanctions was one the United States could win, if Obama could keep European states on board. This was a challenge, for many European countries were more reliant on Russian energy supplies than the United States was and therefore more vulnerable to economic reprisals from Russia. They were also dead set against risking war over Ukraine. If Obama went up the military ladder, he knew they would drop out of the sanctions regime.

At least through the fall of 2015, Obama's policy has worked. Despite Putin's efforts to split the transatlantic alliance, its members have held tight on the sanctions, and the cease-fire negotiated in Minsk in February has held, too. Putin's likely goal in Ukraine was to weaken the country's central government and keep it from moving closer to the West. At that, he has succeeded. If Obama and the western European nations had wanted to strike back on that front, tens of billions of dollars in economic aid would have meant a lot more than a few hundred antitank missiles. But beyond a relatively paltry International Monetary Fund grant, no one seemed to want to go down that road.

PATIENCE AND PRAGMATISM

So how does Obama's record stack up? The president has been besieged by foreign policy crises, constrained by diminished American power, and pressured by opponents at home and allies abroad to take action and show leadership, even when dealing with intractable problems. He has learned on the job, with his instincts for caution reinforced by the ill-fated Libyan intervention. And he has, at times, talked more boldly than he has acted, creating a needless gap between words and deeds.

And yet for the most part, he has stayed true to the template of his Nobel address, keeping sight of the big picture as others have gotten lost in the shrubs. His caution about embarking on unnecessary military adventures and desire to avoid escalatory military spirals seem wise. Obama has also proved remarkably patient with drawn-out diplomatic negotiations, even those unlikely to bear fruit. Some of these, such as the Israeli-Palestinian peace talks, have predictably gone nowhere, but others, such as the opening to Cuba and the nuclear deal with Iran, have been strikingly successful. These successes and failures stem, in part, from the dogged optimism of Obama's second-term secretary of state, Kerry. It is doubtful that Kerry's more cautious predecessor, Clinton, or most other past secretaries of state, would have stuck with the nuclear talks with Iran for as long as Kerry did—but neither would she have spent so much time and effort trying to jump-start a moribund Middle East peace process.

One downside to Kerry's vision of his job, as special envoy to the world's most hopeless logjams, is that it leaves much of the rest of the world a bit anxious. This has been especially true of the United States' allies in Asia—most of all Japan, whose leaders demand constant handholding. During Obama's first term, Kurt Campbell, the assistant secretary of state for East Asian and Pacific affairs, phoned his counterpart in Tokyo every day and met face-to-face with the Japanese ambassador three times a week. Officials who deal with Asian affairs say that after Campbell left, and Kerry turned the State Department's focus almost exclusively to high-profile peace missions, Tokyo felt abandoned.

Still, this hardly amounted to a crisis. First, when Beijing started flexing its naval muscles in the South China Sea, Japan (and Australia and South Korea) clung ever closer to Washington, however frustrated it felt at times. Second, another big part of the United States' relations with Asia involves simply showing up—and although the assistant secretary may not be calling as often, Obama and Kerry show up at all the Asian security and economic summits. Anxiety about abandonment remains; it has been a factor for decades, at least since the United States pulled out of Vietnam and secretly reached out to China during the presidency of Richard Nixon. But Obama's missteps, which have bothered allies in the Middle East, have not weighed at all on those in East Asia. Daniel Sneider, the associate director for research at the Walter H. Shorenstein Asia-Pacific Research Center

at Stanford University, has met privately with dozens of political and military leaders from Japan and South Korea. He says, "I've never heard any of them say a word about the 'redline' in Syria."

On April 5, 2015, the president delivered a spirited speech at American University defending the nuclear deal that he and five other world powers had negotiated with Iran. Several times, he quoted Kennedy's famous American University speech in 1963 calling for an end to the Cold War mindset and a new strategy based on a "practical" and "attainable peace," one based "not on a sudden revolution in human nature but on a gradual evolution in human institutions—on a series of concrete actions and effective agreements."

Later that day, Obama held an on-the-record roundtable discussion with ten columnists in the White House. When my turn came to ask a question, I noted that Kennedy had delivered his speech after several crises in which he realized that his advisers were often wrong and that he should place more trust in his own instincts. What lessons, I asked Obama, had he learned in his crises? What decisions might he have made differently, had he known then what he knows now? He answered:

I would say that I have been consistent in my broad view of how American power should be deployed and the view that we underestimate our power when we restrict it to just our military power. . . . There's no doubt that, after six and a half years, I am that much more confident in the assessments I make and can probably see around the corners faster than I did when I first came into office. The map isn't always the territory, and you have to kind of walk through it to get a feel for it.

In terms of decisions I make, I do think that I have a better sense of how military action can result in unintended consequences. And I am confirmed in my belief that much of the time, we are making judgments based on percentages, and . . . there are always going to be some complications.

And so maybe at the same time as I'm more confident today, I'm also more humble. And that's part of the reason why, when I see a situation like this one [the possibility of a nuclear deal with Iran], where we can achieve an objective with a unified world behind us and we preserve our hedge against its not working out, I think it would be foolish—even tragic—for us to pass up on that opportunity. 🌐

Time to Get Tough on Tehran

Iran Policy After the Deal

Eliot Cohen, Eric Edelman, and Ray Takeyh

The nuclear deal that the United States and five other great powers signed with Iran in July 2015 is the final product of a decadelong effort at arms control. That effort included sanctions in an attempt to impede Iran's quest for a nuclear weapons capability. The Joint Comprehensive Plan of Action, or JCPOA, ranks as one of the most deficient arms control agreements in history. But U.S. President Barack Obama has pledged to spend the remainder of his tenure fending off congressional pressure to adjust its terms.

An even larger issue, however, is Washington's lack of a comprehensive Iran policy. For decades, the United States has refused to deal with the crucial subject that makes the nuclear issue so important, which is the nature of the Iranian regime. Any Iran policy worthy of the name must start from the fact that the Islamic Republic is not a conventional state making pragmatic estimates of its national interests but a revolutionary regime.

U.S. policymakers since the days of President Ronald Reagan have failed to understand that there can be no rapprochement between the two governments, because, as Iran's leaders understand, that would undo the very existence of the Iranian regime. They have overlooked the fact that Iran is an exceptionally dangerous state—to its neighbors, to close U.S. allies such as Israel, and to the broader stability of the Middle East.

ELIOT COHEN is Robert E. Osgood Professor of Strategic Studies at the Johns Hopkins School of Advanced International Studies. Follow him on Twitter @cohen_eliot.

ERIC EDELMAN is Roger Hertog Distinguished Practitioner-in-Residence at the Philip Merrill Center for Strategic Studies at the Johns Hopkins School of Advanced International Studies.

RAY TAKEYH is a Senior Fellow at the Council on Foreign Relations and the author, with Steven Simon, of the forthcoming book *The Pragmatic Superpower: Winning the Cold War in the Middle East*.

Given the serious challenge Iran poses to U.S. interests, Washington should seek to roll back the country's growing influence in the Middle East while systematically eroding the foundations of its power. In the long term, the Islamic Republic will join the Soviet Union and other ideological relics of the twentieth century in eventual collapse. Until then, however, there can be no real peace between Washington and Tehran.

A RAW DEAL

No sensible Iran policy can coexist with the JCPOA as it stands today. The agreement recognizes Iran's right to enrich uranium and eventually industrialize that capacity. It concedes that Iran can construct an elaborate nuclear infrastructure for research and development. It establishes a verification system that gives Iran far too much advance notice of inspections and does not meaningfully limit the development of ballistic missiles, a pillar of any nuclear weapons program. It does not provide adequate access to the facilities and scientists involved in Iran's past work on nuclear weapons, thus denying inspectors the knowledge they need to assess the scope of Iran's current program. And after 15 years, once the agreement expires, Iran will be free to build as many nuclear installations as it wants, accumulate as much enriched uranium as it wishes, and enrich that uranium to whatever level it deems necessary. In essence, the JCPOA establishes Iran as a threshold nuclear power today and paves the way for an eventual Iranian bomb.

The agreement will also encourage Iran's regional rivals to go nuclear. Iran's Sunni competitors for power, particularly Saudi Arabia, are unlikely to stand idly by as Iran looks forward to a near future in which it faces no nuclear restraints. The United Arab Emirates, which had renounced uranium enrichment as part of its civilian nuclear agreement with the United States, is now reconsidering its pledge. Ironically, the Obama administration will likely provoke the very nuclear arms race it hoped to avoid.

Supporters of the deal point to the economic exigencies that compelled Tehran to agree to it, but Tehran was also motivated by the scientific imperatives of building nuclear weapons. For much of its existence, Iran's nuclear program was subject to sabotage and sanctions and relied on primitive centrifuges. As Hamid Baeidinejad, one of Iran's lead negotiators, has admitted, the Iranian scientific establishment appreciated that a reliable industrial-size nuclear program required

advanced centrifuges, ones that operated as much as 20 times as fast as the primitive ones. And Iranian officials understood the need to shield their program from sabotage and possible military retribution. The problem was that it would take approximately eight to ten years to introduce the new generation of centrifuges. So the challenge for Iran's diplomats was to legitimize the nuclear program while negotiating a research-and-development schedule that fulfilled the scientists' requirements.

The final agreement met these needs. The JCPOA allows Iran to develop advanced centrifuges and begin installing them in the eighth year of the agreement. Thus, not only did Iran get the sanctions removed and its nuclear program legitimized; it also obtained the timeline it needed for the mass production of advanced centrifuges. Indeed, in highlighting the achievements of his negotiators, Iranian President Hassan Rouhani emphasized "the development of new centrifuges—from concept to mass production." So fast and efficient are the new generation of centrifuges that Iran could easily build a small facility producing weapons-grade uranium that would evade detection. And once Iran is in possession of weapons-grade uranium, it will also have a fleet of reliable ballistic missiles at hand.

REVISE AND RESUBMIT

Given the many disturbing aspects of the JCPOA, the next U.S. president must revise it. Even Secretary of State John Kerry has acknowledged that a future administration might want to find "some way to strengthen it." Indeed, there are a number of ways to do so.

Most important, the United States should undo the sunset clause, which lifts some of the most essential restrictions on Iran's program within as little as eight years. Instead of having an arbitrary timeline determine the longevity of the accord, U.S. officials should insist that when the deal expires, the United States, the five other great powers that signed the deal, and Iran hold a majority vote on whether to extend the agreement's restrictions for an additional five years—and that such a vote be held every five years thereafter. The precedent for such a move is the Nuclear Nonproliferation Treaty: after that treaty expired, the vast majority of the member states voted to extend it in perpetuity.

The United States should also call on Iran to ship all its enriched uranium out of the country for good. After all, the JCPOA itself stipulates that Iran's spent fuel from its plutonium production will be sent

out permanently; a similar process should be put in place for its enriched uranium. And given that the new generation of centrifuges would dramatically expand Iran's enrichment capacity and shorten its nuclear-breakout time, the United States should insist that Iran's centrifuge stock be limited to the rudimentary centrifuges. As for Iran's ballistic missiles, they have

No sensible Iran policy can coexist with the nuclear deal as it stands today.

no legitimate function other than delivering a nuclear payload, and so the international community should continue to demand that Iran permanently forgo the development of such missiles.

The United States should also press for more intrusive inspections. The current plan gives Iran 24 days to admit inspectors to certain sites—a far cry from the “anytime, anywhere” inspections that the White House had promised. A revised deal should draw on the experience of South Africa, which dismantled its nuclear weapons around 1990. It provided the International Atomic Energy Agency a full accounting of its previous nuclear history and allowed inspectors to visit military installations with as little as a day's notice. Since it was determined to disarm, South Africa had no qualms about such requirements. If Iran is committed to proving its goodwill, it should accept a similar verification system.

According to the Obama administration, any attempt to revisit the JCPOA's procedures would spark an international outcry, isolating the United States from its allies. Such overwrought claims ignore the fact that the JCPOA is not a legally binding treaty but a voluntary political agreement. Moreover, the JCPOA commands the support of neither the American public nor its elected representatives in Congress. A new president can and should reconsider it.

Admittedly, U.S. allies might not be so eager to revise the JCPOA. The product of a painstaking multilateral effort, the agreement has the unanimous support of the UN Security Council. Still, most of Washington's Middle Eastern allies would welcome changes. Israel opposes the deal, and Gulf states such as Saudi Arabia have made it clear that their support for the JCPOA is tepid at best and largely an effort to please the Obama administration.

France, Germany, and the United Kingdom will prove harder to convince. The next president should make it clear to these allies that he or she is prepared to negotiate with Iran but intends to prevent Iran

from getting a nuclear capability. In private, U.S. diplomats should convey the message that the way that European countries react to amendments to the JCPOA will affect their relations with the United States. A determined president could mobilize the international community behind a set of demands that would measurably strengthen the agreement and broaden its bipartisan appeal at home.

Supporters of the JCPOA suggest that Iran will never agree to such revisions. But nations do end up negotiating agreements that once seemed impossible. During arms control negotiations with the Soviets in the early 1980s, the commentariat blasted Reagan as naive for insisting that the Soviet Union remove all its intermediate-range missiles from Europe. And yet in 1987, Moscow did exactly that. Facing grave internal problems, the Soviets had little choice but to negotiate; the same should hold true for Iran today, especially with greater pressure from and patience on the part of the United States.

ISOLATE AND COERCE

In addition to revising the nuclear agreement, the United States should punish Iran for its regional aggression, sponsorship of terrorism, and human rights abuses. To do so, it should segregate Iran from the global economy by restoring as much of the sanctions architecture as possible. (As Kerry has conceded, even with the deal in place, any Iranian entity that participates in terrorism or human rights abuses could still face sanctions.) And it should launch a campaign of political warfare to intensify the Iranian public's disenchantment with the regime and deepen dissension within the ruling circle.

The Obama administration has shown a curious reluctance to criticize the Islamic Republic for its domestic abuses. The White House appears to have wanted a nuclear deal so desperately that it declined to pass judgment on Iran's rulers, even as the Islamist regime jailed dissidents, rigged elections, censored the media, and set records for executions of prisoners. The United States has a moral obligation to speak out against such transgressions. And no strategy of pressure can succeed without a concerted attempt to stress Iran at home.

Future historians will look back at 2009 as the year modern Iran changed decisively. That June, a placid presidential race featuring lackluster candidates suddenly turned into an intense contest for political power as Iranians took to the streets to protest the fraudulent results. The episode delegitimized theocratic rule and severed the bonds



European University Institute

ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES



"...A combination where theories and policies received the well-deserved reality check"
Andra Elena Dusu
(European Commission)



advanced and cutting edge executive trainings



in thought-provoking discussions



Get the Keys to Global Governance



an exceptional network of global thinkers and leaders



the future



"...I was looking for new in-depth perspectives and I found them"
Giulio Montemauri
(ENEL)



Executive Training
globalgovernanceprogramme.eui.eu
European University Institute
Florence - Italy





NORWICH
UNIVERSITY™
Online

Preparing Today's Leaders for Tomorrow's International Challenges.



Expand your skill set and build stronger diplomacy skills.

EARN YOUR MASTER OF ARTS IN DIPLOMACY – ONLINE

Tackle today's global issues with Norwich University's Master of Arts in Diplomacy online program, and gain advanced critical thinking and conflict management skills. Our new Cyber Diplomacy concentration offers future-focused professionals a firsthand look at cyber security's role in modern global relations.

Become a leader in international diplomacy. Visit <http://graduate.norwich.edu/fapa/> or call 1-800-460-5597 ext. 3811 to learn more.

between the state and society. Since then, the political space in Iran has narrowed, as the hard-liners have eviscerated the left wing of the body politic. The country's most popular politicians have been either excluded from the corridors of power or thrown in prison.

The election of Rouhani in 2013 did not, as some in the West naively believed, signal the advent of a newly reformist regime. Rouhani has demonstrated no interest in pursuing democratic or human rights reforms; his charge was merely to stabilize the nuclear file. Today, the guardians of the revolution preside over a state that has been systematically hollowed out and increasingly relies on fear to perpetuate its rule.

To delegitimize the Islamic Republic, U.S. officials must begin by sharply challenging the regime's values and viability. They should castigate Iran as a

remnant of twentieth-century totalitarianism that will inevitably go extinct. No one has a greater power to mobilize dissent abroad than a U.S. president. Reagan's denunciations of the Soviet Union did much to galvanize the forces of change behind the Iron Curtain. It is unfortunate that Obama, a gifted speaker, has declined to embrace the Iranian people's struggle for freedom. The next president should.

Meanwhile, the U.S. government should take to television, radio, and social media with the message that clerical misrule has resulted only in economic deprivation and political disenfranchisement. It should showcase Iran's costly imperial ventures and the diversion of its scarce resources to terrorist organizations such as Hezbollah in Lebanon and despots such as Bashar al-Assad in Syria. It should contrast life in Iran as it is with what it could be under more responsible rulers. At the same time, the United States should encourage and publicize defections from inside the regime. These could sow confusion and distrust within an already paranoid government.

To add to the pressure, the United States should target some of its sanctions on the part of the regime most responsible for repression, terrorism, and regional aggression: the Islamic Revolutionary Guard Corps. That group boasts substantial business holdings in a range of areas, including the automotive sector, telecommunications, energy, construction, engineering, shipping, and air transportation. Washington should subject these interests to secondary sanctions in addition to

The United States made a tragic mistake in staying silent during Iran's 2009 protests.

primary ones, meaning that any firms dealing with the entities would lose their access to the U.S. market. To facilitate such a step, the State Department should designate Iran's Revolutionary Guard Corps as a foreign terrorist organization. And the U.S. government should designate a greater number of officials within the group as human rights abusers.

Washington should also keep in place sanctions against Iran's financial institutions. These restrictions have succeeded in preventing Iran from conducting normal transactions through the global financial system. And with good reason: as the U.S. Treasury has repeatedly found, the country's leading banks have been implicated in a range of crimes, including nuclear proliferation, terrorism, and money laundering.

The United States made a tragic mistake in staying silent during Iran's 2009 protests, but the Islamic Republic remains vulnerable to popular revolt. Indeed, since its inception, the theocracy has battled protest movements demanding accountability and freedom. In the early years of the revolution, the mullahs had to repress a range of secular forces that wanted to steer the nation in a more liberal direction. In the 1990s, reformers insisted on an Islamic government that nonetheless accommodated democratic norms. And in 2009, the Green Movement rocked the foundations of the system. The only certainty about Iran's future is that another protest movement will eventually emerge. And at that time, the United States must be ready to stand with it.

REGIONAL ROLLBACK

For Iran's recalcitrant mullahs to yield to international norms, all the walls around them have to close in. So as it stresses Iran's economy and divides its society, the United States should also push back against its influence around the Middle East. By contesting Tehran's gains, Washington can impose additional costs on the regime and contribute to regional stability.

That means helping the region reconstitute its failed states and end its many civil wars, since Iran thrives on chaos. At the moment, Iran seems to have reached the zenith of its power. Its clients dominate three Arab capitals—Damascus, Baghdad, and Sanaa—and are highly influential in a fourth, Beirut. Hundreds, if not thousands, of its agents and soldiers have entered Syria to fight for the Assad regime. In Hezbollah, it has an obedient force of guerrillas, light infantry, and terrorists.

Yet these activities carry the risk of overextension. Already, Iran has suffered battlefield casualties among the officer corps of its elite Quds Force, part of the Revolutionary Guard, and as it sends more fighters to Syria, it may be making itself a bigger target. In the meantime, Iran has to bear the costs of sustaining the myriad of militias and terrorist organizations that it subsidizes across the region. Imperialism may be tempting, but it is also financially draining.

As the United States confronts Iran, it will need regional actors to bear their own measure of responsibility. None of these players wishes to succumb to Iran's imperial pretensions, but as the United States has retreated, they have hedged their bets between the two adversaries. Those days must end. Iraqi politicians, Gulf princes, Syrian rebels—all must play a role in pushing back against Iran. U.S. officials should make it clear that in exchange for American guardianship, Arab allies will have to curtail their commercial links to and lessen their diplomatic representation in Tehran. As Iran's leaders look over the horizon, they should see an Arab world coalescing against them under the auspices of the United States.

The creation of a new anti-Iran coalition will require something that the Obama administration has lacked: a strategy that tightens the constraints on Tehran and consolidates Washington's relationships with its traditional allies. That won't be easy. American passivity has allowed the region to devolve into a vortex of conflicting groups and interests, and the American public understandably worries about any policy that requires large numbers of American boots on the ground. The recent addition of Russian military power into the equation only heightens the degree of difficulty.

Of course, many of these problems could have been avoided had the United States provided effective aid to the reasonable elements of the Syrian opposition back in 2011. Doing the same today would be difficult, if not impossible, as the Syrian population has become more radicalized and extremist groups have seized more territory. Nonetheless, the United States can still train and equip surrogates who are capable of inflicting greater losses on the regime—chief among them the Kurds, Arab tribal fighters, and the Druze. But these groups will achieve meaningful battlefield gains only if the United States allows them to attack the Assad regime. Previous training programs failed in part because they required the rebels to limit their attacks to the Islamic State, or ISIS, and so they faced difficulties with recruiting. Greater support and leeway for the opposition would no doubt ease

these problems, as would the presence of more U.S. Special Forces personnel, including forward air controllers, inside Syrian borders.

Tipping the balance of forces against the Assad regime will also require convincing Turkey to reorder its priorities in Syria. To date, the Turks have focused first on fighting the Kurds and second on fighting Assad, with the battle against ISIS a distant third. Bringing Ankara into closer alignment with U.S. policy will require a real exchange of views, rather than the dialogue of the deaf that has gone on since 2011. U.S. diplomats will have to demonstrate that they share Turkey's desire to rid Syria of the Assad regime. The Turks, in turn, will have to abandon their fixation on waging war on the Kurds and agree to make the fight against Assad and ISIS their top priorities. Turkey needs to be convinced that the best way to improve relations with the Kurds is for President Recep Tayyip Erdogan to return to his earlier policy of improving their plight within Turkey.

Washington also needs to back a safe zone for refugees, which would almost certainly require a no-fly zone. (Turkey has long wanted the United States to establish a safe zone, but its request has been met with indifference and disdain.) A safe zone that protected the Syrian populace from Assad's barrel bombs and chlorine gas attacks would help stanch the flow of refugees and manage the tragic humanitarian consequences of the Syrian civil war. Properly administered, it would also provide a visible alternative to the cruelties of life under ISIS rule and help create the space in which a moderate Sunni Arab opposition to Assad could grow.

Critics of a U.S.-enforced no-fly zone object that given the presence of Russian aircraft, the risks of an accidental conflict are too high. For that reason, the Obama administration seems to have taken a no-fly zone off the table. But Russian President Vladimir Putin no doubt shares U.S. concerns about an unintended confrontation and would have every reason to refrain from challenging a no-fly zone. And the ongoing discussions between Moscow and Washington to "deconflict" their air campaigns over Syria ought to limit the chances of a clash.

When it comes to the Syrian civil war, the Obama administration appears to have taken the position that there is no military solution and that a diplomatic solution requires a political settlement that only Iran and Russia can broker. Unfortunately, it is not at all clear that those two countries are open to such a settlement, but in the event that they are, they will do everything they can beforehand to advantage their client Assad. In that case, anti-Assad forces will still have to make gains on the ground in order

to create the conditions for an acceptable settlement. Otherwise, the result will be capitulation to an Iranian-Russian condominium.

BANDING TOGETHER

Washington should also seek to reduce Iran's influence in Baghdad—a difficult task, but one made easier by the fact that most Iraqi Arabs, Shiites included, have no interest in serving Iran. The main goal should be to destroy ISIS, thereby diminishing the Iraqi government's reliance on Iranian support. If the United States built on its relationships with the Iraqi Kurds, moderate Iraqi Shiites, and Iraqi Sunnis, Iran would at least have a harder time using Iraq as a base for its larger schemes.

At a practical level, Washington should push Baghdad to govern more inclusively, so that the central government is seen as benefiting Sunnis and Kurds, and not just Shiites. It should make an outreach to the Sunni tribes on a scale equivalent to what took place during the 2007 surge of U.S. troops. And it should ramp up its military assistance to the Kurds and Sunni tribal forces, intensify the air campaign against ISIS in both Iraq and Syria, and embed U.S. personnel in the Iraqi military at lower levels than it currently does. A heightened U.S. presence in Iraq need not entail a massive combat force there, but it would mean a larger troop presence and thus a greater risk of casualties. Again, the price for greater U.S. involvement should be a commitment on the part of local actors to press back against Tehran and its enablers.

Iran's influence in the Middle East extends beyond Syria and Iraq. In Yemen, it stems from the success of the Houthi rebels, a Shiite group that now controls large swaths of the country. The Gulf states have taken the lead in pushing back the Houthis. If those states need help with, say, maintaining a blockade to prevent Iranian ships from resupplying their clients, then the United States should offer it. Only Washington can provide the capabilities for patrolling the global commons, including intelligence, surveillance, and reconnaissance.

As Washington attempts to weaken Iran's hand in the region, it will need to earn back the trust of Israel and the Gulf states. It cannot simply buy these countries off with more arms sales, although those will be necessary. Rather, U.S. officials will have to consult with them regularly and in depth about the nature of the Iranian problem. The goal should be to generate an overall strategy that builds on the tacit understanding that Israel and the Gulf states are in the same strategic predicament regarding Iran. Once that is done, Iran's regional opponents

will have an easier time coordinating policy, as well as covert activity, and the United States will have an easier time publicly defending measures aimed at countering Iranian influence.

Getting the Gulf states to agree to take common action has always been hard, but after years of neglect from the Obama administration, they are now more likely to be receptive to a new U.S. strategy against Iran. The United States should help the Gulf states not only as they battle Iranian proxies in Syria, Iraq, and Yemen but also as they deal with a range of other challenges. These include protecting themselves against Iran's efforts to undermine their internal security, defending their economic infrastructure (such as oil and gas platforms, water-desalination plants, and tourist sites), and preventing Iran from interdicting their energy exports along key transit routes.

To confront Iran, the Gulf states will need capabilities commensurate with the challenge. In particular, the United States should consider supplying them with systems that defend against guided rockets and mortars, such as the Centurion C-RAM. The United States could also broker cooperation with Israel aimed at giving the Gulf states their own version of the Iron Dome defense system, which they could use to defend their vital economic and tourist infrastructure against Iranian missiles. And in the long run, the Gulf states have the financial resources, even at current oil prices, to invest in the next generation of missile defense technologies, such as directed-energy weapons, which would diminish Iran's ability to attack them.

The countries in the region with formidable special-forces capabilities, such as Jordan and the United Arab Emirates, should use that advantage to help some of the more vulnerable countries, such as Bahrain, deal with their internal security problems—arrangements that Washington could help broker. Iran's adversaries could even develop a subset of special forces capable of operating inside Iran to exploit the grievances of various ethnic minorities. The goal would be to make Iran think twice about its campaign of regional subversion by demonstrating that two can play that game.

Finally, the Gulf states need to further reduce Iran's ability to choke off oil exports by blocking the Strait of Hormuz. Although they have already built pipelines to bypass the strait, they should also take steps to increase those pipelines' capacity. The Gulf states should invest in capabilities such as advanced air-to-air missiles to take down Iran's aircraft and land-attack cruise missiles to destroy its antiship cruise missiles. And they should

augment that effort with the undersea capabilities needed for a campaign against Iran's surface naval assets, including its many small boats.

This agenda would represent a tall order for U.S. diplomats and military officials, yet even merely consulting allies about efforts to roll back Iranian influence would immediately get Tehran's attention. As big an effort as it might represent, a plan on this scale will be necessary to awaken Iranian leaders to the costs they will suffer if they continue to destabilized the Middle East. If properly executed, such a strategy might even bring about a change of course—or a fatal increase in the contradictions that beset an already overstretched regime.

NO NEED TO SETTLE

A regime as dangerous to U.S. interests as Tehran requires a comprehensive strategy to counter it. That means exploiting all of Iran's vulnerabilities: increasing the costs of its foreign adventures, weakening its economy, and backing its domestic discontents. Pursuing that strategy will take time, but eventually, it will put the United States in a position to impose terms on Iran, including in the nuclear realm. Washington should strive for a stringent arms control agreement, not one that presages an Iranian bomb. It should compel Iran to cease much of its regional subversion, not create power vacuums that encourage it. And it should move human rights up the agenda, not look the other way as Iran's leaders oppress their people.

Some in Washington believe that the Iran problem is of secondary importance to the United States compared with violent jihadist groups such as ISIS. Not so. For all their achievements in the chaotic lands of Syria and western Iraq, those radical movements do not yet possess the resources and capabilities of a large, sophisticated state. Iran does. Remember, the Iranian regime was the original Islamic revolutionary state. Its successes inspired a wave of radicals across the Middle East.

At its most basic level, the confrontation between the United States and Iran is a conflict between the world's sole superpower and a second-rate autocracy. Washington does not need to settle for a disastrously flawed arms control agreement and hope that theocrats with no interest in relaxing their grip will somehow become moderates. A determined policy of pressure would speed the day when the Iranian people replace a regime that has made their lives miserable. And in the interim, it would reduce the threat that a triumphant, nuclear-armed regime would pose to the Middle East and the world beyond. 🌐

When Congress Gets Mad

Foreign Policy Battles in the 1950s and Today

Steven Casey

The scholar Edward Corwin famously described the separation of powers between the executive and the legislative branches set out in the U.S. Constitution as “an invitation to struggle for the privilege of directing American foreign policy.” With different parties controlling different branches of government, partisan politics tends to intensify this struggle, and the consequences can be ugly. These days, for example, hardly a week seems to go by without vicious sniping between the Obama administration and Republicans in Congress over one issue or another—from China to Russia, Iran to Syria, Cuba to Israel. And on most issues, process as well as discourse has broken down, with each side openly trying to thwart or bypass the other.

This is not the first time things have descended to such a level. What the current situation most resembles, in fact, is the early Cold War era, when Republicans in Congress made foreign policy central to their attacks on President Harry Truman. Then, as now, the GOP condemned a Democratic president for being too soft, letting down key allies, and leaving the nation ill equipped to deal with its adversaries. And then, as now, congressional hard-liners sought greater control over foreign policy, proposing all manner of resolutions and hearings to rein in and embarrass the president.

The historical parallel is not exact—they never are—but a look back at the earlier strife offers useful context for evaluating today’s bitter divisions and their likely outcome. The main takeaway is not comforting to contemporary Republicans: trying to fight a no-holds-barred war over foreign policy against a determined White House

STEVEN CASEY is Professor of International History at the London School of Economics and the author of *When Soldiers Fall: How Americans Have Confronted Combat Losses From World War I to Afghanistan*.

can limit the effectiveness of U.S. efforts abroad and discredit those who launch what can come to be seen as obstructionist assaults.

THE GOOD OLD DAYS

Ironically, the Republican challenge of the late 1940s and early 1950s followed one of the most productive periods of bipartisan cooperation in congressional history. Between 1947 and 1949, the Truman administration worked closely with the Republican-dominated 80th Congress to pass some of the central components of containment. Just weeks after Truman laid out a vision for an interventionist foreign policy against Soviet influence in March 1947, Congress appropriated \$400 million so that Greece and Turkey could confront internal communist threats. After the Truman Doctrine came the Marshall Plan, an even more ambitious initiative that provided \$13 billion for the reconstruction of Western European economies devastated by World War II.

Many Republicans, including Senator Arthur Vandenberg of Michigan (who wielded impressive power over his party's rank and file), supported these measures because they had become committed internationalists in the wake of Pearl Harbor. Truman's sweeping rhetoric on the Soviet threat also helped. The story that Vandenberg instructed Truman to "scare the hell out of America" to win Republican support might be apocryphal, but it contains a kernel of truth: Truman did use hyperbolic language to sell containment, and he conspicuously failed to place geographic limits on where such a strategy would apply.

Still, Truman's Republican outreach worked only up to a point. The Truman Doctrine mobilized Republican support, but it also gave the president's opponents the opportunity to attack him when he failed to live up to its principles. Both Democrats and Republicans agreed that Western Europe had to be protected from Soviet influence, for example, but when the Cold War spread to Asia, Truman proved more reluctant to aid regimes that he considered corrupt, such as the Chinese Nationalist government of Chiang Kai-shek. Republicans took advantage of Truman's perceived failure to act on his word to contain communism on every front: Senators Styles Bridges, William Knowland, and Kenneth Wherry, for example, claimed in a memorandum inserted in the *Congressional Record* that the president was pursuing a "wishful, do-nothing policy which has succeeded only in placing Asia in danger of Soviet conquest."

For his part, the intensely partisan Truman never grew comfortable working with Republicans, especially those in the party's nationalist



wing, who hoped to limit both the size of the U.S. government and its long-term global commitments. Indeed, he invited Robert Taft—an Ohio senator who so epitomized GOP conservatism that he was dubbed “Mr. Republican”—to the White House only twice during his presidency. And rather than negotiate privately with his critics, Truman chose to attack them publicly, culminating in the “whistle-stop tour” of his 1948 reelection campaign, when he traveled the country by train and relentlessly lambasted the “do-nothing” Republican Congress.

Republicans were initially unconcerned by the criticism, since they considered Truman an accidental president who lacked the charisma and gravitas for the top job. New York Governor Thomas Dewey, their candidate for the presidency, was so confident of victory in the 1948 election that he scarcely challenged Truman’s foreign policy during the campaign season. Then the votes were counted, and Dewey lost in the Republicans’ fifth straight defeat.

So the Republicans returned to Washington in 1949 in a surly mood. Many in the GOP concluded that their cooperation with the Democratic



White House on foreign policy had consigned their party to the political margins. With Vandenberg sick with cancer, leadership on Capitol Hill passed to senators in the party's nationalist wing, such as Taft, Bridges, and Wherry. And the days of bipartisan cooperation shuddered to a halt.

SCARE TACTICS

In the years after 1949, Republicans made a concerted effort to depict Truman and the Democrats as weak, especially on communism in Asia—a charge that both the nationalist and the internationalist wings of the party initially embraced. Truman, Republicans insisted, had “lost” China to Mao Zedong by refusing to provide sufficient help to Chiang in the Chinese Civil War. Even worse, they claimed, Secretary of State Dean Acheson had

given the “green light” for North Korea to invade South Korea in June 1950 by publicly excluding South Korea from the U.S. defense perimeter earlier in the year.

When Truman responded to the North Korean attack by deploying four U.S. divisions to the peninsula, Republicans hardly rallied around the flag. Taft began by claiming that the administration's weak Asia policy had effectively “invited” the invasion. Then, as U.S. troops retreated south in disarray, Republican lawmakers charged that Truman had wasted taxpayers' dollars on domestic projects while so neglecting the nation's defenses that the U.S. military could not even halt the North Korean army. The name-calling often got ugly. Wherry declared that “the blood of our boys in Korea” was on Acheson's “shoulders, and no one else”—a statement Truman considered “contemptible.”

In November, after the Inchon landing and then China's entry had whipsawed the course of the war back and forth, this name-calling turned into something more sinister. Some Republicans went so far as to portray the partisan tensions as a contest between loyal

Americans and actual and potential traitors. Senior Republicans began to consider the possibility of impeaching both Truman and Acheson for treasonable actions, and South Dakota Senator Francis Case even introduced a bill to abolish the State Department.

A year earlier, Wisconsin Senator Joseph McCarthy had already begun escalating policy disputes to ones of character and patriotism, alleging that card-carrying Communists had infiltrated the State Department. As the Korean War ground on, McCarthy widened his sights. He dubbed Acheson a tool of Moscow and encouraged him to flee to Russia. He also accused George Marshall, the U.S. secretary of defense, of selling out American interests to the Communists.

The virulence of McCarthy's indictments worried many Republicans, including Taft, who privately described his colleague as a "hard man for anybody to work with, or restrain." Yet when trying to forge a Republican position on McCarthy's allegations, Taft and other GOP leaders allowed partisanship to override their private qualms. McCarthy, Taft believed, should "keep talking, and if one case doesn't work out, he should proceed with another," until he eventually succeeded in tarnishing the reputation of Truman and the Democrats.

In the midst of an increasingly unpopular and eventually stalemated war, it was easy for the Republicans to attack the Democrats as weak. But it was far harder to develop a coherent alternative policy. The logic of the Republican critique pointed in the direction of military escalation—going big seemed marginally preferable to going home—and many in the party's nationalist wing found an icon in General Douglas MacArthur, who had rejected his commander in chief's relative restraint, had called for taking the war to China in pursuit of victory, and was ultimately fired by Truman in April 1951. After MacArthur's passionate farewell address to Congress, Republican Representative Dewey Short from Missouri remarked, "We saw a great hunk of God in the flesh, and we heard the voice of God."

Yet when Republicans began to analyze MacArthur's actual policy advice, its appeal faded. As a rhetorical device, accusing the president of weakness had its merits, but as the basis for a new policy, it presented obvious problems. Republicans from both wings of the party were already indicting Truman for the growing death toll of his limited war, and many nationalists were convinced that the war in Korea was consuming too many tax dollars. Did they really want to escalate a conflict that Taft, in July 1951, described as a "useless and expensive waste"?

ANDREI SAKHAROV

THE CONSCIENCE OF HUMANITY

"Both now and for always, I intend to hold fast to my belief in the hidden strength of the human spirit."—Andrei Sakharov

ANDREI SAKHAROV

The Conscience of Humanity



Edited by

SIDNEY D. DRELL & GEORGE P. SHULTZ

Inspired by the work and thinking of the eminent nuclear physicist, courageous human rights campaigner, and Nobel laureate Andrei Sakharov, the twelve essays in this book show how his work and thinking can help find solutions to today's growing threats to human survival.

Authors include James E. Goodby, David Holloway, Jim Mattis, Serge Schmemmann, William E. Swing, and other thought leaders.

*Edited by Sidney D. Drell and
George P. Shultz*

ISBN: 978-0-8179-1895-8
OCTOBER 2015

For related titles, visit www.hooverpress.org



HOOVER
INSTITUTION

Stanford
University

COUNCIL *on*
FOREIGN
RELATIONS



Available in Bookstores Now

www.cfr.org/RedTeam

In *Red Team*, Council on Foreign Relations Senior Fellow and national security expert Micah Zenko draws on little-known case studies—from NYPD tabletop exercises, to the CIA Red Cell, to ethical hackers—and unprecedented access to elite red teamers to reveal the

best practices, common pitfalls, and winning strategies of these modern-day Devil's Advocates. Essential reading for policymakers, business leaders, and curious minds alike, *Red Team* shows how any competitive institution can succeed by thinking like the enemy.

Truman aimed to limit American involvement in Korea partly because he thought Europe was the most important Cold War battleground. But he also wanted time to implement NSC-68, the secret policy document produced by the State Department that outlined a stepped-up containment plan. Taft and his conservative allies balked at the cost of this program, which Truman had candidly indicated would be funded in part by increased taxes. And as the implications of NSC-68 became clearer, some Republicans recoiled from what they saw as an emerging “garrison state,” one that proposed not only to force young men into a system of universal military training but also to impose wage and price controls.

Along with an overweening state, many Republicans feared a high-handed president they saw as bent on bypassing constitutional checks on his authority. When Truman decided to send U.S. forces to Korea without asking Congress for a declaration

of war, for example, Taft charged, “There is no legal authority for what he has done.” And in December 1950, when the president decided to send four additional divisions to bolster NATO in Europe rather than confront the Chinese intervention in Korea, many Re-

publicans challenged his authority to do so without their consent. Their cause quickly gathered support across the aisle, and in early 1951, a bipartisan coalition passed a nonbinding resolution opposing the deployment of further U.S. troops to Europe “without further congressional approval.” By then, the charge that Truman’s foreign policy threatened the letter and spirit of the Constitution had become a central feature of the Republican challenge to the president.

Increasingly frustrated by their inability to effect changes in U.S. policy through persuasion, moreover, hard-line anti-interventionists in Congress decided to try establishing procedural restraints on the White House instead. The most famous of these was the so-called Bricker Amendment, a series of measures designed to bring the White House to heel by placing explicit restrictions on the scope and ratification processes of treaties and executive agreements. Named after their sponsor, Ohio Senator John Bricker—a staunch conservative who had been Dewey’s running mate in 1944—the measures were intended as protection against the supposedly sneaky attempts of

As the basis for a new policy, accusing the president of weakness had obvious problems.

executive-branch globalists to abandon their country's age-old freedoms. Their text included language such as "a provision of a treaty which conflicts with this Constitution shall not be of any force or effect" and "Congress shall have power to regulate all executive and other agreements with any foreign power or international organization." A version Bricker introduced in February 1952 got 58 cosponsors in the Senate, including every Republican but one.

THE PARTY OF YES

By the 1952 presidential election, however, the nationalist challenge had begun to fizzle. Truman had managed to get his way on most foreign policy questions, waging a limited war in Korea without congressional approval and using the war to mobilize U.S. power for a long-haul struggle to contain the Soviet challenge. And the election of Dwight Eisenhower—a quintessential internationalist and avatar of the Republican Party's establishment wing—was a victory for the GOP but a defeat for its nationalist faction. Increasingly concerned about the prospect of a Taft candidacy, mainstream Republicans had flocked to Eisenhower as a moderate with bipartisan appeal.

During the campaign, Eisenhower promised only modest changes to Truman's foreign policies, both on Korea and on containment more generally, pledging merely to bring more competence and frugality to their implementation. Once in office, moreover, he viewed a major task of his administration to be teaching his party to govern after 20 years in the presidential wilderness. Republicans in Congress, he observed, had become so used to dealing with a Democratic president that their instinct was to automatically oppose any policy proposed by the White House. "Now that we have a Republican Congress their job is to hold up the hands of the executive departments," Eisenhower told his cabinet in early 1953, "but they have not learned that yet. . . . Their automatic thinking is to tear them down."

Fortunately for Eisenhower, because the GOP had been out of power for so long, even its nationalist leaders were prepared to mute their instinctive oppositional traits, not to mention their deep-seated aversion to key elements of Eisenhower's foreign policy agenda. Taft himself performed a valuable service shortly before his death in July 1953 by helping bottle up the Bricker Amendment in committee. And other influential Republicans reluctantly agreed to support an armistice agreement that ratified the stalemate in Korea, something many in the

party had initially opposed because it fell short of an outright U.S. victory.

By 1954, cooperation between Democrats and Republicans was returning to Washington. When McCarthy continued with his increasingly wild efforts to root out supposed Communists throughout the government and armed services, his own party finally decided to repudiate him. And by the time the Democrats regained control of Congress in the 1954 midterm elections, Eisenhower had not only quelled the worst excesses in the Republican ranks but also forged a constructive working relationship with the Democratic leadership, led by powerful southerners such as Texas Senator Lyndon Johnson. The bipartisan consensus that followed would prevail until the Vietnam War.

BACK TO THE FUTURE

The constructive cooperation between a moderate Republican president and southern Democrats in Congress during the mid-1950s shows how much U.S. politics has changed over the generations. Back then, both parties were internally divided along ideological and regional lines; today, they are much more homogeneous. President Barack Obama, like Truman before him, has shown little aptitude for reaching across the aisle, yet given the distance between the parties on so many issues, it is doubtful that any president could bridge the contemporary chasm. Still, there are some lessons to be learned from the earlier era, chief among which is that perceived partisanship on foreign policy can backfire and criticism from the sidelines is easier than policymaking in power.

During the 1950s, nationalist Republicans ended up getting minimal political payoffs for their attacks on the Truman administration, with Taft himself emerging as the biggest loser: he desperately sought the presidency for years, but his aggressive politicking on foreign policy became an insurmountable obstacle. Taft's willingness to hammer the administration at every opportunity and in every way—including the use of the particularly blunt instrument of McCarthy—worried many in his party, who in turn worked to block his presidential nomination in 1952. And the more that Taft and his allies condemned Truman for his weakness, the more they raised the stakes for themselves to offer a plausible alternative, which they never really had.

Indeed, however unappetizing a limited war in Korea was, the prospect of either abandoning the peninsula to the Communists or fighting a full-scale war with China was much worse. And although the Truman

administration's apparently passive policy toward communist advances in Asia became an easy target, the notion of aggressively pursuing "roll-back" contained obvious risks. The American public certainly had little stomach for increased belligerence or adventurism in the wake of a long, stalemated war fought halfway around the world. And so Republicans desperate to win back the White House gradually dropped their confrontational approach and eventually sided with Eisenhower's moderation.

A belligerent foreign policy stance, moreover, fit uncomfortably with the Republican Party's advocacy of smaller government, lower taxes, and fiscal responsibility. A muscular posture abroad, after all, would require a higher budget, which in turn would require either higher taxes or higher deficits, both of which were anathemas to many in the GOP. Taft's railings against Democratic weakness, for example, lost much of their force when, in 1951, he began pledging to cut U.S. defense spending by half and claimed that Truman's proposals for a 3.5-million-man army would wreck the economy. (The Eisenhower administration eventually tried to square this circle by promulgating its "New Look" policies, including massive retaliation, which supposedly promised more bang for the defensive buck, but the actual changes to U.S. national security policy came only at the margins.)

Nationalist Republicans' policy proposals, finally, tended to provoke fear and loathing from major U.S. allies. Truman's domestic critics regularly accused him of selling out the country's friends abroad, but the friends the critics had in mind tended to be small, weak countries with high political salience back home, such as Taiwan and South Korea. What the critics generally ignored was that Truman's efforts to put in place a robust, well-resourced containment of the Soviet Union without triggering an actual war were supported and appreciated by the country's larger and more strategically important allies, such as France, Japan, the United Kingdom, and West Germany. Nationalist Republicans' rash rhetoric often spooked Washington's truly indispensable partners, who feared the prospect of escalation in Korea, looked askance at McCarthy's campaign to root out internal Communists, and fretted about the consequences of excessive congressional control over U.S. foreign policy.

If the 1950s are any guide, therefore, one might expect to see the punches that come thick and fast in the midst of a partisan campaign over foreign policy land far from their intended targets and quite possibly end up hurting those who throw them in the first place. 🌐

Prosperity Rising

The Success of Global Development—and How to Keep It Going

Steven Radelet

Since the early 1990s, daily life in poor countries has been changing profoundly for the better: one billion people have escaped extreme poverty, average incomes have doubled, infant death rates have plummeted, millions more girls have enrolled in school, chronic hunger has been cut almost in half, deaths from malaria and other diseases have declined dramatically, democracy has spread far and wide, and the incidence of war—even with Syria and other conflicts—has fallen by half. This unprecedented progress goes way beyond China and India and has touched hundreds of millions of people in dozens of developing countries across the globe, from Mongolia to Mozambique, Bangladesh to Brazil.

Yet few people are aware of these achievements, even though, in aggregate, they rank among the most important in human history. In 2013, the Swedish survey organization Novus Group International asked Americans how they thought the share of the world's population living in extreme poverty had changed over the last two decades. Sixty-six percent of respondents said that they thought it had doubled, and another 29 percent said that it hadn't changed. Only five percent knew (or guessed) the truth: that the share of people living in extreme poverty had fallen by half.

Perhaps that ignorance explains why Washington has done so little to take advantage of these promising trends, giving only tepid support to nascent democracies, making limited investments in economic development and in new health and agricultural technologies, and failing to

STEVEN RADELET holds the Donald F. McHenry Chair in Global Human Development at Georgetown University and is a Nonresident Senior Fellow at the Brookings Institution. He is the author of *The Great Surge: The Ascent of the Developing World* (Simon & Schuster, 2015), from which this essay is adapted.

take the lead in building more effective international institutions. Whatever the reason, many developing countries are now responding to what they perceive as the United States' indifference by looking elsewhere—especially toward China—for deeper engagement and advice on how to keep growing. At the same time, climate change, the slowdown in global growth, and rising tensions in the Middle East and beyond have begun to threaten further progress. As a result, the United States now risks missing out on a historic chance to strengthen its global leadership and help create a safer, more prosperous, and more democratic world—just at the moment when it could help the most.

ONE GIANT LEAP

Global poverty is falling faster today than at any time in human history. In 1993, about two billion people were trapped in extreme poverty (defined by the World Bank as living on less than \$1.90 per day); by 2012, that number had dropped to less than one billion. The industrialization of China is a big part of the story, of course, but even excluding that country, the number of extreme poor has fallen by more than 400 million. Since the 1980s, more than 60 countries have reduced the number of their citizens who are impoverished, even as their overall populations have grown.

This decline in poverty has gone hand in hand with much faster economic growth. Between 1977 and 1994, the growth in per capita GDP across the developing countries averaged zero; since 1995, that figure has shot up to three percent. Again, the change is widespread: between 1977 and 1994, only 21 developing countries (out of 109 with populations greater than one million) exceeded two percent annual per capita growth, but between 1995 and 2013, 71 such countries did so. And going backward has become much less common: in the earlier period, more than 50 developing countries recorded negative growth, but in the later one, just ten did.

The improvements in health have been even bigger. In 1960, 22 percent of children in developing countries died before their fifth birthday, but by 2013, only five percent did. Diarrhea killed five million children a year in 1990 but claimed fewer than one million in 2014. Half as many people now die from malaria as did in 2000, and deaths from tuberculosis and AIDS have both dropped by a third. The share of people living with chronic hunger has fallen by almost half since the mid-1990s. Life expectancy at birth in developing countries has



Live long and prosper: administering a polio vaccine in Karachi, Pakistan, October 2014

lengthened by nearly one-third, from 50 years in 1960 to 65 years today. These improvements in health have left no country untouched, even the worst-governed ones. Consider this: the rate of child death has declined in every single country (at least those where data are available) since 1980.

Meanwhile, far more children are enrolling in and completing school. In the late 1980s, only 72 percent of all primary-school-age children attended school; now, the figure exceeds 87 percent. Girls in developing countries have enjoyed the biggest gains. In 1980, only half of them finished primary school, whereas four out of five do so today. These leaps in education are beginning to translate into better-skilled workers.

Then there is the shift to democracy. Prior to the 1980s, most developing countries were run by left- or right-wing dictators. Coups and countercoups, violence and assassinations, human rights abuses—all formed part of regular political life. But starting in the 1980s, dictators began to fall, a process that accelerated after the Cold War. In 1983, only 17 of 109 developing countries qualified as democracies, based on data from Freedom House and the Center for Systemic Peace; by 2013, the number had more than tripled, to 56 (and that's not counting the many more developing countries with populations of less than one million).

As those numbers suggest, power today is far more likely to be transferred through the ballot box than through violence, and elections in most countries have become fairer and more transparent. Twenty years ago, few Indonesians could have imagined that a furniture maker from central Java would beat one of Suharto's relatives in a free and fair election, as Joko Widodo did in 2014. Nor would many have

Global poverty is falling faster today than at any time in human history.

predicted that Nigeria, then still under military rule, would in 2015 mark its first peaceful transfer of power between parties, or that Myanmar (also called Burma) would hold its most successful democratic election the same year.

Across the developing world, individual freedoms and rights are honored to a much greater degree, human rights abuses are rarer, and legislative bodies have more power.

Yes, many of these new democracies have problems. And yes, the march toward democracy has slowed since 2005—and even reversed in some countries, such as Thailand and Venezuela. But in many more—from Brazil to Mongolia to Senegal—democracy has deepened. Never before in history have so many developing countries been so democratic.

As states have become wealthier and more democratic, conflict and violence within them have declined. Those who think otherwise should remember that as recently as the 1980s and early 1990s, much of the world was aflame, from Central America to Southeast Asia to West Africa. There were half as many civil wars in the last decade as there were in the 1980s, and the number of people killed in armed conflicts has fallen by three-quarters.

Three major forces sparked this great surge in development progress. First, the end of the Cold War brought an end to the superpowers' support for some of the world's nastiest dictators and reduced the frequency of conflict. As ideas about economic and political governance began to change, developing countries introduced more market-based economic systems and more democracy. Second, globalization created vast new opportunities for economic growth. Increased flows of trade, investment, information, and technology created more jobs and improved living standards. Third, new and more effective leaders—in politics, business, religion, and civil society—began to forge deep change. Where courageous figures, such as Nelson Mandela

in South Africa, stepped forward, countries progressed; where old-style dictators, such as Robert Mugabe in Zimbabwe, remained in power, countries languished.

This incredibly wide-ranging progress should not obscure the considerable work that remains: progress has not reached everyone, everywhere. One billion people still live in extreme poverty, six million children die every year from preventable diseases, too few girls get the education they deserve, and too many people suffer under dictatorships. Countries such as Haiti, North Korea, Uzbekistan, and Zimbabwe lag far behind. But the fact remains that an enormous transformation is under way—one that has already substantially improved the lives of hundreds of millions of people.

WIN-WIN

The United States should welcome and encourage this progress. For starters, broad-based development enhances global security. It is not true that poverty necessarily breeds terrorism, as some argue—after all, most poor people are not terrorists, and many terrorists are not poor. But it is true that poor states tend to be weak states unable to prevent terrorist and criminal networks from operating on their soil. Sustained development strengthens government institutions and reduces the need for outside intervention. As former U.S. Secretary of Defense Robert Gates put it, “Development is a lot cheaper than sending soldiers.”

Development also builds states’ capacities to fight pandemic disease. Guinea, Liberia, and Sierra Leone were overwhelmed by Ebola in 2014 largely because they all had weak health systems. The same was true in many of the countries hit hardest by the HIV/AIDS epidemic decades ago. As poor countries grow wealthier, however, they become better equipped to fight diseases that can spread quickly beyond their borders.

A more prosperous developing world also benefits the U.S. economy. The spread of economic growth creates new markets for American businesses not just in China but also in Brazil, Indonesia, South Africa, and beyond. Developing countries are buying more and more aircraft, automobiles, semiconductors, medical equipment, pharmaceuticals, consultancy services, and entertainment. Although the growth in trade with developing countries has slowed during the last year, their economies will no doubt remain major market opportunities for U.S. companies. In 1990, such states accounted for one-third of the global

economy; today, their share is half, and they purchase more than half of U.S. exports. In 2011, Walmart spent \$2.4 billion to acquire a controlling share of a holding company that operates more than 350 retail stores in South Africa and 11 other African countries, signaling a level of interest in African consumers that would have been unimaginable two decades ago.

To be sure, emerging markets also create competition for U.S. businesses and hardship for American workers who lose their jobs as a result. But they also create many new jobs, as American firms expand abroad and as companies in the developing world send more capital to the West. Moreover, developing countries are increasingly coming up with their own innovations and technologies, in medicine, agriculture, energy, and more. The United States should respond to this growing competition not with protectionism but by strengthening its own capacities: rebuilding its infrastructure, improving its educational system, and investing in new technologies.

Finally, development helps spread and deepen the values that Americans hold dear: openness, economic opportunity, democracy, and freedom. These values tend to go hand in hand with growing prosperity: as incomes rise, citizens demand greater freedoms. History suggests that even governments that do not welcome these ideas eventually embrace them or are replaced by those that do. And as more developing countries achieve progress under market-based economic systems and democracy, other countries seek to emulate the model. The United States and Europe have a strong self-interest in encouraging this process, since it will enhance global stability and add to the number of like-minded partners that can help address future challenges.

SUSTAINING THE SURGE

What makes all this progress especially impressive is that it has continued despite a number of major shocks that in an earlier age could well have stopped it: the outbreak of the HIV/AIDS pandemic in the 1980s, the Asian financial crisis in 1997–98, the 9/11 attacks, the global food crisis of 2007–8, and the global financial crisis of 2008. In each case, pundits predicted that the disaster of the day would set back progress. Yet in each case, the gains continued.

There are good reasons to believe they can continue well into the future. The forces that sparked these changes were fundamental, not



Where the World Connects

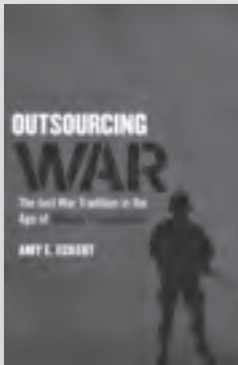


At Columbia's School of International and Public Affairs, students, faculty, and policy leaders address the most critical policy questions on the leading issues of the day: Economic Development. International Finance and Economics. Urban and Social Policy. Human Rights. Energy. The Environment. Technology. Internet Governance. Security and Conflict Resolution.

By bringing together eminent scholars whose research creates new knowledge and leading practitioners whose real-world experience adds valuable perspective, Columbia SIPA develops its students into capable leaders and effective managers who can tackle the world's most pressing problems — local or global — with skill and confidence.

Understanding the World

New Books from Cornell



OUTSOURCING WAR

The Just War Tradition in the Age of Military Privatization

AMY E. ECKERT

“An important new assessment of how the rise of private military contractors challenges the use of military force.”

—Anthony F. Lang Jr., author of *International Political Theory*



MAKING MOROCCO

Colonial Intervention and the Politics of Identity

JONATHAN WRYTZEN

“A work of stunning erudition, drawing on a vast range of archival and original sources. Compelling.”

—George Steinmetz, University of Michigan

THE WAR AFTER THE WAR

The Struggle for Credibility during America’s Exit from Vietnam

JOHANNES KADURA

“Meticulously researched and engagingly written, *The War after the War* provides a perceptive analysis of America’s longest war.”

—Jussi M. Hanhimäki, author of *The Rise and Fall of Détente*

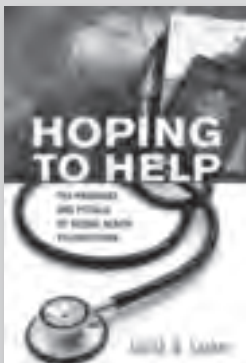
EVERYDAY PIETY

Islam and Economy in Jordan

SARAH A. TOBIN

“Theoretically sophisticated and ethnographically rich and engaging. Tobin skillfully navigates the complexities of urban Jordanians’ economic practices.”

—Julie Peteet, author of *Landscape of Hope and Despair*



HOPING TO HELP

The Promises and Pitfalls of Global Health Volunteering

JUDITH N. LASKER

ILR PRESS | THE CULTURE AND POLITICS OF HEALTH CARE WORK

“This book should be required reading for anyone interested in volunteering abroad in any capacity, health service or otherwise.”

—Brandon Blache-Cohen, Amizade Global Service-Learning

WWW.CORNELLPRESS.CORNELL.EDU

AVAILABLE WHEREVER BOOKS AND EBOOKS ARE SOLD.



NEW IN PAPERBACK



WEAPONS OF MASS MIGRATION

Forced Displacement, Coercion, and Foreign Policy

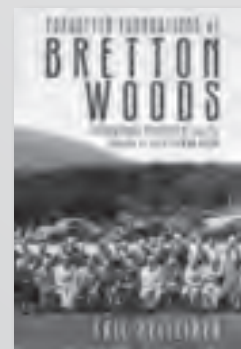
KELLY M. GREENHILL

CORNELL STUDIES IN SECURITY AFFAIRS

“Greenhill shines a bright light on strategically engineered migration and skillfully unpacks why some states engage in forced migration while others do not.”

—Michael Barnett, University of Minnesota

WINNER, 2011 INTERNATIONAL STUDIES ASSOCIATION BEST BOOK AWARD



FORGOTTEN FOUNDATIONS OF BRETTON WOODS

International Development and the Making of the Postwar Order

ERIC HELLEINER

“A masterly historical analysis. Helleiner has done an important service in correcting the historical record.”

—*Political Science Quarterly*

WINNER, 2015 CANADIAN POLITICAL SCIENCE ASSOCIATION PRIZE IN INTERNATIONAL RELATIONS

transitory. Governments have learned from their mistakes and gotten much better at managing inevitable downturns. Global integration has made critical technologies available to more and more people. State institutions have become more effective, with improved (if imperfect) legal systems, clearer property rights, and greater respect for individual liberties. Democratic rules and norms governing the transfer of political power, free speech, and accountability have become more deeply entrenched. Civil society groups are more active.

These deep-seated changes have put enormous additional gains well within reach. If economic growth proceeds along the lines of most projections over the next two decades, some 700 million more people will escape extreme poverty. Per capita incomes in poor countries will double again, millions of childhood deaths will be avoided, tens of millions of children will get the education they deserve, hunger will decline, and basic rights and freedoms will spread further.

At least, that's what should happen—but none of these future gains is guaranteed. Growth has slowed markedly since 2008 in emerging economies such as Brazil and China and throughout the developing world. Russia, Thailand, and Venezuela have turned less democratic, and South Africa and Turkey seem to be headed in that direction as well. The Middle East has seen the return of conflict and authoritarian rule. China's aggressive actions in the South China Sea could spark a major conflict that could kill tens of thousands of people and devastate the region's economies. Outbreaks of SARS and the H1N1 and Ebola viruses underscore humanity's vulnerability to disease, and many doctors worry that growing resistance to antibiotics could reverse some of the hard-fought gains in health. Meanwhile, global population is on track to exceed nine billion by 2050, and the combination of more people, higher incomes, and warmer climates will place enormous strains on the world's supplies of fresh water, food, and energy.

Although there are ample grounds for pessimism, the doomsayers continue to underestimate humanity's growing ability to cooperate in the face of new challenges. In the eighteenth century, when Thomas Malthus looked at population growth and foresaw catastrophic famine, he failed to appreciate the advances in agriculture, health, and

Continued progress isn't automatic or guaranteed. But with smart choices, it is within reach.

governance that human ingenuity could create. The same was true for those that predicted a population disaster in Asia in the 1960s and 1970s. Today, the problems facing developing countries are plain to see, while the new ideas and innovations that will overcome them are harder to picture. Continued progress isn't automatic or guaranteed. But with smart choices, it is within reach.

LEADING BY EXAMPLE

Most of the key choices will be made in developing countries themselves. Sustaining progress will require leaders there to reduce their countries' dependence on natural resources, make their economies more inclusive, invest more in health and education, expand opportunities for women, and strengthen democracy and the rule of law.

Yet the future of development will also depend on the actions of the world's leading countries, since poorer countries can prosper only in a strong global system. The United States must do its part by regaining its economic leadership through major investments in infrastructure, education, and technological advances in health, agriculture, and alternative fuels. It must act to fix its long-term budget problems by improving the solvency of Social Security, Medicare, and Medicaid and strengthen the financial system through better regulation. The country must also do a much better job of leading by example on democracy. Deep political polarization, the lack of substantive debate, the unwillingness to compromise, misguided foreign policy adventurism, and the Great Recession have made liberal democracy look unattractive and ineffective.

That malaise matters, because many developing countries are now engaged in a battle of ideas over which economic and political model they should follow. On the one side stands the model that has prevailed in the West since World War II: market capitalism coupled with liberal democracy. On the other is the model practiced by China, Vietnam, Ethiopia, and, increasingly, Russia, among others: state capitalism coupled with authoritarian rule. And there's yet one more option, with a smaller but more dangerous following: religious fundamentalism, as promulgated by Iran and Saudi Arabia and groups such as the Islamic State (or ISIS) and Boko Haram in Nigeria.

As the Western countries struggle and China continues to rise, authoritarian capitalism is becoming more appealing. Consider Beijing's ties to Africa. China purchased \$26 billion in imports from the continent

in 2013; the United States purchased \$9 billion. Chinese investment in Africa has been growing by 50 percent per year since 2000, whereas U.S. investment is growing by 14 percent per year. Make no mistake: many Africans still prefer to follow the American model and view China with suspicion. But those attitudes are beginning to shift, and Beijing's apparent ability to get things done will only enhance China's appeal, especially if Washington seems to talk big but deliver little.

THE NEXT SURGE FORWARD

Aside from the broader task of getting their own houses in order, the United States and other Western powers should also assert leadership in several specific areas to keep the progress going. The first is climate change, which presents one of the greatest threats to poverty reduction. Most of the world's poor countries had little to do with creating the problem, yet they will bear the brunt of the damage. Rising sea levels, changing rainfall patterns, higher temperatures, and dwindling water supplies will derail progress, will undermine global food production, and could engender major conflict. Developing countries have an important role to play in curbing emissions, but they will not switch to low-carbon fuels and other clean technologies if their developed-world counterparts do not. Washington has taken important first steps to reduce power-plant emissions and raise automotive fuel-efficiency standards, but there is a very long way to go.

Second, leading countries—especially the United States—should invest more in technological innovation. Much of the credit for recent improvements in living standards goes to vaccines, medicines, high-yielding seed varieties, cell phones, and the Internet. These new technologies (alongside old ones such as electricity and paved roads) have not yet reached everywhere, so simply making them more widely available would do wonders. But sustaining progress for the next several decades will also require significant investments in new vaccines, more powerful drugs, drought- and heat-resistant seeds, desalination techniques, and clean energy.

Third, Western powers need to upgrade the current system of global governance. The set of institutions that emerged after World War II were innovative for their time. For all their faults, the United Nations, the International Monetary Fund, the World Bank, the World Trade Organization, and the World Health Organization contributed significantly to global peace and prosperity. But these organizations

are losing legitimacy and becoming less effective, in part because developing countries feel that they are inadequately represented in them. It is time for these bodies to give developing countries more opportunities for leadership, larger voting shares, and a bigger voice in decisions.

In 2014, the U.S. Congress failed to pass legislation that would have approved giving developing countries larger voting shares in the International Monetary Fund—a change with which all other member countries (and the Obama administration) had agreed. Almost immediately, China accelerated its push to establish a new development bank for Asia, and the BRICS countries (Brazil, Russia, India, China, and South Africa) followed suit by proposing a similar institution of their own. Washington then compounded its first error by trying to undermine the new institutions, reinforcing the view that it was just trying to keep developing countries in their place. The lesson was clear: when Washington fails to lead, developing countries will go their own way.

Fourth, the world's leading countries should do more on trade. Although the United States is generally open to trade, its policies toward poor countries are strikingly protectionist: it charges high tariffs on many products from developing countries (such as textiles, shoes, and apparel) and tightly restricts the imports of a range of agricultural products (including dairy, peanuts, and sugar). Although free-trade programs, such as the African Growth and Opportunity Act, help, they are insufficient. Washington should extend duty-free and quota-free access to the world's poorest countries—the 48 countries designated by the UN as the least developed. It should also push to formally end the Doha Round of multilateral trade talks, which remain on life support, and open a new round of negotiations that center on the issues developing countries care about, such as food security.

Finally, the United States and other leading countries should expand their foreign aid programs, both to solidify the nascent turn-arounds in the surging countries and to support people in the states that remain stuck. In the past, such aid has helped lengthen life spans, increase agricultural productivity, alleviate humanitarian crises, and rebuild war-torn countries around the world. Most studies show that despite its shortcomings, aid has accelerated economic growth and helped support transitions to democracy, especially since the end of the Cold War.

But the answer is not just more money; the United States must also rethink how it provides assistance. For starters, aid agencies should develop innovative ways to promote private investment. They can encourage local banks to provide loans to promising entrepreneurs, as does the Development Credit Authority, a small program within the U.S. Agency for International Development that should be expanded significantly. They can foster investment in developing countries by working with local suppliers to improve the quality of the goods and services they sell or by financing private investors' due diligence and environmental impact assessments.

At the same time, aid agencies should invest more in disseminating new technologies, working closely with universities, foundations, private companies, and local entrepreneurs. Doing so will require new types of relationships, incentive structures, and knowledge sharing, along with a greater willingness to take risks. Aid agencies should also invest far more in programs to support girls and women, since mountains of evidence show that doing so dramatically improves the health, education, and economic opportunities of poor families. Above all, they should provide much more funding to the poorest countries, and especially democracies, since progress on development in these countries will have the knock-on effect of improving governance. The Obama administration has taken important steps on this front, building on the Bush administration's health programs and unveiling new initiatives on food security and electricity, but the next administration should scale up these programs to meet new challenges.

The future of the United States increasingly depends on growing prosperity, peace, and progress in the developing world. The last two decades have given humanity a tremendous start in what ultimately may rank as one of the greatest transformations in world history. Today, the United States has a rare opportunity to stand with the people and leaders of developing countries to ensure that this progress continues for decades to come. 🌍

How China Sees Russia

Beijing and Moscow Are Close, but Not Allies

Fu Ying

At a time when Russian relations with the United States and western European countries are growing cold, the relatively warm ties between China and Russia have attracted renewed interest. Scholars and journalists in the West find themselves debating the nature of the Chinese-Russian partnership and wondering whether it will evolve into an alliance.

Since the end of the Cold War, two main views have tended to define Western assessments of the Chinese-Russian relationship and predictions of its future. The first view holds that the link between Beijing and Moscow is vulnerable, contingent, and marked by uncertainties—a “marriage of convenience,” to use the phrase favored by many advocates of this argument, who see it as unlikely that the two countries will grow much closer and quite possible that they will begin to drift apart. The other view posits that strategic and even ideological factors form the basis of Chinese-Russian ties and predicts that the two countries—both of which see the United States as a possible obstacle to their objectives—will eventually form an anti-U.S., anti-Western alliance.

Neither view accurately captures the true nature of the relationship. The Chinese-Russian relationship is a stable strategic partnership and by no means a marriage of convenience: it is complex, sturdy, and deeply rooted. Changes in international relations since the end of the Cold War have only brought the two countries closer together. Some Western analysts and officials have speculated (and perhaps even hoped) that the ongoing conflicts in Syria and Ukraine, in which Russia has

FU YING is Chair of the Foreign Affairs Committee of the National People’s Congress of the People’s Republic of China and a Specially Invited Vice Chair of the China Center for International Economic Exchanges.

become heavily involved, would lead to tensions between Beijing and Moscow—or even a rupture. But that has not happened.

Nevertheless, China has no interest in a formal alliance with Russia, nor in forming an anti-U.S. or anti-Western bloc of any kind. Rather, Beijing hopes that China and Russia can maintain their relationship in a way that will provide a safe environment for the two big neighbors to achieve their development goals and to support each other through mutually beneficial cooperation, offering a model for how major countries can manage their differences and cooperate in ways that strengthen the international system.

TIES THAT BIND

On several occasions between the end of the nineteenth century and the middle of the twentieth century, China entered into an alliance with the Russian empire and its successor, the Soviet Union. But every time, the arrangement proved short-lived, as each amounted to nothing more than an expediency between countries of unequal strength. In the decades that followed, the two powerful communist-led countries muddled through, occasionally cooperating but often riven by rivalry and mistrust. In 1989, in the waning years of Soviet rule, they finally restored normalcy to their relations. They jointly declared that they would develop bilateral relations based on “mutual respect for sovereignty and territorial integrity, mutual nonaggression, non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence.” Two years later, the Soviet Union disintegrated, but Chinese-Russian relations carried on with the principle of “no alliance, no conflict, and no targeting any third country.”

Soon thereafter, the newborn Russian Federation embraced the so-called Atlanticist approach. To win the trust and help of the West, Russia not only followed Western prescriptions for economic reform but also made concessions on major security issues, including reducing its stockpile of strategic nuclear weapons. However, things didn’t turn out the way the Russians had hoped, as the country’s economy tanked and its regional influence waned. In 1992, disappointed with what they saw as unfulfilled pledges of American and European assistance and irritated by talk of NATO’s eastward expansion, the Russians began to pay more attention to Asia. That year, China and Russia announced that each would regard the other as a “friendly country” and issued a joint political statement stipulating that “the freedom of people to

choose their own development paths should be respected, while differences in social systems and ideologies should not hamper the normal progress of relations.”

Ever since, Chinese-Russian relations have gradually improved and deepened. During the past 20 years or so, bilateral trade and investment have expanded on a massive scale. In 2011, China became Russia’s largest trading partner. In 2014 alone, China’s investment in

China has no interest in a formal alliance with Russia, nor in forming an anti-U.S. or anti-Western bloc of any kind.

Russia grew by 80 percent—and the trend toward more investment remains strong. To get a sense of the growth in economic ties, consider that in the early 1990s, annual bilateral trade between China and Russia amounted to around \$5 billion; by 2014, it came close to \$100 billion. That year, Beijing and Moscow signed a landmark agreement

to construct a pipeline that, by 2018, will bring as much as 38 billion cubic meters of Russian natural gas to China every year. The two countries are also planning significant deals involving nuclear power generation, aerospace manufacturing, high-speed rail, and infrastructure development. Furthermore, they are cooperating on new multinational financial institutions, such as the Asian Infrastructure Investment Bank, the New Development Bank BRICS, and the BRICS foreign exchange reserve pool.

Meanwhile, security ties have improved as well. China has become one of the largest importers of Russian arms, and the two countries are discussing a number of joint arms research-and-development projects. Extensive Chinese-Russian defense cooperation involves consultations between high-level military personnel and joint training and exercises, including more than a dozen joint counterterrorism exercises during the past decade or so, carried out either bilaterally or under the auspices of the Shanghai Cooperation Organization. In the past 20 years, thousands of Chinese military personnel have studied in Russia, and many Russian military officials have received short-term training at the National Defense University of China.

As economic and military links have strengthened, so, too, have political ones. In 2008, China and Russia were able to peacefully resolve territorial disputes that had troubled relations for decades, formally demarcating their 2,600-mile-plus border and thus eliminat-

WORLD NEWS DIRECTLY FROM THE SOURCE



70 YEARS of Grundig Heritage & Quality Engineering

From political to environmental turmoil, access to your critical news information with the Grundig Field Radio from Etón. Combining the best of Grundig's legacy with 21st century technology.

GRUNDIG FIELD RADIO
AM/FM/Shortwave radio with RDS

ONLY \$129.99

amazon.com

Hammacher Schlemmer

L.L.Bean

[Herrington](http://www.herringtoncatalog.com)
www.herringtoncatalog.com

 NATIONAL
GEOGRAPHIC

eton
EMPOWERED BY NATURE

TO PLACE YOUR ORDER, PLEASE CALL 1-844-233-9090, EXTENSION FAJF2016

© Copyright 2015 Etón Corporation. All rights reserved.

www.etoncorp.com



DEAN

Texas A&M University invites applications and nominations for the position of Dean of the Bush School of Government and Public Service. This position offers an outstanding opportunity for an energetic and visionary leader to partner with members of the accomplished faculty, student body, staff, broader university, and national community to teach, promote, and reflect the value of the significant and fundamental role government and public service play in today's intricate world. Reporting to and working with the Provost, and in coordination with the Deans from other colleges, the Dean will have responsibility for the strategic, programmatic, financial, fundraising, and management operations that support the mission and vision of the Bush School.

About the Bush School of Government and Public Service: The Bush School is a graduate professional school of public affairs offering Masters' Degrees in Public Service and Administration and in International Affairs, as well as an expanding online and extended education program that includes Certificates in Advanced International Affairs, Homeland Security, Nonprofit Management, and National Security Affairs. Founded in 1997, the Bush School has grown rapidly, and now has over 650 students in Master's and Certificate programs, more than 40 full-time faculty and an endowment in excess of \$75 million. The Bush School is a charter member of the Association of Professional Schools of International Affairs and the master's degree in Public Service and Administration is accredited by NASPAA (Network of Schools of Public Policy, Affairs, and Administration).

The School's mission is to educate students for careers in public service and international affairs broadly understood and to conduct policy relevant research on important domestic and international policy issues. The Bush School reflects the belief of George H. W. Bush, 41st President of the United States and the founder of the School, that public service is a noble calling. Located in College Station, Texas, the School's programs are housed in the Robert H. and Judy Ley Allen Building, which is part of the George Bush Presidential Library Center on the West Campus of Texas A&M University. For additional information about the Bush School of Government and Public Service, visit www.bush.tamu.edu.

About Texas A&M University: Texas A&M University is a growing, dynamic institution of higher education. Opening in 1876 as the first public institution of higher education in Texas, it is now one of the nation's premier land-grant, sea-grant, and space-grant universities, a Tier I research university, and a member of the Association of American Universities (AAU). Texas A&M has over 60,000 students on more than 5,200 campus acres and over 436,000 alumni worldwide, with branch campuses in Galveston, Texas and Doha, Qatar. The Bush School is one of 16 schools and colleges at the University. For additional information about Texas A&M University, visit www.tamu.edu.

The Search Committee will begin reviewing candidates immediately and will continue until the position is filled. It is expected that the successful candidate will assume the duties of the Dean of the Bush School on July 1, 2016. Applications should include a statement summarizing interest, accomplishments, distinguishing strengths, leadership style, and commitment to research, teaching, and service, a detailed curriculum vitae, and a list of three references. To ensure full consideration, inquiries, nominations and applications should be submitted, in confidence, to:

tamu-bsgps@kornferry.com

Victor Arias, Senior Client Partner, Dallas, TX
Ken Kring, Senior Client Partner, Philadelphia, PA
Josh Ward, Senior Associate, Philadelphia, PA
Global Education Practice, Korn Ferry

Texas A&M University is an equal opportunity, affirmative action employer strongly committed to achieving excellence through cultural diversity. The University actively encourages applications from women, minorities and persons with disabilities. The University is also responsive to the needs of dual career couples.

ing their single largest source of tension—a rare achievement for big neighbors. In recent years, the two countries have held regular annual meetings between their heads of states, prime ministers, top legislators, and foreign ministers. Since 2013, when Xi Jinping became president of China, he has paid five visits to Russia, and Russian President Vladimir Putin has traveled three times to China in the same time period. All told, Xi and Putin have met 12 times, making Putin the foreign head of state whom Xi has met most frequently since assuming the presidency.

MANAGING DIFFERENCES

For all this progress, differences still exist between the two neighbors, and they don't always share the same focus when it comes to foreign policy. Russia is traditionally oriented toward Europe, whereas China is more concerned with Asia. The two countries' diplomatic styles differ as well. Russia is more experienced on the global theater, and it tends to favor strong, active, and often surprising diplomatic maneuvers. Chinese diplomacy, in contrast, is more reactive and cautious.

China's rise has produced discomfort among some in Russia, where some people have had difficulty adjusting to the shift in relative power between China and Russia. There is still talk in Russia of "the China threat," a holdover expression from past eras. A poll conducted in 2008 by Russia's Public Opinion Foundation showed that around 60 percent of Russians were concerned that Chinese migration to Far Eastern border areas would threaten Russia's territorial integrity; 41 percent believed that a stronger China would harm Russian interests. And as China's quest for new investment and trade opportunities abroad has led to increased Chinese cooperation with former Soviet states, Russians have worried that China is competing for influence in their neighborhood. Partly as a result, Moscow initially hesitated to support Beijing's Silk Road Economic Belt initiative before ultimately embracing it in 2014. Meanwhile, some Chinese continue to nurse historical grievances regarding Russia. Despite the resolution of the border issue, Chinese commentators sometimes make critical references to the nearly 600,000 square miles of Chinese territory that tsarist Russia annexed in the late nineteenth century.

However, these differences hardly support speculation in the West that Beijing and Moscow are drifting apart. This theory has occasionally appeared in Western commentary in the past two years, as Russia's

relations with the United States and the EU have deteriorated owing to the crises in Syria and Ukraine. Despite some differences, however, China and Russia share a desire to firmly develop their bilat-

The Chinese-Russian relationship represents a possible model for other states to follow.

eral relations and understand that they must join hands to achieve national security and development. Their cooperation is conducive to balance in the international system and can facilitate the solution of some international problems. Sometimes they agree; sometimes they do not. But they are able to

acknowledge and manage their disagreements while continuing to expand areas of consensus. As Chinese Foreign Minister Wang Yi has noted, the Chinese-Russian relationship offers a new approach for conducting external relations and represents a possible model for other states to follow.

The crises in Syria and Ukraine illuminate the ways in which China and Russia have effectively managed their partnership. Many in the United States see China's attitude toward the conflict in Ukraine as unclear or suspect that China has sided with Russia. In fact, after the Russian annexation of Crimea in 2014, the spokesperson for the Chinese Ministry of Foreign Affairs stated unequivocally that Ukraine's independence, sovereignty, and territorial integrity should be respected. China emphasized that all the parties involved in the Ukrainian conflict should resolve their differences through dialogue, establish coordinating mechanisms, refrain from activities that could worsen the situation, and assist Ukraine in maintaining its economic and financial stability. China did not take any side: fairness and objectivity serve as guiding principles for Beijing when addressing international affairs.

But Chinese diplomats and leaders are also mindful of what led to the crisis, including the series of Western-supported "color revolutions" in post-Soviet states and the pressure on Russia that resulted from NATO's eastward expansion. It is also worth noting that there have long been complicated historical, ethnic, religious, and territorial issues between Russia and the former Soviet republics. The Ukraine crisis is a result of all these factors. As Xi put it, the crisis is "not coming from nowhere."

On Syria, the view in Beijing is that Russia launched its military intervention at the request of the Syrian government in order to combat

terrorist and extremist forces. Although Washington has called for Syrian President Bashar al-Assad to step down, it shares Russia's goal of taking on the Islamic State (also known as ISIS). So on the one hand, the United States has criticized the Russian intervention, but on the other hand, it has expressed willingness to work with Russia on counterterrorism. The Russian move, then, was not exactly what the United States wanted to see but was not an entirely bad thing for U.S. interests, either. From China's perspective, Russia and the United States share an interest in confronting the brutal terrorists of ISIS. The hope in China is that talks among Russia, the United States, Iran, and a number of other regional powers will make progress in resolving the conflict.

But it is difficult to know how far U.S.-Russian cooperation in Syria can go without a common understanding about what will lead to peace and order. And many in China find it perplexing that U.S. and Russian perceptions are still so heavily influenced by the Cold War. U.S. politicians and commentators tend to talk about Russia as if it were still the failed Cold War rival. Meanwhile, Russian officials and observers frequently criticize Washington's behavior as arrogant or imperial. Some analysts on both sides have suggested that the standoff between Moscow and Washington over Syria and Ukraine could lead to a new Cold War. But from China's point of view, the current confrontations seem more like a prolonged ending of the original Cold War. It remains unclear if Moscow and Washington will take this opportunity to finally put old enmities to rest.

GETTING PAST ZERO-SUM

Given the way that relations among China, Russia, and the United States are intertwined, no analysis of Chinese-Russian ties would be complete without a consideration of where things stand between China and the United States. Compared with the Chinese-Russian relationship, the one between Beijing and Washington is wider and more complicated. Combined, China and the United States account for one-third of global GDP. In 2014, U.S.-Chinese trade reached nearly \$600 billion, and accumulated mutual investment exceeded \$120 billion. Thirty-seven years ago, when the People's Republic of China established diplomatic relations with the United States, no one expected such a strong partnership to emerge.

But there is no denying the structural difficulties in the relationship. Significant differences remain between Chinese and U.S. political

values and between the governing systems in the two countries. And many Americans perceive China's growing economic strength and its correspondingly higher international influence as a potential threat to Washington's global leadership. China has quickly grown into the world's second-largest economy. When U.S. troops invaded Iraq in 2003, China's GDP was roughly one-eighth that of the United States.

Many in China find it perplexing that U.S. and Russian perceptions are still so heavily influenced by the Cold War.

By the time the Americans pulled out of Iraq eight years later, China's GDP had grown to half that of the United States. According to many estimates, China's GDP will approach the United States' by 2020. These changes have provoked fears in Washington that China and the United States are on a collision course. Disputes over China's

construction activities in the Spratly Islands, in the South China Sea, have fueled a heated debate about how the United States should respond to what some American scholars and commentators see as expansionism. Meanwhile, Beijing regards the presence of U.S. military vessels near Chinese territory in the South China Sea as an act of provocation. Some argue that U.S. policy toward China may shift from constructive engagement to containment.

These debates provided the backdrop for Xi's state visit to Washington last September. In remarks during the visit, Xi directly addressed the idea that China's development presents a challenge to the United States' global leadership. "The path China follows is one of peaceful development, and China does not pose a threat to other countries," Xi said. Later, he added, "People should give up the old concepts of 'you lose, I win,' or zero-sum game, and establish a new concept of peaceful development and win-win cooperation. If China develops well, it will benefit the whole world and benefit the United States. If the United States develops well, it will also benefit the world and China."

Chinese leaders attribute much of their country's rapid ascent to China's successful integration into the world economy. They see China as a beneficiary of the international order, with the UN at its core, and as a strong advocate of principles such as sovereign equality and non-intervention in the internal affairs of states, which the UN Charter enshrines. China expects that it will have to focus on its own domestic economic and social development for a long time to come and



It's complicated: Xi Jinping and Vladimir Putin in Moscow, May 2015

thus highly values the maintenance of a stable and peaceful external environment. Although China is determined to protect its own interests and would respond firmly to provocations, encroachments on its territorial sovereignty, or threats to its rights and interests, its main goal is still to ensure that peace and stability prevail. And China is committed to safeguarding the international order and the Asia-Pacific regional order, as well as further integrating into the globalized world.

Improving U.S.-Chinese relations represents an important part of China's diplomatic effort. Last September marked Xi's first state visit to Washington, but he and U.S. President Barack Obama had previously met five times since 2013 and had spoken over the phone on three occasions. In June 2013, when the two leaders met at the Sunnylands summit, in California, they talked for more than seven hours. After the meeting, Xi announced that China and the United States would pursue a "new model of major-country relationship," which he defined as a relationship based on nonconflict, nonconfrontation, mutual respect, and win-win cooperation. The two leaders have since continued their conversations on that theme: in November 2014 in Beijing, they held the "Yingtai dialogue," which lasted for nearly five hours. And during Xi's state visit, he and Obama spent around nine hours talking to each other and attending events together. These long

meetings between the two leaders have helped them build understanding and ward off the confrontation that some U.S. analysts believe is inevitable.

The state visit, in particular, was very productive. The two sides reached agreement on a wide range of issues, including macroeconomic policy coordination, climate change, global health, counterterrorism, and nuclear nonproliferation. Xi and Obama also spoke candidly about the cybersecurity issues that have represented a serious point of contention between Beijing and Washington; the two leaders clarified their countries' intentions, agreed to form a high-level joint dialogue on the subject, and committed to work together to establish an international cybersecurity code of conduct. This is a strong demonstration that the two countries can promote global cooperation on important issues.

Of course, Beijing and Washington may continue to have disagreements over the South China Sea, Taiwan, human rights, trade policy, and other matters. The intentions of the U.S. military alliances in the Asia-Pacific remain a particular source of concern for China, especially since Washington announced its "pivot" to Asia in 2011. Some U.S. allies in the region have made claims on China's sovereign territory and infringed on Chinese maritime rights, hoping that by cozying up to Washington, they could involve the United States in their disputes with Beijing. This is a dangerous path, reminiscent of the "bloc politics" of the Cold War.

Some scholars in China and elsewhere have suggested that if the United States insists on imposing bloc politics on the region, China and Russia should consider responding by forming a bloc of their own. But the Chinese leadership does not approve of such arguments. China does not pursue blocs or alliances, nor do such arrangements fit comfortably with Chinese political culture. Russia does not intend to form such a bloc, either. China and Russia should stick to the principle of partnership rather than build an alliance. As for China and the United States, they should continue pursuing a new model of major-country relations and allow dialogue, cooperation, and management of differences to prevail.

THREE SIDES TO EVERY STORY

Relations among China, Russia, and the United States currently resemble a scalene triangle, in which the greatest distance between the three

points lies between Moscow and Washington. Within this triangle, Chinese-Russian relations are the most positive and stable. The U.S.-Chinese relationship has frequent ups and downs, and U.S.-Russian relations have become very tense, especially because Russia now has to contend with significant U.S. sanctions. Meanwhile, both Beijing and Moscow object to Washington's use of force against and imposition of sanctions on other countries and to the double standards the United States applies in its foreign policies.

The United States and its allies might interpret closer ties between China and Russia as evidence of a proto-alliance that intends to disrupt or challenge the U.S.-led world order. But from the Chinese perspective, the tripartite relationship should not be considered a game in which two players ally against a third. The sound development of Chinese-Russian relations is not intended to harm the United States, nor should Washington seek to influence it. Likewise, China's cooperation with the United States will not be affected by Russia, nor by tensions between Moscow and Washington. China should neither form an alliance based on bloc politics nor allow itself to be recruited as an ally by other countries.

The current international order is the cornerstone of global stability—but it is not perfect. In 2005, China and Russia issued a joint statement on “the international order in the twenty-first century,” which called for the international system to become more just, drawing its legitimacy from the principles and norms of international law. The statement made clear that Beijing and Moscow see the evolution of their relations—from mistrust and competition to partnership and cooperation—as a model for how countries can manage their differences and work together on areas of agreement in a way that supports global order and decreases the chance that the world will descend into great-power conflict and war. 🌐

Putin's Power Play in Syria

How to Respond to Russia's Intervention

Angela Stent

At the end of September, Russia began conducting air strikes in Syria, ostensibly to combat terrorist groups. The strikes constitute Russia's biggest intervention in the Middle East in decades. Its unanticipated military foray into Syria has transformed the civil war there into a proxy U.S.-Russian conflict and has raised the stakes in the ongoing standoff between Moscow and Washington. It has also succeeded in diverting attention away from Russia's destabilization of Ukraine, making it impossible for the West to continue to isolate the Kremlin. Russia is now a player in the Syrian crisis, and the United States will have to find a way to deal with it.

Once again, Washington has been caught off-guard, just as it was in March 2014, when Russia annexed Crimea and began supporting pro-Russian separatists fighting Ukrainian forces in eastern Ukraine. For all of Russia's domestic problems—a shrinking economy, a declining population, and high rates of capital flight and brain drain—it has projected a surprising amount of power not only in its neighborhood but also beyond. U.S. President Barack Obama may refer to Russia as a regional power, but Russia's military intervention in Syria demonstrates that it once again intends to be accepted as a global actor and play a part in every major international decision. This will be a vexing challenge not only for Obama during his remaining time in office but also for the next occupant of the White House.

Why has Washington been so slow to grasp the new Russian reality? Russian President Vladimir Putin has not kept his agenda a secret. In February 2007, for example, he delivered a scathing critique of U.S.

ANGELA STENT is Director of the Center for Eurasian, Russian, and East European Studies at Georgetown University, a Senior Fellow at the Transatlantic Academy, and the author of *The Limits of Partnership: U.S.-Russian Relations in the Twenty-first Century*. Follow her on Twitter @AngelaStent.

foreign policy at the Munich Security Conference. “One state and, of course, first and foremost the United States, has overstepped its national borders in every way,” he warned. Countless times since, Russia has vowed to replace what it sees as a coercive U.S.-led global order with one in which the West respects Russia’s interests. In retrospect, Russia’s war with Georgia in August 2008 signaled Moscow’s willingness to use force to prevent its neighbors from drifting toward the West and to reassert its influence in areas that were formerly part of the Soviet Union. But the United States and its allies have repeatedly underestimated Russia’s determination to revise the global order that Moscow feels the West has imposed on Russia since the fall of the Soviet Union.

As the United States gears up for the 2016 presidential election, it faces two central challenges in deciding how to deal with Russia. First, it needs to determine the nature of Russia’s objectives in Syria and Ukraine. Second, because Russia depends on a highly personalized political system, Obama and his would-be successors need to decide how to manage relations with Putin, an especially difficult task given the overwhelming pressure on the campaign trail to look tough. The evidence suggests that if the next president wants to engage with the Kremlin in a way that is consistent with U.S. interests, he or she should focus on concrete areas where the two countries can and must work together—particularly nuclear and conventional military issues. Continuing to isolate Russia is not likely to work. Instead, the next U.S. administration should clearly communicate to the Kremlin what American interests and values are and join with U.S. allies in resisting further Russian attempts to unravel the post-Cold War order.

INFERIORITY COMPLEX

Over the past quarter century, Moscow and Washington have worked together most successfully when Moscow has felt that it has been treated as an equal. This explains the success, for example, of U.S.-Russian arms control treaties, such as New START, which were designed to deal with the nuclear legacy of the Cold War. Similarly, although the negotiations were arduous and drawn out, Russia and the United States successfully worked together, alongside four other world powers, to reach a nuclear deal with Iran. Indeed, Putin earned rare praise from Obama for his role in securing the agreement.

Moscow and Washington have also been able to work together in instances in which they shared narrowly defined common interests. In the fall of 2001, for example, Russia aided the United States in its initial military campaign in Afghanistan, providing information and intelligence that contributed to the U.S. defeat of the Taliban. As Russia's former foreign minister, Igor Ivanov, subsequently explained, "We wanted an antiterrorist international coalition like the anti-Nazi coalition. This would be the basis for a new world order."

That rather lofty goal has remained predictably out of reach. And in fact, Russia and the United States have had difficulty maintaining their counterterrorist cooperation, largely because they often disagree on which groups to designate as terrorist organizations—a problem that has cropped up most recently in regard to the various Syrian opposition groups. Nevertheless, Russia and the United States have been able to cooperate on other security issues, working together in 2013, for example, to eliminate the Assad regime's stockpile of chemical weapons. In that instance, Russia took the initiative after the United States proved reluctant to act.

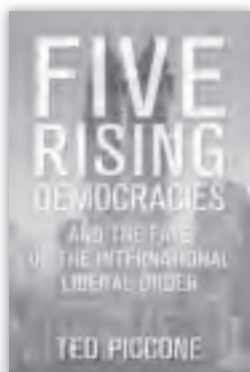
Cooperation has been least successful on issues involving Russia's neighboring states and the NATO alliance. It has become clear that despite the West's numerous efforts in the 1990s to reassure Russia that an enlarged NATO would not represent a threat to Moscow, the United States and its allies have been unable to create a post-Cold War security architecture in which Russia feels that it has a stake. Perhaps doing so would have been impossible, especially given Russia's belief in its right to a sphere of "privileged interests" in the post-Soviet space and its desire to limit its neighbors' sovereignty. The wars in Georgia and Ukraine and the annexation of Crimea have represented, in part, Russia's answer to its perceived exclusion from the post-Cold War European security order. The same sense of grievance explains Putin's ongoing push to establish a new arrangement among the great powers that would give Russia more leverage on matters of European security. Specifically, Putin seeks an agreement that would ensure that no additional post-Soviet states will join NATO.

PUTIN'S BIG MOVE

Putin's decision to intervene militarily in Syria is rooted in similar concerns about Russian power and influence. Russia has justified its foray into Syria as part of an effort to reduce terrorism by shoring up

Geopolitics IN THE 21st Century

This series of important books from the Order from Chaos project at Brookings analyzes the major dynamics at play in today's world and offer ideas and strategies to guide critical countries and key leaders on how they should act to preserve and renovate the established international order to secure peace and prosperity for another generation.



Five Rising Democracies and the Fate of the International Liberal Order

Ted Piccone

FEBRUARY 2016

Five nations could determine the fate of the global democracy and human rights order.



The Future of Land Warfare

Michael O'Hanlon

AUGUST 2015

What happens if we bet too heavily on unmanned systems, cyber warfare, and special operations in our defense?

B | Brookings Institution Press

brookings.edu/press



IRAN NUCLEAR NEGOTIATIONS

Accord and Détente since the Geneva Agreement of 2013

By Nader Entessar and Kaveh L. Afrasiabi

In November 2013, a historic agreement on Iran's nuclear program was reached between Iran and the world powers, raising the prospects for a long-term agreement that set the stage for normal relations between Iran and the West. This book provides readers with a comprehensive understanding of the agreement and the protracted process that preceded it.

"The book is highly recommended for academic, policy, and media communities as well as the general public."

—Hooshang Amirahmadi, Rutgers University, Oxford University, and the American Iranian Council

"This is a must read for anyone interested in having an informed view about these negotiations."—Dr. Houman A. Sadri, University of Central Florida (UCF) and UCF Model United Nations Program

978-1-4422-4234-0 • \$80.00 • Cloth
978-1-4422-4235-7 • \$79.99 • eBook

ROWMAN &
LITTLEFIELD

www.rowman.com • 800-462-6420

Costa Rica

Volcanoes, Rainforests & Beaches
9-Day Tour \$1095
All Meals Included

Join the smart shoppers and experienced travelers who have chosen Caravan Tours travel packages since 1952.



Keel-billed Toucan

#1 In Value—Fully Guided Vacations + tax, fees

Guatemala, Antigua & Tikal	10 days	\$1295
• Costa Rica Natural Paradise	9 days	\$1095
Panama Tour with Canal Cruise	8 days	\$1195
Nova Scotia & P.E.I.	10 days	\$1395
Canadian Rockies & Glacier Park	9 days	\$1595
Grand Canyon, Bryce & Zion	8 days	\$1395
California Coast & Yosemite	8 days	\$1395
Mount Rushmore & Yellowstone	8 days	\$1295
New England & Fall Foliage	8 days	\$1295

Free 28-Page Brochure

caravan.com 1-800-caravan

caravan

FRED J. HANSEN
SUMMER INSTITUTE ON LEADERSHIP
& INTERNATIONAL COOPERATION

THE USD SCHOOL OF LEADERSHIP is currently recruiting motivated, enthusiastic and qualified American undergraduate and graduate students ages 20-25 for an all-expenses-paid 3-week leadership training workshop in beautiful San Diego. Includes round-trip airfare from anywhere in the US, food and lodging, and all program costs. Selected Americans also receive \$1000 award. Get paid to learn!



Live, study, and interact with 15 hand-picked international students from zones of conflict and social strife while learning public speaking, negotiation, mediation, and social entrepreneurship skills.

To learn more or apply, visit
www.hansesummerinstitute.org
or contact:

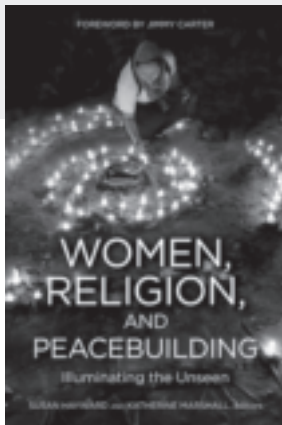
Bonnie Lamb, Program Coordinator • blamb@san Diego.edu
Ron Bee, Managing Director • rbee@san Diego.edu
619-260-7546

RECRUITING NOW FOR JULY 2016

New from UNITED STATES INSTITUTE OF PEACE PRESS

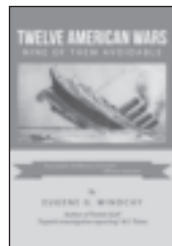
Women, Religion, and Peacebuilding Illuminating the Unseen

Foreword by
Jimmy Carter
SUSAN HAYWARD
and KATHERINE
MARSHALL, editors



SEPT. 2015
384pp • 6x9
\$24.95 (paper)
978-1-60127-292-8

U.S. orders,
call toll free
1-800-868-8064
or go to: <http://bookstore.usip.org>



Twelve American Wars Nine of Them Avoidable By Eugene Windchy

Tricks, errors, and secret plans have taken the U.S. into avoidable wars. In one trick Britain routed the Lusitania into extreme danger and canceled its convoy. This invited attack. Far more cunning was how the Allies instigated the Great War itself.

Paris 1914: "C'est ma guerre!" ("It's my war!") declared the Russian ambassador as the war began. Infuriated, an anti-war Socialist vowed to expose the prewar intrigue. The next day he was shot to death.

Author of *Tonkin Gulf*
"Superb investigative reporting"
—New York Times

Clarion: "Sharp, well considered"
Kirkus: "Meticulous, shocking"

Second Edition • Available at Amazon

the Assad regime, which by the summer of 2015 was facing military setbacks. As Putin said in October, "The collapse of Syria's official authorities will only mobilize terrorists. Right now, instead of undermining them, we must revive them, strengthening state institutions in the conflict zone." Although Moscow may not be wedded to Syrian President Bashar al-Assad in the long run, it is adamantly opposed to anything that would weaken the rule of secular strongmen in the Middle East—hence Putin's repeated denunciations of U.S. support for opposition forces during the Arab revolts of 2011 and his anger over the NATO military action against Libya that year, which led to the ouster of Libyan dictator Muammar al-Qaddafi. In Putin's eyes, the disorder in Iraq, Syria, and North Africa, combined with the rise of the self-proclaimed Islamic State (also known as ISIS), demonstrates the failure of the West to think through the consequences of undermining the authoritarian states in the region. Putin fears that chaos in the Middle East will strengthen Islamic extremism on Russia's borders, in the neighboring states of the former Soviet Union, and potentially in Russia itself.

The next U.S. president should not attempt another "reset" with Russia.

At the same time, Russia's actions are designed to guarantee that Moscow will have a decisive say in who rules Syria, even in a hypothetical post-Assad future. By using military force in Syria, Moscow is sending a message to other regional players: unlike the United States, Russia will support leaders and governments against popular uprisings and will not desert them when opposition groups attempt to seize control, as the United States abandoned Egyptian President Hosni Mubarak in 2011.

The Syrian gambit is thus part of a broader move to recoup Russian influence in the Middle East. In the second half of 2015, the leaders of Egypt, Israel, Jordan, Kuwait, Saudi Arabia, and the United Arab Emirates all visited Moscow, and some have signed agreements to purchase arms from Russia. In July, Saudi Arabia pledged to invest up to \$10 billion in Russia, mostly in agricultural projects; if Riyadh delivers on that promise, it will be the single largest foreign investment in the country. Israel and Russia have maintained a steady dialogue as the crisis has progressed in Syria, partly to ensure that Russian aircraft don't clash with the Israeli jets that have occasionally struck

targets in Syria, including those associated with the Lebanon-based militant group Hezbollah, which has sent thousands of fighters to Syria to aid the Assad regime. Although the Israelis have no particular affection for Assad, they seem to share Russia's preference that his regime stay in place, because what comes after Assad could be more detrimental to Israel's security: Israeli officials have quietly pointed out that under Assad's rule, Israel's border with Syria has been calm.

Domestic political factors also contribute to Putin's calculations. The sanctions that the United States and the EU levied against Russia after its annexation of Crimea have hit hard, especially when combined

The United States has been unable to create a post-Cold War security architecture in which Russia feels it has a stake.

with the global fall in oil prices and preexisting structural problems in the Russian economy. The Kremlin has sought relief by "freezing" the conflict in the Donbas region of Ukraine—a cease-fire between Ukrainian forces and Russian-backed separatists has been in force since early September, and both sides have pulled back some of their

heavy weaponry, although sporadic reports of fighting have surfaced since then. Putin has calculated that the cease-fire and the decision by pro-Russian separatists to postpone local elections in eastern Ukraine may lead to the partial lifting of EU sanctions. Moreover, by making the Ukraine crisis appear to be headed toward resolution, Russia intends to shift the focus from its role as an instigator of conflict to its new role in Syria as a responsible leader in the global campaign against terrorism.

Russia has presented its intervention in Syria as a counterterrorist operation that will reduce the number of refugees leaving Syria for Europe. But Moscow's policy could have the opposite effect. In fact, by November, there had already been a 26 percent increase in the number of Syrian refugees, according to the Office of the UN High Commissioner for Refugees, further exacerbating Europe's migrant crisis. The Russian bombing campaign may have contributed to the upsurge in refugees. Moreover, Russian air strikes in support of the Alawite-led Assad government—which Sunni extremists consider to be an apostate regime—may both encourage more Russians to join ISIS (more than 4,000 people from Russia and Central Asia have already done so) and further alienate Russia's own Sunni population, which numbers about 20 million. Putin has insisted that Russia has no



From Russia with love: after a Russian air strike in Aleppo, November 2015

interest in taking sides in a sectarian dispute and is merely fighting extremism, but this may be a hard sell domestically, as some Russian Muslims question Russia's support of a regime that bombs its Sunni population. And Russia has not acknowledged that the Assad regime's brutal treatment of its own population is a recruiting tool for ISIS.

Putin's intervention in Syria has sent a mixed message. On the one hand, he has blamed the United States for creating the conditions that allowed ISIS to emerge; on the other, he has offered to join the United States in an anti-ISIS coalition. In remarks last October, Putin said, "Syria can become a model for partnership in the name of common interests, resolving problems that affect everyone, and developing an effective risk-management system." Yet unlike in Afghanistan in 2001, Moscow and Washington do not agree on the identity of the enemy. Although they both see ISIS as a major threat, Russia has bombed Syrian opposition groups that the United States has supported, and Washington sees Assad's rule as a major part of the country's problems. Thanks to these differences, it will be difficult for Russia and the United States to work together in Syria.

Until recently, Washington's preferred policy was to avoid clashes in Syrian airspace, cautiously increase the presence of the U.S. military on the ground, observe Russian actions from the sidelines, and wait to see whether Russia would get pulled into a quagmire. But the November 13 terrorist attacks in Paris may have changed Washington's calculations and given new impetus to joint U.S.-Russian efforts to deal with

Syria and ISIS. At the G-20 summit in Turkey soon after the attacks, Obama and Putin agreed to support a cease-fire in Syria and intensify diplomatic attempts to end the civil war. At the very least, Putin has succeeded in getting Washington to engage more closely with Russia and abandon policies aimed at isolating it.

If part of Putin's main goal in Syria is to force Washington to recognize Russia's importance in the Middle East, it is worth asking whether Putin sees that recognition as an end in itself or as an initial step toward a tripolar world in which China, Russia, and the United States make the major decisions—a cherished aspiration of some Russian pundits. On the other hand, although it is tempting to search for a broader strategy behind Russian military activity in Syria, it's quite possible that Putin charged into the conflict without thinking through the endgame.

GETTING REAL ABOUT RUSSIA

For the remainder of Obama's second term, tensions over Syria and Ukraine will dominate U.S.-Russian relations. The best that can be achieved in Ukraine in the near term is a "frozen conflict" in which the cease-fire holds even though Kiev remains unable to control the Donbas region and Russia continues to exercise influence there through its proxies. The most the United States is likely to do is continue its modest economic and political support for the Ukrainian government, which is struggling to address systemic problems of corruption and economic disorder. Although some in the U.S. government have argued for more economic and military assistance to Ukraine—including the provision of lethal defensive weapons—the White House has consistently refused to do this for fear of further provoking Russia, and it is unlikely to change its policy in 2016.

Meanwhile, it will be a continuing challenge for Moscow and Washington to work together in Syria to combat ISIS. But short of more robust and direct U.S. military engagement—for which there is little domestic support after the wars in Afghanistan and Iraq—Washington has limited options. U.S. Secretary of State John Kerry has spearheaded discussions with Russia and other key players, including Iran and Saudi Arabia, on how to end the Syrian civil war and transition away from an Assad-led government. Russia and the United States will continue to work together in this way, but securing agreement on a post-Assad Syria will be a major challenge. Direct military cooperation

in Syria is highly unlikely, meaning that there are few prospects for Russia and the United States to work together other than on making sure their respective military operations stay out of the other's way.

Even if the United States finds an effective way to respond to Russia's moves in Syria, or even cooperate with the Russians there, there is no guarantee that Putin won't try to assert Russia's military presence elsewhere: he has surprised the West twice in recent years and may yet have other ambitions. Iraq has hinted that it may ask Russia for help in fighting ISIS. When asked in October about whether Russia would intervene in Iraq, Putin replied that Russia had not yet received a request from Baghdad. Russia has also indicated that it will not stand by if the situation in Afghanistan deteriorates further, as this would threaten Russia's neighborhood by destabilizing Central Asia.

The next occupant of the White House will have to define U.S. interests in Syria and Ukraine; determine the extent to which Washington should counter destabilizing Russian moves in those countries and elsewhere; decide when and where the United States should cooperate with Russia; and consider, as U.S. options become more limited because of shrinking resources and public opinion, whether the West is ready to acknowledge that Moscow has in fact succeeded in modifying the rules of the game in its favor in both Syria and Ukraine.

Since the collapse of the Soviet Union, four U.S. presidents have tried to "reset" relations with Russia and find a more productive way to interact with Moscow, and each attempt has ultimately failed. Russia has not evolved in the way the West believed it would in the 1990s: the United States has to deal with the Russia that exists, not the one Americans might wish for. Indeed, for the foreseeable future, Washington should expect the U.S.-Russian relationship to be defined by tension and antagonism rather than cooperation.

The next U.S. president should not attempt another reset. He or she should work with Russia on issues on which Moscow and Washington share clearly delineated common goals, in Syria and elsewhere. Issues the two countries can work on together include keeping nuclear weapons from Iran and North Korea and managing emerging resource and security issues in the Arctic. But the next president should also clearly define and defend U.S. interests and accept that so long as the Kremlin continues to portray the United States as its main enemy, dedicated to weakening Russia and the primary source of all its troubles, common action on shared goals will be shaky and elusive. 🌐

Not-So-Smart Sanctions

The Failure of Western Restrictions Against Russia

Emma Ashford

After Russia seized Crimea from Ukraine in March 2014, the Obama administration responded with what has become the go-to foreign policy tool these days: targeted sanctions. The United States placed asset freezes and travel bans on more than one hundred people, mostly cronies of Russian President Vladimir Putin, and the EU targeted almost a hundred more. The amounts involved have been massive: Bank Rossiya, the Kremlin's preferred bank, had \$572 million frozen in the months after the sanctions were rolled out. Then, in July 2014, when Malaysia Airlines Flight 17 was shot down over eastern Ukraine allegedly by Russian-backed forces, Washington responded with more severe sanctions aimed at key sectors of the Russian economy, including arms manufacturers, banks, and state firms. In an effort to hit the Kremlin where it hurts, the measures inhibit financing and technology transfers to Russian oil and gas companies, which supply over half of state revenues.

Considering the dire state of Russia's economy, these sanctions might appear to be working. The value of the ruble has fallen by 76 percent against the dollar since the restrictions were imposed, and inflation for consumer goods hit 16 percent in 2015. That same year, the International Monetary Fund estimated, Russia's GDP was to shrink by more than three percent.

In fact, however, Western policymakers got lucky: the sanctions coincided with the collapse of global oil prices, worsening, but not causing, Russia's economic decline. The ruble's exchange rate has tracked global oil prices more closely than any new sanctions, and many of the actions taken by the Russian government, including the slashing of

EMMA ASHFORD is a Visiting Research Fellow at the Cato Institute. Follow her on Twitter @EmmaMAshford.

the state budget, are similar to those it took when oil prices fell during the 2008 financial crisis. The sanctions have inhibited access to Western financing, forcing Russian banks to turn to the government for help. This has run down the Kremlin's foreign reserves and led the government to engage in various unorthodox financial maneuvers, such as allowing the state-owned oil company Rosneft to recapitalize itself from state coffers. Yet the Russian government has been able to weather the crisis by providing emergency capital to wobbling banks, allowing the ruble to float freely, and making targeted cuts to the state budget while providing fiscal stimulus through increased spending on pensions. Even with continued low oil prices, the International Monetary Fund expects that growth will return to the Russian economy in 2016, albeit at a sluggish 1.5 percent.

Nor are the sanctions inflicting much pain on Russia's elites. Although Prada and Tiffany are doing less business in Moscow, the luxury housing market is anemic, and travel bans rule out weekend jaunts to Manhattan, these restrictions are hardly unbearable. One target, the close Putin adviser Vladislav Surkov, has dismissed them as harmless. "The only things that interest me in the U.S. are Tupac Shakur, Allen Ginsberg, and Jackson Pollock," he said. "I don't need a visa to access their work."

And when the sanctions are judged by the most relevant metric—whether they are producing a policy change—they have been an outright failure. Since the United States imposed the sanctions, Russia has not backed down in Ukraine, and there is no reason to believe that they will force it to do so anytime soon. In the meantime, however, the sanctions are harming U.S. economic and geopolitical interests. If Western leaders want to resolve the Ukraine crisis and meaningfully constrain Russia's bad behavior, they should abandon their failed sanctions-centric policy and focus on other measures instead, such as efforts to aid Ukraine economically, obstruct Russia's military modernization, and increase European energy independence.

UNINTENDED CONSEQUENCES

Whatever punishment the sanctions have inflicted on Russia, it has not translated into coercion. The Obama administration appears to have expected that it would have by now: in February 2015, for example, Christine Wormuth, the U.S. undersecretary of defense for policy, admitted that the sanctions had "not changed so far what Russia has been doing on the ground, and that is the great concern."

Indeed, after the initial round of sanctions, the Kremlin's aggression only grew: Russia formally absorbed Crimea and upped its financial and military support for pro-Russian rebels in eastern Ukraine (including those who most likely shot down the Malaysia Airlines flight).

Whatever punishment the sanctions have inflicted on Russia, it has not translated into coercion.

It is possible that the sanctions may have deterred Russia from even greater aggression in Ukraine, but it is equally possible that all Russia ever wanted to do there was create a slow-burning insurgency. And at any rate, the sanctions have failed to force Russia to withdraw from Crimea and stop meddling in

eastern Ukraine. This should not be surprising: as the most comprehensive study of sanctions found, they fail to achieve their goals in 66 percent of cases, and they fail 79 percent of the time when designed to discourage military misadventurism.

The Kremlin's aggression has persisted in large part because the West's targeted sanctions have succumbed to the same problem that plagues traditional comprehensive sanctions: the targeted regime shelters its cronies, while the rest of the population suffers. It wasn't supposed to be this way. Modern sanctions are designed to avoid replicating the flaws of the comprehensive embargo placed on Iraq during the 1990s, which served only to enrich Saddam Hussein's regime and impoverish the Iraqi people. With Russia, the U.S. government made sure not to bar overall trade and instead imposed asset freezes and financing restrictions on individual politicians and companies. In theory, members of Putin's inner circle would use their influence to convince the president to reconsider his bellicose Ukraine policy.

In practice, however, the sanctions have had the unintended consequence of inflicting widespread punishment on the Russian economy and population. By restricting access to international financing during a recession, the sanctions have compounded the fall in oil prices, requiring Moscow to slash spending on health care, infrastructure, and government salaries, which has created economic hardship for ordinary Russians. The crash of the ruble, meanwhile, has not only destroyed savings but also increased the monthly payments of those who hold mortgages denominated in foreign currencies. The government, in turn, has pressured struggling Russian banks to convert such

debt into rubles and absorb the losses, which has rescued homeowners from default but run down banks' capital reserves.

Adding to the pain was the Russian government's decision to issue its own set of sanctions, which have barred the import of Western foodstuffs. Although the move has hurt eastern European farmers and exporters, it has also created shortages and increased food prices inside Russia. Then there was the unforeseen credit crunch among ordinary consumers. Fearful of a legal backlash, many U.S. and European banks cut off not only billionaire bank owners but also many of their customers. In March 2014, for example, Visa and MasterCard suspended all transactions from four Russian banks in response to sanctions placed on its owners, effectively canceling the credit cards of ordinary Russian consumers. The U.S. government had to intervene to convince the companies to start processing payments again.

At the same time that the sanctions have punished the population at large, the Kremlin has sheltered key supporters from their impact. For example, from March to December 2014, companies linked to the Putin cronies Arkady Rotenberg and Gennady Timchenko received 12 percent more in government contracts than they had during the entire previous year. The government also stripped Russia's largest private bank, Alfa-Bank, of a lucrative contract to service the country's electricity market, awarding it instead to Bank Rossiya.

The Kremlin has also managed to circumvent the sanctions, partly by turning to China. In May 2014, Putin visited the country to seal a 30-year, \$400 billion gas deal with it, demonstrating that Russia has alternatives to European gas markets. That October, Moscow and Beijing also agreed to a 150 billion yuan currency swap, allowing companies such as Gazprom to trade commodities in rubles and yuan—and thus steer clear of U.S. financial regulations. Even in Europe, Russia has been able to find loopholes to avoid the sanctions: in order to obtain access to Arctic drilling equipment and expertise, Rosneft acquired 30 percent of the North Atlantic drilling projects belonging to the Norwegian company Statoil.

It is tempting to believe that the sanctions will eventually work—say, after a few more years—but that is wishful thinking. U.S. and European negotiations with Russia have focused on the near future, including the implementation of the Minsk II agreement, an armistice with a deadline of December 2015, and with good reason: a drawn-out insurgency is the worst-case scenario for Ukraine and its Western

backers. The sanctions were intended to compel Russia to cooperate with this international diplomatic process and withdraw from Crimea; if it doesn't do so before the Minsk deadline, it is unlikely to in the future. Indeed, as academic studies suggest, the longer sanctions are in place, the less likely they are to produce a policy change. And in the case of Russia, if the price of oil rises again in the next few years, as is likely, their impact will diminish further.

THE COSTS OF CONTAINMENT

It is true that the sanctions have allowed the Obama administration to claim that it is doing something about Russian aggression. From the White House's perspective, that might be an acceptable rationale for the policy, so long as there were no downsides. In fact, however, the sanctions carry major economic and political costs for the United States and its European allies.

The brunt is being borne by Europe, where the European Commission has estimated that the sanctions cut growth by 0.3 percent of GDP in 2015. According to the Austrian Institute of Economic Research, continuing the sanctions on Russia could cost over 90 billion euros in export revenue and more than two million jobs over the next few years. The sanctions are proving especially painful for countries with strong trade ties to Russia. Germany, Russia's largest European partner, stands to lose almost 400,000 jobs. Meanwhile, a number of European banks, including Société Générale in France and Raiffeisen Zentralbank in Austria, have made large loans to Russian companies, raising the worrying possibility that the banks may become unstable, or even require bailouts if the borrowers default.

In the United States, banks are taking much of the impact. U.S. financial institutions have been required by law to freeze and manage tens of millions of dollars in assets of sanctioned individuals. As a result, the banks have had to hire additional legal and technical staff to not only monitor their own accounts but also review any financing arrangements with Russian entities. Failure to comply with the sanctions can be extremely costly: just one error, such as processing a single payment from an interdicted individual, can carry a penalty of up to \$250,000, and the penalties can quickly multiply. In 2010, the Dutch bank ABN AMRO was fined \$500 million for violating U.S. sanctions against Cuba, Iran, Libya, and Sudan.

U.S. energy companies, for their part, have had to abandon various



Forbidden fruit: destroying Western food imports in Novozybkov, Russia, August 2015

joint ventures in Russia, losing access to billions of dollars of investments. Thanks to prohibitions on the provision of technology and services to Russian companies, Western firms have been kept out of unconventional drilling projects in the Arctic and elsewhere. Exxon-Mobil, for example, has been forced to withdraw from all ten of its joint ventures with Rosneft, including a \$3.2 billion project in the Kara Sea. Because that project was in its early stages, the cancellation will not cost ExxonMobil in immediate profits. But it will cut access to upstream development projects inside Russia, putting the company's future profits and stock valuation at risk and raising the possibility that the money already invested will be permanently lost.

A similar dynamic may harm European energy security, too. Because the sanctions prohibit Western companies from financing Russia's largest energy firms, the Russian companies have cut back on upstream exploration and development. In this, the sanctions may achieve their intended goal of reducing state revenue, but that will come as a result of shortfalls in supply. The energy consultancy IHS Cambridge Energy Research Associates has predicted that if the sanctions persist, Russian oil production could decrease from 10.5 million barrels per day now to

7.6 million barrels per day by 2025—bad news for European states, which receive one-third of their oil from Russia. They are even more dependent on Russian gas, which, since it relies more on fixed pipelines, is harder to replace.

But it is in the realm of Russian politics that the sanctions have been most counterproductive. The sanctions have had a “rally round the flag” effect as the Russian people blame their ills on the West.

The sanctions allow Putin to deflect blame away from his own economic mismanagement.

According to the Levada Center, a Russian research organization, Putin’s approval rating increased from 63 percent during the invasion of Crimea to 88 percent by October 2015. In another poll, more than two-thirds of respondents said they thought the primary goal of the sanctions was to weaken and

humiliate Russia. State propaganda is of course playing a role, but the sanctions have made it easier for Putin to sell his anti-Western narrative. They allow him to deflect blame away from his own economic mismanagement and toward what he has called “external factors.”

The sanctions are also having the perverse effect of enabling Putin to further consolidate his power, because he has rewarded his closest cronies at the expense of other elites. According to data from *Forbes’* list of billionaires, Russia’s 15 richest citizens lost an average of 20 percent of their wealth in 2014, before regaining 12 percent in the next six months as the market stabilized. These fluctuations track the broader Russian economy, but after one breaks down the data, some telling disparities emerge. On average, those billionaires who held stakes in sanctioned companies lost less than three percent of their wealth between January 2014 and June 2015, whereas those who did not lost nine percent. It requires no great leap of logic to see that the Kremlin has shielded those with connections to the ruling circle from the pain of the sanctions, thereby shifting the burden to those without such ties.

The sanctions have also encouraged Russia to create its own financial institutions, which, in the long run, will chip away at the United States’ economic influence. After U.S. senators and some European governments suggested that the United States might cut off Russia’s access to the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment system, the Russian Central Bank announced that it was going to start negotiations with the other BRICS states—

Brazil, India, China, and South Africa—to create an alternative. To lessen its dependence on Visa and MasterCard, Russia has made moves toward setting up its own credit-card clearing-house. And it has moved ahead with the proposed BRICS development bank, which is designed to replicate the functions of the World Bank and the International Monetary Fund.

Although none of these initiatives has come to fruition yet, they raise the worrying possibility that the United States will someday have a harder time employing economic statecraft. Even though sanctions have failed with Russia, they can work against smaller states, which, since they lack the cash reserves and ability to ramp up domestic production, cannot so easily compensate for the cutoff of foreign trade and investment. But in a world where more institutions fall outside the reach of the United States and its allies, those targets can more easily circumvent U.S. sanctions. The recent measures directed at Iran for its nuclear program, for example, would have been less likely to drive the regime toward the bargaining table had it been able to turn to alternative organizations for transaction and financing support. Likewise, Russia's shift away from trading in the dollar could make future U.S. sanctions less effective, since transactions structured as currency swaps do not require access to the U.S. financial system.

ACCEPTING FAILURE

If the United States continues to insist that the sanctions against Russia need more time to work, then the costs will continue to add up, while the likelihood of changing the Kremlin's behavior will get even slimmer. The West does indeed need to respond to Moscow's adventurism, but it should do so largely through other means.

To start, the Obama administration should make one final attempt to obtain some benefit from the sanctions, offering to lift the most onerous restrictions on Russia's financial and energy sectors in exchange for Russia's implementation of the Minsk agreement. If the offer were accepted, it would constitute at best a minor success for U.S. sanctions policy: the Minsk agreement has been primarily the result of persistent diplomacy by French and German leaders, and U.S. sanctions were aimed at securing not just peace in eastern Ukraine but also unconditional Russian withdrawal from Crimea. Given the Kremlin's past unwillingness to compromise, however, such an offer would most likely be rejected. In that case, the United States

should cut its losses and unilaterally lift the majority of the sanctions on Russia.

As for the lower-cost sanctions aimed at specific, narrow goals, those may as well be kept in place. Travel bans on individual elites should last for several more years. These restrictions carry low costs—the burden of which falls primarily on governments, not businesses—and will continue to inconvenience elites close to Putin, hopefully deterring future aggressive actions to some extent. Sanctions on entities directly involved in the annexation of Crimea should also be retained, since they are aimed not at coercion but at preventing Russia from profiting from the seizure, a goal that is far more likely to succeed.

Sanctions that impede Russia's military modernization have a role to play, too. Not only should the United States and Europe expand the long-term asset freezes and financing bans on Russian weapons manufacturers; they should also enact new bans on the import of arms from western Europe, particularly on major purchases, such as the Mistral helicopter carriers that Russia ordered from France before the deal was canceled in August 2015. None of these measures is likely to coerce Russian leaders into changing course in Ukraine, but they could make it trickier for Russia to engage in future military misadventures.

After winnowing the sanctions, U.S. diplomats should seek to work with their Russian counterparts on issues unrelated to the Ukraine crisis. The United States and Russia collaborated on the Iran nuclear deal, and despite Russia's recent intervention in Syria, there is still room for cooperation on ending the civil war there. Although Washington and Moscow disagree about the future of the Assad regime, they both have an interest in preventing the growth of the Islamic State, or ISIS, and there is good reason for the two powers to try to craft a multilateral political solution to Syria's crisis. Engaging Russia on this and other non-Ukrainian issues would avoid isolating it diplomatically and thus discourage it from creating or joining alternative international institutions.

The United States should also give additional economic aid to Ukraine. Although any aid program must grapple with Kiev's long-running corruption and governance problems, increased assistance would help the Ukrainian government address its economic woes, rebuild from conflict, and ultimately become less economically dependent on Russia.

Finally, to starve the Russian state of revenue in the long term,

Washington should try to provide Europe with an alternative source of energy. Even though the United States is the world's biggest producer of oil and natural gas, U.S. federal law currently bans the export of crude oil, and the Department of Energy requires a special waiver for the export of liquefied natural gas. In October, the House of Representatives voted to lift these restrictions, but the president threatened to veto the bill. That's a shame, since the move would not only benefit U.S. companies and consumers but also allow European states to wean themselves off Russian oil and gas. As Russian energy companies lost customers, the state's revenues would decline. And unlike the sanctions, this policy would help, not hurt, European energy security.

It is difficult to accept when a policy does not work. To its credit, the Obama administration has done so in Cuba, by resuming diplomatic relations, and in Iran, by choosing to negotiate. It is time to admit failure in Russia, too. Because the high costs of Western sanctions cannot be justified by their limited impact, the United States would be better off trying a policy with fewer downsides, and with greater odds of success. 🌐

The Transatlantic Data War

Europe Fights Back Against the NSA

Henry Farrell and Abraham Newman

Last October, the European Court of Justice struck down the Safe Harbor agreement, a 15-year-old transatlantic arrangement that permitted U.S. companies to transfer data, such as people's Google-search histories, outside the EU. In invalidating the agreement, the ECJ found that the blurry relationship between private-sector data collection and national security in the United States violates the privacy rights of EU citizens whose data travel overseas. The decision leaves U.S. technology companies with extensive international operations on shaky legal ground.

Although some informed American observers anticipated the decision, most were caught flat-footed; some seemed downright bewildered. Myron Brilliant, the executive vice president of the U.S. Chamber of Commerce, said, "It is particularly alarming that this long-standing agreement has been invalidated with no discussion of a transition period or guidance regarding how companies should comply with the law." Critics of the decision, including U.S. Commerce Secretary Penny Pritzker, argue that it will jeopardize the transatlantic digital economy, costing U.S. firms billions of dollars. Without a new agreement, there is a significant risk that personal data will have to be quarantined within Europe, creating what Eric Schmidt, the executive chair of Alphabet (previously Google), called "per-country Internets." If that occurred, he continued, it could risk destroying "one of the greatest achievements of humanity." Critics also charge that the EU is acting unilaterally

HENRY FARRELL is Associate Professor of Political Science and International Affairs at George Washington University's Elliott School of International Affairs. Follow him on Twitter @henryfarrell.

ABRAHAM NEWMAN is an Associate Professor in the Edmund A. Walsh School of Foreign Service and the Government Department at Georgetown University.

to protect its businesses against foreign competition, damaging the open, democratic nature of the Internet.

But the main reason that U.S. companies and officials are flustered is that they are used to being the ones who make the rules. Over the past 70 years, the United States has built a global system in which information, investment, and trade move quickly and easily across borders. That openness has created an interdependent world in which the national rules and preferences of one country can shape the rules and preferences of others. The outsized power of the U.S. economy usually gives that role to the United States.

In the aftermath of the 9/11 attacks, the United States began to exploit interdependence, deliberately using its economic power as an instrument of national security. Despite advocating the free flow of capital, it has systematically used sanctions to obligate foreign banks and financial actors to isolate businesses, people, and states from the global financial system. Despite publicly promoting an open and secure Internet, it has privately undermined the encryption of online communications and surreptitiously created vast international surveillance systems in cooperation with close allies, including the United Kingdom. In short, the United States has leveraged the world's reliance on its economy to influence and spy on foreigners.

This strategy is reaching its limits, and the Safe Harbor decision powerfully demonstrates that Washington needs to wake up to the strategy's costs. When the United States uses its global economic heft to bolster its national security, it rigs the game, making it nearly impossible for other states to push back and inspiring ill will abroad. It is difficult for EU countries to fight back directly, both because of the sheer might of the U.S. security apparatus and because EU member states free-ride on U.S. intelligence, military, and technological capabilities. Yet the EU may have found a way to force the United States to pay a price for its dominance. Although the ECJ has no jurisdiction over the U.S. National Security Agency (NSA), it does have jurisdiction over the European operations of American firms. Its ruling demonstrates that the more Washington tries to leverage the interdependence of the global system for its own security goals, the more other states and their courts will actively resist a U.S.-centered global economy.

WEAPONIZING INTERDEPENDENCE

One of the great luxuries of hegemony is the ability to take the world for granted. U.S.-led globalization has removed barriers to the free flow of money, goods, and information. Removing these barriers has come with political costs, but these have been borne primarily by other states, which have been obliged to adjust their domestic rules so that they may benefit from the open, integrated world economy.

A more integrated world economy benefits U.S. companies, allowing them to find new markets and build complex international supply chains that lower their costs. Businesses such as Facebook, Google, and Uber have exploited economic openness to replicate their business models throughout the advanced industrialized world, often deliberately challenging local and national rules in other countries. At the same time, the explosion of cross-border exchange has increased the importance of the U.S. dollar and the U.S. market as foreign firms seek access to American banks and consumers to raise money and sell goods.

In the past decade and a half, Washington has increasingly wielded this power as a weapon, shaping the decisions of foreign governments and firms that depend on access to the United States' currency, information sector, and markets. Rather than spread U.S. norms and preferences through indirect market mechanisms, the United States has directly harnessed the coercive might of its markets and information networks to achieve its own security and foreign policy goals—most notably combating transnational terrorism and confronting rogue states.

Great powers have regularly used blockades, export restrictions, and sanctions to manipulate countries that depend on trade in physical goods. But the United States now has the power to manipulate financial and informational flows as well. Foreign financial institutions are crucially dependent on U.S.-dollar-based transactions, making them vulnerable to U.S. regulators, who can threaten them with dire consequences if they do not comply with U.S. rules. In an effort dubbed “Treasury’s War” by one of its chief architects, Juan Zarate, who served during the George W. Bush administration as assistant secretary of the U.S. Treasury for terrorist financing and financial crimes, the United States has pressed foreign financial institutions into service as agents of Washington. Under Section 311 of the U.S.A. Patriot Act, the U.S. Treasury Department has the ability to classify a foreign financial

institution as a “primary money laundering concern.” This classification can affect a bank’s ability to operate in the United States and allows Washington to pressure other financial institutions affiliated with it that rely on U.S. markets.

Some of the United States’ targets, among them Iran and North Korea, have few sympathizers. But the United States has also undercut its friends. In the service of counterterrorism, for example, it forced a Belgium-based financial-processing entity to provide it with a trove of information on worldwide electronic fund transfers, systematically breaking EU privacy law. It has also exploited global interdependence to push foreign governments to change their domestic rules and practices on issues seemingly unrelated to security, such as bank secrecy, foreign bribery, and money laundering. Swiss banks, which have long made it their business model to help the world’s wealthy avoid paying taxes, now find themselves in the cross hairs of U.S. national security policy. As U.S. officials have woken up to the importance of the financial flows that fund terrorist networks, they have begun to target illicit banking practices.

THE END OF THE LINE

Too often, policymakers in Washington mistakenly assume that the narrow self-interests of the United States and its businesses should automatically go hand in hand with the global order they have helped create. When foreign regulators have sought to apply national rules to U.S. technology companies, the United States has accused them of having ulterior motives. U.S. President Barack Obama, for example, has interpreted foreign governments’ efforts to protect their citizens’ rights against U.S. companies as protectionism in disguise. Speaking in a February 2015 interview about European investigations into Facebook and Google, he said, “Our companies have created [the Internet], expanded it, perfected it in ways they [Europeans] can’t compete [with]. And oftentimes what is portrayed as high-minded positions on issues sometimes is just designed to carve out some of their commercial interests.”

Such claims are both wrong and politically unsustainable; soon enough, major states and jurisdictions will stop tolerating U.S. coercion. When the United States targets states or individuals that are perceived as breaking the rules, such as Iran or Russia, it can usually persuade enough other states to join in, giving its actions

a veneer of legitimacy. But when the United States breaks the rules itself in ways that undermine the basic constitutional guidelines of other countries, it should expect a backlash. The more the United States seeks to exploit the system it has created, the more foreign states and businesses will challenge it.

Interdependence has already begun to work against the United States rather than for it. As U.S. businesses have entered international markets, they have become more vulnerable to other countries' rules and more anxious about U.S. policies and actions that irritate other governments. This is an especially big problem for technology companies, whose insatiable hunger for detailed personal information indirectly feeds the U.S. surveillance state. Since foreign countries cannot directly indict the NSA, they tend to turn to the targets whose behavior they can affect—U.S. businesses—to force the U.S. government to change its rules.

FOR EU EYES ONLY

Thanks to the revelations of the American privacy activist and former NSA contractor Edward Snowden, resentment toward the U.S. security state has grown into active opposition. Snowden's files showed that the United States, together with key allies, had systematically exploited technical vulnerabilities to spy on the world, gathering vast amounts of data on the personal communications of hundreds of millions of people and combing them for relevant security information. This meant that even as Washington had spent years advocating an open Internet and condemning digital surveillance by countries ranging from China to Russia, it had simultaneously been exploiting the open Internet on the sly. The United States had publicly proselytized for the free flow of information while secretly diverting these flows into NSA server farms. It had vigorously supported the global expansion of technology companies, championing the use of Twitter, for example, in pro-democratic movements such as those of the Arab Spring, while quietly requiring some of those firms to turn over troves of data and tapping into their servers overseas.

Of course, the United States is not alone in its cynicism. Some politicians who have publicly expressed fury at the Snowden revelations, including German Interior Minister Thomas de Maizière, have hypocritically tried to impose similar surveillance schemes on their countries' own civilians, and foreign intelligence agencies that depend



Unfriended: a 3-D-printed Facebook logo in Zenica, Bosnia and Herzegovina, May 2015

on the CIA have minimized the scandal for fear of being cut off from U.S. intelligence-sharing programs. However, as U.S. actions have interfered with the basic rights of citizens abroad, they have drawn the ire of a different set of actors who are less easily cowed than politicians: judges, who often see their role as protecting fundamental constitutional protections rather than striking international compromises. The ECJ has already struck down a measure requiring European communications firms to keep customer data for up to two years, in part because it feared that this information might leave the EU. Now the court has gone one step further, challenging the basis of the transfer of personal information from the EU to the United States.

The Safe Harbor dispute stems from the fact that the EU and the United States have fundamentally different understandings of how privacy should work in the digital age. Beginning in the 1990s, European countries developed comprehensive rules governing the collection and processing of personal information, overseen by independent regulatory agencies called “data protection authorities.” This approach to privacy was elevated to a fundamental constitutional right when the EU adopted its Charter of Fundamental Rights in 2009. The United States, in contrast, lacks a comprehensive approach to privacy, relying instead on an idiosyncratic patchwork of specific—and, in some cases, dated—rules governing sectors as diverse as health

care and video rentals. The problem for the United States is that European regulations have long prohibited the transfer of data to countries that the EU considers to have weak privacy protections, among them the United States.

Given the economic benefits of data exchange, the EU and the United States negotiated the Safe Harbor agreement in 2000 to work through these differences. As part of the arrangement, U.S. firms agreed to comply with a set of basic privacy principles overseen and enforced by the U.S. Federal Trade Commission. In the past 15 years, more than 4,000 U.S. firms have come to rely on Safe Harbor to facilitate transatlantic e-commerce and to transfer data across jurisdictions. The ECJ's ruling jeopardizes all of that.

In the wake of the Snowden revelations, privacy activists in Europe began exploring legal channels to curtail U.S. surveillance. In 2013, Max Schrems, an Austrian law student, brought a case in Ireland against the Safe Harbor agreement based on information revealed in

By transforming technology companies into tools of national intelligence, Washington has damaged their reputations.

the Snowden files. He argued that the NSA's spying showed that there was no effective data protection regime in the United States and that the Safe Harbor agreement could not protect European citizens from mass surveillance. Ireland's High Court appeared to agree, finding that "the Snowden revelations demonstrate a massive overreach on

the part of the security authorities, with an almost studied indifference to the privacy interests of ordinary citizens. Their data protection rights have been seriously compromised by mass and largely unsupervised surveillance programmes." The ECJ, in its ruling, cited the Irish High Court's findings on the Snowden documents and directly tied the fate of the Safe Harbor program to the blurring of private-sector data collection and public surveillance in the United States, concluding that

national security, public interest, and law enforcement requirements of the United States prevail over the safe harbour scheme, so that United States undertakings are bound to disregard, without limitation, the protective rules laid down by that scheme where they conflict with such requirements. The United States safe harbour scheme thus enables

interference, by United States public authorities, with the fundamental rights of persons.

NO SILVER LINING

By transforming U.S. technology companies into tools of national intelligence, Washington has badly damaged their corporate reputations and exposed them to foreign sanctions. Their international profits—not to mention a substantial chunk of the U.S. economy—depend on the free flow of information across borders. Foreign officials, political activists, and judges who limit these flows to protect their citizens from U.S. surveillance strike at the heart of these companies' business models. The ECJ's Safe Harbor ruling has now forced Washington to decide whether it values its unrestricted ability to spy on Europeans more than an open Internet and the economic well-being of powerful U.S. businesses. The EU has, in effect, used the United States' own tactics against it.

Meanwhile, U.S. firms have few attractive long-term options if they want to transfer data across the Atlantic. In the short term, EU rules still allow businesses to use contracts, for example, to transfer personal data to the United States. But such transfers are no better protected against U.S. state surveillance than Safe Harbor transfers were. Hamburg's data commissioner has bluntly advised firms not to rely on these mechanisms and instead to simply keep their data on European servers.

European data protection authorities have given Washington a few months' reprieve to shape up but have threatened to take action if the United States has not reformed its privacy rules by the end of January 2016. They are demanding that the EU and the United States agree on a binding legal arrangement, such as a treaty, that guarantees European privacy rights by keeping data from U.S. intelligence agencies. If the United States does not amend its laws to protect Europeans, U.S. firms will likely need to Balkanize their data flows by quarantining European data in European data centers; otherwise, they will face sanctions from European data protection authorities. Microsoft's president, Brad Smith, warns that such fragmentation of the Internet risks a "digital dark ages" that could disrupt everything from credit-card payment systems to airline reservations, costing companies billions of dollars and threatening their global ambitions. U.S. efforts to exploit interdependence will

have led Europe to cut valuable personal data out of global networks and markets.

A NEW WORLD ORDER

By its very nature, interdependence can be a weakness as well as a weapon. As the Safe Harbor case illustrates, when the security preferences of the United States are at odds with the fundamental rights of citizens in other major jurisdictions, it is likely to face backlash. The United States needs global cooperation on a host of sensitive issues, ranging from money laundering and sanctions to the multilateral exchange of data. Yet it continues to insist on unilateralism, even when this damages the ability of U.S. firms to operate across jurisdictions.

In the context of a criminal investigation, for example, the United States is now demanding that Microsoft hand over personal data housed in its data center in Ireland. Rather than requesting the data through the ordinary processes of intergovernmental exchange, in which the U.S. government would make a request to law enforcement officials in Ireland, the United States is using the global reach of its legal system to demand the data even in the face of opposition from both the Irish government and Silicon Valley companies that fear this move will further blacken their corporate reputations. A group of powerful technology giants, including Apple and Cisco Systems, has filed a “friends of the court” brief in support of Microsoft and against the U.S. government’s position. If this type of behavior on the part of the U.S. government continues, it will critically damage the aspirations of U.S. firms to build global cloud computing. Instead of a common cloud, firms will have to make use of segmented national data spaces hidden behind thickets of regulations and mutually incompatible cryptographic protection schemes. This will both threaten cloud providers’ economies of scale and hurt U.S. providers that are seen, rightly or not, as more vulnerable to U.S. surveillance and the government’s demands for information.

But such an outcome can still be avoided. The EU and the United States share broadly similar values and have figured out how to cooperate on the exchange of law enforcement data. They have reached the so-called Umbrella Agreement, under which the United States has committed to introducing laws that will give the citizens of EU states certain privacy rights in U.S. courts. The United States could likely resolve the Safe Harbor controversy by extending such protections to

cover surveillance and eliminating loopholes that allow both American and European intelligence agencies to exchange information without democratic oversight. Disputes such as the Microsoft case could be resolved through a more efficient system of multilateral exchange, with accompanying privacy protections. Many of the problems of interdependence could be solved by making civil rights interdependent as well, so that they are recognized and protected across multiple jurisdictions.

The United States faces a profound choice. It can continue to work in a world of blurred lines and unilateral demands, making no concessions on surveillance and denouncing privacy rights as protectionism in disguise. Yet if it does so, it is U.S. companies that will suffer.

Alternatively, it can recognize that globalization comes in different flavors and that Europeans have real and legitimate problems with ubiquitous U.S. surveillance and unilateralism. An ambitious strategy would seek to reform EU and U.S. privacy rules so as to put in place a comprehensive institutional infrastructure that could protect the privacy rights of European and U.S. citizens alike, creating rules and institutions to restrict general surveillance to uses that are genuinely in the security interests of all the countries.

More broadly, the United States needs to disentangle the power of a U.S.-led order from the temptations of manipulating that order to its national security advantage. If it wants globalization to continue working as it has in the past, the United States is going to have to stop thinking of flows of goods and information as weapons and start seeing them as public goods that need to be maintained and nurtured. Ultimately, it is U.S. firms and the American economy that stand to benefit most. 🌐

Getting to Democracy

Lessons From Successful Transitions

Abraham F. Lowenthal and Sergio Bitar

Almost five years ago, mass protests swept the Egyptian autocrat Hosni Mubarak from power. Most local and foreign observers believed that Egypt was on the path to a democratic future; some even proclaimed that democracy had arrived. But the election of Mohamed Morsi and the Muslim Brotherhood's Freedom and Justice Party led to polarization and violence, and in 2013, after more mass protests, General Abdel Fattah el-Sisi seized power in a military coup. Since then, Sisi's regime has killed more than 1,000 civilians, imprisoned tens of thousands more, and cracked down on media and civil society.

Nearby Tunisia has fared better. The wave of Arab uprisings began there in 2010, and the democratic government that Tunisia's revolution ushered in has survived. It succeeded at one of a transition's critical tasks: agreeing on a new constitution, an achievement recognized by the Nobel Committee when it awarded its Peace Prize to a quartet of civil society organizations active in Tunisia's transition. But Tunisia's democracy remains fragile, threatened by political violence, a crackdown on dissidents, and human rights violations. In Cuba, too, there are finally hopes for a democratic future, as aging authoritarian rulers begin to introduce reforms. And in Myanmar (also known as Burma), a slow and uneven transition from military rule to inclusive governance may be under way, but it remains fraught with difficulties.

ABRAHAM F. LOWENTHAL is a Nonresident Senior Fellow at the Brookings Institution and Founding Director of the Inter-American Dialogue.

SERGIO BITAR is President of Chile's Foundation for Democracy and a Nonresident Senior Fellow at the Inter-American Dialogue. He was a Chilean Senator from 1994 to 2002.

They are the co-editors of *Democratic Transitions: Conversations With World Leaders* (Johns Hopkins University Press and International IDEA, 2015), from which this essay is adapted.

What determines whether attempts at democratic transitions will be successful? Past experience offers some insights. We conducted extended interviews with 12 former presidents and one former prime minister who played vital roles in the successful democratic transitions of Brazil, Chile, Ghana, Indonesia, Mexico, the Philippines, Poland, South Africa, and Spain. Some were leaders in authoritarian regimes who nevertheless helped steer their countries toward effective democracy. F. W. de Klerk, as president of South Africa, negotiated with Nelson Mandela and the African National Congress (ANC) to bring an end to apartheid. B. J. Habibie, vice president under Indonesia's long-ruling dictator, Suharto, became president after Suharto's resignation in the face of massive protests. Habibie then freed political prisoners, legalized trade unions, ended press censorship, allowed the formation of new political parties, and transformed the rules of Indonesian politics, paving the way to constitutional democracy.

Other leaders were prominent in opposition movements that brought an end to authoritarian rule and subsequently helped build stable democracies. Patricio Aylwin, a leader of the opposition to General Augusto Pinochet, Chile's long-ruling dictator, became his country's first elected president after the restoration of democracy in 1990. Tadeusz Mazowiecki, a Catholic intellectual and a leader of the trade union Solidarity, became the first prime minister of post-communist Poland.

We also interviewed bridge figures: leaders who straddled autocracy and democracy, such as Aleksander Kwasniewski, a cabinet minister in Poland's communist government who was involved in the Round Table discussions that led to Poland's democratic opening. Later, as president, he helped build Poland's democratic institutions. Fidel Ramos, a high-ranking military official in the Philippines under the autocratic regime of Ferdinand Marcos, joined the opposition during the massive People Power demonstrations in 1986. He later served as defense minister and then as the second president of the post-Marcos democracy.

Although broader social, civil, and political forces played important roles, these leaders were key to their countries' successful transitions. They helped bring authoritarian regimes to an end and built constitutional democracies in their place, institutionalized through regular, reasonably fair elections, combined with meaningful restraints on executive power and practical guarantees of essential political rights—

and none of these transformations has been reversed. Democracy remains a work in progress in some of these countries, but the transitions fundamentally changed the distribution of power and the practice of politics.

Of course, there is no one-size-fits-all model for democratic change. Yet past transitions do offer some broadly applicable lessons. Democratic reformers must be ready to compromise as they prioritize incremental progress over comprehensive solutions. They must build coalitions, reach out to some within the regimes they seek to overthrow, and grapple with questions of justice and retribution. And they must bring the military under civilian control. Those interested in building democracies from the ruins of dictatorships can improve their odds by following these best practices.

PREPARING THE GROUND

A successful democratic transition begins long before elected politicians take office. The opposition must first gain enough public support to challenge the regime's capacity to govern and position itself as a plausible contender for power. Opposition leaders have to mobilize protests; denounce the imprisonment, torture, and expulsion of dissidents; and erode the regime's national and international legitimacy.

This often requires bridging deep disagreements among the opposition about aims, leadership, strategies, and tactics. Most of the transition leaders we interviewed worked assiduously over time to overcome such divisions and build broad coalitions of opposition forces, uniting political parties, social movements, workers, students, religious institutions, and key business interests around a common agenda. In Poland, the trade union Solidarity worked closely with student organizations, intellectuals, and elements of the Catholic Church. Brazil's opposition movement convinced industrialists in São Paulo to back its cause. In Spain, opposition groups resolved many of their differences in the negotiations leading up to the Moncloa Pacts of 1977, where they agreed on how to run the economy during the transition.

By contrast, wherever the opposition fails to unite, the prospects for democracy suffer. In Venezuela, serious divisions over how confrontational to be toward the government have thus far prevented the opposition from taking full advantage of the regime's economic mismanagement. In Serbia, Slobodan Milosevic was able to rule in an increasingly authoritarian manner after taking power in 1989 thanks in part to the inability of the Serbian opposition to present a unified



Demanding democracy: an opposition protest in Santiago, Chile, November 1983

front. In Ukraine, the Orange Revolution of 2004–5 overturned an election result widely considered to have been rigged. But divisions among reformers then held back the further development of democratic institutions and the rule of law, leading to another decade of oligarchic rule and political corruption.

Democratic opposition movements also need to build bridges with those who cooperated in the past with the regime but who may now be ready to support democratization. Focusing on past grievances tends to be counterproductive, so democratic reformers should instead consistently project a positive and forward-looking vision of the transition to counter the pervasive fear that authoritarian regimes instill. At the same time, they should marginalize those who refuse to renounce violence or who insist on uncompromising demands for regional, ethnic, or sectarian autonomy.

But uniting the opposition is not enough; democratic forces must also understand and exploit divisions within the incumbent regime. To persuade elements within the regime to be open to change, reformers must make credible assurances that they will not seek revenge or confiscate the assets of regime insiders. Opposition movements should work hard to become viable interlocutors for those within the authoritarian regime who desire an exit strategy, while isolating those who remain intransigent. For example, the Brazilian reformer Fernando

Henrique Cardoso's core strategy was to induce elements of the military to reach out in search of an exit.

Incumbents who recognize the need to turn away from authoritarian rule, in turn, must find ways to maintain the support of their core constituencies while negotiating with opposition groups. The "bush retreats" de Klerk held with members of his cabinet in 1989 and 1990 are a model for this. At these talks, he built a secret consensus within his cabinet for the dramatic steps he would announce: legalizing the ANC, freeing Mandela and other political prisoners, and opening formal negotiations.

Direct contact between the opposition and the regime can take place secretly at first, if necessary, as was the case with the initial

Uniting the opposition is not enough; democratic forces must also exploit divisions within the regime.

contacts between government officials and ANC representatives, which were held outside South Africa in the mid-1980s. Informal dialogues, such as the Round Table discussions in Poland, can help members of the regime and the democratic opposition understand each other, overcome stereotypes, and build

working relationships. As de Klerk observed, "You cannot resolve a conflict without the parties involved talking to each other. . . . In order to succeed with negotiations, you have to put yourself in the other party's shoes. One must think through their case and determine . . . [the other party's] minimum requirements in order to ensure their cooperative, constructive participation in the negotiation process."

Throughout this process, reformers must exert pressure on the regime and take risks to achieve continuous progress, even if it is only gradual and incremental. They must be prepared to make compromises, even if these leave some vital aims only partially achieved and some important supporters frustrated. Dismissing maximalist positions often calls for more political courage than hewing to attractive but impractical principles. Transition-making is not a task for the dogmatic.

In Ghana, for instance, John Kufuor, the leader of the New Patriotic Party, rejected his party's boycott of the 1992 election, arguing that the party should participate in the 1996 election, even though it might lose. Kufuor's subsequent victory in the 2000 election led to a peaceful transfer of power through the ballot box, a pattern that has continued for 15 years. And in Mexico, Ernesto Zedillo, although a prominent

member of the long-ruling Institutional Revolutionary Party (PRI), supported incremental reforms in electoral procedures negotiated with the opposition at a time when the PRI seemed unlikely, after seven decades in power, ever to cede control. Later, as president, he agreed to further changes regarding campaign finance and supported a reform to strengthen the electoral authorities that helped open the way, in 2000, for the unprecedented transfer of power from the PRI to the opposition.

The dangers that lie in a refusal to compromise were clear in the case of Egypt. During the Muslim Brotherhood's brief reign, the group insisted on an Islamist agenda as it drafted a new constitution, and this alienated large swaths of the population. In Chile, extreme leftist members of the opposition espoused "all forms of struggle," including violence, against the Pinochet regime. By 1986, a majority of the opposition movement understood that they could not unseat the dictatorship by force and that association with the extreme left tarnished the opposition. They turned instead to peaceful contestation and pledged to build a "homeland for all." This approach helped the opposition triumph over Augusto Pinochet in the 1988 plebiscite, an election that many in the opposition had initially wanted to boycott.

CIVILIANS AND SECURITY

Toppling an authoritarian regime is one thing; governing is quite another. Transition leaders often face pressure to clean house entirely and start anew, but they should resist: governing requires perspectives, personnel, and skills that are quite different from those needed for opposition. Once the opposition takes power, the most important step is to end violence and restore order while ensuring that all security forces act within the law. Our interviews provided fascinating accounts of the protracted challenges that civil-military relations pose. Reformers have to bring all the security services under democratic civilian control as soon as possible, at the same time as recognizing and respecting the legitimate roles of these services, providing them with sufficient resources, and protecting their leaders from sweeping reprisals for past repression.

To accomplish this, the police and the domestic intelligence services should be separated from the armed forces. Leaders should inculcate new attitudes among the police toward the general population by emphasizing the responsibility of the security forces to protect civilians

rather than repress them, without reducing the forces' capacity to dismantle violent groups. Reformers should remove top officers responsible for torture and brutal repression, place senior military commanders under the direct authority of civilian ministers of defense, and insist that active-duty military officers refrain entirely from political involvement.

Such steps are easier to prescribe than to enact, and implementing them requires keen political judgment and courage. In some circumstances, they can be addressed early on; in others, they will take considerable time. But they should receive high priority from the start, as well as sustained vigilance. As Habibie explained,

Reformers must make compromises, even if these leave some vital aims only partially achieved.

discussing civil-military relations in Indonesia, "Those who lead a transition . . . have to show, not by talking or writing, but by action, the importance of civilian control."

Senior civilian officials charged with overseeing security forces should be knowledgeable about security matters

and respectful of their peers in the military, the police, and the intelligence services. This can be difficult where democratic movements have clashed violently with the security services, where mutual distrust persists, and where there is little respect for civilian expertise in military affairs.

Transition leaders also have to balance the desire to hold the previous regime accountable with the need to preserve the discipline and morale of the security forces. They have to foster peaceful mutual acceptance among formerly bitter enemies—no easy matter. Only then will citizens begin to trust a state that many understandably have rejected as illegitimate and hostile, and only then will security forces cooperate fully with citizens they have previously regarded as subversive.

Subjecting the security services to civilian control is one of the most protracted challenges new democracies face. The continued supremacy that the Egyptian military enjoys over any elected institution lies at the heart of Egypt's failed democratic transition. And in countries as diverse as Gambia, Myanmar, and Thailand, the absence of civilian authority over the security forces remains the most important obstacle to a successful democratic transition.

THE CONSTITUTIONAL CHALLENGE

Bringing the military under civilian control can help transition leaders inspire domestic trust and international legitimacy. So, too, can the development of electoral procedures that reflect the will of the majority and that reassure those who lose elections that their core concerns will be respected under the rule of law. In most countries, drafting a new constitution is essential, although Indonesia retained its 1945 constitution with some altered provisions and Poland did not adopt a full new constitution until several years after the end of communism.

A wide range of participants should be involved in drafting a constitution that addresses the central concerns of key sectors, even when this means accepting, at least temporarily, procedures that restrict democracy. Consider the biased electoral systems maintained in Chile for 25 years after the end of the Pinochet regime to placate the military and conservative groups and the granting of the post of deputy president to the opposition leader in South Africa. Building broad support for a new constitution may also require incorporating lofty aspirations that need to be scaled back later or else implemented gradually, such as the ambitious socioeconomic provisions of Brazil's 1988 constitution, which called for expansive labor rights, agrarian reform, and universal health care.

Although the exact wording of a constitution matters, it may matter more how, when, and by whom the constitution is adopted. Its framers must achieve broad buy-in and make sure that it is neither too easy nor practically impossible to amend the constitution when conditions warrant. Many criticized Aylwin's formulation that the truth commission in Chile could provide justice only "as far as possible"—but what was possible expanded over the years. The key aim should be to establish broad acceptance of the basic rules of democratic engagement. As Thabo Mbeki, South Africa's second postapartheid president, observed, "It was important that the constitution be owned by the people of South Africa as a whole and therefore that the process of drawing up the constitution be inclusive."

The process must include supporters of the former regime, who will need assurances that their rights will be respected under the rule of law. The wholesale prosecution of former officials is unwise. The new leaders should instead establish transparent legal processes to seek the truth about past abuses, provide recognition and perhaps reparation to victims, and, when feasible, bring major culprits to justice.

Although full reconciliation may be impossible, mutual tolerance is an essential goal. Compromises, once again, are vital.

BALANCING ACTS

As democratic transitions take hold, the public often blames democratic leaders—and sometimes democracy itself—for failing to meet economic or political expectations. The new authorities typically inherit deep-rooted patterns of corruption and inefficiency. Movements that united in opposing the authoritarian regime may fragment. Civil society organizations that contributed to anti-authoritarian opposition movements sometimes decay or adopt disruptive positions, especially after many of their most talented leaders enter government or party politics.

Building constructive relations between a new government and a new opposition is an ongoing challenge. Competition between a government and its opposition is healthy for democracy, but complete obstruction by the opposition or the suppression of all criticism by the government can quickly destroy it. An independent judiciary that holds the executive accountable without blocking too many new initiatives and free and responsible media can help entrench a sustainable democracy.

Political parties also play an important role, so long as they do not become merely the vehicles of particular individuals and their cronies. Well-organized and programmatic democratic parties provide the best way to engage people of all classes, mobilize effective pressure, organize sustainable support for policies, channel public demands, and identify and promote skilled leaders. The development of strong parties requires careful attention to procedures and safeguards regarding candidate selection, campaign finance, and access to the media. Continuing challenges to democratic governance in Ghana, Indonesia, and the Philippines are due in part to weak political parties.

Although transitions are usually triggered by political, rather than economic, causes, economic challenges soon become a priority for new governments. Reducing poverty and unemployment may conflict with the economic reforms needed to promote long-term growth and macroeconomic stability. Before strong popular support erodes, the government should implement social measures that mitigate the hardships endured by the most vulnerable, but it also needs to exercise fiscal responsibility. The leaders of all the transitions we studied

adopted market-oriented approaches and prudent macroeconomic monetary and fiscal policies, but most did so cautiously to avoid fueling popular fears that public interests were being sold out to the privileged. Even those who were initially hostile to free markets accepted that markets were necessary in an increasingly globalized economy, alongside strong social policies that could produce more equitable economic development.

As the recent history of Western interventions in the Middle East amply demonstrates, democracy is not an export commodity. But external actors, governmental and nongovernmental, can effectively support democratic transitions if they respect local forces and become involved at their invitation. Sometimes, they can provide the conditions necessary for quiet dialogue among opposition leaders and between the opposition and representatives of the regime. They can offer advice on many practical issues, from how to conduct a campaign to how to make effective use of the media, and eventually how to monitor elections. Economic sanctions can help curb repression, as they did in Poland and South Africa. And foreign countries can offer aid and investment to support democratic transitions, as they did in Ghana, the Philippines, and Poland. International economic assistance during a transition can provide room for political reform when delivered in response to local priorities and in cooperation with local actors.

International intervention cannot take the place of domestic initiatives, however. External actors are most likely to be effective when they listen, raise questions that arise from their experience of similar challenges, and encourage local participants to consider issues from various perspectives.

A CHANGING WORLD

New actors, technologies, economic pressures, and geopolitical dynamics have transformed the context in which today's democratic transitions will take place. Anyone with a mobile phone can now spark mass protests by recording police violence. Social media can rapidly reshape public opinion and allow organizers to assemble large numbers of followers. But these new technologies cannot substitute for the hard work of building institutions. As Cardoso, the Brazilian reformer turned president, observed, "The problem is that it is easy to mobilize to destroy but much more difficult to rebuild. The new technologies are not sufficient by themselves to take the next step forward. Institutions

are needed, along with the capacity to understand, process, and exercise leadership that is sustained over time.” As Kufuor put it: “The masses cannot construct institutions. That’s why leadership is important.”

In the years ahead, social movements and civil society organizations, enhanced by digital networking, will perhaps pressure autocratic regimes more often and more effectively than in the past. Yet these movements cannot replace political parties and leaders. It is these actors that must ultimately build institutions, construct electoral and governing coalitions, win public support, prepare and implement policies, elicit sacrifices for the common good, inspire people to believe that democracy is possible, and govern effectively.

It is hard to build functioning and sustainable democracies in countries where there is no recent experience of self-government, where social and civic organizations are fragile, and where weak state institutions are incapable of providing adequate services and security. Democracy may also be difficult to establish in countries with strong ethnic, sectarian, or regional divisions. And democratically elected governments can nonetheless rule autocratically by ignoring, weakening, or paying mere lip service to the legislative and judicial restraints that democratic governance requires. Yet it is precisely all these countries that need democratic change most urgently. The examples of Ghana, Indonesia, the Philippines, South Africa, and Spain show that these challenges can be met under many different conditions, even in profoundly divided countries.

More educated young people than ever can be mobilized today to demonstrate in public squares for democracy, especially where employment is scarce. The challenge, however, is to engage them on an ongoing basis in constructing durable political parties and other institutions. Democracy does not emerge directly or inevitably from crowds in the street. Building democracies requires vision, negotiation and compromise, hard work, persistence, skill, leadership—and some luck. Despite all the obstacles, however, democratic transitions have succeeded in the past. Learning and applying the lessons of these successful experiences can help end autocracies and forge sustainable democracies in their place. 🌐

Latin Americans Stand Up To Corruption

The Silver Lining in a Spate of Scandals

Jorge G. Castañeda

Just a few years ago, Latin America was on a roll. Its economies, riding on the back of the Chinese juggernaut, were flourishing. A boom in commodity prices and huge volumes of foreign direct investment in agriculture and natural resources generated a golden decade. Ambitious government programs began to reduce inequality. And relations with the United States, long a source of friction, were improving—even as they became less important to the region's success.

Today the picture looks very different. Latin America's economies are grinding to a halt: in 2015, average GDP growth slipped below one percent. Inequality is still declining, but more slowly. And according to the annual Latinobarómetro poll, satisfaction with democracy in Latin America is lower than it is in any other region and is at its lowest point in almost a decade, at 37 percent. In Brazil and Mexico, it has descended to just 21 percent and 19 percent, respectively.

Yet on one count at least, the lands south of the Rio Grande are faring better than ever: Latin Americans are denouncing corruption as never before. In decades past, residents of the region seemed resigned to the problem, treating it as an ordinary, if lamentable, part of everyday life. In 1973, for example, Argentines elected Juan Perón to a third term as president despite his infamous criminality; as a popular saying put it, “Mujeriego y ladrón, pero queremos a Perón” (Philanderer and thief, we still want Perón).

JORGE G. CASTAÑEDA is Global Distinguished Professor of Politics and Latin American and Caribbean Studies at New York University. He served as Mexico's Foreign Minister from 2000 to 2003. Follow him on Twitter @JorgeGCastaneda. This article draws on columns he wrote for *Project Syndicate* last year.

Such tolerance is now a thing of the past. According to the same Latinobarómetro poll, the region's inhabitants identify corruption as their third most important problem, behind crime and unemployment but above inflation and poverty. Latin Americans have also started judging their politicians based on their perceived trustworthiness. Of the five most unpopular chief executives in Latin America today—Brazil's Dilma Rousseff, Mexico's Enrique Peña Nieto, Paraguay's Horacio Cartes, Peru's Ollanta Humala, and Venezuela's Nicolás Maduro—three come from the countries with the worst ratings for government transparency (Brazil, Mexico, and Peru).

Several factors explain this change in attitude. First, the economic growth of the last 15 years has created a large middle class (now estimated at almost a third of the region's population, according to the World Bank, up from around 20 percent a decade ago, although higher in Brazil, Chile, Mexico, and Uruguay) with high expectations. Second, the region has grown more democratic. As the recent economic downturn has high-

Of all the region's recent uprisings against corruption, the most dramatic have been in Brazil.

lighted the damage corruption causes, this newly enlarged middle class has used its new freedoms to vent its frustration with those in charge.

Foreigners have also played a role. As Latin America has become more integrated into the world economy, international media and civil society organizations have begun to direct intense opprobrium at corrupt leaders and to lavish praise on reformers. Outside forces have also helped the region's more independent judiciaries and media outlets expose official malfeasance.

Together, all these forces have created a combustible mix, and when cases of graft have come to light in recent years, they have sparked major scandals in one country after another. High-level Latin American officials and business leaders have found themselves denounced by the media. Prosecutors and courts have issued indictments, and protesters have taken to the streets. Although few of the governments implicated in the scandals have actually fallen—and few others are likely to—the sheer scale of the social and political protest has been astonishing and represents an important positive trend in a part of the world with an otherwise gloomy forecast.

BRAZILIAN BRIBES

Of all the region's recent uprisings against corruption, the most dramatic has unfolded in Brazil. The problems began in late 2013, a time when popular discontent with the government was already running high. The previous president, Luis Inácio Lula da Silva (known as Lula), had been tarnished by a corruption scandal years earlier. Now the economy was stagnating, and protests had begun to erupt over Brazil's lavish spending on the coming World Cup. Then, in late 2014, shortly after Rousseff narrowly won reelection, the so-called *petrolão* scandal hit.

The scale of the revelations was unprecedented. In November 2014, federal police arrested 18 people, including senior executives of Petrobras, Brazil's state oil company, for corruption in the first raid of the investigation. Numerous firms had paid high-ranking government officials, including members of Rousseff's Workers' Party, enormous sums of money to obtain contracts from Petrobras. The bribes were thought to have totaled around \$3 billion. Prosecutors charged executives from more than a dozen of the country's largest construction companies with corruption and money laundering. As several Petrobras executives turned state's witness, the police investigation, known as Operation Car Wash, continued to expand. Before long, many Brazilians concluded that Rousseff, who served as chair of Petrobras' board from 2003 to 2010, must be guilty herself. Although she has not been charged, Brazil's supreme court has ruled that her predecessor, Lula, can be called in for questioning, and on September 1, his former chief of staff was charged with racketeering, receiving bribes, fraud, and money laundering.

Lula was already under intense official scrutiny at the time: just a few months earlier, prosecutors had concluded that they had enough evidence to launch a full investigation into allegations that Brazil's biggest building company had paid Lula to lobby overseas on the firm's behalf. In yet another case, Rousseff has been accused by Brazil's Controller General's Office of illegally using funds earmarked for social programs and development to cover up budget deficits. Taken together, all these charges have helped push Rousseff's approval ratings down into the single digits; talk of her impeachment is now in the air. As demonstrations continue and the economy languishes—Brazil is now in its worst recession in decades—it's looking increasingly likely that Rousseff will not manage to serve out her term, which ends in 2018.

Bad as all these revelations have been for Brazil, the public reckoning that has followed can also be read as a sign of progress. The fact that the police, prosecutors, and judges have been willing to investigate the country's most powerful politicians and business leaders has highlighted the independence of Brazil's judicial system. And the unprecedented level of anger suggests that business as usual will no longer satisfy a Brazilian public increasingly intolerant of high-level corruption.

Another country north of Brazil has also recently turned a corner. In early 2015, after it emerged that officials had siphoned off millions of dollars in customs revenue, thousands of Guatemalans took to the streets, gathering every Saturday for weeks in the central square of the capital. In May, they forced the resignation of the country's vice president and several cabinet ministers. But the protests continued, and on September 1, legislators from President Otto Pérez Molina's own party stripped him of his immunity. On September 2, he resigned and within hours was jailed on corruption charges—an extraordinary event in a country where politicians have long enjoyed great impunity.

The fight against corruption in Guatemala has benefited from outside support. That help has come in the form of the International Commission against Impunity in Guatemala (CICIG), which was created in 2006 as part of a larger agreement between the UN and Guatemala. The body, which was initially intended to investigate crimes committed during the civil war, is financed by the European Union, supported by the U.S. embassy, and led by a Colombian; it now numbers more than 200 foreign officials. It has become one of the most powerful instruments in the campaign against corruption. As a high government official told me in August, "It hurts to admit that we are unable to clean up our own house, but it is better that someone else does it than that nobody does."

Guatemala's example has sparked similar protests across Central America, in neighboring Honduras and to a lesser extent in El Salvador. In Tegucigalpa, the capital of Honduras, thousands of protesters gather every Friday in a *marcha de las antorchas*, or "march of the torches," to demand an investigation into the defrauding of the Honduran Institute of Social Security by the governing party. President Juan Orlando Hernández has attempted to placate the demonstrators by creating a commission similar to the CICIG, although without prosecutorial powers, but so far, these attempts have failed. As long as it lacks the teeth of its Guatemalan counterpart, such a commission is unlikely to



satisfy the protesters, and if more scandals come to light, calls for Hernández's resignation will mount. And in El Salvador, there are calls for an external investigation into Alba Petróleos, the subsidized energy venture set up by then Venezuelan President Hugo Chávez several years ago, which is suspected of making financial contributions to El Salvador's ruling party.

NO MÁS

Foreign influence has played a crucial role in Mexico as well. The American press is responsible for unveiling three of the most important corruption cases in recent history: Walmart's bribing of Mexican municipal officials (which *The New York Times* reported on in 2012); the revelation that Luis Videgaray, the country's finance minister, had acquired property under suspicious circumstances (a story *The Wall Street Journal* broke in 2014); and the concealed purchase of multimillion-dollar condos in Manhattan and elsewhere by a former governor (another story broken by the *Times*, this one in 2015).

Yet Mexico's domestic media have also done their part. The radio reporter Carmen Aristegui, the newsweekly *Proceso*, and the daily *Reforma* have helped expose numerous scandals. Aristegui revealed that the \$7 million modernist mansion in Mexico City built for the

*Latin Americans are
denouncing corruption
as never before.*

Peña Nieto family was in fact owned by a company to which the president had awarded hundreds of millions of dollars in public contracts and that was headed by a personal friend of his. A government investigation has since exonerated Peña Nieto, but many in Mexico have

dismissed the inquiry as a cover-up. Other accusations have been leveled at the interior minister and several governors. These scandals have all generated a great deal of anger and unhappiness in Mexican society. But so far, not much more has come of them.

Yet public opinion has come to matter more and more in today's democratic Mexico. Online social networks now provide the new middle class with an outlet halfway between public protest and private complaint: Mexicans use Facebook and Twitter to vent their anger and share information (not all of it accurate) about high-level corruption. This allows for a measure of catharsis but has yet to produce actual change: although many think that Peña Nieto's government is Mexico's most corrupt since the late 1980s, so far calls for the president's resignation have foundered.

A major corruption scandal is causing a similar reaction in Chile. It began in February 2015 with accusations of influence peddling against the son and daughter-in-law of President Michelle Bachelet. Other scandals soon emerged, involving tax fraud and campaign finance crimes on the part of opposition leaders and members of the governing coalition, several of whom were jailed. As of May, most had been released, but some were under house arrest. Even Marco Enríquez-Ominami, a former independent candidate for president and one of Chile's most popular politicians, has been caught up in a controversy regarding campaign finance, according to Chilean media reports. Large financial and mining conglomerates—one of them led by the ex-son-in-law of Chile's former dictator, Augusto Pinochet—have been accused of fraudulently contributing to electoral campaigns.

Yet as in Mexico, the scandals have prompted only muted protests so far. That may be a consequence of their relatively small scale.

Historically, Chile's has ranked as one of the more honest governments in Latin America, and the amounts at stake in the country's recent scandals pale in comparison to those in Brazil and Mexico: the most serious charge against a Chilean official involves a loan of \$10 million.

Yet the allegations still represent the most serious challenge Bachelet has faced in her two terms in power. Although she tried to show that she takes the issue seriously by asking for the resignation of her entire cabinet in May and by calling for a new constitution, by August her approval rating had dropped by 30 percentage points in one year. Popular protests are likely to become louder unless Chile's elites take genuine steps to reduce corruption, especially if the country's copper-dependent economy doesn't pick up soon. But once again, this represents good news as well as bad. Chile's independent and honest judiciary and its free press were central to uncovering the corruption scandals—an important sign of the growing effectiveness of Chile's democratic institutions.

Even in Venezuela, where flagrant corruption is still the norm, there are signs that the public's patience is running out. According to *Latinobarómetro*, Venezuela is the region's second least transparent country, and at the end of 2015, Maduro was its third most unpopular president. The United States recently leaked accusations that many of the country's leaders—including Diosdado Cabello, the head of the National Assembly and Maduro's closest aide—have used illegal means to enrich themselves immensely, partly through links with Colombian drug cartels. In June, the deterioration of Venezuela's economy and the increase in violence and human rights violations forced Maduro to call elections for December. Although candidates and voters mostly focused on the economy, violence, and repression, more and more of them raised corruption as well.

A GLASS HALF FULL

Yet there are exceptions to this trend. In Argentina, there are few positive developments in the fight against corruption. The outgoing vice president, Amado Boudou, is awaiting trial for corruption, but many suspect the charges will be dismissed. Allegations also surround outgoing President Cristina Fernández de Kirchner, whose net wealth surged to a reported \$6 million over the 13 years she and her late husband ruled the country, but the chances of a prosecution are slim. Outsiders have less influence in Argentina than in many of its neighbors—the country's

tradition of Peronist nationalism makes it hostile to perceived meddling. And the public seems resigned to the status quo: although hundreds of thousands of Argentines joined demonstrations when the prosecutor Alberto Nisman died under mysterious circumstances—as he was investigating Kirchner in connection with the 1994 bombing of a Buenos Aires Jewish community center—they have remained stubbornly passive when it comes to corruption.

The people of Nicaragua, meanwhile, seem even more complacent. President Daniel Ortega is currently focused on an enormous undertaking: an attempt to build a second interoceanic canal just north of the existing Panama Canal. A Chinese businessman has agreed to underwrite the cost, which could reach up to \$100 billion. Some Nicaraguans think that the businessman is working for the Chinese government, but given China's economic problems, it is in no position to foot the bill, and more than two years after the project was announced, excavation has yet to begin. Many Nicaraguans believe that the whole venture is nothing more than an elaborate scheme designed to enrich the Ortega family and that no canal will ever be built. Yet Nicaraguans have done little to register their displeasure: there have been no massive protests, for example.

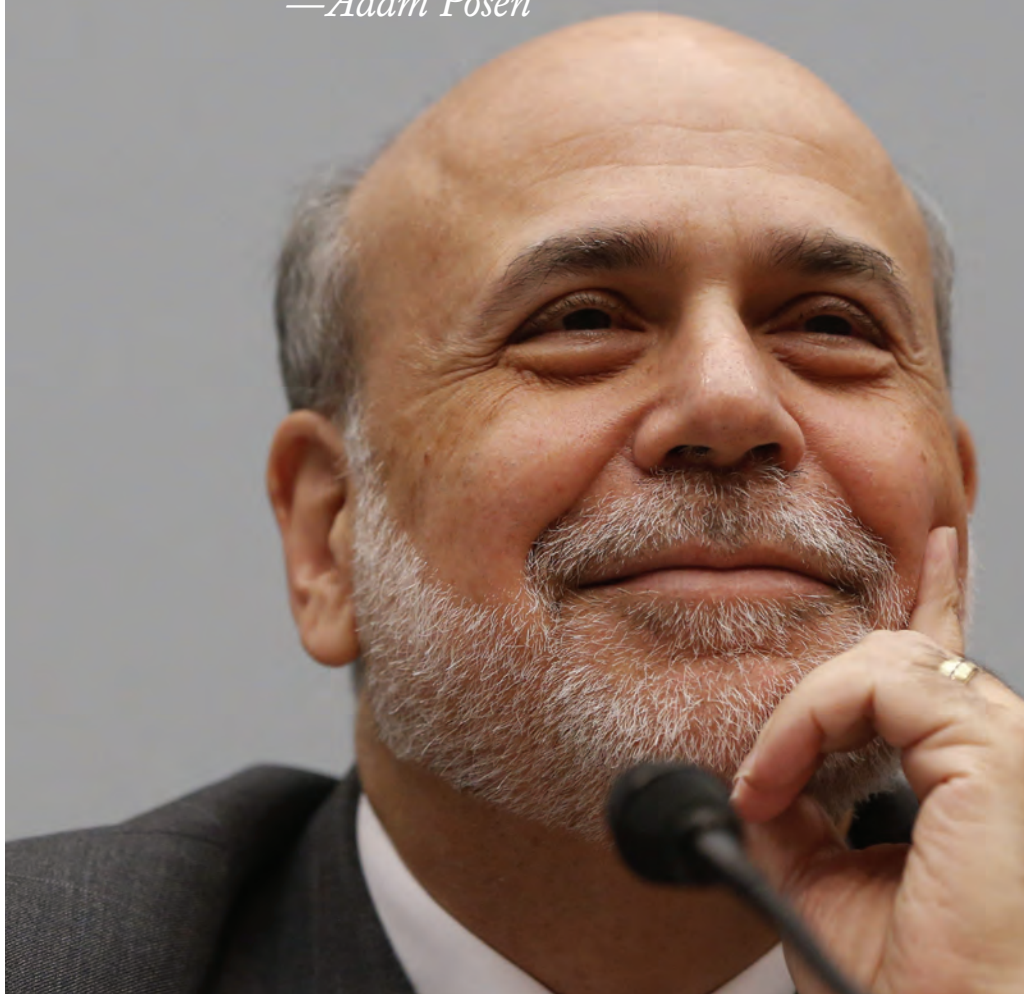
As all these stories suggest, corruption remains deeply embedded in Latin American political and social life. Some countries have seen little improvement from the bad old days decades ago. Yet the outraged reactions to the wave of scandals currently sweeping the continent may be the first sign that Latin American publics are no longer prepared to tolerate systemic dishonesty in their governments. The region's new middle classes, aided by pressure from abroad and by increasingly confident and independent domestic institutions, have begun demanding better governance.

The outcome of all these movements is still uncertain. Some may generate new institutions: autonomous controller's offices, more powerful and independent judiciaries, greater transparency, and more active and conscious civil societies. Others may take a populist turn, as candidates for office run on anti-elite platforms. And in some countries, the movements will subside. But in all cases, something will have changed in Latin America, and much for the better. 🌐

REVIEWS & RESPONSES

It is a sad commentary on the state of U.S. politics that a figure as deft as Bernanke could not protect the Fed's ability to act.

—Adam Posen



AP PHOTO / CHARLES DHARPAK

Big Ben
Adam S. Posen 154

The European Disunion
Ngairé Woods 160

Recent Books 166

Letters to the Editor 191

Big Ben

Bernanke, the Fed, and the Real Lessons of the Crisis

Adam S. Posen

The Courage to Act: A Memoir of a Crisis and Its Aftermath

BY BEN S. BERNANKE. Norton, 2015, 624 pp.

The biggest revelation offered by Ben Bernanke's memoir of his time as chair of the U.S. Federal Reserve is just how much the public, the media, and especially elected officials have misunderstood the real lessons of the 2008 financial crisis and the subsequent Great Recession—events that defined Bernanke's tenure, which began in 2006 and ended in 2014. Bernanke spends much of the book justifying what should be self-evident: that the risk of a second Great Depression called for precisely the sort of active monetary policy that he and his colleagues at the Fed pursued.

As Bernanke makes clear, the crisis was a traditional financial panic of the sort that led to the creation of the Fed in the first place. Bernanke and his colleagues responded correctly to the challenge, rapidly cutting interest rates to zero and then purchasing

assets, primarily U.S. Treasury bonds, on a large scale, a practice known as "quantitative easing." Both steps aided the U.S. economy by increasing credit availability, raising inflation expectations, encouraging investors to repurchase risky securities they had sold off during the initial panic, and generally restoring confidence.

Unfortunately, some pundits and some radical members of the U.S. Congress have distorted that fairly straightforward story, contributing to widespread but unjustified mistrust in the Fed and leading to the imposition of legal and political constraints on the central bank that will make it much harder to save the global economy the next time a financial crisis hits. Just as troubling, misguided attacks on activist monetary policy have distracted attention from the important question of how and why the financial system became so fragile in the first place. Meanwhile, the Fed's unwillingness and inability to preempt the panic before it spread remain unaddressed. As a result, the next time a financial crash starts, is it likely to get out of control even faster than the last one did.

ARGUING WITH SUCCESS

Anyone who reads *The Courage to Act* in good faith will be impressed by the depth of Bernanke's analysis and insight, to which I can attest personally, having co-authored a book on monetary policy with him in the mid-1990s. But in his memoir, as in person, Bernanke wears his erudition lightly, accessibly and concisely explaining key elements of the modern economy (such as the importance of adequate bank capital) and also illuminating relevant issues in economic history (such as why the Great Depression

ADAM S. POSEN is President of the Peterson Institute for International Economics. From 2009 to 2012, he was a voting External Member of the Bank of England's Monetary Policy Committee. Follow him on Twitter @AdamPosen.

was so deep). Bernanke was one of the most frequently cited and influential macroeconomists in the world prior to his joining the Fed's Board of Governors in 2002. Without the deep understanding of the Great Depression and monetary policy that Bernanke's earlier academic work fostered, none of the policymakers involved in the response to the crisis would have performed as well as they did.

Thus, it actually does Bernanke and other Fed officials a disservice to paint him as a uniquely heroic figure in the battle against recessionary forces; doing so minimizes just how mainstream the policies he chose actually were. Bernanke's preternatural calm may have helped overcome the opposition of some Fed board members and congressional overseers to significant quantitative easing. But Bernanke's academic work had already helped build a consensus among the overwhelming majority of mainstream macroeconomists about how to respond to financial panic. Put simply, they would have done the same thing in his position, albeit perhaps not as deftly.

The extent of expert support for Bernanke's policies has been obscured by the almost hysterical rhetoric that has surrounded quantitative easing. In November 2010, Republican politicians, including Representative Mike Pence of Indiana, derided the policy as merely "printing money" and thus likely to result in high inflation without any benefits. The campaign of Mitt Romney, the GOP's presidential candidate, repeated that charge during the race for the White House two years later; another Republican candidate, Governor Rick Perry of Texas, said that if Bernanke stuck to his "almost . . . treasonous" policies, Texans

would "treat him pretty ugly." Even today, editorials and op-eds in *The Wall Street Journal* regularly warn of the dangers of the hyperinflation yet to come as a result of Bernanke's monetary activism.

But quantitative easing—even on the massive scale that Bernanke undertook—is nowhere near as radical a policy as its critics claim. Central banks have bought and sold securities, including private-sector securities, for centuries. It was only during a brief period—the so-called Great Moderation, which spanned the 15 years or so prior to the financial crisis—that economists and policymakers felt confident that simple adjustments to short-term interest rates were the only tool central banks needed to move markets in line with policy goals. It's true that economists still disagree about which kinds of assets central banks should buy, but most agree that such purchases in and of themselves hardly represent an extreme act.

What is more, few bother to dispute the good such large-scale asset purchases accomplished. As Bernanke describes, in the roughly nine months after the Fed finished its first round of quantitative easing, in March 2009, the Dow Jones Industrial Average rebounded by 40 percent after having dropped in a panicked selloff; the U.S. GDP growth rate crossed into positive territory, rising to nearly four percent; and yields on long-term U.S. Treasury bonds ticked up, suggesting that "investors were expecting both more growth and higher inflation." Although they recognized that the yield increase was not attributable solely to the Fed, Bernanke and his colleagues rightly took it as "a sign of success."

Compare those results to the record of the European Central Bank, which eschewed quantitative easing when an analogous panic hit eurozone bond markets and banks in 2010. Exactly as Bernanke had predicted in private—and as a host of others had publicly warned—the ECB’s inaction led to far higher unemployment, far greater drops in output, far faster declines in prices, and far more suffering among the European public. And although many factors were involved, it is undeniable that after the ECB promised to use quantitative easing, in August 2014, economic conditions improved: unemployment has eased, the panic has subsided, and GDP growth rates have recovered.

EVERYONE’S A CRITIC

Under Bernanke and Alan Greenspan, who preceded Bernanke as Fed chair, the central bank committed sins not of commission—pumping up a bubble, say, or reckless quantitative easing—but of omission. Specifically, the Fed neglected to take sufficient action to prevent the buildup of financial fragility during the first decade of this century, and it failed to act quickly enough in the run-up to the financial crisis. In the years before the crisis, the Fed correctly chose not to raise interest rates as a credit bubble grew; the real estate bubble would have continued to inflate anyway, and unemployment would have increased. But under Greenspan and Bernanke, the Fed failed to use its supervisory powers to curtail the buildup of financial imbalances, such as massively overleveraged bank portfolios, historically unprecedented rises in housing prices, and the proliferation of mortgages offered on the basis of little or no money down.

Worse yet, under Greenspan, the Fed even encouraged excesses, such as the emergence of a nearly unregulated market for complex derivatives, the combining of multiple investment activities (including insurance and commercial banking) under one roof, and the widespread adoption of “off-balance-sheet activities” by government-insured institutions.

To his credit, Bernanke points out that Ned Gramlich, a soft-spoken but forceful and independent-minded member of the Fed board from 1997 until 2005, “felt strongly about consumer protection and was skeptical of simplistic free-market dogma.” Within the Fed, Gramlich spoke out about the risk of fraud and speculation in the real estate market. But his colleagues, including Greenspan and Bernanke, failed to heed Gramlich’s warnings about insufficient regulation.

The most credible criticism of Bernanke’s record at the Fed is not that quantitative easing was a mistake but that, once major financial firms started failing in 2007, the Fed never got ahead of events. Analysts have spent years debating whether the Fed was wrong to let Lehman Brothers collapse in September 2008 but then bail out AIG, the foundering insurance giant, later that same month. The truly critical period, however, was the year prior to those emergency decisions. The Fed took little action after the bank BNP Paribas suspended three of its funds in August 2007 owing to troubles in the subprime mortgage market, or in the months that followed, as several U.S.-based lenders failed or were taken over.

After Bear Stearns imploded in March 2008 and the Fed encouraged JPMorgan Chase to salvage what was

left of the firm, many commentators and economists predicted that, at a minimum, other investment banks, such as Lehman Brothers and Merrill Lynch, were likely to fail in a similar fashion and warned that panic would continue to spread. Yet Bernanke's memoir (like others published by people who served as high-level officials at the time) presents no convincing evidence that the Fed undertook any policies in the following weeks or months to prevent that cascade.

To be fair, this was due only in part to the intellectual blinders that central bankers were wearing; in many cases, the Fed simply did not have the authority to intervene before a company's failure caused an overt systemic risk. Bank supervisors at the Federal Deposit Insurance Corporation can always resort to so-called prompt corrective action, a set of steps that allows them to go into seriously troubled commercial banks and, if necessary, shut them down. But neither the Fed nor any other regulators have the incentive, much less the authority, to take such action against other kinds of lenders, such as nonbank mortgage issuers, which were feeding the panic in the fall of 2008. The question is not whether the Fed or anyone else should be able to shut down a private business on a whim but whether the Fed or some other supervisor has the ability to intervene before that business causes other weak but salvageable firms to sell off their assets and fail, stirring more panic. The Fed did not have that authority during the crisis and faces even more constraints now, despite the fact that most other central banks—from the Bank of England to the Monetary

**Not all readers
are leaders,
but all leaders
are readers.**

- Harry S. Truman

**SIGN UP for the
Foreign Affairs
Books & Reviews
newsletter**



ForeignAffairs.com/newsletters

Authority of Singapore to the ECB—have gained that kind of power since 2010 precisely because of the vulnerabilities that the crisis revealed.

The irony, of course, is that Bernanke's detractors now accuse him not of insufficient boldness but of overstepping the Fed's bounds and even abusing his power during the crisis. This charge is especially frustrating because what distinguished Bernanke as the Fed chair was his deep commitment to making the Fed more transparent and accountable—a fundamental difference between him and his two predecessors, Greenspan and Paul Volcker. Bernanke also wanted to reduce the power of the Fed chair relative to the rest of the Federal Open Market Committee, which determines U.S. monetary policy by overseeing the central banking system's purchases and sales of securities. While in office, he lived up to both goals by giving press conferences, making media appearances, and delivering intentionally explanatory public lectures—things that his predecessors had shunned—and by encouraging the Fed board's governors and the Fed's regional reserve bank presidents to comment in public to a degree unheard of during the Volcker and Greenspan eras.

CONGRESSIONAL COWARDICE

Bernanke shows some restraint when writing about his opponents, particularly elected officials, but he casts the U.S. Congress as the main villain in his book—and he is perfectly justified. In its opening pages, Bernanke recounts meeting with congressional leaders in September 2008 to explain why he and Treasury Secretary Henry Paulson believed it was necessary to bail out AIG in order to avoid a full-on repeat of the

Great Depression. According to Bernanke, the Senate majority leader, Harry Reid, a Democrat from Nevada, drew the meeting to a close by telling Bernanke and Paulson, "Don't mistake anything anyone has said here as constituting congressional approval of this action. I want to be completely clear. This is your decision and your responsibility." Reid's statement was striking for its sheer pusillanimity. It was not a moral objection or a warning about acting too quickly or a plea that Congress was unprepared: it was simply an abdication of all responsibility, and it was representative of the broader congressional reaction to the crisis. Congress' inability to deliver coherent budgets also reflected a lack of courage and made the need for aggressive monetary policy all the more urgent.

This unwillingness to take responsibility would not have been quite so objectionable if congressional leaders had not begun scapegoating and interfering with the Fed soon after Bernanke did take the necessary action. The Dodd-Frank financial reform legislation that Congress passed in 2010 has its virtues, but it also introduced a potentially harmful limit on the Fed's ability to respond to future crises. As Bernanke describes in detail, to stem the overt panic in the early stages of the financial crisis, the Fed invoked Section 13(3) of the Federal Reserve Act, which gave it the emergency ability to buy any securities and make loans to just about anyone, instead of limiting itself to commercial banks and other traditional deposit-taking institutions. That move allowed the Fed to deal with nonbanks, such as money-market funds, insurance companies, and investment firms, which had helped create the conditions for the crisis by overleveraging and making

ill-advised bets on the U.S. real estate market and on the performance of other financial firms.

In the wake of the crisis, however, both left-wing and right-wing legislators strenuously attacked Section 13(3) for leading to bailouts that, as the saying went, favored “Wall Street over Main Street.” Others argued that the Fed’s emergency capacity increased the willingness of financial firms to take excessive risks. And so Dodd-Frank effectively eliminated Section 13(3), leaving the Fed with fewer options for the next time a panic draws in firms that are not traditional banks but that are nonetheless important to the financial system.

THE FIRE NEXT TIME

Today’s overly constrained Fed and insufficient regulatory measures pose very real risks, and Bernanke should have emphasized that point more in his memoir. Postcrisis reforms have strengthened the resilience of traditional banks one by one, notably by increasing banks’ capital requirements and requiring more liquidity. This should put more of the banks’ own money at stake and thus induce them to be more prudent. But microregulations alone will not prevent many financial catastrophes. Authorities can try to prevent house fires by regulating building materials, threatening to fine builders who don’t follow codes, and persuading homeowners to be extra vigilant by prohibiting insurance payments in cases in which houses burn down owing to carelessness. But cities still need well-equipped fire departments to fight blazes that erupt despite their best efforts at prevention. Limiting Section 13(3) was akin to taking away the fire department’s trucks and hoses. Without the right tools,

the Fed will be able to fight only those financial fires that have already spread.

Of course, congressional distrust of central bankers is not just a recurrent theme in Bernanke’s memoir; it is a leitmotif in U.S. history. Still, such disdain seems particularly tragic and harmful to the public interest when directed at the most open Federal Reserve ever, which succeeded precisely where the central bank failed at the outbreak of the Great Depression. Congress has the right to be wary of the Fed, but it is wrong to base its doubts on the Fed’s recent performance. And as is often the case with attempts to limit the power of the U.S. federal government, congressional restraints on the Fed have diminished the American people’s economic security.

Many in the global central-banking community believe that the Fed is constrained only in theory, and that in practice, when the next crisis hits, the Fed will again improvise: at the crucial moment, its leaders will manage to act, just as Bernanke and his colleagues did. I find that faith ill founded. As Bernanke notes, during his tenure, Congress micro-managed so intently that it even tried to dictate how many people he was allowed to have in the room when making critical decisions. To this day, some seats on the Fed board remain unfilled because Republicans in Congress have refused to confirm qualified nominees or even bring them up for a vote. If Congress treated the U.S. military with that level of pettiness, it would be seen, rightly, as self-defeating. It is a sad commentary on the state of U.S. politics that a figure as open, articulate, and deft as Bernanke could not protect the Fed’s ability to act, despite having shown courage and wisdom in action. 🌐

The European Disunion

How the Continent Lost Its Way

Ngairé Woods

The Politics of Everyday Europe: Constructing Authority in the European Union

BY KATHLEEN R. MCNAMARA.

Oxford University Press, 2015, 224 pp.

The EU is under siege. The arrival of hundreds of thousands of refugees from Afghanistan, Iraq, and Syria has tested the single-border principle at the core of the union. The ongoing financial crisis in Greece has strained the single currency. The United Kingdom will soon hold a referendum on whether or not to exit the EU. The survival of an EU with a single border, a single currency, and a stable membership appears less likely than ever before.

European federalists dismiss these problems as growing pains. The EU is an incredibly ambitious work in progress, they note, one that is rooted in a vision of Europe that challenges deep-seated notions of sovereignty and statehood. Surveying the destruction during World War II, Jean Monnet, considered

by many to be a founding father of the EU, wrote, “There will be no peace in Europe if the states are reconstituted on the basis of national sovereignty. . . . The countries of Europe are too small to guarantee their peoples the necessary prosperity and social development. The European states must constitute themselves into a federation.” Monnet’s union would be built through cooperation and common markets and would ultimately resemble a “United States of Europe,” a phrase later embraced by Winston Churchill to describe his own vision of Europe’s best possible future. The question is whether that vision can withstand the blows that have rained down on the EU since the financial crisis began in 2008.

When the euro was adopted, in 1999, many voiced concerns that the monetary union would prevent countries from responding properly to financial crises because they were forfeiting the ability to devalue their currencies, which most economists contend is the best response to such situations. But the political logic of binding the continent together through a common currency trumped the doubts. Supporters of the single currency argued that crises could be averted through adherence to a set of rules (the Maastricht rules) that prevented countries from accumulating too much debt.

The euro supporters’ view took a major hit in 2008, when the financial crisis spread from the United States to Europe. In October 2009, George Papandreou became Greece’s prime minister and discovered that his country had vastly underreported its debt levels. Greece’s creditors, particularly French and German banks, were overexposed. The EU called in the International

NGAIRE WOODS is the inaugural Dean of the Blavatnik School of Government and Professor of Global Economic Governance at the University of Oxford.

Monetary Fund, fearing that the crisis would spread. It did, and soon Ireland, Italy, Portugal, and Spain were all affected. Negotiations between each government and the so-called troika—the European Central Bank, the European Commission, and the IMF—resulted in EU-IMF programs in Greece, Ireland, Portugal, and Spain.

The EU response, and the showdowns it has produced in the subsequent years, has been interpreted by observers in two ways. One view holds that the crisis has drawn Europe closer together. This is what the political scientist Kathleen McNamara argues in her thoughtful new book, *The Politics of Everyday Europe*. Despite a fraying sense of European solidarity, she writes, EU member states committed roughly one trillion euros to keep the currency afloat and the eurozone's member states financially stable. The EU has also inaugurated new institutions designed to help the member states respond to crises: the European Stability Mechanism; a new fiscal compact; and a European banking union, currently under construction. The power of the European Central Bank has increased, she writes, making it "the most effective and active actor in the Eurozone crisis," and European leaders have met more and more frequently in summits "too numerous to count."

A less sanguine interpretation of the crisis is that the EU, far from being drawn together, has been split down the middle. Southern European countries, including Greece, Italy, and Spain, blame the EU for punitive austerity measures that have left millions out of work. Meanwhile, northern countries, such as Germany, the Netherlands, and the

United Kingdom, complain that the EU has not been strict enough with highly indebted member states; some officials in those countries, including German Finance Minister Wolfgang Schäuble, have openly called on Greece to exit the monetary union. (The refugee crisis has precipitated a similar split, as southern and eastern states have shouldered the bulk of the burden, breeding resentment toward their northern and western neighbors.)

At this point, it requires a great deal of optimism to interpret the EU's response to the eurozone crisis as proof that the union's institutions can steer Europe toward more integration. More likely is the prospect of a more fractious, divided union, drifting away from the vision of its founders and champions.

A LESS PERFECT UNION

McNamara views the EU's response to the financial crisis as evidence of the union's successful integration. Such a response would have been impossible, McNamara writes, were it not for "decades of slow accumulation of everyday symbols and practices" that "created a permissive consensus for such political developments." These "symbols and practices" include not just the single currency and the absence of border controls but also "European" buildings and spectacles, a common market in European soccer players, a shared statistics agency (Eurostat), and a European diplomatic corps. Put simply, the quiet introduction of European "labels, mental maps, and narratives" has built a European way of interpreting the world.

The next phase in creating a federated Europe will not be easy, McNamara



concedes. She argues that it will require greater democratic representation, more citizen participation, and a higher quality of debate. “The EU needs more overt contestation and direct discussion of its policies, and debate over its leaders,” McNamara writes.

Optimistically, McNamara sees such change happening already. As evidence, she points to the most recent election of the European Commission president and to the 2014 EU parliamentary elections, which she describes as “much more publicly contested than any before in EU history,” noting that they received “wide coverage in national newspapers”

and that “various trans-European interest groups—from students to environmental activists to high-priced consultants”—sought to mobilize EU-wide constituencies.

The 2014 EU parliamentary elections may well have been “more publicly contested,” as McNamara argues, but the results swept an extraordinary number of anti-EU and anti-euro parties into power. In France, the right-wing National Front won the largest share of the vote; in the United Kingdom, that distinction went to the anti-EU UK Independence Party. In the Netherlands, the Party for Freedom, which has advocated withdrawal from the EU, won more than 13 percent of the votes (it had won an even greater percentage in 2009). In Greece, the neo-Nazi party Golden Dawn won just over nine percent of the votes.

In light of severe government cutbacks across Europe, such results are not surprising. In the wake of the 2008 crisis, austerity has meant fewer jobs, smaller pensions, less affordable health care, tighter school budgets, and cutbacks to local services. People are feeling the

pinch, and they are afraid. Meanwhile, support for populist and nationalist parties has risen, and support for the EU has declined. Between 2007 and 2013, the Pew Research Center reports, the EU's favorability rating fell by 34 percentage points in Spain, 21 points in France, and 20 points in Italy. As McNamara notes, "The close identification of [austerity] policies with 'Europe' is an association that is piercing the banal authority the EU has been built on, and creating new challenges for legitimation."

Public opinion toward the EU has improved recently, but not much, with the median figure for EU favorability rising from 46 percent in 2013 to 52 percent in 2014. Eurobarometer, a series of public opinion surveys conducted by the European Commission, has shown slight increases in the percentage of Europeans who say they have a positive image of the EU (41 percent in May 2015, up from 39 percent in November 2014), trust the EU (40 percent, up from 37 percent), and feel that their voice counts in the EU (42 percent, up from 40 percent).

It's unclear, however, whether this trend has much to do with the new institutions the EU created in the wake of the crisis and which McNamara hails. Once the crisis erupted, it became clear that the EU's rules on debt management were not being enforced, that its banking regulations were inadequate and ill equipped to deal with cross-border issues, and that the EU had no centralized fiscal capacity to bail out a member state. Still, the eurozone's members held together, aware that the cost of a Greek exit would be greater than the cost of a bailout. In 2012, they signed a treaty creating the European Stability Mechanism, which

comes with an emergency lending capacity of 500 billion euros. To borrow from the new fund, countries must submit an outline of their economic programs for approval by the troika and ratify the new fiscal compact, a strict set of rules designed to prevent countries from going into debt—in part by threatening economic sanctions against those that do not comply. EU leaders have also committed to a new banking union.

The new institutions may sound promising, but the details reveal significant weaknesses. Germany remains terrified of any initiative that involves sharing liabilities. And so the banking union has no common deposit insurance, no simple resolution process for failing financial institutions, and no single backstop with which to bail out banks. The fiscal compact is simply another version of the Stability and Growth Pact, introduced in 1999, which failed when France and Germany did not abide by it. There is little to suggest that this time around will be any more successful. And the European Stability Mechanism, for its part, is less a sign of European integration than of continued German dominance. It will raise 500 billion euros by selling bonds that will enjoy creditworthiness only because, to quote the credit-rating agency Moody's, they are "closely correlated" with key shareholders. Put simply, the markets assume that the European Stability Mechanism will reflect Germany's intentions, and the eurozone governments know that there will be negative repercussions at any hint that Germany disapproves of a loan.

THE FUTURE OF EUROPE

The EU has survived the crises of the past few years so far, but it seems unlikely

to cohere any further into a tightly bound superstate. Three other possibilities seem more likely. The rise of localism, regionalism, and even separatism—witness the renewed strength of Scottish nationalists and Catalan separatists—suggests that many Europeans yearn for more self-determination. One way the EU could respond is by accommodating, rather than blocking, the emergence of small independent nations that might see closer ties with Brussels as a form of freedom from overbearing national capitals. Such a future would certainly fit within McNamara's vision of a more politically active, participatory Europe.

This possibility was derided after the interwar years as a recipe for conflict and instability. Indeed, it was to defend Europe from the threat of various nationalisms and regionalisms that Monnet developed his concept of a European federation. In reality, however, the growth of the EU has gone hand in hand with demands for autonomy within it. Indeed, the EU has itself made such demands plausible: Scots would likely find the idea of secession from the United Kingdom far less attractive if there were no EU for an independent Scotland to join. The problem for the EU is that if it were to accept Scotland as a member, the Basques, the Catalans, and others would soon line up to be next, opening the floodgates to secessionism. This is not something major powers in the EU will permit.

A second possible future would see the reinforcing of Germany's *de facto* hegemony within the EU. France and Italy are declining in influence and economic power, and the United Kingdom is not a eurozone member, so Germany has become ever more powerful as the

core of the EU. This observation is curiously absent from McNamara's book. German leadership is driving European integration forward, providing the resources to ensure that the EU succeeds, even as the resolve of other member states weakens. Yet for many states, the eurozone crisis underscored the threat of unchecked German influence. As Bill Cash, the chair of the British Parliament's European Scrutiny Committee, put it recently, "The European Union has morphed into an increasingly undemocratic German-dominated Europe." As a result, countries have become less interested in a European federation, even as they continue to follow EU rules and regulations. And poorer, smaller nations understandably fear a union whose stability would depend on a German chancellor's self-restraint.

A third future for Europe hinges on the continent's changing demographics. Crucially, Europe's low birthrates and aging populations have created a need for immigrant labor. In 2014, the Organization for Economic Cooperation and Development and the European Commission reported that Europe's working-age population is projected to decline by 7.5 million between 2013 and 2020, and in a scenario of zero net immigration, it could decline by up to 11.7 million. The continent is suffering from a shortage of skilled labor just as it needs most to compete globally for talent. Meanwhile, Europe has been flooded by what the OECD calls "an unprecedented number of asylum seekers and refugees," which includes 350,000 to 450,000 people who "could be granted refugee or similar status, more than in any previous European refugee crisis since World War II."

Europe is quickly becoming one of the most diverse regions of the world. Germany now has the third-highest number of immigrants of any country, according to the United Nations, and more than 16 million of its 81 million people are of foreign or immigrant descent. The United Kingdom has the second-highest number of immigrants in the EU after Germany. As these and other European economies continue to grow, so, too, will their demand for foreign workers. Put another way, Europe will become more like the United States, since immigration will be unstoppable (geopolitically) and necessary (demographically and economically). This might make further European integration easier as old national identities become ever more porous. Countries looking for social cohesion may well turn to a broader European identity, one tied together by the “labels, mental maps, and narratives” McNamara describes. In the short term, however, it is precisely this prospect that fuels opposition to both immigration and further European integration.

The most likely future of the EU is ongoing cooperation under German leadership. Whether this is to be feared will depend largely on domestic politics within Germany, as well as on the willingness of Europe’s larger players to keep Germany focused on (and constrained by) the mutual benefits of the union. In the longer term, politics within Germany (and all the other European nations) will shift as its population changes. A more diverse Europe will alter the politics within each country and may ultimately make the case for greater integration easier.

The idea of European federation promised peace within Europe’s borders and global influence beyond them. But Europe is not on the path toward that future. The eurozone crisis has cracked the foundations of European integration. European countries have successfully cooperated over the past six decades and are likely to continue to do so, under an umbrella of German hegemony. Paradoxically, ever-strengthening German leadership simultaneously facilitates cooperation and repels further integration. The result will be a Europe that continues to use, but does not fully exploit, its collective political and economic weight in the world. 🌐

Recent Books

Political and Legal

G. John Ikenberry

The Guardians: The League of Nations and the Crisis of Empire

BY SUSAN PEDERSEN. Oxford University Press, 2015, 592 pp.

Since its founding at the end of World War I, the League of Nations has stood at the center of clashing narratives about the twentieth century. For liberals, the League embodies the noble yet unfulfilled vision of Wilsonian internationalism. Realists see its failure as a testament to the durability of power politics. Revisionist historians interpret the League as an institutional tool used by European powers to reconstruct and legitimate their empires. In this major new study, Pedersen portrays the League as an awkward and conflicted undertaking that nonetheless put in motion the decline of imperialism and the spread of national self-determination. Pedersen focuses on the League's Permanent Mandates Commission, the system established in 1921 to manage the territories in Africa, the Middle East, and the Pacific that Germany, Austria-Hungary, and the Ottoman Empire lost in the war. Many saw the mandate system as a ploy to strengthen British imperial rule. But, as Pedersen writes, the League machinery unexpectedly provided a "platform" for internationalists, humanitarians, nationalists, and others who sought to expose the brutality of imperial rule. It would take decades and another world war to bring about a

global system of sovereign independent states. But the League pointed the way.

War, States, and Contention: A Comparative Historical Study

BY SIDNEY TARROW. Cornell University Press, 2015, 328 pp.

Tarrow has spent most of his distinguished career exploring social movements and political conflict in western Europe. In this wide-ranging historical survey, he examines how "contentious politics"—draft riots, worker strikes, ethnic conflicts, civil rights movements, antiwar protests, and nationalist campaigns—have affected state building and war making in France, the United States, and Italy. During the French Revolution, domestic upheaval and war turned a "movement state" that proclaimed "the rights of man" into a military regime; French citizens regained their political rights only decades later, under the auspices of a centralized state. In the U.S. case, the Civil War strengthened the federal government and provided a catalyst for the abolitionist movement and the expansion of suffrage and citizenship rights. Italy entered World War I as a fragile liberal state, but faced with food shortages, labor strife, and antiwar protests, it succumbed to repressive military rule. In general, Tarrow sees the twentieth century as an era when foreign wars and geopolitical conflict tended to have a damaging impact on civil rights and citizenship, even in liberal democracies; the twenty-first century has seen a similar pattern, he argues, pointing to the consolidation of the "national-security state" and a semi-permanent war on terrorism. But his book is better at lamenting this development than explaining it.

Emotional Diplomacy: Official Emotion on the International Stage

BY TODD H. HALL. Cornell University Press, 2015, 264 pp.

In this pathbreaking study, Hall argues that emotionalism in diplomacy often serves a strategic purpose. Emotional outbursts can be useful for states seeking to reframe issues and project a new image to foreign audiences. In the 1995–96 crisis in the Taiwan Strait, China employed what Hall calls “the diplomacy of anger,” seeking to signal through provocative missile tests that Washington had crossed a boundary by allowing Taiwan’s president to visit the United States. Following the 9/11 attacks, China and Russia engaged in “the diplomacy of sympathy,” signaling tacit acceptance of the United States’ security predicament and suggesting new possibilities for great-power accommodation. Germany’s postwar “diplomacy of guilt” toward Israel has entailed not just statements of remorse but also costly reparations, through which Germany has rehabilitated its international image. Hall paints a fascinating picture of emotionalism as both diplomatic theater and rational calculation, but his book is inconclusive on its efficacy. Hall thinks that the “sincerity” of emotional gestures matters. Yet in politics, it’s often difficult to know exactly what to consider sincere.

Theorizing the Responsibility to Protect
EDITED BY RAMESH THAKUR
AND WILLIAM MALEY. Cambridge University Press, 2015, 353 pp.

In 2005, the UN General Assembly unanimously adopted the doctrine of

“the responsibility to protect” (R2P), requiring governments to safeguard their citizens against mass atrocities and authorizing the international community to act if they do not. In theory, R2P redefines long-standing norms of sovereignty and nonintervention. In practice, however, R2P remains an elusive goal, as revealed by this collection of essays, the best account yet of the philosophical and practical difficulties that bedevil R2P. Gareth Evans, one of the doctrine’s intellectual architects, contributes an incisive account of the origins and rise of the R2P idea and argues that despite setbacks, it is slowly emerging as a guiding principle. Edward Newman contends that the legitimacy of R2P ultimately hinges on the procedures used to authorize international action. Jean-Marc Coicaud looks at R2P through the lens of the recent crises in Gaza, Syria, and Ukraine, showing how the norm can be hijacked for cynical purposes. And Jonathan Graubart offers the most far-reaching critique, arguing that R2P merely provides great powers with a new justification for pursuing traditional military interventions.

The Global Village Myth: Distance, War, and the Limits of Power

BY PATRICK PORTER. Georgetown University Press, 2015, 240 pp.

This challenging book takes aim at “globalist” thinking. Porter argues that Western security elites increasingly believe that globalization and technological changes have made the world smaller but also more threatening. Porter thinks that phenomenon is more

imagined than real, and much of his book is an effort to show that territoriality, geography, and state power still matter. He reminds readers that even in the age of drones and cyberwarfare, it is still difficult for most countries or nonstate groups to project power across great distances. Porter is eager to puncture the “myth” of globalism because he sees it as the core idea behind U.S. military activism and hegemonic ambitions. After all, if threats to the homeland can come from anywhere, the entire world must become the United States’ zone of operation. For Porter, such thinking opens the door to what the historian Charles Beard called “perpetual war for perpetual peace.” Porter may be right, but even if the world is not a tightly integrated village, hiding behind borders no longer seems to be an option.

Economic, Social, and Environmental

Richard N. Cooper

The Great Surge: The Ascent of the Developing World

BY STEVEN RADELET. Simon & Schuster, 2015, 368 pp.

Anyone reading the news in recent years could be forgiven for reaching the conclusion that the world is in terrible shape and only getting worse. Radelet challenges this perception, at least as far as economic development and democratization are concerned. He reckons that the past

quarter century has seen the greatest advances in material well-being in the history of mankind, whether measured in terms of real income, infant mortality, devastation from disease, or a host of other indicators. During the same period, democratic governance has made significant advances all over the world, and Radelet believes the two trends are related. Between 1993 and 2011, some 955 million people rose out of extreme poverty, as defined by the World Bank. Admittedly, China’s tremendous economic boom accounted for 60 percent of those. Still, that means that close to 400 million people escaped destitution elsewhere. Radelet does not want anyone to become complacent; there is still much poverty to be eliminated. But he wants to acknowledge, build on, and learn from the substantial successes that have been achieved. Challenges lie ahead, especially in the form of civil conflicts over scarce resources and risks posed by climate change. Radelet, however, believes that good political leadership and international cooperation can overcome such obstacles to further prosperity.

Catching Capital: The Ethics of Tax Competition

BY PETER DIETSCH. Oxford University Press, 2015, 280 pp.

The Hidden Wealth of Nations: The Scourge of Tax Havens

BY GABRIEL ZUCMAN.
TRANSLATED BY TERESA LAVENDER FAGAN. University of Chicago Press, 2015, 200 pp.

Tax avoidance (which is legal) and tax evasion (which is not) have been

around ever since authorities began to levy taxes, as have attempts to influence the rules of taxation. But in the current era, these activities have become increasingly global in character and scope, significantly eroding the taxation of income and capital gains in a race to the bottom accelerated by the rise of tax havens and by countries that arrange their tax rules to make themselves attractive to internationally mobile capital, a phenomenon known as tax competition. Dietsch's book sets forth a good overview of this troubling state of affairs and makes a carefully argued philosophical case for restoring fiscal autonomy to national governments. Dietsch proposes going far beyond the current efforts of the Organization for Economic Cooperation and Development and the EU to limit tax competition between countries. He advocates the creation of common rules for corporate taxation that would be administered by a new international tax organization.

Zucman has assembled and analyzed data released relatively recently by Luxembourg, Switzerland, and a few other popular tax havens to estimate the financial wealth held abroad that surreptitiously escapes taxation. He arrives at the staggering figure of \$7.6 trillion, which is equal to about eight percent of all global financial wealth, at a minimum. He calculates that governments around the world are cheated out of about \$200 billion in tax revenues every year. According to Zucman, Switzerland is still the main culprit in tax evasion, although others have also emerged. European governments are the biggest losers in this game, but some developing countries, especially

in Africa, increasingly suffer as well. He suggests a threefold remedy: governments should cooperatively create a global registry of the true owners of all financial wealth, threaten to impose financial sanctions on anyone who refuses to comply with the registry, and impose a small (0.1 percent) annual tax on all assets that are not reported by their owners to national fiscal authorities, all of which would create an incentive for people and corporations to declare their income honestly and voluntarily.

Phishing for Phools: The Economics of Manipulation and Deception

BY GEORGE A. AKERLOF AND ROBERT J. SHILLER. Princeton University Press, 2015, 288 pp.

This interesting book is written by economists mainly for economists, but it includes many entertaining stories about business behavior (and some disturbing ones), told in lively and accessible prose. Its central message is that the concept of the competitive market as a socially optimal arrangement, as conveyed by the typical college-level economics textbook, is not merely too reductive but actually fundamentally wrong. The profit motives that usefully lead businesses to compete in pricing and innovation also lead them to appeal to their customers' baser instincts and even to deceive people into making purchases; the snake oil salesmen of a century ago are still around today, just in different forms. The authors argue that the risk comes from the fact that misleading tactics often work and that they can become systematic.

Economists and others need to be aware of this as they frame policy goals.

TTIP: The Truth About the Transatlantic Trade and Investment Partnership

BY FERDI DE VILLE AND GABRIEL SILES-BRÜGGE. Polity, 2015, 160 pp.

The failure of the Doha Round of multilateral trade negotiations, which began in 2001, has led to a proliferation of smaller multilateral and bilateral talks aimed at reaching narrower agreements. The United States is involved in two major ones: the Trans-Pacific Partnership, which involves 12 countries in the Asia-Pacific region that agreed to terms late last year but have yet to ratify the deal, and the Transatlantic Trade and Investment Partnership, which Washington is hashing out with the 28 members of the EU and hopes to complete later this year. This book provides a reasoned analysis of the TTIP in mid-negotiation, critically examining arguments made by its advocates and its critics, most of whom are in Europe. The authors' sympathies lie mainly with the detractors, although they find the claims of both sides exaggerated. They are especially doubtful that the deal will add 0.5 percent to Europe's GDP by 2027, as its proponents predict, or that it will establish new "gold standard" trading rules for the rest of the world. They are troubled by the way that international trade has taken priority over other worthy objectives and allege that a successful TTIP negotiation will actually impinge on democratic decision-making in the future.

Military, Scientific, and Technological

Lawrence D. Freedman

Beyond the Band of Brothers: The U.S. Military and the Myth That Women Can't Fight

BY MEGAN MACKENZIE. Cambridge University Press, 2015, 200 pp.

The demands of combat require infantry troops to form strong emotional relationships based on trust and mutual dependence, to become a "band of brothers," in the historian Stephen Ambrose's phrase. At various points in U.S. history, military leaders and civilian defense officials have relied on that fact to resist the integration of African Americans, gays, and women into the infantry, arguing that their presence would disrupt the bonding process. In each case, the demands of maintaining an all-volunteer army, along with rapid changes in social mores, rendered that resistance futile: all three groups are now part of the American fighting force. MacKenzie confronts the main arguments offered by opponents of allowing women to fight, including women's supposed physical weakness and emotionalism and the concern that sexual tension between male and female fighters would lead to problems. She does not deny that the presence of women will change the character of the infantry but argues that it might be a net benefit. This is a vigorous contribution to the debate on women in the armed forces, although there is some tension between

MacKenzie's demonstration that women can cope perfectly well with the demands of combat and her distaste for the militarism and nationalism that she associates with preparations for combat.

The Dictator's Army: Battlefield Effectiveness in Authoritarian Regimes
BY CAITLIN TALMADGE. Cornell University Press, 2015, 320 pp.

Military analysts and historians have long held that variations in political systems can affect military effectiveness. For example, authoritarian systems tend to be bolder than democracies; for that reason, authoritarian leaders are more prone to strategic error. In line with other scholars who have recently examined this issue, Talmadge distinguishes between authoritarians who are able to focus unremittingly on the enemy and those who must watch their backs at home. If political leaders are fearful of military coups, they tend to interfere with command structures to prevent the rise of charismatic and ambitious generals. The resulting disruption and uncertainty undermine military performance, especially during complex operations. Talmadge backs up her compelling thesis with well-chosen, interesting case studies. During the Iran-Iraq War, she explains, regimes in both countries worried about coups. Iraq's Saddam Hussein was simply paranoid by nature; Iranian leaders feared that the military still housed loyalists to the shah, whom they had only recently overthrown. Both countries' armies performed better when political leaders put aside such concerns and concentrated on the war.

The Grand Strategy of Classical Sparta: The Persian Challenge
BY PAUL A. RAHE. Yale University Press, 2015, 424 pp.

In this masterly account of some of the most formative events of the ancient world, Rahe describes how the Greeks resisted the military might wielded by the Persian emperors Darius and Xerxes during the Greco-Persian Wars of the fifth century BC. Rahe puts the Spartans at center stage, providing a vivid description of their society and politics: militaristic in ethos but cautious in diplomacy. The Spartans played a crucial role in forging the Hellenic alliance that repelled the Persian invaders, and their bravery and military talents were critical to such victories as the famous defense of the pass at Thermopylae in 480 BC. Rahe sets the story in a complicated geopolitical context, with a large cast of characters connected through a series of shifting alliances. But his relaxed, even jaunty style and his thorough analysis sustain the narrative and hold the reader's attention. And his appreciation of the practicalities of ancient warfare—from the challenge of managing large numbers of horses to the difficulty of maneuvering triremes, the chief naval vessels of the era—adds credibility to his accounts of the key battles.

Hirohito's War: The Pacific War, 1941–1945
BY FRANCIS PIKE. Bloomsbury, 2015, 1,152 pp.

Pike's book is an extraordinary achievement; it is as definitive as any single-volume history of the Pacific War can be. As the title suggests, Pike does not let Japanese Emperor Hirohito off the

hook for the battles fought in his name. Pike sets the fighting firmly in the context of the regional tensions that had been developing for some time before any combat took place, not least as a result of the Japanese invasion of China in 1937. The book covers all the major campaigns and battles of the war, from Pearl Harbor to Hiroshima, but also pays close attention to often overlooked topics, such as the Burma Campaign (which pitted the British and the Chinese against Indian, Japanese, and Thai forces) and the Chinese resistance to Japan. Pike's analysis is careful but never dry, and he pens lively portraits of his main characters. The book covers so much, and at such great length, that the publisher apparently was not able to include maps, illustrations, notes, or appendixes. Readers must visit a website for that material. This is regrettable: it would have been better to split the book into two volumes.

Hattin

BY JOHN FRANCE. Oxford University Press, 2015, 240 pp.

In 1187, the Muslim sultan Saladin defeated the crusader armies at the Battle of Hattin, restoring Muslim rule over Jerusalem and other places that the European Christian forces had captured during the preceding century. Yet Saladin's victory did not lead to the complete expulsion of Christians from the region, and in fact, it prompted further bouts of crusading. In this book, which is part of Oxford's Great Battles series, France reveals how divisions among the Christian leadership led to the slaughter at Hattin and explains how the battle has shaped the legacy of the Crusades. For one

thing, many medieval Europeans came to see Saladin as a noble and worthy opponent—in some respects more honorable than the men he defeated. In more recent times, Saladin's image has been appropriated by Arab and Muslim leaders such as Saddam Hussein, who have claimed to emulate the sultan's leadership.

Fighting the Cold War: A Soldier's Memoir
BY JOHN R. GALVIN. University Press of Kentucky, 2015, 568 pp.

They don't make them like General Jack Galvin anymore. Galvin, who recently passed away, served during two problematic periods in the history of the U.S. Army (the late 1940s and the post-Vietnam years) and two very successful ones (the early 1960s, when the army modernized, and the 1980s, when it was rebuilt). He held two combatant commands: Southern Command, which he headed during a critical time, when insurgencies were spreading throughout Latin America, and European Command, where he was the last Cold War-era supreme allied commander of NATO forces in Europe. A son of New England, he began and ended his academic career there, serving as the dean of the Fletcher School of Law and Diplomacy after leaving military service. A writer as well as a battlefield commander—Galvin wrote, among other things, a very good book on the Minutemen—he was the epitome of the soldier-scholar, a type less common in today's U.S. military, although his protégé, David Petraeus, is of that mold. Galvin's memoir (introduced by an admiring Petraeus) is a characteristically

modest, wry, and thoughtful account not only of leadership but also of the rise, fall, and rise again of U.S. military power in the second half of the twentieth century. And it is, as well, a reminder that now and again, one comes across generals with the stuff of greatness in them.

ELIOT A. COHEN

The United States

Walter Russell Mead

Katrina: After the Flood

BY GARY RIVLIN. Simon & Schuster, 2015, 480 pp.

Ten years after Hurricane Katrina, New Orleans—the most culturally distinct city in the United States—is still struggling with the storm’s consequences. Rivlin offers a survey of the long, slow recovery. His account suffers from the absence of an analytic overview of New Orleans’ economic structures and prospects before and after Katrina. Nevertheless, a clear and somewhat disturbing picture of the initial recovery does emerge. Government at all levels proved ineffective, and local government was hopelessly corrupt. The wealthy, mostly white business interests that had long dominated New Orleans achieved most, but not all, of their goals. The African American majority, mostly poor but also containing a strong middle class, suffered disproportionately but organized effectively enough to prevent the outcomes it feared most. The foundations, urban planners, and upper-middle-

COUNCIL *on* FOREIGN RELATIONS

CFR Seeking 2016–2017 Edward R. Murrow Press Fellowship Applicants

Launched in 1949, the Edward R. Murrow Press Fellowship seeks to promote the quality of responsible and discerning journalism that exemplified the work of Edward R. Murrow. One CFR resident fellowship is awarded each year to a distinguished foreign correspondent or editor. The program enables the fellow to engage in sustained analysis and writing, expand his or her intellectual and professional horizons, and extensively participate in CFR’s active program of meetings and events.

Interested candidates who meet the program’s eligibility requirements can apply online at www.cfr.org/fellowships between **January 1 and March 1, 2016**.

Current and Recent Murrow Fellows
(*affiliation at time of award*):

Graeme Wood, Contributing Editor,
Atlantic

Barbara Demick, Bureau Chief in Beijing,
Los Angeles Times

Fred Kaplan, National Security Columnist,
Slate

Council on Foreign Relations
Fellowship Affairs
58 East 68th Street, New York, NY 10065
tel 212.434.9740 fax 212.434.9870
fellowships@cfr.org
www.cfr.org/fellowships

class reformers who flocked to the city spent large sums of money but, Rivlin argues, had relatively little impact. Divided, disorganized, and still desperately poor after the storm, New Orleans seems once again to have successfully frustrated the efforts of outsiders to reform or reconstruct it.

Between the World and Me

BY TA-NEHISI COATES. Spiegel & Grau, 2015, 176 pp.

In one of the most riveting and heart-felt books to appear in some time, Coates reflects on the state of black America in the form of a letter to his adolescent son. For Coates, the American dream is so grounded in racism that the “people who need to believe they are white” today are almost as deeply involved in the destruction of black bodies and black lives as their forebears were. Coates’ writing is powered by his outrage at the recent string of police shootings of young black men, which have gone largely unpunished, and intensified by his visceral fear for the safety of his own son in a country where such incidents are widespread. The book achieves a level of clarity and eloquence reminiscent of Ralph Ellison’s classic *Invisible Man*; it is compelling even when it isn’t entirely convincing. Coates may be a better polemicist than analyst, but the perspective he brings to American life is one that no responsible citizen or serious scholar can safely ignore.

The Gay Revolution: The Story of the Struggle

BY LILLIAN FADERMAN. Simon & Schuster, 2015, 816 pp.

The struggles for the rights of racial minorities, women, and LGBT people have transformed American life over the last two generations. The LGBT movement’s success has been perhaps the most surprising of the three. Both the civil rights and the feminist movements have deep roots in the nineteenth and even eighteenth centuries. The quest for LGBT equality is a much more recent development, and in contrast to the civil rights and feminist movements, its history is not well known and many of its most important leaders remain obscure. Faderman’s well-organized and comprehensive history focuses on the work of courageous leaders who belonged to a despised minority but nevertheless managed to challenge and ultimately defeat some of the strongest taboos in American society. Faderman is less interested in the story of what led Americans to hear and appreciate the arguments of LGBT leaders. That story remains to be told. In the meantime, anyone who wants to understand the gay rights movement and the profound impact it has had on the United States would do well to consult this eminently readable and well-researched book.

Medicare and Medicaid at 50: America’s Entitlement Programs in the Age of Affordable Care

EDITED BY ALAN B. COHEN, DAVID C. COLBY, KEITH A. WAILOO, AND JULIAN E. ZELIZER. Oxford University Press, 2015, 392 pp.

For the past five decades, Medicare and Medicaid, along with Social Security,

have constituted the most important foundations of the American safety net. They are also responsible for a large and growing proportion of federal spending. And given the seemingly relentless rise of health-care costs and the growing number of Americans who reach the age of 65 every year (and thus qualify for Medicare), the ability of the federal government to maintain defense and discretionary spending and the overall strength of the U.S. economy increasingly depend on the effective management of these programs. The editors of this outstanding collection have brought together many of the country's most knowledgeable and influential experts on health care to reflect on where Medicare and Medicaid stand at their half-century mark. Health-care policy is as difficult to master as it is vital to the country's future; there is no better place for politicians and students to begin their education on the subject than this judiciously assembled, thoughtfully edited, and lucidly written collection.

By the People: Rebuilding Liberty Without Permission

BY CHARLES MURRAY. Crown, 2015, 336 pp.

For readers seeking to understand the antiestablishment rage fueling the right-wing populism of today's Republican Party, Murray's book serves as an indispensable introduction. In articulating a conservative vision of limited government, Murray emphasizes how entrenched interest groups have exploited weaknesses in legislative, regulatory, and electoral processes to produce a state that has grown inexorably larger, less

efficient, and more corrupt. He strengthens the force of his polemic by pointing mostly to examples of Republican corruption and Republican surrenders to special interests. Murray argues that the rot has gone so far that it cannot be halted by conventional means, and he recommends a strategy of selective civil disobedience to limit the reach and power of the regulatory state. As the country finds itself gripped by a wave of transformational economic change, Murray seeks a path for domestic reform that can appeal to the political center as well as Tea Party populists. (His book briefly but approvingly cites some of my own writings on these themes.) Few American writers understand the forces that drive Republican discontent as well as Murray; this book is the best available guide to the next stage of U.S. politics.

Western Europe

Andrew Moravcsik

The EU's Human Rights Dialogue With China: Quiet Diplomacy and Its Limits

BY KATRIN KINZELBACH.

Routledge, 2015, 226 pp.

Western governments and many prominent Western academics buy the idea that the best way to influence China's human rights policies is through informal diplomatic discussions about individual cases and Chinese laws rather than through public means, such as sanctions and UN resolutions. Kinzelbach exposes this as a myth. Employing remarkable

interviews and archival and historical research, she builds a convincing case that this quiet approach is not only useless but also counterproductive. She shows how the Chinese cleverly employ closed-door sessions with the EU not only to deflect Western criticism but also to train rising officials in how to counter it in public. Kinzelbach faults the EU's decentralized structure and its analysts' naiveté for Europeans' misplaced faith in private dialogue. But this seems insufficiently cynical: she assumes that EU states actually want to prioritize an effective human rights policy toward China and are willing to pay a price for it. But perhaps they simply seek to deflect their own domestic political pressure to play tough with China. Still, this is not just the best study of Western human rights policy toward China and of informal human rights dialogue in print; it is also one of the best microanalyses of a sensitive contemporary policy issue that I have ever read.

New Old World: An Indian Journalist Discovers the Changing Face of Europe
BY PALLAVI AIYAR. St. Martin's Press, 2015, 320 pp.

Aiyar is an Indian journalist who moved to Brussels in 2009 with her family when her husband, who is Spanish, took a position with the European Commission. This exceptionally engaging book records her impressions of Europe from the distinctive perspective of someone who was brought up in India and also spent a significant portion of her career in China. Most interesting are her street-level insights into cultural difference.

To someone accustomed to the logistical chaos and conversational informality of Asian streets, the manicured boulevards and airy stores of Brussels appear cold and dead. Attuned to an informal economy, she investigates the traditional cheese industry in the Italian region of Emilia-Romagna and discovers that around 100,000 nearly invisible Asian workers support it. (The title of the book's British edition is *Punjabi Parmesan*.) Aiyar, who is accustomed to living in a riotously multicultural and multilingual country, questions Belgium's stated commitment to those forms of diversity. Not all of her points ring true—for example, she exaggerates Chinese influence in Europe—but this book will offer any reader fresh insights into not-so-old Europe.

World Without End: Spain, Philip II, and the First Global Empire
BY HUGH THOMAS. Random House, 2015, 496 pp.

Thomas has written a good old-fashioned British history. It is supremely erudite, eminently readable, and politically incorrect. The topic is the Spanish empire of the late sixteenth century, which Thomas argues was the first global (and thus the first modern) empire. He focuses on the gruesome nature of Spanish conquests in Mexico, South America, and the Philippines, during which individuals of dubious, often criminal backgrounds used brutal means (including enslavement) to realize not just the Spanish royal will but also their own goals. Those goals—seeking treasure, establishing independent kingdoms, and even, in one case, conquering China—sometimes

crossed over into the fantastical, if not the outright insane. At the heart of it all sat Philip II, reading every document, holding the empire together through personal rule, and authorizing massive expenditures that ultimately bankrupted his kingdom. But then comes Thomas' politically incorrect punch line: despite these lurid details, he defends the civilizing mission of the Spanish empire as ultimately progressive. This seems odd, but in an era when Western armies are engaged in their own civilizing missions throughout the world, Westerners would do well to study what their ancestors did when faced with similar challenges.

Das Reboot: How German Soccer Reinvented Itself and Conquered the World
BY RAPHAEL HONIGSTEIN. Nation Books, 2015, 288 pp.

From the mid-1970s until about 1990, when West Germany won the World Cup, its national team was a soccer powerhouse. Then German soccer collapsed. For a decade, the German team—which unified just after that World Cup victory, along with East and West Germany—did not proceed past the global quarterfinals, and in 2000, it was ejected from the European championships after having scored just one point. This book describes the comeback of German soccer, culminating in the team's victory at the 2014 World Cup. Honigstein, one of the world's top soccer columnists, describes how the German establishment came together to invest in soccer facilities, establish a national system of youth academies, reconstruct scouting and coaching systems, install state-of-the-

art training equipment, and develop a cohesive national team spirit. The details of this story will thrill soccer lovers, but there is also an underlying lesson—a very European one. Excellence in sports, as in the arts, education, business, and many other things, is a social accomplishment. It is achieved through sensible institutional design and not, as many believe (especially in the United States), simply by getting incentives right and letting talented individuals do their thing.

We Love Death as You Love Life: Britain's Suburban Terrorists
BY RAFFAELLO PANTUCCI. Hurst, 2015, 224 pp.

This is a sensible, well-documented study of how jihadist organizations recruit young Britons, perhaps because it relies on sound data to understand the perspective of the extremists. Pantucci convincingly rebuts common explanations for the rise of militant Islam among British youth, such as economic exclusion and the influence of hard-line clerics. He points instead to three linked factors: identity, grievance, and mobilization. Jihad offers a way for young immigrants (or the children of immigrants) to blend their various ethnic identities. These young people oppose British nationalism yet do not really feel that they belong to any other country. Fighting for an internationalist cause thus offers a way to answer the question, "Who am I?" This opens the door for grievances: the more Western countries become involved militarily in the Islamic world, particularly in ways that kill civilians, the more young British Muslims see defending their foreign

coreligionists as a legitimate goal. The third factor is the existence of a mobilizing network of recruiters, today usually functioning online. In the United Kingdom, these recruiters espouse violent versions of either Salafi or Deobandi ideologies.

Democratic Politics in a European Union Under Stress

EDITED BY OLAF CRAMME AND SARA B. HOBOLT. Oxford University Press, 2015, 288 pp.

The EU used to be a polity without politics, because none of the issues it handled were salient to most European voters. That changed forever when the union undertook an ill-advised intervention in monetary policy by creating the euro and then sticking with it through the financial crisis. Those decisions have had disastrous consequences for public trust in and support for the EU, which have plummeted in the years since. Most subsequent commentary has focused on the technocratic details of EU monetary policy and banking regulation. Cramme and Hobolt bring together some leading academic minds to puzzle through deeper questions. Is the EU politically sustainable? If so, in what form? What are the implications of the euro for democratic participation? In general, the contributors are skeptical that the EU will be able to put itself back together again in anything like its previous form, but they remain equally skeptical of radical reform. Anyone interested in the future of Europe should read this book.

Western Hemisphere

Richard Feinberg

Strangers on Familiar Soil: Rediscovering the Chile-California Connection

BY EDWARD DALLAM MELILLO.
Yale University Press, 2015, 352 pp.

This wonderful book weaves together captivating anecdotes with analysis of environmental interactions and economic exchanges between California and Chile in order to reimagine the making of the Americas. The two places are linked by the American Cordillera, a chain of mountain ranges that includes the Sierra Nevada in California and the Andes in Chile; a common mild, dry, Mediterranean-type climate; and the Pacific Ocean. They have repeatedly remade each other's histories. The California Gold Rush depended on Chilean ships and wood, Chilean wheat flour, and Chilean mercury. In turn, the Monterey pine tree, native to California, has refashioned the forests and landscapes of southern Chile. More recently, technical assistance partnerships among agronomists and corporate joint ventures have connected California's and Chile's respective fruit and wine industries. But Melillo is no romantic: his emphasis on transnational linkages includes the antagonisms and tensions that these encounters have generated among the people and ecosystems in both places. He recounts ugly instances of bigotry in California against Chilean immigrants, and he frets over the inherent dangers of monoculture and environmental globalization. On a

personal note, as a former Peace Corps volunteer in Chile who now resides in California, I am indebted to Melillo for so masterfully authenticating the many connections between the two places that I had long intuited.

Colombia's Political Economy at the Outset of the Twenty-first Century: From Uribe to Santos and Beyond

EDITED BY BRUCE M. BAGLEY AND JONATHAN D. ROSEN. Lexington Books, 2015, 354 pp.

In the United States, the dominant narrative about Colombia holds that the country is a remarkable success story: a constitutional democracy surviving a prolonged and vicious insurgency while diversifying and growing its economy and significantly reducing poverty. The well-edited and accessible articles by leading U.S. and Colombian experts collected in this timely volume recognize those achievements but also maintain a sharp focus on the country's remaining challenges: government violations of human rights, systemic corruption and organized crime, weak institutions, rural poverty, stark economic inequality, and nearly five million internally displaced persons. Negotiations that aim to end the decades-long war between the government and the guerillas of the FARC (Revolutionary Armed Forces of Colombia)—talks heroically pursued by Colombian President Juan Manuel Santos—appear close to achieving resolution. But even if the parties reach a deal, Colombia will struggle to find the right balance between justice and peacemaking, between accountability and reconciliation. Readers of this volume

will be ably guided through these topics and others, including Colombian foreign policy and the contributions and sins of U.S. policy and diplomacy in Colombia.

Cuban Studies, vol. 43

University of Pittsburgh Press, 2015.

A new editorial team led by Alejandro de la Fuente draws on scholarship from Cuba and around the world to make this multidisciplinary journal a must-read for those looking beyond the headlines for a deeper understanding of the rapid changes taking place on the island. This issue of the journal focuses on demographic trends. In one article, Sergio Díaz-Briquets warns of an alarming population decline, the consequence of low fertility rates and out-migration. He accuses Havana of “mortgaging the future for immediate short-term economic gain” by encouraging young Cubans to emigrate and send remittances back home. Alejandro Portes and Aaron Puhrmann document sharp divides within the Cuban American enclaves of South Florida, between the wealthier and better-networked arrivals of the 1960s and 1970s and the less well-educated, more isolated—and much less successful—Cuban immigrants who came later. These more recent immigrants have produced a resurgent transnationalism, as many continue to engage with their families in Cuba. Still unclear, however, is whether those ties across the Straits of Florida will generate greater political openness in Cuba or whether the Cuban regime's labor-exporting policies will promote a Vietnamese model of a hybrid economy under a single-party state.

“Homeland Security as a Theory of Action: The Impact on U.S./Mexico Border Management”

BY ALAN D. BERSIN AND MICHAEL D. HUSTON. Woodrow Wilson International Center for Scholars, 2015, 10 pp. Available online.

This is the first in a series of essays on U.S.-Mexican cross-border relations titled *The Anatomy of a Relationship*, which the Woodrow Wilson Center’s Mexico Institute is releasing over a period of months. It contains stark, frank revelations regarding the post-9/11 ambitions of the U.S. national security bureaucracy. The two authors, senior officials at the U.S. Department of Homeland Security writing in their personal capacities, describe their agency’s redefinition of its mission vis-à-vis Mexico, moving away from simply securing a “line in the sand” and toward a deep penetration into Mexican territory. Under this expansive security paradigm, the DHS’ power, budget, and personnel have vastly increased. At the same time, the DHS has embraced more efficient “risk-based” methodologies that save time and money and promise a better balance between security and economic goals. Looking to the future, the authors foresee a “North American Century,” not with European-style shared sovereignty but rather with “trinational conceptions and tripartite associations.” The authors also wish to expand the security perimeter beyond Mexico, writing that “the long-term benefits of integrating Central America (and the island countries of the Caribbean) economically into North America are self-evident.”

Eastern Europe and Former Soviet Republics

Robert Legvold

The Gates of Europe: A History of Ukraine
BY SERHII PLOKHY. Basic Books, 2015, 432 pp.

No one can understand today’s sad, tangled confrontation over Ukraine without some knowledge of the complex, crosscutting influences that have shaped eastern Europe over the millennia. For that history, readers can find no better place to turn than Ploky’s new book. Ploky begins all the way back in the fifth century BC, exploring the origins of the Slavs, and then gives equal weight to each subsequent phase of Ukraine’s story. He moves through each stage of the territory’s history as it fell under the rule of a succession of groups and political entities: the Vikings, the Byzantine Empire, the Mongols, the Polish-Lithuanian Commonwealth, the Russian empire, the Soviet Union, and finally an independent Ukraine. Ploky demonstrates a remarkable ability to untwist the dozens of trends, forces, and players marauding across this land and to take their measure in clear, compact segments. Ukraine’s history has always been contested, and never more intensely than now. Ploky navigates the subject with grace and aplomb.

Russia and the New World Disorder

BY BOBO LO. Brookings Institution Press and Chatham House, 2015, 336 pp.

Lo is one of the most balanced and insightful Western students of Russian foreign policy, and his abilities are fully on display here. He has a special gift for recognizing the complexities of Russia's engagement with the outside world, including its problems and defects. He begins by examining the context of contemporary policy: the role of domestic politics, the mindsets of Russia's leaders, and the challenges posed by the international setting. Next, he assesses Russia's performance in four key areas—global governance, the post-Soviet space, the Asia-Pacific region, and relations with the West—skillfully capturing the subtleties of the Russian leadership's perceptions and positions when dealing with the outside world and also identifying the limitations and maladaptations of the country's rulers. Finally, arguing that Russian foreign policy need not continue on its current course, he finishes with a thoughtful exploration of four possible alternative futures: "soft authoritarianism," producing a foreign policy much like the current one; "hard authoritarianism," leading to a more aggressive foreign policy but limited by constrained resources; "regime fracturing," which would result in an erratic and highly unpredictable foreign policy; and "second-wave liberalism," accompanied by a "Western orientation" and a more modern concept of what it means to be a great power.

Gangs of Russia: From the Streets to the Corridors of Power

BY SVETLANA STEPHENSON. Cornell University Press, 2015, 288 pp.

Russia distinguishes itself by the scale of corruption plaguing its economic and political systems. Street gangs are the entry point, and as in other countries, their roles extend beyond mere criminal activity. Stephenson plunges deeply into the world of Russian gangs, focusing on Tatarstan, a region where they have flourished. She examines neighborhood gangs of teenage street toughs; "entrepreneurial" Mafia-like groups that control business empires; and, in between those two types, vigilantes who commandeer territory, shaking down local businesses and managing illicit activities. She attributes the surge of such groups in the 1990s to the voids and stresses created by the collapse of the Soviet Union. But she also reveals the evolution that Russian gangs have undergone during the last 20 years. Many street gangs have gone from offering something akin to protective refuge to focusing on more predatory activities, and the more serious criminal groups have shifted from prosaic racketeering and extortion to big business. Stephenson's analysis is informed by the fieldwork of others and by her own interviews with current and former gang members, law enforcement officials, teachers, school psychologists, and local residents.

Near and Distant Neighbors: A New History of Soviet Intelligence

BY JONATHAN HASLAM. Farrar, Straus and Giroux, 2015, 400 pp.

For all the attention historians have paid to the intrigues and drama involving

intelligence agencies during the Cold War, the story behind those stories—the inner workings of state institutions, the people who ran them, and the changes they underwent—has remained largely opaque. Haslam takes seriously the task of tracing the history of Soviet espionage, to the extent that old and new sources allow. He acknowledges the significant obstacles that stand in the way, but his book fills in some large gaps. It covers the Soviets' often bumbling early intelligence efforts in the years immediately following the 1917 Russian Revolution, as well as the increasingly professionalized operations of the 1920s and 1930s, when the Soviets "turned" Western leftists to the cause until Western intelligence agencies caught on and began dismantling the Soviet network after World War II. He reveals a striking divide between the 1930s and the post-Stalin years: in the earlier era, Westerners who allowed themselves to be recruited to the Soviet side were often idealistic; in the later years, such recruits were more frequently merely venal.

Open Wounds: Armenians, Turks, and a Century of Genocide

BY VICKEN CHETERIAN. Oxford University Press, 2015, 416 pp.

Cheterian's book offers one of the most complete tellings of the twisted, emotional story of the decimation of 1.5 million Armenians in Ottoman Turkey in 1915, during the fury of World War I—and the story of the political struggle over the massacre in the century since it occurred. Cheterian deals with the most familiar aspects of the controversy: the insistence of Armenia and the Armenian

diaspora that Turkey recognize the killing as genocide and the refusal of Turkish governments over the years not only to accept that designation but even to acknowledge the scale and nature of what happened. Cheterian also explores the killings' intricate legacy in the Armenian communities that remain in Turkey and in others scattered across the world, revealing how the fight over 1915 continues to shape conflicts in Armenia, Azerbaijan, and the Middle East—and debates in the U.S. Congress. On an encouraging note, he reports that some among the younger generation of Turks are genuinely struggling to understand and come to terms with this episode in Turkish history.

The Maisky Diaries: Red Ambassador to the Court of St. James's, 1932–1943

EDITED BY GABRIEL GORODETSKY. Yale University Press, 2015, 632 pp.

Ivan Maisky was an amazing diplomat by anyone's standards, and it turns out that he was an amazing diarist as well. In the Soviet bureaucracy, Maisky stood out in many ways, especially as a Jew, and also as someone who was comparatively open-minded but nonetheless loyal and who survived Stalin's purges—one of only two major Soviet ambassadors to do so. (Two weeks before Stalin died, in 1953, Maisky was arrested during the anti-Jewish witch-hunt that marked the dictator's last years, but he was released two years later and fully rehabilitated.) During the 11 years he spent as a Soviet diplomat in London, Maisky kept a daily diary, a bold act in itself. Gorodetsky stumbled across it in 1993 while doing some research in Moscow. Almost every

page sparkles with Maisky's urbane wit. His portraits of the British elite are stunningly acute, and his depiction of London's social, cultural, and political life radiates with color and a refined sensibility—especially the passages recorded during the German air siege of 1940. The diaries give readers a chance to meet a significant figure from this period who eschewed leaden Soviet-speak and candidly shared his doubts, convictions, fears, hopes, and frailties with honesty and clarity.

Middle East

John Waterbury

After the American Century: The Ends of U.S. Culture in the Middle East

BY BRIAN T. EDWARDS. Columbia University Press, 2015, 288 pp.

Edwards plunges into the cultural lives of Cairo, Casablanca, and Tehran to illustrate the demise of one aspect of “the American century”: the outsize influence that U.S. popular culture exercised in the Middle East. He explores, among other things, Egyptian literature and political cartoons, Moroccan films and writings that deal with sexuality, the 2011 Iranian film *A Separation*, and the 2012 U.S. film *Argo*. Edwards' wanderings produce many insights and readable treatments of a number of Middle Eastern texts and films. One persistent and problematic message risks undermining his efforts, however: in the Middle East, he writes, U.S. cultural products are so thoroughly recast in local vernaculars that

they are rendered “untranslatable.” Edwards does not tell the reader much about those transformations because, it seems, any attempt to do so would be futile or distorting. That leaves the reader struggling to comprehend what, exactly, has replaced American popular culture. One unfortunate omission is the lack of any reference to Bassem Youssef, the satirist often referred to as “the Jon Stewart of Egypt,” whose wit is not lost in translation.

Captive Society: The Basij Militia and Social Control in Iran

BY SAEID GOLKAR. Columbia University Press, 2015, 256 pp.

As many as a third of Iranian adults may be affiliated with the Basij, a hard-line paramilitary group whose name translates as “mobilization.” The group formed during the Iran-Iraq War, and its purpose is to protect the Islamic Republic and its supreme leader. Resources began to flow in its direction especially after the reformist Mohammad Khatami won the presidency in 1997. Mahmoud Ahmadinejad, who succeeded Khatami, was drawn from the Basij, and its members brutally defended his 2009 reelection, attacking the so-called Green Movement demonstrators who protested the election's outcome. In Golkar's skillful rendering, the Basij appears so vast that all Iranians can find some facet of themselves reflected in it. That said, its members hail primarily from the lower-middle classes and from rural areas. Its ranks include five million women and girls, nearly a million students, most of Iran's regular police officers, and around 60 percent of all the civil servants in Iran. Belonging to the Basij often

means enjoying access to jobs, cheap loans and housing, entrance to a university, and professional promotions. But the group is more feared than respected, and Golkar views it as a major impediment to any liberalization or democratization in the Islamic Republic.

Al Qaeda, the Islamic State, and the Global Jihadist Movement: What Everyone Needs to Know

BY DANIEL BYMAN. Oxford University Press, 2015, 304 pp.

Byman structures this primer on jihadism around a series of “frequently asked questions.” But don’t be deceived: there is plenty of useful information and solid analysis packed into this simple text. Byman stresses the massive unpopularity of the United States among the world’s 1.6 billion Muslims and reviews the tools available to Washington for containing, if not defeating, jihadist networks. He focuses mainly on al Qaeda and its affiliates, devoting only one chapter to the Islamic State (also known as ISIS), which formed as a direct outgrowth of al Qaeda’s branch in Iraq. Jihadists of all stripes seek the restoration of the caliphate, but al Qaeda believes that ISIS jumped the gun in proclaiming its establishment in 2014. He argues that the core al Qaeda organization is not a spent force, and that Ayman al-Zawahiri, its current leader, is an effective successor to Osama bin Laden. Today, the group’s affiliates are more dynamic than the mothership; indeed, in some ways, the branches prop up the base. Despite the group’s loss of safe havens and the U.S. campaign of drone strikes against its leaders (of which Byman approves), al Qaeda has plenty of life left in it.

Islamic State: The Digital Caliphate
BY ABDEL BARI ATWAN. University of California Press, 2015, 256 pp.

Like most other informed observers, Atwan takes the threat posed by the Islamic State, or ISIS, very seriously. It is a highly sophisticated movement that exerts control over some six million people, boasts around 200,000 armed fighters, and last year sold around 80,000 barrels of oil every day, on average. Atwan oscillates between attributing ISIS’ emergence to the historical and recent blunders of Western powers and ascribing it to the poor judgment of local authorities, such as former Iraqi President Nouri al-Maliki. Atwan emphasizes that even many Muslims who could become victims of ISIS’ violence feel a grudging sympathy for the group. He also shows how through its mastery of digital communications, ISIS has mobilized Muslim youths all over the world. Atwan agrees with many other experts who see Saudi Arabia as the major source of support for jihadist movements; the irony is that from ISIS’ perspective, no prize could be greater than capturing the Saudi kingdom. Atwan argues that ISIS will not be defeated by a campaign of drones strikes and aerial bombardment but that putting Western boots on the ground would play right into the group’s hands.

Desert Diplomat: Inside Saudi Arabia Following 9/11

BY ROBERT W. JORDAN WITH STEVE FIFFER. University of Nebraska Press, 2015, 256 pp.

Jordan served for two years as U.S. ambassador to Saudi Arabia following 9/11, a period that covered the 2003

U.S. invasion of Iraq. In this readable chronicle, he demonstrates good instincts and a fair measure of modesty. In his assessments of his superiors, U.S. President George W. Bush and Secretary of State Colin Powell come out well; Vice President Dick Cheney and Secretary of Defense Donald Rumsfeld do not. The Saudis offered consistent support to the U.S. effort to topple Saddam Hussein but parted company with Washington when the postinvasion power vacuum in Iraq allowed Iran to move in. He details Riyadh's unhappiness with the failure of the Bush administration to take seriously Saudi Crown Prince Abdullah's 2002 Arab-Israeli peace initiative. He also notes that when the United States abandoned Egyptian President Hosni Mubarak in the wake of protests against his rule in 2011, Saudi rulers understandably wondered whether the same thing might happen to them someday. Jordan details the strains in the U.S.-Saudi relationship but suggests the countries are doomed to a strategic partnership.

Asia and Pacific

Andrew J. Nathan

The China Boom: Why China Will Not Rule the World

BY HO-FUNG HUNG. Columbia University Press, 2015, 264 pp.

Hung masterfully integrates wide-ranging historical and economic details to make sense of China's development and relations with the global economy. During the

late 1950s and early 1960s, Chinese leader Mao Zedong unwittingly laid the basis for Chinese capitalism by carrying out forced industrialization on the backs of the peasants. His successors pursued a version of the classic East Asian state-led capitalist model by fostering the development of export-dependent coastal urban economies and massive state enterprises while tolerating relative stagnation in the rural hinterlands. That strategy generated rapid economic growth but also corrupt and repressive local governance, an overreliance on exports, overinvestment in infrastructure, and an explosion of debt. Hung argues, controversially but convincingly, that there is no unique China model that developing countries can follow in order to avoid the flaws of capitalism or close the wealth gap with the developed world. Moreover, the boom of the book's title is destined to peter out, potentially with disastrous consequences, unless the regime cedes more economic and political power to peasants and workers. Meanwhile, China has integrated its interests so tightly with those of the United States that its rise supports, rather than threatens, the U.S.-led global order.

The Invitation-Only Zone: The True Story of North Korea's Abduction Project

BY ROBERT S. BOYNTON. Farrar, Straus and Giroux, 2016, 288 pp.

In dealing with North Korea, Japanese policymakers focus as much on what they call "the abductee issue" as on the issue of nuclear weapons. In the 1970s and 1980s, North Korean agents seized an unknown number—perhaps hundreds—

of Japanese citizens from beaches and city streets, smuggling them to North Korea to serve as language instructors, potential spies, and in other roles that apparently were not well thought out. Some may have been killed so that their identities could be assumed by North Korean agents. Boynton vividly describes the bizarre experiences of some of the victims, who were forced to feign loyalty to the North Korean system—and in some cases actually came to support the regime of Kim Il Sung. So far, Pyongyang has allowed five abductees to return to Japan with their children and has identified eight who it claims have died of natural causes. This accounting has done little to satisfy Japanese public opinion, which is anxious about Japan's vulnerability to its neighbor's unpredictable acts. For its part, North Korea points out that during World War II, Japan abducted a far greater number of Korean citizens to serve in mines, on farms, and in factories, and many of them died or remain unaccounted for.

Blood, Dreams, and Gold: The Changing Face of Burma

BY RICHARD COCKETT. Yale University Press, 2015, 296 pp.

Cockett, a former correspondent for *The Economist*, has traveled to every corner of Myanmar (also known as Burma) to uncover the roots of its troubled condition. The Burmans, the majority ethnic group (who are mostly Buddhist), live on the country's central plain. They are surrounded by a horseshoe-shaped ring of "hill tribes," many of which are Christian and which are classified into 135 officially recognized ethnic groups.

This picture is further complicated by the legacies of the British colonial period, when the country experienced an influx of Hindus and Muslims from various parts of India, as well as Chinese merchants, Iraqi Jews, and others seeking commercial opportunities. Faced with so much ethnic and religious diversity, postindependence military regimes tried to "purify" the country through assimilationist education and language policies, exclusionary citizenship laws, and a military-dominated economic model, all of which have only exacerbated divisions. Cockett's lucid analysis of these complexities makes clear his affection for the country. But he evinces little hope that the current quasi-military regime or the opposition can overcome these conflicts and make Myanmar anything more than a "stunted democracy."

Karachi: Ordered Disorder and the Struggle for the City

BY LAURENT GAYER. Oxford University Press, 2014, 256 pp.

Karachi is one of the world's most violent cities, beset by strikes, riots, bombings, arsons, murders, massacres, and mutilations carried out by a staggering array of actors, including student and labor movements, political parties, criminal gangs, sectarian extremists, and the Pakistani Taliban. Sporadic attempts by government forces to reclaim control have only intensified the violence. But Gayer patiently uncovers the latent patterns of order that allow the city to function and to produce one-quarter of Pakistan's GDP and handle 95 percent of its foreign trade. Violence often takes place within factions that are disciplining

their own dissidents or represents a phase of negotiations among rival parties—negotiations that also include episodes of cooperation. Communities segregate themselves, and people learn to interpret street scenes to avoid trouble. The abundance of interest groups and conflicts makes the story sometimes hard to follow, but the larger message is clear: the sheer number of violent organizations and the tenuous balance of power among them—what the author calls “armed consociationalism”—prevents the city from spinning out of control. Gayer’s own evidence, however, shows that the situation is steadily getting worse.

The Barefoot Lawyer: A Blind Man’s Fight for Justice and Freedom in China

BY CHEN GUANGCHENG. Henry Holt, 2015, 352 pp.

Chen is the blind human rights activist whose dramatic 2012 escape from house arrest to refuge in the U.S. embassy in Beijing led to tense negotiations over his fate between U.S. Secretary of State Hillary Clinton and Chinese authorities and then to Chen’s exile in the United States. His stubborn resistance to injustices in rural China—especially the government’s coercive enforcement of the one-child policy—led him and his family to be targeted by local Communist Party officials with detentions, beatings, a sham trial, imprisonment, and extralegal house arrest, to the point where his mistreatment became an international scandal. The book culminates in the gripping story of his nighttime escape from his village, right under the noses of dozens of guards. Chen is an outsize personality, but he comes from an

ordinary village, so his memoir provides insight into the factors that make relations between local officials and peasants so explosive throughout China. It also illuminates some of the ways in which foreign pressure can help ameliorate human rights abuses, even in this era of Chinese assertiveness.

Deng Xiaoping’s Long War: The Military Conflict Between China and Vietnam, 1979–1991

BY XIAOMING ZHANG. University of North Carolina Press, 2015, 296 pp.

This skillful study shows that, in several ways, China’s brief, ill-fated invasion of Vietnam in 1979 was more significant than scholars have generally understood. It was the prelude to over a decade of low-level military conflict that lasted until 1991, sapping Vietnam’s ability to dominate Cambodia and Thailand. It positioned China firmly in the U.S. camp in the Cold War, cutting off Moscow’s opportunity to make itself a Southeast Asian power. Especially valuable is the book’s detailed account of the Chinese military’s logistical weaknesses, tactical errors, and command incompetence during the invasion. This poor performance enabled Chinese leader Deng Xiaoping to unite the Chinese Communist Party around his strategy of economic development first and military modernization second, with the latter to include streamlining and a shift away from traditional close-combat ground warfare tactics and toward higher-tech combined-arms operations. The month-long initial incursion also did great damage to Vietnam, which the Vietnamese have

not forgotten. Chinese-Vietnamese relations may warm and cool, but this book reminds readers of the reasons why fundamental distrust persists on both sides.

Berkshire Dictionary of Chinese Biography, vol. 4

EDITED BY KERRY BROWN.
Berkshire Publishing Group, 2015,
460 pp.

The final volume of this dictionary covers 100 prominent figures of the reform era in China, which spans the last 40 years or so. Many of them are still alive. The entries range from the obvious (Chinese President Xi Jinping, the dissident Wei Jingsheng) to the surprising (Wang Shuo, a transgressive novelist; Jet Li, the martial arts movie star; Rebiya Kadeer, the exiled Uighur advocate; Lai Changxing, the smuggling kingpin) and include leaders in politics, business, science, sports, and the arts. Hong Kong, Macao, and Taiwan are also represented (by, among others, former Taiwanese President Lee Teng-hui, the pop singer Teresa Teng, the movie director Wong Kar-wai, and the gambling czar Stanley Ho). Some important names are inevitably omitted—for example, the dissident artist Ai Weiwei. The entries are not merely life chronologies. They probe their subjects' personalities and accomplishments, providing a sense of how each subject fits into the complex mosaic of Chinese society. The result is a readable, often entertaining portrait of an era that is still in the process of becoming.

Africa

Nicolas van de Walle

Bad News: Last Journalists in a Dictatorship

BY ANJAN SUNDARAM. Doubleday, 2016, 208 pp.

In circumstances he never quite explains, Sundaram spent some time in Rwanda in recent years conducting a workshop for local journalists. In this capacity, he befriended a number of young reporters struggling under increasing pressure from the government of President Paul Kagame. By the end of the book, they are all either in jail, in hiding, exiled—or working for Kagame's government. Sundaram's heartfelt chronicle closely observes the mechanisms by which the Kagame regime has curtailed freedom of the press by co-opting, intimidating, arresting, and even committing violence against independent journalists. Sundaram complains bitterly about the heroic reputation that Kagame has earned in the West for his efforts to rebuild the country after the 1994 genocide; in Sundaram's view, Kagame actually runs a police state intent on limiting even the most timid forms of opposition to its rule at the same time as it receives substantial foreign aid. Despite an appendix detailing the government's harsh treatment of several dozen Rwandan journalists over the last two decades, the book relies too heavily on a mood of brutality and doom rather than a careful analysis of the regime

and its methods. Still, Sundaram has written an unsettling account of journalists under fire.

Made in Africa: Industrial Policy in Ethiopia

BY ARKEBE OQUBAY. Oxford University Press, 2015, 384 pp.

Ethiopia has enjoyed double-digit economic growth rates for the last decade, establishing itself as the fastest-growing economy in Africa. As a senior official in the ruling regime for the last few decades, Oqubay has been one of the architects of its economic policy, and his book offers interesting insights into the leadership's ideas and motivations, especially when it comes to industry and exports. However, most of Ethiopia's recent growth has come in the agricultural and service sectors, and so Oqubay's argument that industrialization represents the key to economic success seems misplaced and mostly aspirational. Oqubay wants Ethiopia to adopt a development model heavily influenced by East Asian countries such as South Korea, where governments have been able to stimulate growth by exerting tight control over the economy. He repeatedly criticizes what he calls "mainstream" economics for its emphasis on comparative advantage and market-based incentives, insisting instead on the benefits of top-down planning. At the core of his analysis are well-informed case studies of Ethiopia's cement, floriculture, and leather industries, in which he offers surprisingly frank assessments of the managerial and economic constraints these subsectors face.

Electoral Violence in Sub-Saharan Africa: Causes and Consequences

BY STEPHANIE M. BURCHARD.
Lynne Rienner, 2015, 192 pp.

In late 2007, a contested presidential election in Kenya resulted in widespread violence, leading to 1,300 deaths and rendering homeless hundreds of thousands of Kenyans. The fighting made headlines, but it was not particularly novel: since 1990, more than half the multiparty elections held in sub-Saharan Africa have resulted in violence. Burchard examines the Kenyan case, along with episodes in Liberia and Senegal. In all three countries, pro-government and opposition groups both took part in the violence, but state forces were more likely to do so in a premeditated, strategic manner. Burchard shows that when elections are followed by chaos and bloodshed, it negatively affects turnout the next time around and serves to undermine public support for democracy. Burchard notes that postelection violence is far less common in a handful of democratic countries in the region that have relatively strong and independent democratic institutions, such as news media, electoral commissions, and judiciaries.

Nigeria: A New History of a Turbulent Century

BY RICHARD BOURNE. Zed Books, 2015, 229 pp.

This very readable history provides an excellent introduction to Africa's most populous country. It begins with a look at British colonial rule, which established sharp economic, cultural, and political

divisions in Nigeria, most dramatically between its northern and southern halves. These tensions undermined any sense of national unity and were exacerbated by the emergence of competitive politics after World War II and, eventually, independence, which came in 1960. Bourne expertly walks the reader through the political deterioration that led to the Nigerian Civil War, which raged from 1967 until 1970 and ended with the defeat of separatists from the southern state of Biafra. He then covers the subsequent decades of military rule and the slow and inconsistent democratization that began in 2000 and culminated in last year's remarkably peaceful election and transition of power, which resulted in Muhammadu Buhari's presidency. An admirably succinct final chapter ties together several themes, including the negative effects of oil dependence; the egregious corruption within the Nigerian elite, which continues to hinder democratic rule and economic growth; and the evolving role of religion as a source of political and social cleavages.

of international peacekeeping interventions since the mid-1990s, is very much worth examining. A sharp essay by Stephen Smith places the current instability in historical context. Greedy national elites have always preferred to appropriate public resources for their private use rather than grow the national economy or govern effectively. Today, they view international peacekeeping efforts as merely another trough at which to feed. Yet the book's chapters on the international community's woefully inadequate interventions also help explain the lack of local buy-in. The need for more effective international engagement is obvious, but the book is frustratingly silent on what better interventions might look like. 🌍

Making Sense of the Central African Republic

EDITED BY TATIANA CARAYANNIS AND LOUISA LOMBARD. Zed Books, 2015, 384 pp.

This sprawling collection of essays is the first book-length English-language study of the Central African Republic. Such neglect is predictable given that the landlocked CAR is desperately poor and boasts virtually no natural resources. But the CAR's history of failed state building, instability, and civil violence, which has led to a succession

Letters to the Editor

A STRONG START

To the Editor:

Gideon Rose (“What Obama Gets Right,” September/October 2015) gives U.S. President Barack Obama generally high marks for his handling of foreign policy, but among his criticisms, Rose claims that Obama’s “initial flirtation with leftist pieties about nuclear disarmament predictably came to nothing.” This is a caricature of the Obama administration’s nuclear policies and represents a failure to recognize the place of nuclear disarmament in the international order. Rose correctly praises Obama for trying to bolster.

As a candidate for president in 2008, Obama embraced the nuclear policy framework outlined in January 2007 by former Secretary of State Henry Kissinger, former Chair of the Senate Armed Services Committee Sam Nunn, former Secretary of Defense William Perry, and former Secretary of State George Shultz—a foursome not generally thought of as leftist or given to pieties. Noting that the world was on the precipice of a new and dangerous nuclear era and that reliance on nuclear weapons for deterrence was becoming increasingly dangerous and decreasingly effective, they called for a global effort to pursue practical steps toward a world free of nuclear weapons, “a bold initiative consistent with America’s moral heritage.”

Backed by this strong nonpartisan consensus—supported by two-thirds of former U.S. secretaries of state and

defense and national security advisers, plus a chorus of their peers from around the world—Obama followed through on his campaign commitment once elected and made nuclear weapons the subject of a major foreign policy address in Prague in 2009, where he expressed “America’s commitment to seek the peace and security of a world without nuclear weapons.”

To say that Obama’s policies have come to nothing is unfair. The 2010 New START agreement between the United States and Russia will produce modest and verifiable reductions in strategic arms, and the nuclear security summits have been an innovative approach to securing nuclear materials around the globe. Moreover, the Iran nuclear deal is an accomplishment directly tied to the president’s Prague agenda.

It is true, however, that the Obama administration has not matched its words with deeds. After securing ratification of New START in December 2010, the administration was not ready with a plan for pushing the president’s new nuclear agenda. It was not until June 2013, in Berlin, when the president outlined his nuclear policy goals for his second term, including further reductions in deployed strategic nuclear weapons by up to one-third, “bold” reductions in tactical nuclear weapons in Europe, and a fourth nuclear security summit in 2016. Nine months later, Russia seized Crimea, seemingly shutting the door to further progress for the time being.

The reason for this disconnect has been the administration’s inability to make difficult choices. The United States has not moved from a nuclear triad (nuclear-capable strategic bombers, land-based intercontinental ballistic

missiles, and submarine-launched ballistic missiles) to a nuclear dyad, leaving the next administration with an unaffordable nuclear modernization program that would undermine conventional capabilities. Nor has it removed nuclear weapons from “prompt-launch status” to reduce the risk of an accidental or mistaken firing of a nuclear ballistic missile. And it has not thought seriously about how to strengthen NATO’s overall defense posture absent basing U.S. nuclear weapons in Europe at great expense and risk. All these steps could and should have been taken by the current administration—and still could and should be taken by its successor.

STEVE ANDREASEN

Lecturer, Hubert H. Humphrey School of Public Affairs, University of Minnesota

GET FLEXIBLE

To the Editor:

In her article on the Ebola crisis (“Ebola’s Lessons,” September/October 2015), Laurie Garrett makes several incorrect claims related to the funding and structure of the health systems of Liberia and Sierra Leone, where I serve as Ireland’s ambassador.

Garrett correctly describes Liberia’s Health Sector Pool Fund as “a single pot of carefully monitored funds for the nation’s desperate government health-care system.” Yet Garrett errs in writing that the fund has “about a dozen donors”; in fact, it has only four. Of these, Ireland is the lead donor; together with the United Kingdom, it has contributed over 80 percent of the fund’s capital since its formation in 2008.

Garrett goes on to claim that the “pool fund budget had no flexibility to allow for an unexpected catastrophe

such as an epidemic.” In fact, flexibility is part of the pool fund’s *raison d’être*: unlike much of the Liberian Ministry of Health’s other financing, the pool fund is not earmarked for specific purposes, and the Ministry of Health makes proposals for funding based on critical gaps in the health system. This flexibility was vital during the Ebola crisis, which could not have been foreseen in annual plans or budgets. The fund’s donors accepted all of the Ministry of Health’s requests during the outbreak, after the necessary technical and financial quality checks.

Indeed, one of the key lessons of the Ebola crisis is that although funds targeting specific health programs are important in their own right, overemphasizing them can leave some critical health needs underfunded. During a crisis, this gap can have serious consequences. More development partners should consider supporting national health systems through flexible, government-owned mechanisms, such as the pool fund.

Much of the analysis and media coverage of the Ebola crisis has suggested that the health systems of the affected countries were practically nonexistent; Garrett, for example, writes that Liberia “barely had a health-care and hospital system or even a method for processing public-sector payrolls” when the Ebola outbreak began. In fact, although enormous challenges remain, there have been significant improvements in the health systems of both Liberia and Sierra Leone since the end of their respective civil wars in the early years of this century. Instead of discounting what has been achieved, it would be more fruitful to look at why these states have not improved even more and why some health-care investments made

before the Ebola outbreak were not as effective as was hoped. Such analysis would undoubtedly reveal the importance of flexible funding mechanisms led by host governments.

SINEAD WALSH

Ambassador of Ireland to Sierra Leone and Liberia

Garrett replies:

Ambassador Sinead Walsh is right to note that Ireland has been a major contributor to Liberia's Health Sector Pool Fund and merits applause for its long-standing commitment. The fund represented a smart innovation in financing, and such assistance was particularly important during the Ebola crisis, which was made more acute by the ongoing effects of Liberia's civil war and dire underdevelopment, including an underfunded and understaffed health sector. However, most foreign aid for Liberia's battle with Ebola arrived long after the epidemic peaked in late September 2014. In the end, the people and government of Liberia overcame the outbreak largely without the level of external support they needed and deserved.

FOR THE RECORD

"Ebola's Lessons" (September/October 2015) mischaracterized a number of issues relating to the Liberian government's health system and its response to the outbreak of Ebola. Miatta Zenabu Gbanya, who manages Liberia's Health Sector Pool Fund, was not assigned to her job by Liberian President Ellen Johnson

Sirleaf; she was hired as a contractor by the Liberian Ministry of Health, which oversees the fund. The fund did not have around \$65 million on hand when Gbanya took her position in 2013; that, instead, is the total amount that the fund had raised by that point since 2008. Gbanya was not solely responsible for negotiating with the fund's donors and with the Liberian health professionals whom the fund helps pay, as the article suggests; although Gbanya played a key role, those were collective efforts led by the Ministry of Health. And although others have complained about corruption in the Liberian Ministry of Finance, Gbanya never had to contend with it herself, as the article states.

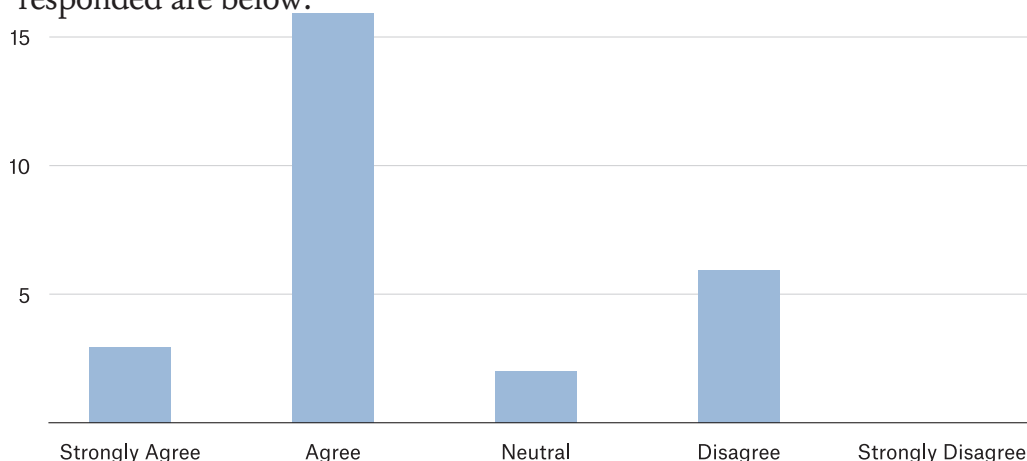
"ISIS as Revolutionary State" (November/December 2015) stated that ISIS seeks to hasten the return of the Prophet Muhammad. In fact, the group seeks to hasten the return of the Mahdi, a messianic redeemer who, according to some Islamic traditions, will lead Muslims during an end-times struggle. 🌐

Foreign Affairs (ISSN 00157120), January/February 2016, Volume 95, Number 1. Published six times annually (January, March, May, July, September, November) at 58 East 68th Street, New York, NY 10065. Print subscriptions: U.S., \$54.95; Canada, \$66.95; other countries via air, \$89.95 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 60001, Tampa, FL 33662-0001. From time to time, we permit certain carefully screened companies to send our subscribers information about products or services that we believe will be of interest. If you prefer not to receive such information, please contact us at the Tampa, FL, address indicated above.

Does Inequality Matter?

Foreign Affairs Brain Trust

We asked dozens of experts whether they agreed or disagreed that, left unaddressed, economic inequality will cause major political upheavals in the developed world over the next generation. The results from those who responded are below:



“I hope for upheavals in the form of social movements pressing for greater equality. But given the strong oligarchic tendencies in our society, and in parts of Europe, too, I don’t have the confidence I would like to have.”

Agree, Confidence Level 4

MICHAEL WALZER is Professor Emeritus of Social Science at the Institute for Advanced Study and co-Editor Emeritus of Dissent.



“Inequality is correlated with political disengagement, not with political upheaval. That kind of turmoil is better predicted by rising expectations.”

Disagree, Confidence Level 7

TYLER COWEN is Professor of Economics at George Mason University and at its Center for Study of Public Choice.

► **See the full responses at ForeignAffairs.com/Inequality**



A vibrant outdoor market scene in Afghanistan. In the foreground, several women wearing blue burqas are walking. The market is filled with various goods, including shoes, clothing, and household items. A man in a light-colored jacket and cap is walking towards the left. The background shows more stalls and people, creating a sense of a bustling marketplace.

Addressing the critical issues facing Asia in the 21st century

The Asia Foundation just released our annual Survey of the Afghan People, Afghanistan's broadest and longest-running public opinion poll. After the first full year of the National Unity Government, 9,586 Afghans from all 34 provinces told us what they think about security, ISIS, the Taliban, corruption, jobs, and women's rights. For over a decade our surveys in Afghanistan have served as a powerful resource for decision makers and an unmatched barometer of Afghan opinions over time.

AFGHANISTAN IN 2015: A Survey of the Afghan People

READ IT HERE: asiafoundation.org



The Asia Foundation

Improving Lives, Expanding Opportunities

“The greatest threat to your wealth? Risk you don’t see coming.”



Carmen Del Guercio
Group Vice President and
Head of Private Banking

Carmen works closely with our Wealth Advisory group to help ensure banking and lending strategies are customized for a client’s unique needs and integrated with the overall financial plan. He is part of a seasoned team of professionals who exemplify Wilmington Trust’s 112-year heritage of successfully advising families. **For access to knowledgeable professionals like Carmen and the rest of our team, contact Mark Graham at 302-651-1665.**

Entrepreneurs are risk takers by nature. But when your company is your main source of financial security, you need to protect it from risk – like natural disaster, legal liability, and crime.

Assessing risk. Planning ahead is critical to protect you and your business from losses. While asset concentration and fiduciary risk are extremely important to consider, there are emerging threats you could face.

The new threat. The Center for Strategic and International Studies (CSIS) has estimated that cyber crime costs the U.S. economy at least \$445 billion a year. Which is why many business owners are considering cyber security insurance. These policies cover damage to digital assets, business interruptions, and reputational harm. They can also defray liability

costs, and may pay for forensic investigations, customer notification, credit monitoring, and legal and public relations services.

\$445 BILLION

IS LOST BY THE U.S.
ECONOMY ANNUALLY DUE
TO CYBER CRIME

Source: Center for Strategic and
International Studies, June 2014

Be prepared. Whatever your potential risks, it’s important to plan ahead and develop an integrated strategy for minimizing exposure. Wilmington Trust can help. Founded by a family business leader more than a century ago, we have the experience to help you assess the needs of your business and implement a plan specific to you.

For more insight on how we’ve successfully advised business owners for more than 112 years, visit wilmingtontrust.com/assetprotection.

FIDUCIARY SERVICES | WEALTH PLANNING | INVESTMENT MANAGEMENT | PRIVATE BANKING

RENOWNED FOR A REASON®



**WILMINGTON
TRUST**

AN M&T BANK AFFILIATE

This article is for informational purposes only and is not intended as an offer or solicitation for the sale of any financial product or service. This article is not designed or intended to provide financial, tax, legal, accounting, or other professional advice since such advice always requires consideration of individual circumstances. If professional advice is needed, the services of your professional advisor should be sought.

Private Banking is the marketing name for an offering of M&T Bank deposit and loan products and services.

Investment and Insurance Products: • Are NOT Deposits • Are NOT FDIC-Insured • Are NOT Insured By Any Federal Government Agency • Have NO Bank Guarantee • May Go Down In Value

Wilmington Trust is a registered service mark. Wilmington Trust Corporation is a wholly owned subsidiary of M&T Bank Corporation (M&T). Investment management and fiduciary services are provided by Wilmington Trust Company, operating in Delaware only, and Wilmington Trust, N.A., a national bank. Loans, retail and business deposits, and other personal and business banking services and products are offered by M&T Bank, member FDIC.

©2015 Wilmington Trust Corporation and its affiliates. All rights reserved.