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## The American Distemper

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Before he became one of the world’s best-known political thinkers, FRANCIS FUKUYAMA read Greek at Cornell and studied comparative literature under Roland Barthes and Jacques Derrida in Paris. But during graduate school at Harvard, he switched subjects, eventually writing a thesis on Soviet intervention in the Middle East. Fukuyama went on to serve in the U.S. State Department under the Reagan and George H. W. Bush administrations and then declare “the end of History.” In “America in Decay” (page 5), he uncovers the true—and unfortunately enduring—sources of contemporary American political dysfunction.

Growing up in Germany during the 1980s, YASCHA MOUNK was keenly aware of the complicated politics surrounding his Jewish heritage, a subject he explores in his memoir, Stranger in My Own Country. These days, as a fellow at the New America Foundation and graduate student at Harvard, he is working on a dissertation on the role of morality in politics. In “Pitchfork Politics” (page 27), he explores the roots and course of contemporary populism in the United States and Europe.

During his nearly three decades at the U.S. State Department, NICHOLAS BURNS served as undersecretary of state for political affairs, U.S. ambassador to NATO, and U.S. ambassador to Greece. During the George W. Bush administration, he negotiated the groundbreaking U.S.-Indian civil nuclear agreement, opening up India’s nuclear power sector to U.S. investment. Now at Harvard’s Kennedy School of Government, Burns argues in “Passage to India” (page 132) that Washington’s India policy has broken down—and outlines how it can be fixed.

ANANYA VAJPEYI is an intellectual historian based at the Centre for the Study of Developing Societies, in New Delhi. A graduate of Jawaharlal Nehru University, Oxford University (where she was a Rhodes scholar), and the University of Chicago, she is a regular contributor to such Indian publications as The Caravan, The Telegraph, and The Hindu. Her book Righteous Republic traces how India’s founding fathers drew inspiration from ancient texts. In “The Triumph of the Hindu Right” (page 150), Vajpeyi explores the dark side of Hindu nationalism, reviewing two books that Indian conservatives have attempted to ban.
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taking care of energy means creating new energy, together.
Dysfunction Junction

Trouble on the Home Front

Gideon Rose and Jonathan Tepperman

American politics today are marked by dysfunction, discontent, and ideological churn on both sides of the aisle. Since the distraction and paralysis of the world’s hegemon has such obvious global significance, we decided to turn our focus inward, exploring the sources and contours of the American malaise.

Francis Fukuyama kicks off our special package with a magisterial analysis of U.S. political decay, showing how today’s problems stem from the basic design of the country’s political institutions and have been exacerbated by increasingly hostile polarization. His conclusion is depressing: absent some sort of major external shock, the decay is likely to continue for the foreseeable future.

Yascha Mounk looks at the rise of populism in the United States and Europe. Far from being the product of a temporary economic crisis, he finds, the Tea Party and its European cousins have emerged from the enduring inability of democratic governments to satisfy their citizens’ needs. Leaders must learn to co-opt and channel popular passions, addressing political outsiders’ legitimate grievances while bypassing their simplistic solutions.

The American right is in particular turmoil, as it tries to reverse a national losing streak while also accommodating the ideological demands of an increasingly angry and extreme base. David Frum argues that the Republican Party’s central problem is its increasing dependence on the old and the rich and that a revival of its fortunes will have to wait for the emergence of a truly multiethnic, socially tolerant conservatism. And Byron York assesses the work of the party’s would-be reformers and stresses the importance of appealing to the middle class.

As for the left, while its divisions may look less dramatic, differences lurk there as well. Michael Kazin juxtaposes the left’s string of victories in the cultural sphere, where progressives have expanded individual rights for society’s oppressed, with its equally notable string of defeats on the economic front, as the left has tried to create a more egalitarian society motivated by a spirit of solidarity. And Michael Tomasky assesses the potential for a revolt against the centrist views of Democratic elites by the party’s progressive masses, led by a champion such as Senator Elizabeth Warren.

For such a strong, rich, free, and favorably situated country, the United States is remarkably testy and out of sorts these days—and falling far short of its enormous potential. Finding a way to deal with its internal challenges may be the most important national interest of all.

GIDEON ROSE is Editor of Foreign Affairs.

JONATHAN TEPPELMAN is Managing Editor of Foreign Affairs.
When polarization confronts the United States’ Madisonian check-and-balance political system, the result is devastating.

— Francis Fukuyama

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The creation of the U.S. Forest Service at the turn of the twentieth century was the premier example of American state building during the Progressive Era. Prior to the passage of the Pendleton Act in 1883, public offices in the United States had been allocated by political parties on the basis of patronage. The Forest Service, in contrast, was the prototype of a new model of merit-based bureaucracy. It was staffed with university-educated agronomists and foresters chosen on the basis of competence and technical expertise, and its defining struggle was the successful effort by its initial leader, Gifford Pinchot, to secure bureaucratic autonomy and escape routine interference by Congress. At the time, the idea that forestry professionals, rather than politicians, should manage public lands and handle the department’s staffing was revolutionary, but it was vindicated by the service’s impressive performance. Several major academic studies have treated its early decades as a classic case of successful public administration.

Today, however, many regard the Forest Service as a highly dysfunctional bureaucracy performing an outmoded mission with the wrong tools. It is still staffed by professional foresters, many highly dedicated to the agency’s mission, but it has lost a great deal of the autonomy it won under Pinchot. It operates under multiple and often contradictory mandates from Congress and the courts and costs taxpayers a substantial amount of money while achieving questionable aims. The service’s internal decision-making system is often gridlocked, and the high degree of staff morale and cohesion that Pinchot worked so hard to foster has been lost. These days, books are written arguing that the Forest Service ought to be abolished altogether. If the Forest Service’s creation exemplified the development of the modern American state, its decline exemplifies that state’s decay.

Civil service reform in the late nineteenth century was promoted by academics and activists such as Francis Lieber, Woodrow Wilson, and Frank Goodnow, who believed in the ability of modern natural science to solve human problems. Wilson, like his contemporary Max Weber, distinguished between politics and administration. Politics, he argued, was a domain of final ends, subject to democratic contestation, but administration was a realm of implementation, which could be studied empirically and subjected to scientific analysis.

The belief that public administration could be turned into a science now seems naive and misplaced. But back then, even in advanced countries, governments were run largely by political hacks or corrupt municipal
bosses, so it was perfectly reasonable to demand that public officials be selected on the basis of education and merit rather than cronyism. The problem with scientific management is that even the most qualified scientists of the day occasionally get things wrong, and sometimes in a big way. And unfortunately, this is what happened to the Forest Service with regard to what ended up becoming one of its crucial missions, the fighting of forest fires.

Pinchot had created a high-quality agency devoted to one basic goal: managing the sustainable exploitation of forest resources. The Great Idaho Fire of 1910, however, burned some three million acres and killed at least 85 people, and the subsequent political outcry led the Forest Service to focus increasingly not just on timber harvesting but also on wildfire suppression. Yet the early proponents of scientific forestry didn’t properly understand the role of fires in woodland ecology. Forest fires are a natural occurrence and serve an important function in maintaining the health of western forests. Shade-intolerant trees, such as ponderosa pines, lodgepole pines, and giant sequoias, require periodic fires to clear areas in which they can regenerate, and once fires were suppressed, these trees were invaded by species such as the Douglas fir. (Lodgepole pines actually require fires to propagate their seeds.) Over the years, many American forests developed high tree densities and huge buildups of dry understory, so that when fires did occur, they became much larger and more destructive.

After catastrophes such as the huge Yellowstone fires in 1988, which ended up burning nearly 800,000 acres in the park and took several months to control, the public began to take notice. Ecologists began criticizing the very objective of fire prevention, and in the mid-1990s, the Forest Service reversed course and officially adopted a “let burn” approach. But years of misguided policies could not simply be erased, since so many forests had become gigantic tinderboxes.

As a result of population growth in the American West, moreover, in the later decades of the twentieth century, many more people began living in areas vulnerable to wildfires. As are people choosing to live on floodplains or on barrier islands, so these individuals were exposing themselves to undue risks that were mitigated by what essentially was government-subsidized insurance. Through their elected representatives, they lobbied hard to make sure the Forest Service and other federal agencies responsible for forest management were given the resources to continue fighting fires that could threaten their property. Under these circumstances, rational cost-benefit analysis proved difficult, and rather than try to justify a decision not to act, the government could easily end up spending $1 million to protect a $100,000 home.

While all this was going on, the original mission of the Forest Service was eroding. Timber harvests in national forests, for example, plunged, from roughly 11 billion to roughly three billion board feet per year in the 1990s alone. This was due partly to the changing economics of the timber industry, but it was also due to a change in national values. With the rise of environmental consciousness, natural forests were increasingly seen as havens to be protected for their own sake, not
but then firefighting itself became controversial and was displaced by conservation. None of the old missions was discarded, however, and each attracted outside interest groups that supported different departmental factions: consumers of timber, homeowners, real estate developers, environmentalists, aspiring firefighters, and so forth. Congress, meanwhile, which had been excluded from the micromanagement of land sales under Pinchot, reinserted itself by issuing various legislative mandates, forcing the Forest Service to pursue several different goals, some of them at odds with one another.

Thus, the small, cohesive agency created by Pinchot and celebrated by scholars slowly evolved into a large, economic resources to be exploited. And even in terms of economic exploitation, the Forest Service had not been doing a good job. Timber was being marketed at well below the costs of operations; the agency’s timber pricing was inefficient; and as with all government agencies, the Forest Service had an incentive to increase its costs rather than contain them.

The Forest Service’s performance deteriorated, in short, because it lost the autonomy it had gained under Pinchot. The problem began with the displacement of a single departmental mission by multiple and potentially conflicting ones. In the middle decades of the twentieth century, firefighting began to displace timber exploitation,
Balkanized one. It became subject to many of the maladies affecting government agencies more generally: its officials came to be more interested in protecting their budgets and jobs than in the efficient performance of their mission. And they clung to old mandates even when both science and the society around them were changing.

The story of the U.S. Forest Service is not an isolated case but representative of a broader trend of political decay; public administration specialists have documented a steady deterioration in the overall quality of American government for more than a generation. In many ways, the U.S. bureaucracy has moved away from the Weberian ideal of an energetic and efficient organization staffed by people chosen for their ability and technical knowledge. The system as a whole is less merit-based: rather than coming from top schools, 45 percent of recent new hires to the federal service are veterans, as mandated by Congress. And a number of surveys of the federal work force paint a depressing picture. According to the scholar Paul Light, “Federal employees appear to be more motivated by compensation than mission, ensnared in careers that cannot compete with business and nonprofits, troubled by the lack of resources to do their jobs, dissatisfied with the rewards for a job well done and the lack of consequences for a job done poorly, and unwilling to trust their own organizations.”

**WHY INSTITUTIONS DECAY**

In his classic work *Political Order in Changing Societies*, the political scientist Samuel Huntington used the term “political decay” to explain political instability in many newly independent countries after World War II. Huntington argued that socioeconomic modernization caused problems for traditional political orders, leading to the mobilization of new social groups whose participation could not be accommodated by existing political institutions. Political decay was caused by the inability of institutions to adapt to changing circumstances. Decay was thus in many ways a condition of political development: the old had to break down in order to make way for the new. But the transitions could be extremely chaotic and violent, and there was no guarantee that the old political institutions would continuously and peacefully adapt to new conditions.

This model is a good starting point for a broader understanding of political decay more generally. Institutions are “stable, valued, recurring patterns of behavior,” as Huntington put it, the most important function of which is to facilitate collective action. Without some set of clear and relatively stable rules, human beings would have to renegotiate their interactions at every turn. Such rules are often culturally determined and vary across different societies and eras, but the capacity to create and adhere to them is genetically hard-wired into the human brain. A natural tendency to conformism helps give institutions inertia and is what has allowed human societies to achieve levels of social cooperation unmatched by any other animal species.

The very stability of institutions, however, is also the source of political decay. Institutions are created to meet the demands of specific circumstances, but then circumstances change and institutions fail to adapt. One reason is
But Madisonian democracy frequently fails to perform as advertised. Elite insiders typically have superior access to power and information, which they use to protect their interests. Ordinary voters will not get angry at a corrupt politician if they don’t know that money is being stolen in the first place. Cognitive rigidities or beliefs may also prevent social groups from mobilizing in their own interests. For example, in the United States, many working-class voters support candidates promising to lower taxes on the wealthy, despite the fact that such tax cuts will arguably deprive them of important government services.

Furthermore, different groups have different abilities to organize to defend their interests. Sugar producers and corn
Political decay thus occurs when institutions fail to adapt to changing external circumstances, either out of intellectual rigidities or because of the power of incumbent elites to protect their positions and block change. Decay can afflict any type of political system, authoritarian or democratic. And while democratic political systems theoretically have self-correcting mechanisms that allow them to reform, they also open themselves up to decay by legitimating the activities of powerful interest groups that can block needed change.

This is precisely what has been happening in the United States in recent decades, as many of its political institutions have become increasingly dysfunctional. A combination of intellectual rigidity and the power of entrenched political actors is preventing those institutions from being reformed. And there is no guarantee that the situation will change much without a major shock to the political order.

A STATE OF COURTS AND PARTIES
Modern liberal democracies have three branches of government—the executive, the judiciary, and the legislature—corresponding to the three basic categories of political institutions: the state, the rule of law, and democracy. The executive is the branch that uses power to enforce rules and carry out policy; the judiciary and the legislature constrain power and direct it to public purposes. In its institutional priorities, the United States, with its long-standing tradition of distrust of government power, has always emphasized the role of the institutions of constraint—the judiciary and the legislature—over the state. The political scientist Stephen...
Skowronek has characterized American politics during the nineteenth century as a “state of courts and parties,” where government functions that in Europe would have been performed by an executive-branch bureaucracy were performed by judges and elected representatives instead. The creation of a modern, centralized, merit-based bureaucracy capable of exercising jurisdiction over the whole territory of the country began only in the 1880s, and the number of professional civil servants increased slowly up through the New Deal a half century later. These changes came far later and more hesitantly than in countries such as France, Germany, and the United Kingdom.

The shift to a more modern administrative state was accompanied by an enormous growth in the size of government during the middle decades of the twentieth century. Overall levels of both taxes and government spending have not changed very much since the 1970s; despite the backlash against the welfare state that began with President Ronald Reagan’s election in 1980, “big government” seems very difficult to dismantle. But the apparently irreversible increase in the scope of government in the twentieth century has masked a large decay in its quality. This is largely because the United States has returned in certain ways to being a “state of courts and parties,” that is, one in which the courts and the legislature have usurped many of the proper functions of the executive, making the operation of the government as a whole both incoherent and inefficient.

The story of the courts is one of the steadily increasing judicialization of functions that in other developed democracies are handled by administrative bureaucracies, leading to an explosion of costly litigation, slowness of decision-making, and highly inconsistent enforcement of laws. In the United States today, instead of being constraints on government, courts have become alternative instruments for the expansion of government.

There has been a parallel usurpation by Congress. Interest groups, having lost their ability to corrupt legislators directly through bribery, have found other means of capturing and controlling legislators. These interest groups exercise influence way out of proportion to their place in society, distort both taxes and spending, and raise overall deficit levels by their ability to manipulate the budget in their favor. They also undermine the quality of public administration through the multiple mandates they induce Congress to support.

Both phenomena—the judicialization of administration and the spread of interest-group influence—tend to undermine the trust that people have in government. Distrust of government then perpetuates and feeds on itself. Distrust of executive agencies leads to demands for more legal checks on administration, which reduces the quality and effectiveness of government. At the same time, demand for government services induces Congress to impose new mandates on the executive, which often prove difficult, if not impossible, to fulfill. Both processes lead to a reduction of bureaucratic autonomy, which in turn leads to rigid, rule-bound, uncreative, and incoherent government.

The result is a crisis of representation, in which ordinary citizens feel that their supposedly democratic government no
longer truly reflects their interests and is under the control of a variety of shadowy elites. What is ironic and peculiar about this phenomenon is that this crisis of representation has occurred in large part because of reforms designed to make the system more democratic. In fact, these days there is too much law and too much democracy relative to American state capacity.

**JUDGES GONE WILD**

One of the great turning points in twentieth-century U.S. history was the Supreme Court’s 1954 *Brown v. Board of Education* decision overturning the 1896 *Plessy v. Ferguson* case, which had upheld legal segregation. The *Brown* decision was the starting point for the civil rights movement, which succeeded in dismantling the formal barriers to racial equality and guaranteed the rights of African Americans and other minorities. The model of using the courts to enforce new social rules was then followed by many other social movements, from environmental protection and consumer safety to women’s rights and gay marriage.

So familiar is this heroic narrative to Americans that they are seldom aware of how peculiar an approach to social change it is. The primary mover in the *Brown* case was the National Association for the Advancement of Colored People, a private voluntary association that filed a class-action suit against the Topeka, Kansas, Board of Education on behalf of a small group of parents and their children. The initiative had to come from private groups, of course, because both the state government and the U.S. Congress were blocked by pro-segregation forces. The NAACP continued to press the case on appeal all the way to the Supreme Court, where it was represented by the future Supreme Court justice Thurgood Marshall. What was arguably one of the most important changes in American public policy came about not because Congress as representative of the American people voted for it but because private individuals litigated through the court system to change the rules. Later changes such as the Civil Rights Act and the Voting Rights Act were the result of congressional action, but even in these cases, the enforcement of national law was left up to the initiative of private parties and carried out by courts.

There is virtually no other liberal democracy that proceeds in this fashion. All European countries have gone through similar changes in the legal status of racial and ethnic minorities, women, and gays in the second half of the twentieth century. But in France, Germany, and the United Kingdom, the same result was achieved not using the courts but through a national justice ministry acting on behalf of a parliamentary majority. The legislative rule change was driven by public pressure from social groups and the media but was carried out by the government itself and not by private parties acting in conjunction with the justice system.

The origins of the U.S. approach lie in the historical sequence by which its three sets of institutions evolved. In countries such as France and Germany, law came first, followed by a modern state, and only later by democracy. In the United States, by contrast, a very deep tradition of English common law came first, followed by democracy, and only later by the development of a modern state. Although the last of these institutions was put into place during
President Obama has declared that “the borders of Israel and Palestine should be based on the 1967 lines with mutually agreed swaps, so that secure and recognized borders are established for both states.” But what are Israeli requirements for “secure” borders? This study, which has been updated to 2014, presents a comprehensive assessment of Israel’s critical requirements for defensible borders.


Iranian leaders are consistent in their anti-Israel rhetoric, clear about their hostile intentions and certain of their apocalyptic beliefs. This monograph presents Iranian leaders’ top anti-Israel statements from this past year, with references to the original Farsi sources. These are the people who are pursuing a nuclear weapons capability and stockpiling a long-range missile arsenal. President Obama has declared that “the borders of Israel and Palestine should be established for both states.” But what are Israeli requirements for “secure borders”? This book is intended to serve as a vital tool for those involved in attempting to find a solution to the Israeli-Palestinian dispute, in the hope that they will face such manipulation head-on.

Lt. Col. (ret.) Michael Segall and Daniel Rubenstein

This comprehensive study exposes the extent to which the Palestinian leadership manipulates international institutions with the aim of influencing them by forcing a selective, partisan, misleading and patently false narrative. This book is intended to address the issue of incitement and to criminalize it in international law.

Amb. Alan Baker

The draft international convention proposed here represents an effort to move forward from domestic legislation, UN resolutions, and regional treaties, with a view to placing before the international community a draft comprehensive instrument that attempts to address the issue of incitement and to criminalize it in international law.

Amb. Alan Baker

This comprehensive study exposes the extent to which the Palestinian leadership manipulates international institutions with the aim of influencing them by forcing a selective, partisan, misleading and patently false narrative. This book is intended to serve as a vital tool for all those involved in attempting to find a solution to the Israeli-Palestinian dispute, in the hope that they will face such manipulation head-on.

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Established in 2005, 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 regional and international issues through dialogue and exchange of ideas, research and scholarship, and engagement with scholars, opinion makers, practitioners, and activists.

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the Progressive Era and the New Deal, the American state has always remained weaker and less capable than its European or Asian counterparts. More important, American political culture since the founding has been built around distrust of executive authority.

This history has resulted in what the legal scholar Robert Kagan labels a system of “adversarial legalism.” While lawyers have played an outsized role in American public life since the beginning of the republic, their role expanded dramatically during the turbulent years of social change in the 1960s and 1970s. Congress passed more than two dozen major pieces of civil rights and environment legislation in this period, covering issues from product safety to toxic waste cleanup to private pension funds to occupational safety and health. This constituted a huge expansion of the regulatory state, one that businesses and conservatives are fond of complaining about today.

Yet what makes this system so unwieldy is not the level of regulation per se but the highly legalistic way in which it is pursued. Congress mandated the creation of an alphabet soup of new federal agencies, such as the Equal Employment Opportunity Commission, the Environmental Protection Agency, and the Occupational Safety and Health Administration, but it was not willing to cleanly delegate to these bodies the kind of rule-making authority and enforcement power that European or Japanese state institutions enjoy. What it did instead was turn over to the courts the responsibility for monitoring and enforcing the law. Congress deliberately encouraged litigation by expanding standing (that is, who has a right to sue) to an ever-wider circle of parties, many of which were only distantly affected by a particular rule.

The political scientist R. Shep Melnick, for example, has described the way that the federal courts rewrote Title VII of the 1964 Civil Rights Act, “turning a weak law focusing primarily on intentional discrimination into a bold mandate to compensate for past discrimination.” Instead of providing a federal bureaucracy with adequate enforcement power, the political scientist Sean Farhang explained, “the key move of Republicans in the Senate . . . was to substantially privatize the prosecutorial function. They made private lawsuits the dominant mode of Title VII enforcement, creating an engine that would, in the years to come, produce levels of private enforcement litigation beyond their imagining.” Across the board, private enforcement cases grew in number from less than 100 per year in the late 1960s to 10,000 in the 1980s and over 22,000 by the late 1990s.

Thus, conflicts that in Sweden or Japan would be solved through quiet consultations between interested parties in the bureaucracy are fought out through formal litigation in the U.S. court system. This has a number of unfortunate consequences for public administration, leading to a process characterized, in Farhang’s words, by “uncertainty, procedural complexity, redundancy, lack of finality, high transaction costs.” By keeping enforcement out of the bureaucracy, it also makes the system far less accountable.

The explosion of opportunities for litigation gave access, and therefore power, to many formerly excluded groups, beginning with African Americans. For
this reason, litigation and the right to sue have been jealously guarded by many on the progressive left. But it also entailed large costs in terms of the quality of public policy. Kagan illustrates this with the case of the dredging of Oakland Harbor, in California. During the 1970s, the Port of Oakland initiated plans to dredge the harbor in anticipation of the new, larger classes of container ships that were then coming into service. The plan, however, had to be approved by a host of federal agencies, including the Army Corps of Engineers, the Fish and Wildlife Service, the National Marine Fisheries Service, and the Environmental Protection Agency, as well as their counterparts in the state of California. A succession of alternative plans for disposing of toxic materials dredged from the harbor were challenged in the courts, and each successive plan entailed prolonged delays and higher costs. The reaction of the Environmental Protection Agency to these lawsuits was to retreat into a defensive crouch and not take action. The final plan to proceed with the dredging was not forthcoming until 1994, at an ultimate cost that was many times the original estimates. A comparable expansion of the Port of Rotterdam, in the Netherlands, was accomplished in a fraction of the time.

Examples such as this can be found across the entire range of activities undertaken by the U.S. government. Many of the travails of the Forest Service can be attributed to the ways in which its judgments could be second-guessed through the court system. This effectively brought to a halt all logging on lands it and the Bureau of Land Management operated in the Pacific Northwest during the early 1990s, as a result of threats to the spotted owl, which was protected under the Endangered Species Act.

When used as an instrument of enforcement, the courts have morphed from constraints on government to mechanisms by which the scope of government has expanded enormously. For example, special-education programs for handicapped and disabled children have mushroomed in size and cost since the mid-1970s as a result of an expansive mandate legislated by Congress in 1974. This mandate was built, however, on earlier findings by federal district courts that special-needs children had rights, which are much harder than mere interests to trade off against other goods or to subject to cost-benefit criteria.

The solution to this problem is not necessarily the one advocated by many conservatives and libertarians, which is to simply eliminate regulation and close down bureaucracies. The ends that government is serving, such as the regulation of toxic waste or environmental protection or special education, are important ones that private markets will not pursue if left to their own devices. Conservatives often fail to see that it is the very distrust of government that leads the American system into a far less efficient court-based approach to regulation than that chosen in democracies with stronger executive branches.

But the attitude of progressives and liberals is equally problematic. They, too, have distrusted bureaucracies, such as the ones that produced segregated school systems in the South or the ones captured by big business, and they have been happy to inject unelected judges
into the making of social policy when legislators have proved insufficiently supportive.

A decentralized, legalistic approach to administration dovetails with the other notable feature of the U.S. political system: its openness to the influence of interest groups. Such groups can get their way by suing the government directly. But they have another, even more powerful channel, one that controls significantly more resources: Congress.

**LIBERTY AND PRIVILEGE**

With the exception of some ambassadorships and top posts in government departments, U.S. political parties are no longer in the business of distributing government offices to loyal political supporters. But the trading of political influence for money has come in through the backdoor, in a form that is perfectly legal and much harder to eradicate. Criminalized bribery is narrowly defined in U.S. law as a transaction in which a politician and a private party explicitly agree on a specific quid pro quo. What is not covered by the law is what biologists call reciprocal altruism, or what an anthropologist might label a gift exchange. In a relationship of reciprocal altruism, one person confers a benefit on another with no explicit expectation that it will buy a return favor. Indeed, if one gives someone a gift and then immediately demands a gift in return, the recipient is likely to feel offended and refuse what is offered. In a gift exchange, the receiver incurs not a legal obligation to provide some specific good or service but rather a moral obligation to return the favor in some way later on. It is this sort of transaction that the U.S. lobbying industry is built around.

Kin selection and reciprocal altruism are two natural modes of human sociability. Modern states create strict rules and incentives to overcome the tendency to favor family and friends, including practices such as civil service examinations, merit qualifications, conflict-of-interest regulations, and antibribery and anticorruption laws. But the force of natural sociability is so strong that it keeps finding a way to penetrate the system.

Over the past half century, the American state has been “repatrimonialized,” in much the same way as the Chinese state in the Later Han dynasty, the Mamluk regime in Turkey just before its defeat by the Ottomans, and the French state under the ancien régime were. Rules blocking nepotism are still strong enough to prevent overt favoritism from being a common political feature in contemporary U.S. politics (although it is interesting to note how strong the urge to form political dynasties is, with all of the Kennedys, Bushes, Clintons, and the like). Politicians do not typically reward family members with jobs; what they do is engage in bad behavior on behalf of their families, taking money from interest groups and favors from lobbyists in order to make sure that their children are able to attend elite schools and colleges, for example.

Reciprocal altruism, meanwhile, is rampant in Washington and is the primary channel through which interest groups have succeeded in corrupting government. As the legal scholar Lawrence Lessig points out, interest groups are able to influence members of Congress legally simply by making
donations and waiting for unspecified return favors. And sometimes, the legislature is the one initiating the gift exchange, favoring an interest group in the expectation that he will get some sort of benefit from it after leaving office.

The explosion of interest groups and lobbying in Washington has been astonishing, with the number of firms with registered lobbyists rising from 175 in 1971 to roughly 2,500 a decade later, and then to 13,700 lobbyists spending about $3.5 billion by 2009. Some scholars have argued that all this money and activity has not resulted in measurable changes in policy along the lines desired by the lobbyists, implausible as this may seem. But oftentimes, the impact of interest groups and lobbyists is not to stimulate new policies but to make existing legislation much worse than it would otherwise be. The legislative process in the United States has always been much more fragmented than in countries with parliamentary systems and disciplined parties. The welter of congressional committees with overlapping jurisdictions often leads to multiple and conflicting mandates for action. This decentralized legislative process produces incoherent laws and virtually invites involvement by interest groups, which, if not powerful enough to shape overall legislation, can at least protect their specific interests.

For example, the health-care bill pushed by the Obama administration in 2010 turned into something of a monstrosity during the legislative process as a result of all the concessions and side payments that had to be made to interest groups ranging from doctors to insurance companies to the pharmaceutical industry. In other cases, the impact of interest groups was to block legislation harmful to their interests. The simplest and most effective response to the 2008 financial crisis and the hugely unpopular taxpayer bailouts of large banks would have been a law that put a hard cap on the size of financial institutions or a law that dramatically raised capital requirements, which would have had much the same effect. If a cap on size existed, banks taking foolish risks could go bankrupt without triggering a systemic crisis and a government bailout. Like the Depression-era Glass-Steagall Act, such a law could have been written on a couple of sheets of paper. But this possibility was not seriously considered during the congressional deliberations on financial regulation.

What emerged instead was the Dodd-Frank Wall Street Reform and Consumer Protection Act, which, while better than no regulation at all, extended to hundreds of pages of legislation and mandated reams of further detailed rules that will impose huge costs on banks and consumers down the road. Rather than simply capping bank size, it created the Financial Stability Oversight Council, which was assigned the enormous task of assessing and managing institutions posing systemic risks, a move that in the end will still not solve the problem of banks being “too big to fail.” Although no one will ever find a smoking gun linking banks’ campaign contributions to the votes of specific members of Congress, it defies belief that the banking industry’s legions of lobbyists did not have a major impact in preventing the simpler solution of simply breaking up the big banks or subjecting them to stringent capital requirements.
Ordinary Americans express widespread disdain for the impact of interest groups and money on Congress. The perception that the democratic process has been corrupted or hijacked is not an exclusive concern of either end of the political spectrum; both Tea Party Republicans and liberal Democrats believe that interest groups are exercising undue political influence and feathering their own nests. As a result, polls show that trust in Congress has fallen to historically low levels, barely above double digits—and the respondents have a point. Of the old elites in France prior to the Revolution, Alexis de Tocqueville said that they mistook privilege for liberty, that is, they sought protection from state power that applied to them alone and not generally to all citizens. In the contemporary United States, elites speak the language of liberty but are perfectly happy to settle for privilege.

WHAT MADISON GOT WRONG

The economist Mancur Olson made one of the most famous arguments about the malign effects of interest-group politics on economic growth and, ultimately, democracy in his 1982 book The Rise and Decline of Nations. Looking particularly at the long-term economic decline of the United Kingdom throughout the twentieth century, he argued that in times of peace and stability, democracies tended to accumulate ever-increasing numbers of interest groups. Instead of pursuing wealth-creating economic activities, these groups used the political system to extract benefits or rents for themselves. These rents were collectively unproductive and costly to the public as a whole. But the general public had a collective-action problem and could not organize as effectively as, for example, the banking industry or corn producers to protect their interests. The result was the steady diversion of energy to rent-seeking activities over time, a process that could be halted only by a large shock such as a war or a revolution.

This highly negative narrative about interest groups stands in sharp contrast to a much more positive one about the benefits of civil society, or voluntary associations, to the health of democracy. Tocqueville noted in Democracy in America that Americans had a strong propensity to organize private associations, which he argued were schools for democracy because they taught private individuals the skills of coming together for public purposes. Individuals by themselves were weak; only by coming together for common purposes could they, among other things, resist tyrannical government. This perspective was carried forward in the late twentieth century by scholars such as Robert Putnam, who argued that this very propensity to organize—"social capital"—was both good for democracy and endangered.

Madison himself had a relatively benign view of interest groups. Even if one did not approve of the ends that a particular group was seeking, he argued, the diversity of groups over a large country would be sufficient to prevent domination by any one of them. As the political scientist Theodore Lowi has noted, “pluralist” political theory in the mid-twentieth century concurred with Madison: the cacophony of interest groups would collectively interact to produce a public interest, just as competition in a free market would provide public...
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benefit through individuals’ following their narrow self-interests. There were no grounds for the government to regulate this process, since there was no higher authority that could define a public interest standing above the narrow concerns of interest groups. The Supreme Court in its *Buckley v. Valeo* and *Citizens United* decisions, which struck down certain limits on campaign spending by groups, was in effect affirming the benign interpretation of what Lowi has labeled “interest group liberalism.”

How can these diametrically opposed narratives be reconciled? The most obvious way is to try to distinguish a “good” civil society organization from a “bad” interest group. The former could be said to be driven by passions, the latter by interests. A civil society organization might be a nonprofit such as a church group seeking to build houses for the poor or else a lobbying organization promoting a public policy it believed to be in the public interest, such as the protection of coastal habitats. An interest group might be a lobbying firm representing the tobacco industry or large banks, whose objective was to maximize the profits of the companies supporting it.

Unfortunately, this distinction does not hold up to theoretical scrutiny. Just because a group proclaims that it is acting in the public interest does not mean that it is actually doing so. For example, a medical advocacy group that wanted more dollars allocated to combating a particular disease might actually distort public priorities by diverting funds from more widespread and damaging diseases, simply because it is better at public relations. And because an interest group is self-interested doesn’t mean that its claims are illegitimate or that it does not have a right to be represented within the political system. If a poorly-thought-out regulation would seriously damage the interests of an industry and its workers, the relevant interest group has a right to make that known to Congress. In fact, such lobbyists are often some of the most important sources of information about the consequences of government action.

The most salient argument against interest-group pluralism has to do with distorted representation. In his 1960 book *The Semisovereign People*, E. E. Schattschneider argued that the actual practice of democracy in the United States had nothing to do with its popular image as a government “of the people, by the people, for the people.” He noted that political outcomes seldom correspond with popular preferences, that there is a very low level of participation and political awareness, and that real decisions are taken by much smaller groups of organized interests. A similar argument is buried in Olson’s framework, since Olson notes that not all groups are equally capable of organizing for collective action. The interest groups that contend for the attention of Congress represent not the whole American people but the best-organized and (what often amounts to the same thing) most richly endowed parts of American society. This tends to work against the interests of the unorganized, who are often poor, poorly educated, or otherwise marginalized.

The political scientist Morris Fiorina has provided substantial evidence that what he labels the American “political
class” is far more polarized than the American people themselves. But the majorities supporting middle-of-the-road positions do not feel very passionately about them, and they are largely unorganized. This means that politics is defined by well-organized activists, whether in the parties and Congress, the media, or in lobbying and interest groups. The sum of these activist groups does not yield a compromise position; it leads instead to polarization and deadlocked politics.

There is a further problem with the pluralistic view, which sees the public interest as nothing more than the aggregation of individual private interests: it undermines the possibility of deliberation and the process by which individual preferences are shaped by dialogue and communication. Both classical Athenian democracy and the New England town hall meetings celebrated by Tocqueville were cases in which citizens spoke directly to one another about the common interests of their communities. It is easy to idealize these instances of small-scale democracy, or to minimize the real differences that exist in large societies. But as any organizer of focus groups will tell you, people’s views on highly emotional subjects, from immigration to abortion to drugs, will change just 30 minutes into a face-to-face discussion with people of differing views, provided that they are all given the same information and ground rules that enforce civility. One of the problems of pluralism, then, is the assumption that interests are fixed and that the role of the legislator is simply to act as a transmission belt for them, rather than having his own views that can be shaped by deliberation.

THE RISE OF VETOCRACY

The U.S. Constitution protects individual liberties through a complex system of checks and balances that were deliberately designed by the founders to constrain the power of the state. American government arose in the context of a revolution against British monarchical authority and drew on even deeper wellsprings of resistance to the king during the English Civil War. Intense distrust of government and a reliance on the spontaneous activities of dispersed individuals have been hallmarks of American politics ever since.

As Huntington pointed out, in the U.S. constitutional system, powers are not so much functionally divided as replicated across the branches, leading to periodic usurpations of one branch by another and conflicts over which branch should predominate. Federalism often does not cleanly delegate specific powers to the appropriate level of government; rather, it duplicates them at multiple levels, giving federal, state, and local authorities jurisdiction over, for example, toxic waste disposal. Under such a system of redundant and non-hierarchical authority, different parts of the government are easily able to block one another. In conjunction with the general judicialization of politics and the widespread influence of interest groups, the result is an unbalanced form of government that undermines the prospects of necessary collective action—something that might more appropriately be called “vetoocracy.”

The two dominant American political parties have become more ideologically polarized than at any time since the late nineteenth century. There has been a partisan geographic sorting, with virtually the entire South moving from
Democratic to Republican and Republicans becoming virtually extinct in the Northeast. Since the breakdown of the New Deal coalition and the end of the Democrats’ hegemony in Congress in the 1980s, the two parties have become more evenly balanced and have repeatedly exchanged control over the presidency and Congress. This higher degree of partisan competition, in turn, along with liberalized campaign-finance guidelines, has fueled an arms race between the parties for funding and has undermined personal comity between them. The parties have also increased their homogeneity through their control, in most states, over redistricting, which allows them to gerrymander voting districts to increase their chances of reelection. The spread of primaries, meanwhile, has put the choice of party candidates into the hands of the relatively small number of activists who turn out for these elections.

Polarization is not the end of the story, however. Democratic political systems are not supposed to end conflict; rather, they are meant to peacefully resolve and mitigate it through agreed-on rules. A good political system is one that encourages the emergence of political outcomes representing the interests of as large a part of the population as possible. But when polarization confronts the United States’ Madisonian check-and-balance political system, the result is particularly devastating.

Democracies must balance the need to allow full opportunities for political participation for all, on the one hand, and the need to get things done, on the other. Ideally, democratic decisions would be taken by consensus, with every member of the community consenting. This is what typically happens in families, and how band- and tribal-level societies often make decisions. The efficiency of consensual decision-making, however, deteriorates rapidly as groups become larger and more diverse, and so for most groups, decisions are made not by consensus but with the consent of some subset of the population. The smaller the percentage of the group necessary to take a decision, the more easily and efficiently it can be made, but at the expense of long-run buy-in.

Even systems of majority rule deviate from an ideal democratic procedure, since they can disenfranchise nearly half the population. Indeed, under a plurality, or “first past the post,” electoral system, decisions can be taken for the whole community by a minority of voters. Systems such as these are adopted not on the basis of any deep principle of justice but rather as an expedient that allows decisions of some sort to be made. Democracies also create various other mechanisms, such as cloture rules (enabling the cutting off of debate), rules restricting the ability of legislators to offer amendments, and so-called reversionary rules, which allow for action in the event that a legislature can’t come to agreement.

The delegation of powers to different political actors enables them to block action by the whole body. The U.S. political system has far more of these checks and balances, or what political scientists call “veto points,” than other contemporary democracies, raising the costs of collective action and in some cases make it impossible altogether. In earlier periods of U.S. history, when one party or another was dominant, this system served to moderate the will of the majority and force it to pay greater
attention to minorities than it otherwise might have. But in the more evenly balanced, highly competitive party system that has arisen since the 1980s, it has become a formula for gridlock.

By contrast, the so-called Westminster system, which evolved in England in the years following the Glorious Revolution of 1688, is one of the most decisive in the democratic world because, in its pure form, it has very few veto points. British citizens have one large, formal check on government, their ability to periodically elect Parliament. (The tradition of free media in the United Kingdom is another important informal check.) In all other respects, however, the system concentrates, rather than diffuses, power. The pure Westminster system has only a single, all-powerful legislative chamber—no separate presidency, no powerful upper house, no written constitution and therefore no judicial review, and no federalism or constitutionally mandated devolution of powers to localities. It has a plurality voting system that, along with strong party discipline, tends to produce a two-party system and strong parliamentary majorities. The British equivalent of the cloture rule requires only a simple majority of the members of Parliament to be present to call the question; American-style filibustering is not allowed. The parliamentary majority chooses a government with strong executive powers, and when it makes a legislative decision, it generally cannot be stymied by courts, states, municipalities, or other bodies. This is why the British system is often described as a “democratic dictatorship.”

For all its concentrated powers, the Westminster system nonetheless remains fundamentally democratic, because if voters don’t like the government it produces, they can vote it out of office. In fact, with a vote of no confidence, they can do so immediately, without waiting for the end of a presidential term. This means that governments are more sensitive to perceptions of their general performance than to the needs of particular interest groups or lobbies.

The Westminster system produces stronger governments than those in the United States, as can be seen by comparing their budget processes. In the United Kingdom, national budgets are drawn up by professional civil servants acting under instructions from the cabinet and the prime minister. The budget is then presented by the chancellor of the exchequer to the House of Commons, which votes to approve it in a single up-or-down vote, usually within a week or two.

In the United States, by contrast, Congress has primary authority over the budget. Presidents make initial proposals, but these are largely aspirational documents that do not determine what eventually emerges. The executive branch’s Office of Management and Budget has no formal powers over the budget, acting as simply one more lobbying organization supporting the president’s preferences. The budget works its way through a complex set of committees over a period of months, and what finally emerges for ratification by the two houses of Congress is the product of innumerable deals struck with individual members to secure their support—since with no party discipline, the congressional leadership cannot compel members to support its preferences.

The openness and never-ending character of the U.S. budget process...
Congress has abdicated one of its most basic responsibilities, having failed to follow its own rules for the orderly passing of budgets several years in a row now.

The classic Westminster system no longer exists anywhere in the world, including the United Kingdom itself, as that country has gradually adopted more checks and balances. Nonetheless, the United Kingdom still has far fewer veto points than does the United States, as do most parliamentary systems in Europe and Asia. (Certain Latin American countries, having copied the U.S. presidential system in the nineteenth century, have similar problems with gridlock and politicized administration.)

Budgeting is not the only aspect of government that is handled differently in the United States. In parliamentary systems, a great deal of legislation is formulated by the executive branch with heavy technocratic input from the permanent civil service. Ministries are accountable to parliament, and hence ultimately to voters, through the ministers who head them, but this type of hierarchical system can take a longer-term strategic view and produce much more coherent legislation.

Of the challenges facing developed democracies, one of the most important is the problem of the unsustainability of their existing welfare-state commitments. The existing social contracts underlying contemporary welfare states were negotiated several generations ago, when birthrates were higher, lifespans were shorter, and economic growth rates were robust. The availability of finance has allowed all modern democracies to keep pushing this problem into the future, but at some point, the underlying demographic reality will set in.

These problems are not insuperable. The debt-to-GDP ratios of both the United Kingdom and the United States coming out of World War II were higher than they are today. Sweden, Finland, and other Scandinavian countries found their large welfare states in crisis during the 1990s and were able to make adjustments to their tax and spending levels. Australia succeeded in eliminating almost all its external debt, even prior to the huge resource boom of the early years of this century. But dealing with these problems requires a healthy, well-functioning political system, which the United States does not currently have.
issues. These never expire, and executing them consumes huge amounts of time and energy. Congress has created about 50 separate programs for worker retraining and 82 separate projects to improve teacher quality.

Financial-sector regulation is split between the Federal Reserve, the Treasury Department, the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Commodity Futures Trading Commission, the Federal Housing Finance Agency, and a host of state attorneys general who have decided to take on the banking sector. The federal agencies are overseen by different congressional committees, which are loath to give up their turf to a more coherent and unified regulator. This system was easy to game so as to bring about the deregulation of the financial sector in the late 1990s; re-regulating it after the recent financial crisis has proved much more difficult.

**CONGRESSIONAL DELEGATION**

Vetocracy is only half the story of the U.S. political system. In other respects, Congress delegates huge powers to the executive branch, which allow the latter to operate rapidly and sometimes with a very low degree of accountability. Such areas of delegation include the Federal Reserve, the intelligence agencies, the military, and a host of quasi-independent commissions and regulatory agencies that together constitute the huge administrative state that emerged during the Progressive Era and the New Deal.

While many American libertarians and conservatives would like to abolish these agencies altogether, it is hard to see how it would be possible to govern properly under modern circumstances without them. The United States today has a huge, complex national economy, situated in a globalized world economy that moves with extraordinary speed. During the acute phase of the financial crisis that unfolded after the collapse of Lehman Brothers in September 2008, the Federal Reserve and the Treasury Department had to make massive decisions overnight, decisions that involved flooding markets with trillions of dollars of liquidity, propping up individual banks, and imposing new regulations. The severity of the crisis led Congress to appropriate $700 billion for the Troubled Asset Relief Program largely on the say-so of the Bush administration. There has been a lot of second-guessing of individual decisions made during this period, but the idea that such a crisis could have been managed by any other branch of government is ludicrous. The same applies to national security issues, where the president is in effect tasked with making decisions on how to respond to nuclear and terrorist threats that potentially affect the lives of millions of Americans. It is for this reason that Alexander Hamilton, in *The Federalist Papers*, no. 70, spoke of the need for “energy in the executive.”

There is intense populist distrust of elite institutions in the United States, together with calls to abolish them (as in the case of the Federal Reserve) or make them more transparent. Ironically, however, polls show the highest degree of approval for precisely those institutions, such as the military or NASA, that are the least subject to immediate democratic oversight. Part of the reason they are admired is that they can actually get
things done. By contrast, the most
democratic institution, the House of
Representatives, receives disastrously
low levels of approval, and Congress
more broadly is regarded (not inac-
imately) as a talking shop where partisan
games prevent almost anything useful
from happening.
In full perspective, therefore, the
U.S. political system presents a com-
plex picture in which checks and
balances excessively constrain decision-
making on the part of majorities, but
in which there are also many instances
of potentially dangerous delegations
of authority to poorly accountable
institutions. One major problem is
that these delegations are seldom made
cleanly. Congress frequently fails in its
duty to provide clear legislative guid-
ance on how a particular agency is to
perform its task, leaving it up to the
agency itself to write its own mandate.
In doing so, Congress hopes that if
tings don’t work out, the courts will
step in to correct the abuses. Excessive
delegation and vetocracy thus become
intertwined.
In a parliamentary system, the
majority party or coalition controls
the government directly; members of
parliament become ministers who have
the authority to change the rules of the
bureaucracies they control. Parliamentary
systems can be blocked if parties
are excessively fragmented and coal-
tions unstable, as has been the case
frequently in Italy. But once a parlia-
mentary majority has been established,
there is a relatively straightforward
delegation of authority to an execu-
tive agency.
Such delegations are harder to achieve,
however, in a presidential system. The
obvious solution to a legislature’s inabil-
ity to act is to transfer more authority
to the separately elected executive.
Latin American countries with presi-
dential systems have been notorious for
gridlock and ineffective legislatures
and have often cut through the maze
by granting presidents emergency pow-
ers—which, in turn, has often led to
other kinds of abuses. Under conditions
of divided government, when the party
controlling one or both houses of
Congress is different from the one
controlling the presidency, strength-
ening the executive at the expense of
Congress becomes a matter of partisan
politics. Delegating more authority to
President Barack Obama is the last
thing that House Republicans want
to do today.
In many respects, the American
system of checks and balances compares
unfavorably with parliamentary systems
when it comes to the ability to balance
the need for strong state action with
law and accountability. Parliamentary
systems tend not to judicialize adminis-
tration to nearly the same extent; they
have proliferated government agencies
less, they write more coherent legislation,
and they are less subject to interest-
group influence. Germany, the
Netherlands, and the Scandinavian
countries, in particular, have been
able to sustain higher levels of trust
in government, which makes public
administration less adversarial, more
consensual, and better able to adapt
to changing conditions of globalization.
(High-trust arrangements, however,
tend to work best in relatively small,
homogeneous societies, and those in
these countries have been showing
signs of strain as their societies have
The picture looks a bit different for the EU as a whole. Recent decades have seen a large increase in the number and sophistication of lobbying groups in Europe, for example. These days, corporations, trade associations, and environmental, consumer, and labor rights groups all operate at both national and EU-wide levels. And with the shift of policymaking away from national capitals to Brussels, the European system as a whole is beginning to resemble that of the United States in depressing ways. Europe’s individual parliamentary systems may allow for fewer veto points than the U.S. system of checks and balances, but with the addition of a large European layer, many more veto points have been added. This means that European interest groups are increasingly able to venue shop: if they cannot get favorable treatment at the national level, they can go to Brussels, or vice versa. The growth of the EU has also Americanized Europe with respect to the role of the judiciary. Although European judges remain more reluctant than their U.S. counterparts to insert themselves into political matters, the new structure of European jurisprudence, with its multiple and overlapping levels, has increased, rather than decreased, the number of judicial vetoes in the system.

NO WAY OUT
The U.S. political system has decayed over time because its traditional system of checks and balances has deepened and become increasingly rigid. In an environment of sharp political polarization, this decentralized system is less and less able to represent majority interests and gives excessive representation to the views of interest groups and activist organizations that collectively do not add up to a sovereign American people.

This is not the first time that the U.S. political system has been polarized and indecisive. In the middle decades of the nineteenth century, it could not make up its mind about the extension of slavery to the territories, and in the later decades of the century, it couldn’t decide if the country was a fundamentally agrarian society or an industrial one. The Madisonian system of checks and balances and the clientelistic, party-driven political system that emerged in the nineteenth century were adequate for governing an isolated, largely agrarian country. They could not, however, resolve the acute political crisis produced by the question of the extension of slavery, nor deal with a continental-scale economy increasingly knit together by new transportation and communications technologies.

Today, once again, the United States is trapped by its political institutions. Because Americans distrust government, they are generally unwilling to delegate to it the authority to make decisions, as happens in other democracies. Instead, Congress mandates complex rules that reduce the government’s autonomy and cause decision-making to be slow and expensive. The government then doesn’t perform well, which confirms people’s lack of trust in it. Under these circumstances, they are reluctant to pay higher taxes, which they feel the government will simply waste. But without appropriate
resources, the government can’t function properly, again creating a self-fulfilling prophecy.

Two obstacles stand in the way of reversing the trend toward decay. The first is a matter of politics. Many political actors in the United States recognize that the system isn’t working well but nonetheless have strong interests in keeping things as they are. Neither political party has an incentive to cut itself off from access to interest-group money, and the interest groups don’t want a system in which money won’t buy influence. As happened in the 1880s, a reform coalition has to emerge that unites groups without a stake in the current system. But achieving collective action among such out-groups is very difficult; they need leadership and a clear agenda, neither of which is currently present.

The second problem is a matter of ideas. The traditional American solution to perceived governmental dysfunction has been to try to expand democratic participation and transparency. This happened at a national level in the 1970s, for example, as reformers pushed for more open primaries, greater citizen access to the courts, and round-the-clock media coverage of Congress, even as states such as California expanded their use of ballot initiatives to get around unresponsive government. But as the political scientist Bruce Cain has pointed out, most citizens have neither the time, nor the background, nor the inclination to grapple with complex public policy issues; expanding participation has simply paved the way for well-organized groups of activists to gain more power. The obvious solution to this problem would be to roll back some of the would-be democratizing reforms, but no one dares suggest that what the country needs is a bit less participation and transparency.

The depressing bottom line is that given how self-reinforcing the country’s political malaise is, and how unlikely the prospects for constructive incremental reform are, the decay of American politics will probably continue until some external shock comes along to catalyze a true reform coalition and galvanize it into action.
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Pitchfork Politics

The Populist Threat to Liberal Democracy

Yascha Mounk

Since Roman times, virtually every type of government that holds competitive elections has experienced some form of populism—some attempt by ambitious politicians to mobilize the masses in opposition to an establishment they depict as corrupt or self-serving. From Tiberius Gracchus and the populares of the Roman Senate, to the champions of the popolo in Machiavelli’s sixteenth-century Florence, to the Jacobins in Paris in the late eighteenth century, to the Jacksonian Democrats who stormed nineteenth-century Washington—all based their attempts at mass mobilization on appeals to the simplicity and goodness of ordinary people. By the mid-twentieth century, populism had become a common feature of democracy.

But then, during an extended period of spectacular economic growth stretching roughly from the aftermath of World War II to the late 1970s, the political establishments of most Western democracies managed to banish their populist rivals to the innocuous fringes of political discourse. On the right, populists occasionally made incursions at the local or regional level but inevitably failed to gain traction in national elections. On the left, the countercultural protest movements of the 1960s and 1970s challenged the status quo but didn’t secure institutional representation until their radicalism had subsided.

As the political scientists Seymour Martin Lipset and Stein Rokkan famously observed, during the postwar years, the party structures of North America and western Europe were “frozen” to an unprecedented degree. Between 1960 and 1990, the parties represented in the parliaments of Amsterdam, Copenhagen, Ottawa, Paris, Rome, Stockholm, Vienna, and Washington barely changed. For a few decades, Western political establishments held such a firm grip on power that most observers stopped noticing just how remarkable that stability was compared to the historical norm.

Yet beginning in the 1990s, a new crop of populists began a steady rise. Over the past two decades, populist movements in Europe and the United States have uprooted traditional party structures and forced ideas long regarded as extremist or unsavory onto the political agenda. The influence of populists has been especially striking in the past few months. In May, Euroskeptical and far-right parties demonstrated unprecedented strength in elections to the European Parliament, even topping the polls in France and the United Kingdom. Meanwhile, in the United States, the Tea Party has sparked a civil war within the Republican Party: the most recent casualty was the House majority leader, Eric Cantor, an influential party power broker who was defeated in a primary election in June by a previously obscure archoconservative challenger. The movement is now poised to make major

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advances in November’s midterm elections and will likely be able to hold Congress hostage with its obstructionist tactics for the foreseeable future.

Members of the Western political establishments have explained away this populist wave by pointing to recent events: the financial crisis of 2008 and the Great Recession that followed, they say, account for the growing impatience with the status quo. But that interpretation underestimates the significance of these electoral shifts. Far from reflecting a temporary crisis, the rise of populism stems from a set of long-term challenges that have diminished the ability of democratic governments to satisfy their citizens. These problems, including a long-term stagnation in living standards and deep crises of national identity, will not go away anytime soon—not even if the economies of the Western democracies experience an unforeseen boom in the coming years. The fact is that the past two decades have represented not a populist moment but rather a populist turn—one that will exert significant influence on policy and public opinion for decades to come.

To avoid the serious damage that populists could inflict on democracy, political establishments on both sides of the Atlantic must find a way to channel populist passions for good. To do so, they need to give voice to the justified grievances that fuel populism while convincing voters that the simple solutions offered up by the populists are bound to fail.

**NO MERE BLIP**

Perhaps the most visible sign of populism’s rebirth is the rise of the Tea Party in the United States. The movement first exploded onto the American political scene in 2009. It was initially driven by alarm over Barack Obama’s decisive victory in the presidential election of 2008 and by an intense hostility to the health-care reform Obama advocated. But the movement has since broadened its mission into a frontal assault on “big government.” Its targets now include not only Democrats but also any Republican whom Tea Party purists consider too moderate. Thanks to its success in radicalizing the Republican mainstream, the Tea Party has now gained so much influence in the House of Representatives that it can exert an effective veto over the entire legislative machinery of the United States.

Populists are well on their way toward holding similar power on the other side of the Atlantic. In countries across Europe, populists of all stripes have transformed domestic politics in recent decades and now threaten the very existence of the EU. In Austria during the 1990s, Jörg Haider, an ultraconservative nationalist, won millions of sympathizers with denunciations of immigrants and thinly veiled nostalgia for the Third Reich. During the following decade, in the Netherlands, Pim Fortuyn gained a loyal following by warning that Muslim immigrants were undermining liberal Dutch traditions.

More recently, in Italy, the Five Star Movement, a party founded just a few years ago by Beppe Grillo, a former comedian, attracted the third-largest share of the vote in national elections last year with a platform grounded in Grillo’s demand that “the political caste go fuck itself.” In the United Kingdom, the UK Independence Party won the largest share of British votes in May’s elections for the European Parliament.
Cas Mudde has pointed out, right-wing populists in Europe did as well in national elections between 2005 and 2008, before the euro crisis began, as they did in the years of acute economic turmoil, from 2009 to 2013. Traumatic as it was, the Great Recession did not bring about an obvious inflection point: the growth in the political strength of populist parties began during the relatively prosperous 1990s and has continued at a fast but steady pace since then.

**IDENTITY CRISIS**

If short-term fluctuations in economic factors cannot explain the rise of populism, its underlying causes must operate on a longer time scale. And indeed, there do seem to be two fundamental developments that match the timeline of the populist rise and help explain the particular shape populist politics have taken in recent decades: a decline in living standards from one generation to the

*Flare-up: demonstrating at the European Parliament, in Brussels, April 2013*
next and the perceived threat to national identity posed by immigration and the growth of supranational organizations.

The liberal democracies of the West have always been subject to the ups and downs of markets. But for all the extreme booms and recessions they have experienced, one crucial economic fact has remained remarkably constant: except for during brief moments of extreme crisis, the average citizen of a Western democracy has, since the start of the Industrial Revolution, enjoyed a higher standard of living than his or her parents. The typical citizen could expect to have more money, to live longer, and to spend a greater portion of his or her life at leisure. According to an extensive body of research pioneered by the economists Thomas Piketty and Emmanuel Saez, that is no longer the case. In most developed democracies, the median income has remained stagnant over the past 25 years: in the United States, the Census Bureau reported a lower median household income in 2012 than in 1989.

As political scientists such as Jacob Hacker and sociologists such as Ulrich Beck have shown, this loss of income has been compounded by a concurrent loss of security. Average citizens don’t just make less money today than they did a generation ago; they are also a lot less certain about their future incomes and their degree of protection against new forms of financial and social risk. It is little wonder, then, that so many citizens not only suffer from a strong sense of economic decline but also are growing increasingly convinced that the political establishment has failed them.

During this period of economic decline, citizens of affluent democracies have also had to deal with new challenges to their national identities. In the wake of the ethnic cleansings and mass deportations of the first half of the twentieth century, most European countries became highly homogeneous. Even when decolonization and the economic boom of the 1950s and 1960s began to attract massive numbers of immigrants to Europe, the influx did not pose a real threat to national identity, since most European governments told their citizens that the recent arrivals were merely temporary visitors who would willingly return home once they had taken advantage of short-term economic opportunities.

But that promise began to ring hollow when, in the decades that followed, millions of immigrants gained the right to remain in their adoptive countries and started to demand that they be accepted as full members of the nation. Many Europeans found that prospect unacceptable: even as official definitions of membership in a European nation became more inclusive, some continued to insist that only those who shared the history and ethnicity of the majority population counted as true Germans, or Italians, or Swedes. Populists have been adept at exploiting these rising tensions, promising to protect the interests of “true” members of the nation from minorities with whom political elites are supposedly in cahoots.

Newcomers to the United States and their families have had an easier time gaining acceptance as “true” Americans, since the country has long defined itself as a nation of immigrants. But American populists, too, have been able to capitalize on a sense of a crisis in national identity. The influx of millions of illegal immigrants has allowed Tea Partiers to claim that the country has lost control
of its borders. In some quarters, this has stoked larger fears about rapid changes in the country’s cultural and demographic mix: while most Americans of European descent are willing to accept that U.S. citizens come from all kinds of ethnic and cultural backgrounds, some are less willing to countenance the potential end of white dominance over U.S. politics and popular culture. They don’t see themselves in figures such as Obama or Supreme Court Justice Sonia Sotomayor, and the ascent of people of color to some of the country’s highest political offices only heightens some white Americans’ perception that Washington has become distant and alien.

**SILENT MAJORITIES**

A skeptic might counter that the populist parties currently on the rise don’t share enough common goals to be considered part of a unitary movement. But the rising populist parties on both sides of the Atlantic and within Europe are linked not by a set of specific policy proposals but rather by a shared set of core concerns, expressed in a language of outrage against the status quo and the political elites who maintain it.

Populists give voice to such resentment with a repertoire of strikingly similar slogans and tropes. An election manifesto published recently by the UK Independence Party promises to “stand up for local people and local communities against the politicians of the old parties.” Marine Le Pen, the leader of France’s National Front, complains that “the French, in effect, are no longer consulted on the big questions facing them, from immigration to sovereignty, precisely because the globalized elites who govern us no longer want to hear us talk.” Meanwhile, in the United States, the 2008 Republican vice-presidential candidate and conservative commentator Sarah Palin has said that “the best of America is in these small towns . . . and in these wonderful little pockets of what I call the real America,” implicitly contrasting “pro-America areas of this great nation” with other parts of the country that are presumably less patriotic. The local color varies, but the overarching themes remain the same.

Indeed, the rhetoric of antiestablishment populism has so suffused Western political discourse in recent years that its most common expressions have become clichés. Although the specifics vary, the populists all argue that current policies favor a minority at the cost of the majority. They all claim that elites, through formal mechanisms or social pressure, censor certain kinds of political speech. The reason for this censorship, they all insinuate, is that the political establishment wants to stop the majority from finding out what the minority is really like and to what extent that minority is being favored by current policies. Now, at long last, the populists proclaim, somebody willing to stand up for the people has arrived on the political scene and will fight for the silent majority by enacting policies that favor them.

**ENEMIES OF THE PEOPLE**

Despite the similarities among all populists, the word “populist” is a neutral description: not every populist movement has to be bad for democracy. Whether a particular movement poses a threat depends on how it plugs concrete values into the broad populist framework. Populists claim that they serve the
neglected interests of the silent majority by standing up against a corrupt establishment that collaborates with some undeserving minority. But how, exactly, would populists serve those interests? And might they not be tempted to repress or mistreat the minority they so eagerly attack?

Those concerns are especially relevant when considering right-wing populists, who believe that minority groups are coddled and overprivileged, diverting much-needed resources from the silent, suffering majority: claims that, most of the time, are simply untrue. In both North America and Europe, for example, supposedly privileged ethnic minorities lag behind the majority in terms of income, life expectancy, and a host of other social indicators, in good part because, as sociological studies have consistently shown, they face serious discrimination in education, the workplace, and the housing market. Given this mismatch between rhetoric and reality, if populists win greater power, they are likely to compound existing injustices and inequalities by giving more to the discontented majority and by taking from minorities that already have less, in both material and social terms, than they deserve.

Most right-wing populists fall into one of four basic categories. Perhaps the most common of these is the national chauvinists, who claim that political elites are insufficiently proud of their country, apologize too readily for the nation’s past sins, and too enthusiastically celebrate religious or ethnic minorities.

In Europe, national chauvinism has fueled a number of populist parties, such as Austria’s Freedom Party, Hungary’s Jobbik, and Greece’s Golden Dawn. Even in Germany, where fierce nationalism has long been scorned owing to the country’s Nazi past, Thilo Sarrazin, a former Bundesbank board member turned populist polemicist, has won a devoted following by invoking national-chauvinist themes. In 2010, Sarrazin published a runaway bestseller in which he argued that Turkish immigrants to Germany were simply less intelligent than ethnic Germans, in part due to inbreeding. “Whole clans have a long tradition of incest, and correspondingly many disabilities,” Sarrazin wrote. “But that topic is greeted with deathly silence. Otherwise, some people might have the idea that genetic factors explain why parts of the Turkish population flunk out of German schools.”

A slightly different strand of right-wing thinking, best termed “populist traditionalism,” emphasizes the preservation of conventional lifestyles that most citizens supposedly favor. Although many traditionalists also display nationalist or xenophobic tendencies, the main out-groups they fear are internal to the nation itself: intellectuals, aesthetes, homosexuals, and anyone else too elitist to partake in the homespun, innocent pursuits of ordinary folks. Recently, populist traditionalism has enjoyed a surprising resurgence in western Europe, embraced by political parties such as the Finns Party—which promotes a specifically Christian “Finnish identity”—as well as by those grass-roots groups that have brought millions of people out onto the streets of France to protest same-sex marriage.

Traditionalism of this kind is, of course, familiar in the United States, where it has long represented the political core of the religious right—and, to a certain extent, has come to guide the
Tea Party movement. But the Tea Party is best understood as an example of a third strain of populism: the antistatist variety. Most populists lament that the state has been led astray by a snooty establishment in bed with immigrants, minorities, atheists, and intellectuals. But they also believe that government has an important role to play in providing for the well-being of its country’s citizens. Antistatist populists, on the other hand, see the state itself as the greatest threat to their liberty and their lifestyle, and they wish to be as free as possible from its corrupting influence. As the Republican senator Rand Paul, invoking Ronald Reagan, said in a response to Obama’s 2013 State of the Union address that was sponsored by Tea Party groups, “government is not the answer to the problem; government is the problem.”

In Europe, antistatism takes the form of Euroskepticism, the belief that the ever-growing power of Brussels-based “Eurocrats” threatens the freedoms of ordinary people in EU member states. As Nigel Farage, the leader of the UK Independence Party, told the president of the European Council during a speech at the European Parliament: “I have no doubt in your intention to be the quiet assassin of European democracy and of the European nation-states.” Le Pen has railed against the EU as a “European Soviet Union” and has vowed to prevent it “from grabbing everything with its paws and from extending its tentacles.”

A fourth and final set of right-wing populists has ingeniously distanced itself from nationalism, traditionalism, and antistatism by casting its members as defenders of liberal values. In the United States, alarmist propaganda about
“creeping sharia”—a stealth campaign allegedly seeking to impose Islamic law in the United States—usually comes from conservatives positioning themselves as defenders of Christian values. By contrast, the kind of Islamophobia that has gained traction in many parts of Europe dresses up similar prejudices as a defense of liberalism. This strain of populism warns that Muslim immigrants and political elites who “appease” them threaten other citizens’ freedom to live as they choose. As Fortuyn, the openly gay Dutch politician who was an early spokesperson for liberal Islamophobia, said, “I consider [Islam] a backward culture. I have traveled much in the world. And wherever Islam rules, it’s just terrible. . . . Then, look at the Netherlands. In what country could an electoral leader of such a large movement as mine be openly homosexual?”

Inspired by this line of attack, liberal Islamophobes have cropped up throughout France, Germany, the Scandinavian countries—and even Quebec—in the past decade. Insincere though these Islamophobes’ invocations of liberalism might be, their ability to cloak their prejudice in the respectable—even noble—language of tolerance makes this group the most dangerous of today’s populist movements.

WELFARE FAREWELL
Unlike the New Left, whose counter-cultural critiques shaped the populism of the 1960s and 1970s, the left-wing populists currently enjoying a revival in Western democracies concentrate on economic issues. Unlike many of their counterparts on the right, whose platforms are based on inflated or invented threats, they tend to focus on very real problems: government and corporate corruption, growing economic inequality, declining social mobility, and the stagnation of living standards. The most visible embodiment of such thinking has been the Occupy Wall Street movement, which rallied around the “99 percent” of people struggling under the thumb of the superrich one percent. A similar form of economic populism animates protest parties in Europe, including Greece’s Syriza and Italy’s Five Star Movement, both of which have ferociously defended the traditional welfare state and rejected the austerity measures imposed by Athens and Rome—often at the behest of Brussels or Berlin—in the wake of the euro crisis.

These economic populists are right to point out that contemporary democracies are far from flawless. Left to its own devices, capitalist democracy has a tendency to put more power in the hands of the already powerful and more wealth in the hands of the already wealthy. To counterbalance this gradual erosion of economic and political justice, democracies need occasional eruptions of popular anger. In that sense, left-wing populism can be an important corrective to the self-serving temptations to which any elite is likely to succumb over time.

Although the problems that alarm them are genuine, however, left-wing populists, like the right-leaning cohort, cross into fantasy when it comes to solutions—mostly because they underestimate just how deep the roots of the contemporary economic malaise run. They blame entrenched elites for widespread poverty and advance the myth that the fight for economic justice can be won simply by standing up to the big banks (in the United States), or to
Berlin (in Europe), or to the World Trade Organization (in both places). If only national governments were allowed to get on with the straightforward business of redistributing wealth and expanding welfare programs, they suggest, the economic lots of ordinary citizens would quickly improve.

But the reality is that many of the problems left-wing populists point out have arisen out of large-scale forces, such as technological innovation, demographic changes, and economic globalization. The rise of digital technologies and increasingly well-educated work forces in Africa, Asia, and Latin America, for example, has reduced global demand for North American and western European labor. Similarly, public pension systems are under pressure not solely because politicians lack the will to finance them properly but also because Western societies are rapidly aging: in 1960, Italy’s population had a median age of 31.2; by 2020, it is projected to be 46.2.

Economic populists falsely believe that taking entrenched interests down a peg would be enough to return to the golden days of the recent past. But saving the generous welfare states of North America and western Europe will require a new approach, not a dogged defense of the unsustainable status quo. In denying this messy reality, left-wing populists are just as misguided as their right-wing counterparts.

PASSION WITHOUT PANDE

Over the course of their long history, democracies have been opposed by large swaths of their own citizenries, nostalgic for monarchy, feudalism, or even authoritarian rule. Democratic countries have been deeply divided along ethnic, religious, and linguistic lines. They have torn themselves apart over land reform, found themselves dominated by populists and demagogues, and descended into civil war. And yet when most Westerners hear the word “democracy” today, what they picture is a political atmosphere that is respectful, predictable, and a little staid—a system in which a small number of long-standing political parties alternate in government on a semiregular basis, resulting in reasonably moderate changes to public policy.

Most people are, of course, painfully aware that the politics of today’s democracies no longer look much like this; they are more fractured, chaotic, and unpredictable than they were as little as three decades ago. But the period of time during which most Western democracies were essentially stable was extremely short. Indeed, some democracies, such as Italy, have always been dysfunctional. In others, such as the United States, even calm periods were punctuated by moments of lunacy, such as the witch-hunts of the McCarthy era or President Richard Nixon’s blatant disregard for the rules of the democratic game.

For those who wish to usher in a new period of relative democratic stability, the challenge will be to harness the passion of the populists to the cause of reinvigorating governance, but without helping them kindle the flames of an antidemocratic revolt. In the realm of economic policy, this means addressing the generational decline in living standards that has provided populists with such fertile ground. The leaders of affluent democracies must commit themselves to two goals that are often assumed to conflict: wealth redistribution and economic modernization. Only decisive...
political action, including a more serious attempt to tax wealth, can ensure that future economic growth will benefit the lower and middle classes as well as the rich. But first, governments have to create the conditions for growth. Especially in southern and western Europe, politicians will have to take deeply unpopular steps, including raising the retirement age and loosening labor regulations. This combination of reform and redistribution will not be easy to pull off. But a new generation of ambitious politicians, including Italy’s prime minister, Matteo Renzi, is beginning to win support for painful economic reforms by giving voice to populist frustrations and rallying voters around the goal of redistribution.

An even harder task for establishment politicians will be acknowledging and responding to the widespread sense of a crisis in national identity without pandering to xenophobic populism or dismantling much-needed international institutions. The best strategy is to appeal to nationalist sentiments but reject any suggestion that minorities are less than full members of the nation. That shouldn’t prove too hard in the United States, which has a relatively strong tradition of nonethnic nationalism. But mainstream parties in Europe will have a tougher time, since ethnic conceptions of nationhood are more deeply ingrained there than in the United States. Indeed, European politicians might find it impossible to accommodate such sentiments without giving up on the liberal vision of a multiethnic society—a cure for populism that would be worse than the disease.

By contrast, Europe’s establishment parties could take some easy steps to allay populist fears about the EU. A promising start would be to renounce their long-standing commitment to an “ever-closer union,” an aspiration that makes it all too easy for populists to claim that EU bureaucrats will not rest until they have dismantled Europe’s nation-states. By promising a specific endpoint to the process of integration, European leaders could inoculate themselves against the charge that they are weak on sovereignty while protecting the main achievements of the EU, such as the free movement of goods and people.

Whether these suggestions would suffice to halt the populist advance is, of course, far from certain. The extraordinary stability of postwar democracy rested on exceptional economic and demographic trends that have now run their course. Restoring that kind of stability will be an uphill battle. Even if establishment politicians do everything right over the coming decades, the threat posed by populism is here to stay for the foreseeable future.
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Crashing the Party

Why the GOP Must Modernize to Win

David Frum

For the six years since President George W. Bush left office, his party has turned its back on him. Bush spoke at neither the 2008 nor the 2012 Republican National Convention. When aspiring successors to his former office mentioned him at all during the primary debates, they cited his legacy as something to avoid repeating. Yet Bush may prove much harder to ignore at the party’s next convention: one of the most mentioned possibilities for the 2016 Republican presidential nominee is the ex-president’s brother, former Florida Governor Jeb Bush.

Another Bush? How could this be? The answer is that reports of the demise of the Republican establishment have been greatly exaggerated. The outlandish characters who ran for Senate in 2010 and president in 2012 have mostly faded from the scene. The large donors who supported George W. Bush, John McCain, and Mitt Romney continue to hold sway within their party.

Yet observers shouldn’t be misled by the GOP’s back-to-Bush drift. Three big trends have decisively changed the Republican Party over the past decade, weakening its ability to win presidential elections and gravely inhibiting its ability to govern effectively if it nevertheless somehow were to win. First, Republicans have come to rely more and more on the votes of the elderly, the most government-dependent segment of the population—a serious complication for a party committed to reducing government. Second, the Republican donor class has grown more ideologically extreme, encouraging congressional Republicans to embrace ever more radical tactics. Third, the party’s internal processes have rigidified, in ways that dangerously inhibit its ability to adapt to changing circumstances. The GOP can overcome the negative consequences of these changes and, in time, surely will. The ominous question for Republicans is, How much time will the overcoming take?

ELDERLY IN REVOLT
Throughout most of their lives, members of the postwar baby-boom generation (now in their 50s and 60s) held views considerably more liberal than those of the generation before them (now in their 70s and 80s). As late as the year 2000, only 35 percent of baby boomers described themselves as “conservative.” Then came the financial crisis and the presidency of Barack Obama. The proportion of baby boomers who called themselves “angry at government” surged from 15 percent before 2008 to 26 percent after the financial crisis struck. By 2011, 42 percent of baby boomers who called themselves “angry at government” surged from 15 percent before 2008 to 26 percent after the financial crisis struck. By 2011, 42 percent of baby boomers who called themselves “angry at government” surged from 15 percent before 2008 to 26 percent after the financial crisis struck. By 2011, 42 percent of baby boomers were labeling themselves “conservative.” The politics of the soft-rock audience had converged with those of Bill O’Reilly viewers (median age: 72).

It’s important to understand what right-leaning baby boomers mean by the word “conservative.” On social issues such
as gay rights and the role of women, boomers, like all Americans, continue to evolve in liberal directions. Nor have boomers become enthralled by the laissez-faire agenda of the U.S. Chamber of Commerce. On the contrary, people who are in their 60s today express much more suspicion of business than this same demographic cohort did in the 1990s, when they were younger and otherwise more liberal. Finally, despite the libertarian language of the Tea Party, boomer conservatives are not demanding to be “left alone.” In fact, 64 percent of boomers say they worry that the government doesn’t do enough to help older people, a much higher proportion than in any other age group—higher, even, than among people in their 70s and 80s.

What boomers mean when they call themselves conservative is that they have begun to demand massive cutbacks to spending programs that do not directly benefit them. Seventy-five percent of Americans nearing retirement age in 2010 had less than $30,000 in their retirement accounts. Not surprisingly, then, boomers say they want no change at all to the Medicare and Social Security benefits they have begun to qualify for. They will even countenance tax increases on high earners to maintain those benefits. But compared with older Americans in the late 1980s, today’s aging boomers express less support for such fiscally liberal statements as “It is the responsibility of the government to take care of people who can’t take care of themselves.”

Boomers’ conservatism is founded on their apprehension that there’s not enough to go around—and on their conviction that what little resources there are should accrue to them. Over the first Obama term, polls recorded a big jump in the proportion of those 50 and older expressing concern about “government becoming too involved in healthcare”: eight points among those 65 and older and 16 points among those between 50 and 64. It might seem paradoxical that people on Medicare, or soon to qualify for it, would oppose a further expansion of the government’s role in health care, but it actually makes perfect sense: boomer conservatives fear that government in the age of Obama will serve somebody else’s interests at the expense of their own.

Republicans have responded to boomers’ fears by reinventing themselves as defenders of the fiscal status quo for older Americans—and only older Americans. In 2005, Bush proposed bold reforms to Social Security, including privatization. But since 2008, the GOP has rejected changes to retirement programs that might in any way impinge on current beneficiaries. The various budget plans Republicans produced in the run-up to the 2012 election all exempted Americans over age 55 from any changes to either Social Security or Medicare.

People who feel squeezed economically can easily feel that they face a cultural onslaught, too. The baby-boom generation is about 80 percent white. Of the Americans who lacked health insurance prior to the 2008 financial crisis, 27 percent were foreign-born. It’s not surprising that many boomers perceived Obamacare as a transfer of health-care resources from “us” to “them,” in every sense of the word “them.” And when the president who champions this transfer is himself the black son of a foreign father, it’s even less surprising that economically anxious people might identify that president
as the embodiment of a direct threat to their expected place in the scheme of things.

Especially since the scheme of things is changing so fast. Young voters were as enthralled by Obama as their elders were frightened. He won 66 percent of the under-30 vote in 2008 and, despite four years of economic hardship, 60 percent in 2012. Not all young voters support the Democrats, of course, but the nonwhite ones overwhelmingly do, with 67 percent approving of Obama. A Pew Research Center survey found that 71 percent of nonwhites under age 30 want a bigger government that provides more services. The aggregate result is the most pro-government generation the United States has seen since the generation that voted for President Franklin Roosevelt exited the stage. An increasingly diverse young America wants the government to do more for it. An increasingly anxious older America now views government activism as a threat to its own rightful share of state resources.

This generational tension thrusts the Republican Party into an awkward spot. The elderly and disabled consume 41 percent of all federal spending. Any project to reduce federal spending while exempting such a huge budget category would require either drastic additional defense cuts or a desperate political struggle to concentrate all cuts on the comparatively meager federal programs for working-aged Americans and the young. The former necessity explains why the once internationalist Republican Party so willingly accepted the defense sequester of 2011. The latter explains why budgetary politics in the Obama years has grown so polarized: the GOP’s largest voting constituency has convinced itself that it cannot afford any compromise at all.

**THE RADICAL RICH**

“Writing from the epicenter of progressive thought, San Francisco, I would call attention to the parallels of fascist Nazi Germany to its war on its ‘one percent,’ namely its Jews, to the progressive war on the American one percent, namely the ‘rich.’” So wrote the venture capitalist Tom Perkins in *The Wall Street Journal* in January 2014. By no means has Perkins been the only wealthy person to hear the tread of Brown Shirts on the march in the Obama years. In 2010, the financier Stephen Schwarzman equated Obama’s attempt to raise taxes on hedge funds with Adolf Hitler’s invasion of Poland, and in March 2014, Kenneth Langone, a co-founder of Home Depot, warned that liberal arguments about income inequality reminded him of Nazi propaganda. Although Schwarzman and Langone later apologized for their choices of words, the hyperbole revealed how threatened the nation’s richest citizens feel by the political tendencies of postcrisis America. As the party of opposition to Obama, the GOP has benefited from the resulting surge of funds from the frightened wealthy—but that support has come at a heavy price.

During the worst economic crisis since the 1930s, and then through the long recovery that began in 2009, Republicans offered an economic message of fiscal and monetary austerity. Their donors feared that low interest rates and quantitative easing would generate inflation, so Republicans opposed those policies. Their donors feared that today’s big deficits would be repaid out of future higher taxes, so Republicans had to
respondents simply refused to believe any politician would do such a thing.”

But ordinary rules about what politicians will or will not do have ceased to hold since 2008. The radicalization of the party’s donor base has led Republicans in Congress to try tactics they would never have dared use before. During the debt-ceiling debates of 2011 and then again in 2013, Republicans in the House of Representatives came within days of causing the U.S. government to default on its financial obligations. In the 2011 crisis, they succeeded in forcing major budget cuts. The result was the sequester, the supposedly temporary deal that will, if sustained, cut the U.S. military’s fighting forces in half by 2021. The second time, House Republicans gave way—or, rather, 87 of them did, which was enough to avoid catastrophe. But 144 voted against raising the debt ceiling to the very end. These nays were not populist insurgents. They included establishment Republicans—such as Ryan, the chair of the Budget Committee—who got much of their campaign money from businesses that would have faced disaster in the event of a government default.

One would normally expect wealthy Republicans to value predictability and stability. But if they perceive their country to be predictably and stably hurtling toward socialist oppression, then even the richest will demand massive resistance by any means necessary. Hence the amazing spectacle of Stanley Druckenmiller, a leading money manager, endorsing the nonpayment of the country’s obligations to suppliers, employees, and many beneficiaries. In 2011, Druckenmiller told The Wall Street Journal that a default was “not going to be catastrophic.” He went on: “What’s going to be catastrophic is if...
we don’t solve the real problem,” by which he meant federal spending.

Such radical logic from the elite has been heard only during the most extreme crises in U.S. history, on the eve of the Civil War or at the depths of the Great Depression. Yet it has reappeared in the Obama years, fatefuly constraining and shaping the thinking and actions of the leaders of the Republican Party, who have taken risks with their party and their country that would otherwise have seemed unimaginable for the leaders of a conservative party.

LOOKING BACKWARD
It’s never easy for a defeated party to rethink its recent history. After Richard Nixon narrowly lost to John F. Kennedy in the 1960 presidential election, Republicans rebounded toward the radical right, setting up Goldwater for a landslide defeat in 1964. Democrats did the opposite after Hubert Humphrey lost to Nixon in 1968, nominating the antiwar candidate George McGovern in 1972. Intense partisans believe in the “say it louder” approach to politics. If the voters refused your offer of ham and eggs, it was because they wanted double ham and double eggs. And so a defeated party often directs at least as much of its ire toward its previous leader as it does toward its enemy in the White House. The GOP today is conforming to this familiar pattern, blaming Bush and Romney for straying from conservative dogma instead of grappling with the dogma itself.

Consider how the shrewd and conservative-friendly pundit Sean Trende of the website RealClearPolitics explained the June 2014 Republican primary defeat of Eric Cantor, the House majority leader:

“The Republican base is furious with the Republican establishment, especially over the Bush years. From the
point of view of conservatives I’ve spoken with, the early- to mid-2000s look like this: Voters gave Republicans control of Congress and the presidency for the longest stretch since the 1920s.

And what do Republicans have to show for it? Temporary tax cuts, No Child Left Behind, the Medicare prescription drug benefit, a new Cabinet department, increased federal spending, TARP [the Troubled Asset Relief Program], and repeated attempts at immigration reform. Basically, despite a historic opportunity to shrink government, almost everything that the GOP establishment achieved during that time moved the needle leftward on domestic policy.

Trende’s analysis contains much truth, but not all of the truth. Bush’s deviations from conservative orthodoxy do explain why the party has veered rightward since 2008. But condemning deviations has also provided a welcome escape from uncomfortable questions about whether party orthodoxy still produces positive results under contemporary circumstances. After all, when it came to economic management, Bush governed very much in the manner of President Ronald Reagan, although he failed to achieve Reagan’s outcomes. Bush cut income taxes—but instead of a 1980s-style boom, he got stagnating wages followed by a severe global recession. Like Reagan, Bush relaxed regulation of business, especially energy and finance. Instead of a surge in productivity, however, he presided over a housing bubble and a spike in gasoline prices.

What to think of this? Better not to think of it at all. Better to double down. Since 2006, those Republican politicians who have ventured new ideas have been compelled to disavow those experiments in order to retain any chance of surviving future party contests. Romney had to distance himself from the health-care reform he oversaw as governor of Massachusetts. Former Minnesota Governor Tim Pawlenty and former Speaker of the House Newt Gingrich both had to walk back their early support for actions to curb greenhouse gas emissions.

Reformist tendencies are bubbling among some conservative intellectuals. Let’s hope the reformers gain wide attention. But as of today, the price of influence in conservative intellectual life—or even continued employment—remains circumspection. To acknowledge such manifest realities as that the Affordable Care Act is here to stay remains unhealthy for a Washington Republican’s career. Just days after a group of forward-thinking GOP strategists published Room to Grow, the most authoritative Republican reform program outlined to date, Cantor, who had strongly championed the reformers, lost his career to an ideologically rigid primary challenger. American conservatism in the twenty-first century remains defined by the concerns, issues, and even personalities of the twentieth. When the Republican Party turned its back on what Bush called “compassionate conservatism,” it chose to return to a bygone approach. Today’s GOP thinks it is making progress even as it retraces its steps.

Yet there is a limit to how long this backward motion can continue. Party dogma meets electoral reality every two years, and for Republicans, that reality is looking increasingly inhospitable. From 1968 to 1988, Republicans won five of the six presidential elections (two by landslides) and averaged 52 percent of the popular vote. In the six presidential elections since then, however, they have
A Daughter’s Memoir of Burma
WENDY LAW-YONE
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Foreword by Judith Butler
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—Ilan Peleg, former president, Association of Israel Studies
won just twice and averaged just 45 percent of the popular vote. Something is obviously going badly wrong, and has been going wrong for a long time.

Political consultants want to sell Republicans on the idea that their problem is the Hispanic vote and that this problem can be fixed by embracing immigration reform. Yet in 1992 and 1996, Hispanics made up only two percent and five percent of the electorate, respectively, and Republicans still got hammered. Besides, the claim that Hispanics are natural Republican voters rests on the stereotype that Catholics must be culturally conservative. Although first-generation Hispanic Americans do favor outlawing abortion by large margins, according to a 2007 report by the Pew Hispanic Center, only 43 percent of second-generation Hispanic Americans feel that way—virtually identical to the proportion among non-Hispanic whites. And abortion has little salience as an issue for both generations anyway.

On the economic questions that matter most to them, Hispanics are highly liberal. That same 2007 Pew survey found that 69 percent of those polled wanted the government to guarantee health insurance for all, and 64 percent preferred more government services even at the cost of higher taxes. The reason is straightforward: the Hispanic population is disproportionately dependent on public assistance (22 percent have received food stamps, for example, as compared with 15 percent of non-Hispanic whites). Poor people are entitled to vote their pocketbooks just as rich people are, and it’s not surprising that people who need government help would pull the Democratic lever more reliably than the Republican one.

What’s more ominous for the GOP is how poorly it now fares among parts of the population that might normally be expected to vote for it. For decades, the Republican Party predominated among university graduates, as it did with professionals, the affluent, and mainline Protestants. In 1988, George H. W. Bush beat Michael Dukakis among voters with bachelor’s degrees by 25 points, according to exit polls. In 2008, Obama beat McCain among that same demographic by two points. No mystery why: in the late 1980s and early 1990s, for the first time in U.S. history, women became more likely to complete college than men, and since the 1980s, women as a group have consistently preferred Democrats and their emphasis on more generous social provisions. Even upper-income women lean Democratic by a wide margin—a wider margin, in fact, than that by which upper-income men favor Republicans.

Above the U.S. norm in terms of their education, income, and propensity to be self-employed, Asian Americans form another natural constituency that the Republicans are failing to capture. North of the U.S. border, Chinese Canadian voters opt for the Conservative Party by large margins (according to internal party polling, those who spoke Cantonese at home broke two to one for Prime Minister Stephen Harper in 2011). But 73 percent of Asian Americans voted for Obama in 2012. Most Asian Americans aren’t Christian, and it seems to be the GOP’s sectarian religiosity that repels them.

Political pundits are always asked questions about who. Who will Romney pick as his running mate? Who can beat Hillary Clinton? But the most important
questions in U.S. politics deal with the what. It wasn’t their personalities that kept McCain and Romney from winning the vote of the female partner in an accounting firm, the Indian American hotel owner, the Japanese American architect, or the gay retired military officer. McCain and Romney were fine candidates. The problem was that they were forced to contort themselves and embrace messages that must-win constituencies found deeply obnoxious. The GOP’s political prospects will brighten only when it finds a more appealing what.

**THE RIGHT STUFF**

What will that what consist of? Any aspiring center-right party hoping to succeed today must match its core message of limited government and low taxes with an equal commitment to be culturally modern, economically inclusive, and environmentally responsible. In the United States, with all its global responsibilities, there is an additional necessary component: a commitment to U.S. primacy that is unapologetic yet not bellicose. The passage of time will help Republicans get from here to there, bringing new generations to the stage and removing others with outdated ideas. Repeated defeat administers its own harsh lessons. But most of all, new circumstances will pose new challenges—and open up new possibilities.

The fear of the “tipping point” that gripped Republicans in 2012 was exactly wrong. Obamacare won’t turn Americans into grateful serfs, endlessly voting Democratic to guarantee their handouts. Every other advanced country has some kind of universal health-care program—and also a center-right party that wins much (and even most) of the time. Right-of-center governments currently hold power in Australia, Canada, Germany, the Netherlands, Sweden, the United Kingdom, and many other places. These parties haven’t run out of issues on which they can disagree with their social democratic opponents, and they’ve found plenty of voters willing to cast a ballot for private initiative and business enterprise.

In fact, many center-right parties in foreign capitals have enacted reforms bolder than anything even contemplated in Washington. Sweden pioneered state-funded charter schools back in the 1990s, and the United Kingdom followed suit in 2010. Canada’s Conservative government responded to the 2008 financial crisis with a narrowly applied jolt of fiscal stimulus—and Canada not only recovered faster from its recession but also emerged with a debt-to-GDP ratio lower than that of the United States before the crisis. Australia offers student loans that do a better job of serving only the disadvantaged and at lower cost to both taxpayer and student.

Conservatism should be thriving in the United States. The Obama administration has raised taxes on high earners to the highest levels in 30 years, while failing to act on promises to reform the corporate tax system. Yet even as taxes rise, government revenues fall short of what’s needed to meet existing commitments to retirees—never mind to fund the costly new social spending that is the chief domestic legacy of the Obama years. The health-care system in the United States continues to cost more and deliver worse results than that of any other developed country. Instead of market mechanisms to deal with climate change, the Obama administration has
ordered up a new system of bureaucratic regulation of carbon emissions. More children are growing up in fatherless homes, more men in their prime working years have quit the job market, and the benefits of economic growth seem to be flowing to fewer and fewer families. Washington’s allies and rivals alike sense a weakening of American power—and a loss of American purpose.

The United States desperately needs a party of business enterprise, of American leadership, and of work and family that can win elections and govern effectively. Instead, the country’s center-right has detoured into an ideological dead end. It must speak for a coalition broader than retirees and the rich. Above all, it must accept—and even welcome—that in the United States, as in every other developed country, universal health insurance is here to stay.

**TOMORROW’S CONSERVATIVES**

One of the direst effects of being a party of the old is the risk of becoming infected by the pessimism of the old. It is overwhelmingly tempting to people contemplating mortality to infer that what holds true for them must also hold true for the nation. Who wants to imagine that things will get really good just as they shuffle off the scene? The tone of recent conservatism has been elegiac when it hasn’t been reckless.

“To those who say it was never so, that America’s not been better, I say you’re wrong. And I know because I was there. And I have seen it. And I remember.” So said the Republican presidential nominee Bob Dole to the Republican delegates in San Diego in 1996. I was there. I saw it. I remember how they cheered—and how wrong they were.

Over the decade and a half that followed Dole’s speech, the United States achieved what likely ranks as the swiftest decline in crime in human history. The Internet revolutionized life and business. Auto fatalities plunged, dropping by 8,000 a year. The emissions that cause acid rain were cut in half. The abortion rate dropped to its lowest level since abortions were legalized, in 1973, and tobacco and alcohol consumption fell, too. The proportion of black Americans graduating from college passed 20 percent.

Conservatives may not be optimistic by nature. But even they should at least appreciate that Americans have never had so much worth conserving. The angry, insurrectionary mood of the past half-dozen years is as unjustified as it is dangerous to the stability of American government.

For every action, whether in physics or in politics, there is an equal and opposite reaction. The liberal surge of the Obama years invites a conservative response, and a multiethnic, socially tolerant conservatism is waiting to take form. As the poet T. S. Eliot, a political conservative, once gloomily consoled his readers, “There is no such thing as a Lost Cause because there is no such thing as a Gained Cause.” The message reads better when translated into American vernacular: “It ain’t over till it’s over. And it’s never over.”
Each school of international affairs has a distinctive personality and curriculum, yet all share a commitment to expanding students’ understanding of the world around them and to preparing future leaders in the field. At the heart of this common mission are the faculty who inspire and challenge students to make this a more peaceful and prosperous world.

In the 2014 Graduate School Forum, we explore faculty members’ critical roles in shaping future practitioners of international affairs. Who are the people behind the lessons and exams? How do they blend scholarly work with the practice of international relations? In what ways can they shape students’ experiences and careers?

Within and beyond the classroom, faculty members offer guidance, support, and personal connections to help graduates cross over from academic to professional life. They seek to change students’ lives and to enable them to realize their potential as students and as practitioners of international affairs.

As you plan the next steps on your career path—and the leveraging role of graduate school in that journey—think about the network of faculty you will tap into at a professional school of international relations. Consider the personality each brings to the campus community and the curricula they designed. Seek to understand the role of the faculty in school life and how faculty members interact with students. With these and other questions, you can find the program that best fits your needs.

The following profiles offer just a glimpse into the people behind each school’s character.

Carmen Iezzi Mezzera
Executive Director, APSIA
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Understanding Global Governance

At GW’s Elliott School of International Affairs, I teach students about the connections between the theory and practice of international affairs. My courses examine international relations theory, global governance, and their application in the world. Most recently, I have been teaching about the interaction between global governance and humanitarianism—the subject of my 2011 book, Empire of Humanity.

Why is the study of international relations theory and global governance so important to understanding the international affairs field more broadly?

The study of international relations often begins with two claims—sovereignty, the idea that the state is the most important actor in world affairs, and anarchy, that there is no supranational authority that can keep the peace. For some, this means that the world is filled with conflict with no hope for sustained cooperation. For others, it means that we have to create rules of the road that enable us to achieve our mutual interests.

Enter global governance, the study of how the world creates rules that can help actors achieve their interests. The study of global governance, then, is the study of the world’s ongoing experiment to find solutions to its common interests, from security to human rights to climate change to economic development. Global rule-making was always difficult, but it has become more so with globalization, intensifying interdependence, the decline of state sovereignty, and the growth of new kinds of actors. A great deal of our international relations theories are designed to understand what sorts of solutions to global problems are possible.

How do your research and teaching inform each other?

I have always found research and teaching to be mutually necessary and reinforcing. I love doing research, and part of the enjoyment—and challenge—is bringing that knowledge to the classroom. Teaching also is part of our broader mission of serving the public. Although there is always an invaluable role for research for theory’s sake, I also strongly believe that our scholarship should also have public value. Teaching, in turn, helps make sure that when we do research we are constantly keeping an eye on the public mission. Students always want to know “why should we care?” We are obligated to provide an answer. Student enthusiasm is often contagious; their interest perpetuates my own.

What makes the students, faculty, and community at GW unique?

I have been fortunate to teach at many fine universities, but GW is a special place. Because of its location, we have the opportunity to constantly interact with practitioners and with students who are very engaged in the world. I am able to bring the world into the classroom in a way I never could have imagined. Last year, for instance, I had the opportunity to co-teach a course with someone from the International Committee on the Red Cross on national security and the laws of war, and several of the students had served abroad in conflict zones; it was an amazing teaching experience. And last, but hardly least, the students here are truly amazing—smart, engaged, committed, and constantly ready to debate.
Peacebuilding as the New Paradigm for Global Affairs

Peacebuilding has become a contested term—meaning state-building to some and post-conflict reconciliation to others. What does it mean to you?

To me, peacebuilding is an opportunity to rethink our approach to global affairs. It is a chance for us to invite creative and practical thinkers from a range of disciplines and professional specializations to contribute their energy, passion, and ideas to addressing important challenges that differ greatly but together represent the way toward a more peaceful planet. Sometimes that means finding effective ways of meeting the challenge of mass population displacement in a way that builds and strengthens relationships between the displaced and their host communities. At other times, it means supporting the development of formal institutions for conflict management that are consistent with local history and practices, but that also respect international norms. This isn’t just a field for diplomats, although they are important. Medical professionals, engineers, business leaders, and performing artists are equally important. Peacebuilding requires a very complex set of skills, and no one person or institution can possess them all. Learning to work constructively with people who think very differently from us is crucial.

You lead a master’s concentration in peacebuilding as well as a new graduate certificate program in peacebuilding. How have you tried to tailor these programs to the needs of students?

Students of peacebuilding need skills in specific areas: from conflict analysis to project management to mediation to dialogue facilitation. My goal with both the master’s concentration and the graduate certificate has been to build a set of courses that allow students to develop core skills they will need to work effectively in whichever professional sector they choose and to enable them to enhance levels of peacefulness—both through their approach to their work as well as through the content of it—wherever they work.

Much of your research and professional practice has taken place in Iraq, and you have even brought graduate students from NYU there the past few years. What can graduate students learn about peacebuilding in Iraq?

Our students have participated in the Joint Research Seminar in Peacebuilding that has brought them together with counterparts from the M.A. program in Peace and Conflict Resolution Studies at the University of Duhok. They have formed mixed research teams that have developed peace research projects that they have carried out together in Iraq. The students spend three weeks working together in New York and three weeks together in Iraq. The mutual learning has been extraordinary. Students on both sides have come away with new ways of understanding and approaching peacebuilding that take into account the social, cultural, economic, and historical particularities of each other’s regions. I think these types of balanced collaborations represent the future of global education and can establish a new norm for how educated professionals from very different backgrounds can work together to build more peaceful societies in the future.
The Great Challenges of Our Time Demand a Global Perspective

How does the School of International Service (SIS) tackle the great challenges of our time?
Our guiding principle at SIS has been that present and future global challenges necessitate the collaboration of experts from a wide range of disciplines and fields of research. SIS students gain considerably from these varied perspectives in the classroom and through their research and studies.

SIS is notable among international affairs schools in the breadth and depth of its multidisciplinary, with students learning from leading political scientists, economists, sociologists, anthropologists, demographers, geographers, historians, and specialists in international development, global health, international security, communications, energy, and the environment. Moreover, SIS faculty specialize in nearly every region of the world—including East Asia, Europe, Latin America, the Middle East and North Africa, North America, Russia and Eurasia, South Asia, Southeast Asia, and Sub-Saharan Africa.

Through research, workshops and conferences, office hours, and time in the classroom, faculty and students collaborate to tackle the great challenges of our time and prepare for challenges our students will address in the coming decades.

How does SIS contribute to policy solutions?
Our faculty produce cutting-edge research on issues and regions of interest to policymakers in Washington and in capitals around the world. Among their current projects, SIS professors are undertaking research on Boko Haram in Nigeria, water rights in the Middle East, violence in Central America, women and youth activism in North Africa, microfinance interventions to improve health, and other concerns that matter greatly to policymakers.

How do students benefit from SIS’s Washington, DC, location?
SIS students are able to take advantage of the vast wealth of professional, intellectual, and cultural resources available in the nation’s capital. With thousands of internship opportunities across the city, Washington offers unique opportunities to network with policymakers from the United States and around the world. SIS students are able to study, conduct research, and actively engage in the ongoing work of international relations while enjoying a vibrant campus culture and the school’s spectacular LEED-gold certified building. They routinely win prestigious national scholarships, fellowships, and awards.

Beyond Washington, our large and extensive network of alumni worldwide can support students as they explore internship and career opportunities throughout the world.

Would you share something special about SIS?
We are the School of International Service—and quite proud of this distinction. We train our students to leave the world a better place, regardless of their choice of careers—from the private sector to government to nonprofits and international organizations. Our faculty, too, contribute greatly to the world around them—from villages on the other side of the globe to across town.

Recently, a few SIS professors who have worked on global health challenges in Latin America and Africa have taken their significant knowledge of health interventions and applied them to work here in Washington, DC. From our faculty, to our students, to our vast network of alumni around the globe, this call to serve is among the many features that make SIS so great.

James Goldgeier
Dean
School of International Service
American University
Stephen Roach
Senior Fellow
Yale Jackson Institute for Global Affairs

Where Today’s Global Leaders Mentor the Next Generation

Stephen Roach became Morgan Stanley’s chief economist in 1991, and was chairman of Morgan Stanley Asia before coming to the Jackson Institute as a Senior Fellow. At Yale, his teaching focuses on Asian economies, and how the interplay between market and government forces impacts ordinary citizens.

You continue to travel all over the world, meeting with economic and political leaders. How do you bring those discussions into the classroom?
By design, my courses are linked to many of the burning issues in the global macro debate. I continue to remain actively engaged with policymakers, government officials, and regulators who play key roles in shaping that debate. In my course “The Next China,” I stress the linkages between ongoing policy pronouncements and China’s rebalancing strategy. It is vital to juxtapose the analytical framework embedded in this course against the ongoing tensions between markets, policy, and politics.

Your book, Unbalanced: The Codependency of America and China, looks at the U.S.-China relationship. You’ve been a first-hand witness to the economic relationship between China and the West. How do you hope to prepare students to think about China once they embark on a global affairs-related career?
I didn’t choose the title, Unbalanced, by accident. A key goal in the book, as well as in related classroom discussions, is to encourage my students to stress balance in assessing the economic relationship between the United States and China. All too often, the West blames China for many problems of its own making—from trade deficits and job pressures to environmental degradation and soaring commodity prices. At the same time, China’s perceived sense of a “century of humiliation” colors many of its own perceptions about the West. I frame many aspects of this blame game as the economic equivalent of what psychologists call “codependency”—arguing that the relationship needs to shift to a more constructive interdependency. This is an important distinction for all participants in the global affairs debate.

You also teach a course called “Wall Street and Washington: Markets, Policy, and Politics.” How does understanding the private-public sector connection prepare someone to work in, for example, public policy or a nonprofit?
I lived that connection daily in my forty-year career in financial services, both on the Federal Reserve board and at Morgan Stanley. In public policy, there is no lesson more important than understanding the consequences of your efforts in shaping outcomes in the private sector. Of course, this is also the case for those who work in financial services. The ideal work experience would straddle both realms.

The course allows students to meet with well-placed people in New York and Washington. What better way to probe the ins and outs of the recent financial crisis than to spend time with those at the center of the events and institutions that shaped the outcome? Students in this course walk away with unique insights into the personal perspectives that will ultimately shape the writing of that important history.
Service at Work: Going to Hard Places

The Bush School opened its doors on the Texas A&M University campus in 1997, primarily because of the university’s service and leadership ideals, which reflect those of our namesake, George H.W. Bush. The School offers a high-quality and affordable education for those pursuing careers in public and international affairs.

Tell us about the Bush School community.
The environment is highly interactive, challenging, and collaborative. We’ve brought together practitioners with distinguished careers and academics who study current topics and theories. These dedicated faculty push and inspire our students, as do their classmates. And when our students finish their degree, they stay engaged in the Bush School and Texas A&M through former student organizations that offer unparalleled alumni support and recognition.

Because international relations is always evolving, how does The Bush School keep pace?
The Bush School offers degree students the opportunity to tailor their learning via tracks and concentrations. A Conflict and Development concentration, led by former USAID administrator Andrew Natsios, was recently added. We expanded course offerings in diplomacy, international politics, development, China, and the Middle East. In 2013–14, students traveled to the Democratic Republic of the Congo, Lebanon, and Senegal, seeing the world’s problems from the ground. For more than ten years, the Bush School has featured online graduate certificates to accommodate student and industry demand, covering areas of international affairs, homeland security, and nonprofit management.

As a career ambassador, what advice do you offer students interested in the demanding field of diplomacy?
This is a troubled world and has to be understood in its own complicated terms. Students must pour themselves into the study of politics, history, culture, and language. With that education, they must be ready to ask hard questions: What happens the day, the month, the year after a strategy is initiated? Education and understanding are essential, but so are dedication, drive, and courage. Students must go to hard places and do hard things. As the 41st president exemplified in his life—service before self. This is what the Foreign Service is all about.

What makes the Bush School stand out among its peers?
The Bush School engages its students with quality experiential learning opportunities at an affordable price. We feature internship programs, interactive language groups, and leadership and professional writing programs. We offer challenging courses and simulations, client capstones, and international travel and immersion opportunities. Students can take courses from other Texas A&M departments and study with world-renowned research institutes.

We are committed to affordability, offering all degree-seeking students merit scholarships and in-state tuition/fees (about $11,000 a year). Online graduate certificate students can use veterans’ benefits and apply for financial aid and scholarships.

How can the Bush School help students find internships and jobs? Where do your graduates work?
The Bush School employs faculty and career services staff (including a representative in DC, our largest alumni city) who are incredibly connected and resourceful. They assist students with their internship and employment searches, empowering them with contacts and guidance. Students routinely pursue career options in federal agencies, local and state government groups (both in and outside of Texas), corporate and nonprofit organizations, think tanks, and international organizations.

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Robert Buckley
Senior Fellow
The Milano School’s Julien J. Studley Graduate Program in International Affairs
The New School

New Thinking on Cities and Social Justice

What was your chief responsibility as the lead economist for the World Bank?
People would initiate projects for developing countries and I would advise them on how to use resources effectively in ways that would be consistent with an overall country strategy.

What led you to become an advisor and managing director with the Rockefeller Foundation?
The idea in many respects was to drill down a bit. The Foundation was much smaller scale, so it lent itself to more nuanced interactions with community groups and organizations that were directly effected.

Do you encourage your students to start at the grassroots level?
I think for master’s students, that’s exactly where they should start. But it’s important to consider many perspectives. Every year, The New School puts some students in the World Bank office in Kapala, Uganda, and some in the city, and some in community groups. In many ways, they end up seeing all sides better than anyone else because they get together and discuss what they learn.

What do you teach at The New School?
I teach courses on slums in emerging countries, urban policy in Africa, and development economics.

What are you preparing students to do?
The idea is to prepare them to work on the complicated processes of development in a period when there’s a lot of rethinking about how we should engage communities that need assistance. Should we pursue large-scale interventions or modest, controlled experiments? Should we provide targeted resources and empower people to take charge or rely on large donor-driven programs? There are a lot of very different opinions, so it’s both a rich and confusing time.

How do you help students determine what works best?
It’s important that we expose students to the ways that different analysts think. People’s values are involved. Their interactions with their counterparts are important. Should we go into a developing country and request changes based on ethics or should we not? There’s no simple answer, but we need to consider these difficult questions.

What distinguishes The New School’s approach to cities and social justice?
The organization Slum Dwellers International has come to us and said, “Your students are the best we’ve had”—and they get interns from around the world. I think our success is rooted in our interdisciplinary perspective. Many students were Peace Corps volunteers. At least four or five students in each class are adventurers who have been all over the world. You get a mix of brilliant people from different backgrounds, so it’s easy to kick off discussions about world events that are probing and provocative.

I found from my own experience with The New School’s International Field Program in Uganda that the students are just wonderful. They’re pitching in, they’re interested in their colleagues, and they have a great attitude. I’ve been really proud watching their interaction.

THE NEW SCHOOL

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Japanese National Team or International Dream Team?

How do you use your experience to contribute to your students’ successes, either in school or professionally?

I have lived overseas for many years, but at Ritsumeikan individual experience is less significant than collective experience. Our faculty include practitioners at international organizations and the foreign ministry of Japan. Special visiting professors include a UN undersecretary and former Vice Foreign Minister of Japan. Academicians like myself nurture students’ analytical minds. Practitioner colleagues implant a keen sense of reality.

Readers may imagine that Japanese universities lack an international character. In fact, nearly one in four of our faculty is not Japanese. This multinational background is certainly a valuable resource. As Dean, I work hard to ensure that we work as a team, smoothly and effectively, to best ensure success for our students.

What is your academic background and approach?

I started as a scholar of diplomatic history and, after the end of the Cold War, gradually shifted towards political economy studies. I therefore naturally emphasize careful empirical research. Close and deep investigations are extremely important, especially in this uncertain era.

Between the western bloc and former Soviet bloc, there were no tangible economic relations until the 1970s. Cold War scholars thus tended to discuss only security matters. But things have changed. If we are talking of current US–China relations, for example, the correlation between economic issues and security problems is an inevitable point of discussion.

Complexity and uncertainty are two important keywords in and for the age of globalization. Because of these factors, teachers and students of international relations have tended to lose the ability to discern priorities and thus they unfortunately continue to drift.

The variety of scholars, backgrounds, and experience among our faculty helps offset this drift. As a team, we respond to many global tasks academically because it is a critical starting point.

What work outside academia have you been involved with that contributes to the field?

I have been engaged in international research projects for many years. For example, my overseas colleagues and I in 2003 expanded our annual international symposium into what we call the Six University Symposium, one university from each of six nations of Asia and the Pacific—the USA, Canada, Mexico, China, South Korea, and Japan. Engagement with leading scholars of these universities has enriched my understanding of international relations, both academically and personally. After all, human beings are not that different.

In 2009, 8 major Japanese universities together established the US-Japan Research Institute (USJI). Representing Ritsumeikan University, I participated in this effort. USJI is a standing research body that contributes to Japanese and American understanding and to peace in Asia-Pacific international relations. Twice a year, the institute holds what we call USJI week in Washington, DC, inviting scholars, politicians, and public officials from Japan, the US, and often other related nations to serve as panelists in perhaps a dozen workshops. A second track experience through USJI widened not only my scope of human relations but also my activities, at least in part as a practitioner.
Bringing Brussels Diplomacy to Life

The University of Kent’s Brussels School of International Studies (BSIS) has a reputation for delivering research-led graduate programs taught by a combination of high-quality academics and practitioners. Dr. Tom Casier, the school’s newly appointed Academic Director, holds a prestigious Jean Monnet Chair, and is Deputy Director of the Global Europe Centre. He is an expert on EU-Russian relations and Russian foreign policy.

How does BSIS bring together the faculty to be able to teach such a wide variety of different courses?

Our location in Brussels facilitates our calling on the considerable talent available in the city because of its role as the de facto capital of the EU. Working in the EU Institutions, NATO, lobbying firms, and international companies are a number of skilled individuals with both rich academic backgrounds and professional experience in their areas of research. We are also able to make the most of Brussels’ air and rail hub to bring lecturers from other European capitals such as Berlin, Vienna, Paris, and Geneva, as well as from Kent’s main campus in Canterbury, to teach. Feedback from students shows how much they clearly value access to such a vibrant and diverse teaching faculty.

How do you use your research in your teaching?

Having written my doctoral thesis on the transformation process in Central and Eastern Europe, Europe has been at the heart of my research in one way or another. These are compelling times for someone whose interests are Russian foreign policy and the relationship between Moscow and the European Union. I have recently been called upon to provide advice on the current situation in Ukraine, much of which has found itself in to the media. As I prepare my classes for the upcoming academic year, I draw on these experiences and integrate them into my teaching. One module enables students to gain an advanced understanding of the functioning of the European institutions and the politics of EU policy-making. Another module focuses on the changing global political structures and Europe’s role within them and looks in detail at the way the EU’s neighborhood policy has been put under strain over these past few months. To stimulate debate, we invite high-level EU policymakers and diplomats into the classroom to discuss the evolving relationship between the EU and Russia over events in Ukraine and Crimea, which brings a practical dimension to their studies.

So the practical aspects of what students are learning in the classroom are important?

Absolutely. Achieving a balance between the theoretical and the practical is something that is vital. For instance, our module on EU Migration Law provides students with both a sound grounding in the law governing regular migration within the European Union and an opportunity to undertake an internship at the EU Rights Clinic. Last year, students working at the clinic received more than 80 complaints from EU citizens about excessive delays at the Spanish-Gibraltar border crossing and then put their theoretical knowledge to use by advising them on their rights under EU migration law.
Craig McIntosh
Professor of Economics
School of International Relations and Pacific Studies
UC San Diego

International Relations and Public Policy: A California Perspective

You’re known for your teaching style and have been recognized with several UC San Diego awards. How do you approach the classroom?

My approach to teaching is to assume students have serious concerns about wanting to make the world a better place. The role I can play in assisting them is to give them tools in critical thinking. I believe we make a difference by working hard and thinking carefully about how to translate intentions into realities on the ground.

Collaboration across disciplines is increasingly important in international relations, particularly as it relates to the STEM fields. Where do you see the integration of the policy world with STEM?

A new focus at USAID, as well as many other organizations, is on the nexus of technology and development. Through new institutes such as the Policy Design and Evaluation Lab, and new courses like Evaluating Technological Innovation, UC San Diego is training the leaders of tomorrow at the intersection of STEM and policy.

Many students are interested in developing a hard-skills set, particularly quantitative analysis. How do your students build relevant applied skills in this area?

Such skills are hard to acquire, but are also very teachable in a classroom context. Our courses have been carefully thought through to provide as rigorous a training as possible in two years. Our goal is to have graduates who are on the cutting edge with the software and statistical techniques used to evaluate real-world policies.

Monitoring and evaluation is a growth area for graduates in the policy and development arena. How can students prepare for this type of career?

Good technical skills in evaluation are often best taught in a classroom context. These are immediately applicable, and place graduates in a great position to land a job in the “thinking” part of a large organization, working directly on product development or policy analysis.

In the last decade, the shift in global focus toward the Pacific area has been notable. Is it important for students to focus regionally?

I believe that the ideal mix combines elements of the global and the local. For the global, concrete, demonstrable skills in areas like econometrics or policy analysis will allow you to be flexible and to operate across a variety of contexts. For the local, language, historical knowledge, and policy expertise in a specific country or region allow you to think deeply about specific challenges.

How does being in California shape your perspective and the larger UC San Diego outlook?

Our region offers an innovative global technology culture where a serious focus on international problems can cohabit with a great quality of life. The University of California is a world-class strategically located institution where people are engaged in the main policy debates of the day, and yet is an unpretentious place where the focus is on the quality and policy impact of the work.
Exploring Today’s Most Pressing Policy Questions

What are your current research interests and projects?
My team—the Environment, Food, and Conflict (ENFOCO) Lab—and I engage in interdisciplinary exploration of issues at the intersection of the environment, food security, and conflict. This work builds on insights from comparative politics and international relations as well as environmental science and management. Several ENFOCO projects are in collaboration with Dr. Sarah Glaser, my wife and a research scientist here at the Josef Korbel School. In one such project, we investigate the impacts the region’s various conflicts have had on the lake’s fisheries and how that has fed back into local livelihoods and food security. This project involves extensive fieldwork in Africa’s Lake Victoria basin countries. I’m also one of the co-creators of the Social Conflict in Africa Database (SCAD), a database for conducting research and analysis on various forms of social and political unrest in Africa. SCAD gives policymakers and researchers new tools to analyze conflict patterns. The SCAD team uses these data to investigate environmental impacts on conflict in Africa. Finally, I am about to begin work on a book manuscript which will be the culmination of five years of research on the effects of climatic conditions on armed conflict, with a particular focus on Africa.

In closing, please describe the Korbel School.
The School’s faculty, staff, and students take the task of improving the human condition seriously. Students have the opportunity to study the most pressing policy questions of the day and do so in dialogue with today’s leading minds. Throughout the school year students interact with prominent figures on the global stage as well as the school’s renowned faculty. In the past year, for example, students discussed Middle East affairs with Iran’s Minister of Foreign Affairs (and Korbel alumnus) Dr. Mohammad Javad Zarif via live webcast.
Additionally, the School is located in Denver, Colorado, at the foot of the Rocky Mountains, a fantastic location for the young, active, and intellectually curious. In addition to ample outdoor activities in one of the world’s most beautiful settings, students also develop an independent perspective while exploring and grappling with thorny issues.

How do students benefit from faculty research?
Students come with passion and a desire to be agents of positive change in the world. To facilitate that, we must prepare students for the jobs they will have 10 to 20 years from now as diplomats, executives, and senior staff at international institutions—and the entry-level jobs they need to start their careers. To that end, we stress both theoretical knowledge and the development of turnkey skills—from writing briefs to understanding geographic information systems and analyzing data. This blend of practical skills and deep knowledge is easiest to develop when participating in active research. Students working in our various labs and research centers, including my ENFOCO Lab, have opportunities to put their skills and knowledge to use. Some students even participate in fieldwork—two MA students recently went to Uganda with me.
The SAIS Advantage

Since its founding, SAIS has created not only thinkers but also practitioners of international relations in a world that is in constant economic and political flux. SAIS was built on the conviction that tackling the world’s problems required a comprehensive, fully immersed, and interdisciplinary approach, one in which economics, diplomacy, regional studies, international law, and foreign languages merged to better determine global challenges and solutions. Its presence on three continents—Asia, Europe, and North America—through its campuses in Bologna, Italy, Nanjing, China, and Washington, DC, further created the opportunity for students to develop a truly global perspective.

How does SAIS’s interdisciplinary approach add to the competitive advantage students have over their peers in the global marketplace?

The highly advanced combination of international economics, regional studies, in-house language training, and functional areas provides students with a kaleidoscopic but specialized perspective which, unsurprisingly, makes them the best analysts, problem solvers, and leaders wherever they are placed after graduation. Our school is peerless in this respect.

You have experience in teaching at various educational institutions around the world; what do you find unique about SAIS?

I have found two fundamental differences: first, a majority of students who come to SAIS have extensive previous professional experience from all walks of life. In the classroom, this translates into diverse and mature, well-grounded discussion about real problems in the real world, rather than in the universe of theory. Second, the public policy perspective at the heart of the school’s teaching and research begets a community that is concerned with and participates publicly in whichever international issues are capturing the day’s global headlines.

What is your perspective on Latin America’s role in the world and how the region’s politics affect global foreign policy?

Latin America is never a boring area of study because its political and economic swings tend to be frequent and substantial in width and depth. At the same time, deep-seated structural conditions such as entrenched inequality, weak rule of law, and high prevalence of violence and criminality check such swings; the result tends to be more often than not weak progress and prosperity for a majority of the subcontinent’s population.

At the same time, nothing is preordained, so we should not give in to fatalism. Currently, issues such as the most productive way to invest windfalls from the commodity boom of the 2000s; the incredible growth of economic exchange with China and more broadly the Asia-Pacific; the growth of middle class strata in many of the region’s countries; and the continued effort to strengthen political and economic institutions to enhance accountability, justice, productive investment, high growth, and—crucially—fair and significant redistribution to narrow the great inequality gap are all areas that hold promise for major improvements.

Through courses and hands-on experience, including internships and fellowships in Latin America and study trips to China and other countries, students of the Latin American Studies Program bring their education to their practice and careers in investment banking, business consulting, government, diplomacy, international development, and academia, among other sectors.

Francisco E. González, Ph.D.
Riordan Roett Senior Associate Professor of Latin American Studies
The Paul H. Nitze School of Advanced International Studies (SAIS)
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From Terrorists to Nukes: Learn to Defuse Global Threats Before They Happen

The Monterey Institute of International Studies, a graduate school of Middlebury College, offers professional master’s degrees with an international focus. Located in Monterey, California, our campus community represents over 43 countries and 40 native languages. Our alumni, students, and faculty work together to be the solution around the world.

Monterey Institute faculty are leading experts on topics ranging from nuclear nonproliferation to international development to social enterprise. With a student to faculty ratio of eight to one, our faculty personally guide students through their academic and professional development. For our MA in Nonproliferation and Terrorism Studies specifically, faculty and researchers at the James Martin Center for Nonproliferation Studies (CNS) and Monterey Terrorism Research and Education Program (MonTREP) train students to analyze, prevent, and respond to terrorist threats and to stop the spread of weapons of mass destruction.

What is unique about the Monterey Institute’s MA in Nonproliferation and Terrorism Studies?

The specialized focus of this master’s degree enables us to offer in-depth professional training that programs covering international affairs more broadly cannot match.

Students have the opportunity to acquire paid on-the-job training from faculty and researchers at CNS and MonTREP. CNS, founded nearly 25 years ago, with offices in Monterey, Washington, DC, and Vienna, is the largest nongovernmental organization dedicated to education about the proliferation of nuclear, biological, and chemical weapons. MonTREP focuses on the study of violent extremist groups and policy tools for addressing global terrorism.

Our program also offers opportunities to intern at international organizations and U.S. governmental agencies and to network with international policymakers. In 2013, for example, UN Secretary-General Ban Ki-moon gave a major address at the Monterey Institute and praised our nonproliferation and disarmament programs. MonTREP also hosted its second annual student-run conference in March 2014, focusing on counterterrorism in Africa.

How does your program prepare students for their future careers?

Our interdisciplinary program combines policy, science and technology-related knowledge, technical skills, and foreign language proficiency. Our new research center, the Monterey Institute Cyber Security Initiative, also addresses the rapidly growing field of cybersecurity.

Furthermore, faculty members, including myself, have pioneered the use of simulation pedagogy. Students gain valuable professional experience by participating in semester-long treaty negotiation simulations, alongside current diplomats. Last fall, students assumed the roles of delegates to the 2014 Non-Proliferation Treaty (NPT) Preparatory Committee Meeting and negotiated a final document. Several students were subsequently given the opportunity to participate as delegates to the “real world” NPT meeting in New York in April-May 2014.

What types of careers do Monterey Institute alumni pursue?

Many of our alumni—literally hundreds—now work on nonproliferation and terrorism issues for U.S. and other national governments, international organizations, research centers, and private enterprises around the world. Perhaps the best-known CNS alumnus is Ambassador Yukiya Amano, the current Director General of the International Atomic Energy Agency.

This growing cadre of professionals is a tangible result of the Monterey Institute’s commitment to educate the next generation of nonproliferation and terrorism specialists. So widespread is their influence that in Washington, Tokyo, Vienna, Beijing, and many other cities, they are affectionately known as the Monterey Mafia.
Redefining Area Studies in the 21st Century: Perspectives from a Space Security Specialist

What are your current research interests?
The economic and security trajectories in Asia and how they shape the international relations of Asia in the future engage me. My particular focus is on space security and policy.

It was 20 years ago that I started delving into space security and cyber security, a time when not many people paid much attention to either. But today we need to seriously worry about things like militarized space or orbital debris, which can shut down civilian, commercial, and military operations worldwide.

How does the Jackson School's focus on area studies contribute to your research?
The Jackson School is one of the pre-eminent schools that continues to focus on area studies. With our new Ph.D. program, we intend to take these forward under our four innovative thematic fields.

Being at the Jackson School allows me to take on research in a way not possible elsewhere. For example, if we think about space as a global strategic domain, we can compare it with others, such as the Arctic. I can ask, “What is it that will promote responsible and cooperative behavior from Asian governments and other actors in such domains?” The last thing anyone wants is a conflict in outer space.

The Jackson School has one of the only Arctic minors in the country, enabling me to do this kind of comparative research. Our job is to not just look at Arctic studies or outer space in isolation, but to think of them thematically under our broader Peace, Violence, and Security (PVS) field.

How do Jackson School students benefit from its unique offerings?
The students we attract want that area studies focus, but also to be able to place a country in broader thematic concerns: terrorism, space security, ethnic conflict, health, human rights. How does a particular country you are studying fit in with these global concerns? That concrete area focus is what makes the Jackson School exceptional and gives it an edge in connecting to the rest of the academy and the world.

We have a Ph.D. student looking at China’s military diplomacy, for example. Another is looking at ethnic tensions in the Balkans. Still another is studying how social media is changing politics in Japan.

We want students to have the skills that will allow them not just to enter academia, but also to go back into the real world, whether in policy, business, or the nonprofit sector.

How does the Jackson School’s Seattle location benefit your research?
I can be in Japan in about 10 hours! Washington state is a leading exporter to Asia and is cognizant of the fact that Asia is a rising power. That is where the future is, economically, politically, and militarily. Since 1909, the Jackson School has been concentrating on Asia. As an Asia specialist, I feel fortunate to be in a place that has such a long and distinguished history. That is a heritage we want to take forward into the 21st century.
Eric Schwartz
Dean
Humphrey School of Public Affairs
University of Minnesota

Real World Work: How the Humphrey School Program Helps Students Build Bridges from Classroom to Career

Whether identifying strategies to better inject human rights into foreign policy, enhancing capacity of aid agencies to meet the needs of people with disabilities in refugee camps around the world, improving livelihoods in Africa, or assessing water filtration systems in Nicaragua, Humphrey School of Public Affairs students are engaged in professional Capstone and field projects on important global and development issues.

Through these experiences, guided by a dynamic curriculum, and with the active support of a globally engaged faculty, Humphrey School students are trained for careers in foreign policy, global affairs, and international development. The Master of Public Policy (MPP) program includes a Global Policy concentration. A separate Master of Development Practice (MDP) program prepares students for degrees focused on international development.

How do field experiences enhance students’ academic instruction?

It’s about real-world experience. For example, our MDP program is focused on practice and requires students to complete fieldwork in the developing world between their first and second academic years. They learn to combine policy with practice and leave the Humphrey School better equipped to address global challenges.

Tell us about your faculty and their global connections and research.

Humphrey School faculty members are engaged in policy research, planning, and implementation around the globe, on issues ranging from regional security and human rights to sustainability and development. Their work is closely connected to their efforts to support students.

- Professor Brian Atwood, who has served in senior posts at the State Department, at USAID, and at the OECD, has been deeply involved in efforts to promote democratization and reform in Côte d’Ivoire, in Ukraine, and elsewhere, and is actively engaged in training students in foreign policy and diplomacy.
- Through his research and publications and his openGlobalRights blog, Associate Professor Jim Ron is leading efforts to bring the perspectives of the Global South to the international human rights discussion and debate.
- Professor Anu Ramaswami is examining ways of developing low-carbon cities in the U.S., China, and India, and leading students from the Humphrey School and other graduate schools around the country on trips to China and India.
- In collaboration with the Peace Research Institute Oslo and the Heritage Institute in Mogadishu, Assistant Professor Ryan Allen is examining how experiences of the Somali diaspora affect the future of Somalia as many return to their homeland.

As dean of the Humphrey School, how does your professional experience serve the student community?

I came to the Humphrey School after serving in the Obama Administration, as Secretary of State Hillary Clinton’s Assistant Secretary of State for Population, Refugees, and Migration. I’ve also had the honor of serving in a range of other capacities that put me in a strong position to help our students, including in the NGO community, in philanthropic organizations, at the National Security Council, and at the United Nations. I continually draw on those experiences in my teaching and in my efforts to help students find meaningful work after they graduate.
Creating Leaders Who Put Ideas into Action

What initially drew you to study Eastern Europe?
I grew up on an Arkansas cattle farm and was drawn to a place seemingly so different from the world I knew. My first trip abroad, in 1987, was to the Soviet Union, and I was immediately taken with the changes under way there. From that point, I became part of the first generation of American scholars shaped not by the cold war but by the transition away from Soviet-style communism: the miracle of 1989, the turbulent post-Soviet years, the wars in Yugoslavia and the Caucasus.

How important are regional studies in today’s international affairs landscape?
Policymakers consistently say that what they value most are people who know about real places: the languages, the history and culture, the key political players. To me, there is no contradiction between doing all of that well and being concerned with generalization, which is the lifeblood of social science. What regional studies offers is not some mystical connection but rather a commitment to doing work that is up close, values a specific context, and is fine-grained enough to be able to say something that engages the world beyond the academy—whether inhabited by novelists, human rights lawyers, business people, or policymakers.

What drives your research? How do you choose what you want to study next?
The naturalist Stephen Jay Gould said it best: you have to sneak up on your generalizations rather than charge them head-on. I have always been a researcher who likes to find the world in a water drop—to take a particular topic and draw out its bigger relevance. Students are great sounding boards. If you really engage them, it’s likely that you’re onto a topic worth exploring in more detail.

What is the benefit of doing a graduate program in Washington, DC?
The world's greatest library, some of its finest museums and archives, direct access to diplomats from just about every country, and of course the seat of the U.S. government—it’s hard to think of a better place to study. Washington is also a great city in its own right, offering a vibrant intellectual, cultural, and culinary scene that is hidden to most people outside the Beltway. And so many of its persistent challenges—wealth disparities, immigrant integration, ethnic politics—are relevant everywhere.

What makes teaching at Georgetown’s School of Foreign Service special?
SFS alumni can often say they were classmates with a future U.S. president or a future king of Spain, or studied with a best-selling author or a former secretary of state. Any given class might include someone who started a micro-lending program, a diplomat on sabbatical, a demobilized soldier, and likely a future senior U.S. government official. That we have multiple graduate programs and a full undergraduate program—with a rigorous core curriculum, a focus on language learning, and interdisciplinary majors—makes us a rarity.

Students leave SFS with a knowledge base and a worldview that stress adaptability and ethical behavior. The Georgetown ideal of “reflective engagement” means that graduates have superior academic preparation plus a built-in commitment to putting ideas into action.
Can We End Corruption?

Paul Lagunes, an assistant professor of international and public affairs, is a native of Mexico City who earned his BA at Duke and MA and Ph.D. in political science at Yale, where he also spent the 2012–13 academic year as a postdoctoral associate.

What does it mean to study corruption?
First, a little context. My specialty is Latin American politics with a focus on urban corruption, especially as it affects an urban government’s civil servants. My work takes two tracks—uncovering how corruption works on the ground, and figuring out what to do about it, which includes testing mechanisms that may help fight corruption.

You’ve collaborated with two local urban governments in Mexico. What have you found, generally speaking?
Some of the corruption is surprising, if not depressing. Corruption can affect every single part of public administration, from the public cemetery where bodies were disinterred so that the burial space could be reused or sold to turning police cars into unlicensed taxicabs. I was impressed by how many parts of government were affected.

One lesson is that corruption is in equilibrium when you have powerful interest groups, flawed laws, vitiated bureaucrats, a captured judiciary, and a climate of impunity. The climate of impunity is particularly important, because corruption is seldom punished. At most, a corrupt official will be fired, but even that tends to be the exception.

What did you find when you focused on monitoring?
In Querétaro [one of the research sites], the question was what role monitoring can have in fighting corruption. I used a field experiment or randomized control trial to test two versions of the world. In one version, officials know they are being monitored by an independent observer, who’s there to investigate corruption activity. In another version, they don’t know the monitor is in place. This model gives us a glimpse into what the world looks like when we have anticorruption agencies at work, versus not.

There’s an added twist to my work. I show how effective monitoring is with and without the possibility of punishment. The findings suggest that transparency, public scrutiny, even shaming is not enough—the watchful eye must be paired with a cracking whip. If you look at Mexico, India, Brazil, and Peru, all of which are democracies weighed down by corruption, relying on transparency has not been enough. What’s missing is frying the big fish.

Do your findings make you at all optimistic or pessimistic?
It can get depressing, some of the things you find. If a police officer is supposed to regulate traffic and fight crime, I’m concerned when that doesn’t happen because he’s pocketed a bribe. When an official is supposed to regulate construction so buildings are safe, but doesn’t because of corruption, that’s a major problem. These are abuses of public trust that I care about.

I’m conditionally optimistic as long as civil society—the press, academia, and the public—maintains sensitivity to corruption and protests it and demands that things move on the right path. But right now I feel that fight is vulnerable.
Making an Impact in a Changing Global Economic Environment

We are living in a time of extraordinary and rapid change in global economic environments. Many of the fastest-growing economies are now in Sub-Saharan Africa and countries such as China, India, and Brazil are emerging as economic superpowers. The past decade has seen significant declines in maternal and infant mortality. In spite of these improvements, there still are 3.2 million under-five deaths in Africa and 2.1 million under-five deaths in Asia. The decline in maternal mortality needs to be accelerated, we have to work toward an AIDS-free generation, and the increasing burden of noncommunicable diseases must be tackled. The economic crisis has led to a plateau in donor funding and has shone the spotlight on the need to leverage increased domestic spending to meet country health needs.

At the Heller School, our research and academic programs enable students to be effective in this rapidly changing global environment. Our strong focus on social justice ensures that we keep the needs of the poor and marginalized populations in mind.

Economic transition clearly provides a unique opportunity. Can you elaborate more on this?

It is clear that as countries’ incomes grow, health spending increases. This holds true not just for high-income countries but for countries at all stages of economic development. Households invest more in the health of their children, as does society in the health of its citizens. The link between investing in health and economic growth is clear, and countries want to leverage this to accelerate growth. Countries are also demonstrating much greater ownership over their health policies and driving the agenda. All of these are welcome trends.

What are some of the specific challenges going forward?

In most low- and middle-income countries, the burden of out-of-pocket health spending remains high, affecting those in the lowest income quintiles the most. Rapid increases in donor funding have led to a “crowding out” effect, with countries moving scarce resources away from health to other sectors. With increased income, there is pressure to invest in high-end technology and away from primary health care. Finally, it will be quite some time before many low-income countries can pay for health care.

What is the way forward?

We are living in exciting times, with the real possibility of leveraging economic growth to accelerate improvements in the health of those living in low- and middle-income countries. To do so will require recalibrating how we work. There has to be greater accountability, be it at the donor or country level; strong advocacy to ensure that countries invest more of their resources in health; increased focus on improving the efficiency of spending; explicit leveraging of the private sector to partner in addressing these problems; mobile technology and innovative financing to support these efforts; and universal health coverage as a construct to ensure equity. Economic transition means that the dynamics will change rapidly, and unless we change how we do business we will have missed out on this unique opportunity.
Distilling 50 Years of Practical Experience into Global Understanding at The Fletcher School

Dr. Mohamad ElBaradei
Nobel-Laureate-in-Residence
The Fletcher School at Tufts University
Director General Emeritus, International Atomic Energy Agency

What attracted you to Fletcher and what do you hope to gain from your experience as Nobel-Laureate-in-Residence?

For our security, we have to establish global systems based on equity and compassion.

The reality of our world today makes it imperative that we examine issues like increasing inequality polarization and insecurity. All this needs to be probed in an intellectually rigorous setting with the hope to develop a paradigm suitable for the 21st century.

It’s time to take a step back and to reflect, to interact with students and faculty, and to be immersed in a culture of learning. The global student body and its diversity of backgrounds is one of the aspects that attracted me to Fletcher.

What career advice do you have for new Fletcher graduates?

Go after what you think you would love to do. Wherever you go from here—whether in finance, diplomatic or other government service, or at an NGO working on human rights and development—everything you do will be a contribution to a more humane and secure world.

Also, in any field that you enter now, you will need to hone your negotiating skills. Negotiation doesn’t happen in a vacuum, though; it has to be within a framework of law and norms and looked at from multiple perspectives.

The skills that Fletcher’s multidisciplinary education offers have valuable and broad applications in a wide range of careers. The key is to love what you do and always follow your moral compass.
Global Governance Guru

Your research focuses on global governance. Why is this an important field for students of IR?
Global governance is about how well different types of actors—states, international organizations like the UN, nongovernmental organizations like Amnesty International, and the private sector—try to resolve global problems. We study international relations because we want to strengthen cooperation. We can’t do this without a better appreciation of how these actors work (and don’t work) with each other in addressing problems that cross national borders.

How does the School of Diplomacy’s connection with the UN benefit IR students?
Students benefit not only from the internship opportunities afforded across the UN system, but also from the deepening intellectual connections between the school and the UN. We’ll be on the lookout for ways to use the new Center for UN and Global Governance Studies to integrate students into research projects and build a stronger school in the process.

As a 2013 Fulbright scholar, you spent time in Ontario researching international organizations. What issues did you focus on?
International economic surveillance is the subject of the book I’m now writing. In finance and trade, international organizations offer policy advice that encourages countries to adopt reforms. This advice isn’t backed with carrots or sticks, yet it can be influential. Understanding why is the focus of the book.

How is your current research connected to your teaching?
Students leave my courses with a strong sense of how research is conducted and how scholarly practice can lead to policy proposals. I’ve involved students directly in a class project that led to authoring a paper with 25 of them. For the past two years, students in my International Organizations seminar have written papers proposing reforms to various international organizations, eleven of which led to published op-eds.

So your students are proposing new ideas for policy reform. Can they move their ideas and vision forward after they leave Seton Hall?
Absolutely! Mentoring is a lifelong project, and I remain in contact with dozens of graduates. To find your way in the world, you need help. That’s where I come in. I’ve written more than 400 letters of recommendation for students since I moved to Seton Hall in 2006. Some of these students have been recognized by the United Negro College Fund and the Congressional Black Caucus. Some have won Fulbright and Boren Awards for international study. After graduation, they have gone on to work at NGOs in the U.S., Haiti, India, and the Sudan. Recent graduates work at organizations such as the World Bank, UNA-USA, the U.S. Mission to the United Nations, the UN Office for the Coordination of Humanitarian Affairs, the Coalition for the International Criminal Court, the Permanent Mission of the Republic of San Marino to the United Nations, the Louise Blouin Foundation, and the Global Clearinghouse for Development Finance. I have students at the Departments of State, Justice, Energy, Commerce, and Defense. I have first-generation college students working on congressional staffs, and every year we have a small army of students interning at the UN.

Your students are really out in the world making a difference!
Indeed they are.
The DA Faculty—A Premier League of Scholars

The Diplomatic Academy/Vienna School of International Studies boasts an international faculty consisting of university professors from many different countries. A permanent faculty ensures the coordination of the main fields of study—international relations, international economics, international and European law, history—and provides academic counseling to students. Lectures and workshops given by high-ranking diplomats and experts from diplomacy, business, public administration, and international organizations add their special insight to academics at the DA and often serve as inspiration and first contact point for future career planning.

In your experience, what value do experienced practitioners add to academics at the DA?

With my forty years of practical experience in diplomatic service and politics, I know how important it is to give young people not only the knowledge but also the skills needed to contribute creatively to the complex challenges of today’s world. I myself teach a “practical case studies” class in international law. It gives me the opportunity to quickly react to current events and discuss and analyze in-depth cases—like the annexation of Crimea by Russia—with our students the moment they happen.

Why are eminent scholars from abroad attracted to teach at the DA?

There are two main reasons: first, our student body. The DA has a relatively small student body of 175 excellent, hand-picked students from over 40 nations, full of fervor to learn from great minds. They value their teachers as great sources of inspiration and direction. There is a very intimate atmosphere here at the DA. I myself and all faculty members know students by name, know where they come from, who they are, and what they strive for.

The second reason for internationally well-known scholars to be attracted to the DA is the DA faculty itself. Due to our pluridisciplinary curricula, scholars of different disciplines meet at the DA, share their views, brood over solutions to tricky interdisciplinary questions, and sometimes also enjoy discussion about the latest premiere at the world famous Vienna State Opera.

They do so specifically during lunchtime, sitting around our famous “High Table” in the tradition of English colleges and universities in the students’ dining hall. On nice summer days the “High Table” is transferred to the DA Garden. Just to give you an example: during the first two weeks in June, I enjoyed lunch in the company of Ned Lebow (Dartmouth College and King’s College London), Marilyn Young (New York University), Arthur Rachwald (Naval Academy), Jean-Emmanuel Pondi (International Relations Institute of Cameroon), Christian Franck (Université Catholique de Louvain), Laurence Badel (Université de Paris 1 Panthéon-Sorbonne), and the four DA Chairs, Werner Neudeck (economics), Markus Kornprobst (international relations), Thomas Row (history), Gerhard Loibl (internationals and European law). Students also value to have such a company during their lunch hour.

Dr. Hans Winkler is the former state secretary for foreign affairs and was one of the chief negotiators leading to the Washington agreement for compensation and restitution for victims of the Nazi regime.

Hans Winkler
Director
Diplomatic Academy/Vienna School of International Studies

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How does the faculty composition of PSIA reflect innovation in learning approaches and curriculum?

PSIA is a leading professional school of international affairs, where theory truly meets with practice. PSIA students interact with academics of the highest level as well as with leading practitioners who have truly had impact on their field: each group makes up half of the teaching staff. In the classroom are highly distinguished faculty from Sciences Po and from partner universities, as well as leading diplomats, former army generals, development specialists, leaders in the energy sector, writers, directors of international organizations, entrepreneurs, mediators, founders of NGOs, economists, and experts in seven different area studies.

The diversity of our faculty contributes to a very rich experience for our students, most of whom come with prior experience and whose learning curve is exponential.

Any specific examples of practitioners teaching at PSIA and at the forefront this year?

In the upcoming academic year, 350 faculty members will once again join us. Let me mention for example Ambassador Laurence Tubiana (Ph.D.), recently appointed Special Representative of the French Minister of Foreign Affairs for the 2015 Paris Climate Conference, COP21. A professor teaching climate negotiations at Sciences Po, Laurence Tubiana is also the Scientific Advisor of our master’s programs in International Development and in Environmental Policy, the president of the Agence Française de Développement, and the co-chair of the UN Sustainable Development Solutions Network (SDSN) Leadership Council.

At PSIA, we are honored to welcome other remarkable practitioners such as, amongst so many others, Laurence Boone, Economic Advisor to French President François Hollande and who teaches European Economic Policy, Rony Brauman, a co-founder and former president of Médecins sans Frontières (Doctors without Borders, France), the scientific advisor for the Master in Human Rights and Humanitarian Action and who teaches humanitarian crisis response, and Miguel Angel Moratinos, Former Foreign Minister of Spain and EU Special Representative to the Middle East Process, who teaches the practice of diplomacy.

From your perspective both as academic and diplomat, how does PSIA stand today on the world scene?

I am proud to share that PSIA has become a magnet for the best and brightest minds in international affairs. World leaders come to lecture, distinguished professors come to teach, great professionals share their experience, and last but not least, outstanding students apply in great numbers.

Every year PSIA welcomes students from 100 countries, creating a very vibrant and diverse multicultural community.

Along with our professors, I thus have the utmost confidence that our students, past, present, and future, will be joining the ranks of the CEOs, presidents, ministers, entrepreneurs, activists, professors and leaders of international organizations.

Student testimonial:
“I truly feel that so many doors have been opened to me both in terms of opportunities but also in terms of ambitions which previously seemed so out of reach, but are now within reach, thanks to the drive and the encouragement of the PSIA team. I’ve had some really fantastic teachers, and great courses that I would never have been exposed to studying elsewhere.”
— Lucy, PSIA ’2013, Master in International Security, Sciences Po
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The Association of Professional Schools of International Affairs (APSIA) comprises more than 60 members and affiliated programs around the world dedicated to the improvement of professional education in international affairs and the advancement thereby of international understanding, prosperity, peace, and security.

APSIA members work to promote excellence in professional, international affairs education worldwide by sharing information and ideas among member schools and with other higher education institutions, the international affairs community, and the general public.

APSIA.org serves as a clearinghouse of information for prospective students and employers.

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Halfway There

Why the Left Wins on Culture and Loses on Economics

Michael Kazin

Two big and important American social movements, both pioneered by the left, are heading in opposite directions. In recent years, lesbian, gay, bisexual, and transgender (LGBT) activists have scored one victory after another. Homosexuals now serve openly in the U.S. military and can legally marry in at least 19 states and the District of Columbia, and discrimination against them in other areas of public life is rapidly diminishing. At the same time, organized labor—another (at least former) pillar of left-wing politics—seems trapped in a downward spiral. Private-sector labor unions are struggling to survive, and organized public workers have become the villains of choice for numerous governors and state legislators. Understanding why the fates of these two great movements have diverged so dramatically reveals a great deal about the real influence of the left on American society today—and the limits of that influence, as well.

Since its earliest incarnations appeared nearly 200 years ago, the American left has pursued two overarching goals: expanding individual rights for people in historically subordinate roles (such as women, African Americans, and recent immigrants) and creating a new economic and political order based on an equality of outcomes and motivated by a spirit of social solidarity. Leftists, or radicals—the two are historically synonymous—have striven, in short, to realize the promise of both liberty and equality, two of the holiest concepts in the American political tradition. With the help of reformist politicians (often known as progressives or liberals) and, at times, a sympathetic media environment, they have achieved some success in both spheres.

But most of the left’s greatest and most lasting victories have come in the first of these two areas of reform: individual freedom and dignity. Radicals played a vital role in the movements to abolish slavery, gain women the vote, legalize birth control, win civil rights for blacks and Latinos, and affirm the identity of racial minorities. Such now iconic figures as Frederick Douglass, Margaret Sanger, and Betty Friedan began their activist careers in left-wing circles, shunned by respectable opinion and opposed by the holders of political power. But all three are now celebrated for what they did to free Americans from laws and authorities that repressed individual rights.

The left has also found success when it has sought to influence society through culture and the arts, rather than through political activism. For decades, artists, writers, and performers have managed to introduce once radical ideas about race, gender, sexuality, and economic justice into the mainstream, subtly
shifting public views on contentious issues. Employing cultural means has often allowed leftists to sway public opinion about their cause more thoroughly, and to gain ground more quickly, than focusing on political tools alone (and to do so without first winning the support of political elites, a factor usually required for substantive change). In recent years, advocates of individual rights and ethnic identity have been more successful at this endeavor than those who promote greater equality. Americans live, after all, in a libertarian age, when the old labor motto “An injury to one is an injury to all” sounds archaic, if not downright utopian.

LEFT BEHIND
The LGBT movement fits firmly within the pattern of expanding individual liberty through culture as much as through politics. The women and men who formed a homosexual insurgency during the 1960s confronted what they viewed as a repressive status quo. After being fired from his government job simply for being gay, the astronomer Frank Kameny took his case all the way to the Supreme Court, which, in 1961, declined to hear it. Then, with a band of fellow activists, he went on to confront psychiatrists who labeled homosexuality an illness and picketed Lyndon Johnson’s White House with hand-lettered signs demanding full citizenship for homosexuals. At the end of the decade, younger radicals created the Gay Liberation Front as an explicitly revolutionary project, adapting the name from the South Vietnamese guerilla movement the National Liberation Front (which its enemies called the Vietcong). The U.S. organization was formed days after the Stonewall riots, the now famous series of confrontations in Greenwich Village between police and patrons of a gay bar on a sweltering night in June 1969.

“It was a movement for the right to love,” wrote the author Paul Berman in A Tale of Two Utopias, describing the spirit that motivated the struggle for gay rights during its early phase. Before that time, few radicals thought sexual liberty should be a priority; some even opposed it as a form of bourgeois decadence. But LGBT activists gradually gained respect and legal standing by denying that they wanted anything more than the freedom to pursue happiness as they pleased. Critical to this shift was the increasing legitimacy, in law and culture, of the right of all Americans to choose their sexual partners, even if they were of a different race or unmarried. Since the 1960s, a growing number of people have been able to go public with their sexual orientation without the fear of losing their jobs or enduring social ostracism. Popular television shows such as Will & Grace and openly homosexual celebrities such as Ellen DeGeneres, Elton John, and Suze Orman both advance and reflect this transformation.

On the other hand, U.S. leftists pushing for economic equality have run up against higher and more durable barriers. During the nineteenth century, many were active in unions that had few rights that either their employers or the federal government felt bound to respect. Courts often ruled their work stoppages and boycotts illegal, police and the National Guard broke up their mass strikes, and the daily press routinely condemned their leaders as petty dictators out to destroy free enterprise. Indeed,
many of those leaders were attracted to some version of socialism and dreamed of transcending the wage system that placed a majority of Americans at the mercy of a few. The labor unions did not win federal protection for the right to organize until the National Labor Relations Act (known as the Wagner Act) was passed in 1935, and they did not sign up a sizable minority of wage earners until the late 1930s.

Some of the hurdles facing the economic left are ideological: Americans tend to believe that every individual has a chance to succeed in the free-market economy. At the same time, many white Americans have long resisted, explicitly or implicitly, the idea that dark-skinned minorities deserve the same opportunities as whites. Finally, the strong socialist and communist movements in other countries made it easy to condemn homegrown leftists as anti-American. After all, they shared a vision of class equality with Vladimir Lenin, Mao Zedong, and Fidel Castro—even if they disagreed with such ruling Marxists on how to pursue it.

The left’s economic agenda has also faced structural hurdles. The U.S. Constitution deters those who hope to transform society swiftly or thoroughly. A small, largely rural state such as Wyoming elects as many senators as a huge, mostly metropolitan state such as California. And it is exceedingly difficult to amend the founding document, written largely by white men of property over 200 years ago. Moreover, private donations undergird the U.S. two-party system, giving richer men and women, who seldom favor the redistribution of wealth, more leverage than working-class Americans. Finally, the U.S. legal system elevates freedom of contract above all other economic rights, which long frustrated legislative efforts to set minimum wages, ban child labor, and regulate workplaces.

All these factors have placed labor, the pivotal movement for those who yearn for an egalitarian society, on the defensive. In recent years, unions, widely viewed as collectivist, coercive, and class-bound, have had to repeatedly reestablish their right to exist and prove their ability to represent working people. Over the past two decades, thousands of American employees have even been fired for trying to organize, and few employers have been punished for these violations of the Wagner Act, which explicitly banned such “unfair labor practices.” Still fewer Americans even know that these abuses have occurred. Considering society’s current sensitivity to gay rights—news that a prominent figure has used a homophobic slur will flash across the Internet in seconds—the contrast between the health of these two movements looks stark indeed.

There have been significant exceptions to this pattern, of course: moments when millions of ordinary Americans felt abandoned by the economic system and acted on it, allowing the left to grow in size and influence. One such moment occurred in the 1880s, when popular discontent crystallized around a single word: “monopoly.” At the time, the U.S. economy was booming, but the fruits of that boom were being doled out in grossly unequal shares. Companies such as Standard Oil and the Southern Pacific Railroad enjoyed unprecedented market dominance and engaged in flagrant union busting and price gouging. These actions led many citizens to start seriously ques-
tioning a core American credo: that hard work would receive its just reward.

Radicals seized on what was then called “the labor question.” As the journalist Henry George argued in a speech in 1886, “Work is the producer of all wealth. How does it happen that the working class is always the poorer class? Because some men have devised schemes by which they thrive on the work others do for them.” George was the author of Progress and Poverty, a lengthy critique of private landownership that sold more copies worldwide than any other economic treatise in the nineteenth century. In 1886, as the candidate of a local labor party, he was nearly elected mayor of New York City. (A 28-year-old Republican named Theodore Roosevelt finished a distant third.)

In protest and anger, millions of workers during this period waged the most violent mass strikes in American history. In 1886, a strike for the eight-hour workday closed factories and workshops throughout the Midwest. In 1894, workers shut down most of the nation’s railroads; it took thousands of state militiamen and federal troops (and dozens of deaths) to quash the uprisings. The Knights of Labor, the most prominent labor organization of its time, signed up more than one million members—including African Americans and women—before a disastrous strike on the Great Southwest Railroad in 1886 and subsequent internal conflicts tore it apart. The class upheaval frightened Americans, but it also stirred the conscience of many of them, including ministers and theologians who began preaching the ideas of the Social Gospel—a religious movement that argued it was the prime duty of Christians to help end the exploitation and suffering of workers and the poor.

All this tumult helped spur the passage of a wave of progressive legislation in the early twentieth century. Among its fruits were laws providing workers’ compensation, limiting child labor, requiring regular factory inspections, and mandating increased tolerance of unions. But such reforms fell far short of what radicals desired. The Socialist Party, founded in 1901, grew larger than any Marxist party in American history and was able to get elected hundreds of local officials and two members of Congress. But it never approached the size or influence of its counterparts in Europe.

Then, the Great Depression made the old charges about economic injustice sound urgently relevant again. The crisis provided the left with an unmatched opportunity. What made the Depression of the 1930s “great” was that it affected nearly everyone—workers, consumers, investors—and that it lasted for an entire decade. The self-confident, scientific way in which Marxists analyzed the crisis appealed to many journalists and intellectuals struggling to explain the debacle to a bewildered public.

The Communist Party was then the dominant group on the left, a fact that both helped and hindered its ability to aid wage earners. Its activity was inspired by Leninist discipline and fueled by the esteem of belonging to a global movement headquartered in the vast Soviet Union, where the state employed most citizens (although at dismal wages). Party members set up councils of the unemployed and became key organizers in the unions that sprang up in the auto, steel, and electrical industries.
Unlike its historical precursors, however, the Occupy campaign did not grow into a full-scale movement: the protests didn’t last long enough. The fondness of many young participants for what they called “horizontalist” ideas—intended to foster a consensus-based, leaderless revolution—helped galvanize their protests. But those ideas soon ensnared them in endless meetings and battles with the police. Many who camped out in urban parks confused the romantic ideal of autonomous, self-governing communities with a strategy capable of weakening, and even transforming, the corporate order. Labor unions and some liberal Democrats cheered the occupiers and adopted their identity as representatives of “the 99 percent.” But suspicious of existing institutions and intent on keeping their encampments in place, the young radicals did not use that support to build a broad coalition.

More than any white-led group since the abolitionists, the American Communists also dedicated themselves to eradicating racial inequality. But their fealty to Stalin’s leadership made them apologists for his violent dictatorship. Persisting in this viewpoint once the Cold War began essentially terminated the party’s significance in American political life.

Seven decades after the Great Depression, the financial crisis of 2008 and the subsequent deep recession gave radicals another chance to thrust class grievances into the center of public debate. In the late fall of 2011, opinion polls showed that a plurality of Americans sympathized with the Occupy Wall Street insurgency, the wave of sit-ins and street protests that had begun near Wall Street that September. For the first time since the 1930s, the inequality of wealth once again became a passionate cause and an inescapable political issue.
The history of the labor movement traces the limits of the American left, if not its failures. The most that U.S. radicals ever accomplished—at least according to the conventional wisdom—was to scare or pressure the major parties into enacting modest reforms in order to dilute the potential for more radical changes. Some leftists became minor partners in large progressive coalitions, including those that backed Woodrow Wilson’s New Freedom, Franklin Roosevelt’s New Deal, and Lyndon Johnson’s Great Society. Leftists did a great deal of work for successful mass movements but took little of the credit, in part because they feared being rejected or suppressed if they proclaimed their true objectives. Even Martin Luther King, Jr., the most honored movement leader in U.S. history, was careful not to reveal his private belief in democratic socialism, although he did seek to forge an alliance between working-class whites and blacks. In spite of their mighty exertions, American radicals did not merely fail to achieve their ultimate ends (including large-scale wealth redistribution, workers’ control of production and the state, and absolute racial and gender equality). They were also unable to sustain either a mass movement or a political party committed to their goals.

But politics is not the only way to alter the power relationships that shape society. Although American radicals failed to create major change through political action, they have been remarkably successful in spurring such change indirectly, through their influence on American culture. Leftists have been central in introducing now common, if still controversial, features of American life: novels, films, and song lyrics that put forth antibusiness and populist messages; the idea of equal opportunity for women, racial minorities, and homosexuals; the celebration of sexual pleasure unconnected to reproduction; and an educational system that is sensitive to racial and gender oppression and embraces what is now called “multiculturalism.” “The most enduring aspects of a social movement,” the British historian J. F. C. Harrison wrote in 1969, “are not always its institutions but the mental attitudes which inspire it and which are in turn generated by it.”

The roster of radicals who have left their stamp on U.S. culture is long and illustrious. Harriet Beecher Stowe’s fictional exposé of slavery’s horrors, *Uncle Tom’s Cabin*, published in 1852, outsold every other novel in nineteenth-century America. Edward Bellamy, author of the 1888 utopian novel *Looking Backward*, sketched out a future nation run according to Christian socialist principles, nudging countless readers to support labor rights and curbs on private wealth. Woody Guthrie, the bard of Dust Bowl migrants who influenced songwriters from Bob Dylan to Bruce Springsteen, was close to the Communist Party. And the writer Allen Ginsberg, who was gay, used his poetry in the mid-1950s to declare independence from the conformist rigidity that he and his fellow Beats believed was throttling the nation. By winning a well-publicized obscenity trial, Ginsberg also helped convince the courts to abandon their role as moral guardians of the arts.

The cultural contributions of such artists and intellectuals have consistently
proved more palatable to Americans than the political programs of leftist parties and movements. One reason for that gap is the difference in the level of commitment required by each approach. It is easier and often more pleasurable to see, read, hear, or sing a radical message than it is to join a radical party or movement. Oscar Wilde reportedly once quipped that, despite his sympathy for the left, he wouldn’t like socialism because it would take too many evenings. The consumption of culture is less risky and takes less time than active political participation. But over time, such consumption can change attitudes, and new attitudes can lead to new political realities.

A basic truth about the growth of social movements also helps explain why the left has had more luck influencing society through culture than through formal politics. For a political movement to achieve any major goal, it needs to win over a section of the governing elite—and it doesn’t hurt to gain support from wealthy philanthropists, as well. The abolitionists did not succeed in ending slavery until they secured the backing of President Abraham Lincoln and the Republican Party. Industrial unionists did not become a power in mines, in factories, and on the waterfront until the launch of the New Deal. And a civil rights bill that could help break down race and gender barriers in schools and workplaces was not passed until the black freedom movement struck an alliance with the Great Society liberals.

When the left sought to gather support on its own, it was unable to gain even a sliver of national power. But radical ideas never needed elite support to become popular—for that, all they required was an audience. And leftists who were able to articulate or represent their views in creative ways were often able to find one.

**LIBERALISM FOR THE MASSES**

One reason American radicals have been so successful in their use of the arts is that, rather than attack mainstream culture and seek to provide a fully realized alternative, they have exploited the media that most Americans were already consuming: newspapers, radio broadcasts, popular magazines, and film. Ironically, it was the American left’s very inability to create its own durable mass institutions that forced some of its more talented figures to learn how to speak to a much larger audience.

This was particularly true in the twentieth century and continues to be the case today. During the early 1900s, John Reed, who would go on to write the first popular history of the Bolshevik Revolution in English and contribute to radical journals, wrote for mass-circulation magazines such as *Collier’s*. In the 1930s through the 1950s, the singer and actor Paul Robeson, who was also a star on Broadway and at concert halls around the world, frequently donated his talent to numerous rallies organized by pro-communist organizations. Friedan began her writing career as a journalist for a left-wing news service during World War II. Two decades later, she made her name attacking businesses that promoted “the feminine mystique”—but did so in the pages of mass-market women’s magazines and in a book issued by a major New York publisher. Michael Moore began his journalistic career editing small radical magazines in the 1980s,
but his satirical documentaries about major industries and presidential administrations soon began playing at neighborhood multiplexes. All these cultural products appealed to many Americans who otherwise gave little thought to voting for a left-wing candidate or joining a radical party.

A caveat is necessary here. Culture and politics are not separate spheres. A cultural change can have important political consequences. For example, the feminist awakening of the 1960s and 1970s started a process that led to more liberal state-level abortion laws and then to *Roe v. Wade*—as well as to new funding for child-care centers, laws against sexual harassment, and an increase in the number of women running for and winning public office. Conversely, a profound shift in the political sphere can alter private opinions and behavior. The Civil War did away with slavery, which made it possible—albeit through painfully slow steps—to establish a moral imperative to treat blacks and whites equally.

But the radicals who struggled for political power were usually different from the ones who tried to change public opinion through mass media. For most leaders of the organized left, cultural projects were less important than political ones; they were the lyrical icing on the cake of material struggle, and the province of intellectuals, artists, and bohemians.

The irony is that many of the American left’s cultural victories have proved more durable and influential than their political ones. The process of cultural transformation is obviously not as clearcut as that of political change. But culture needs builders, just as mass movements and parties do. And American radicals have always been among the most significant members of the first group, while remaining on the margins of the second.

**UNITY WITHOUT UNIONS**

Today, the American left faces a paradox of a different kind. A majority of Americans embrace some of the changes that radical activists have helped bring about. But most are unaware, at least since the Occupy insurgency collapsed, that a radical movement still exists.

The discourse of politics reflects this invisibility. In current parlance, “the left” includes everyone from Harry Reid, the centrist U.S. Senate majority leader, to Noam Chomsky, the famous linguist and anarchist who is an unstinting critic of U.S. foreign policy.

According to a 2012 Gallup poll, almost 40 percent of Americans hold a positive view of socialism—roughly equal to the share of respondents who said they thought well of President Barack Obama’s performance. Yet this similarity is probably due more to conservative charges that the president’s policies are socialist than to an understanding of the true content of that ideology. It hardly means that a politician who favors collective ownership and management of the economy will ascend to national office anytime soon. Bernie Sanders, an independent senator from Vermont, does occasionally call himself a democratic socialist. But the positions he takes are those of a very liberal Democrat, and he caucuses with the party of Reid.

Left-wing ideas, however, continue to gain adherents, even in the absence of a coherent movement. The growth of
state in the United States. Institutions, both unions and parties, made the difference.

The decline and political impotence of most unions in the United States today have made it difficult to channel mass discontent over inequality into a drive for significant change. The problem is not a lack of ideas. On the contrary: various experts have started pushing for a more progressive tax system, a strict curb on corporate donations to political campaigns, a big boost in the minimum wage, a path to legalization for illegal immigrants, and a redefinition of the right to join a union so as to make it a civil right (which would help prevent employers from punishing workers for organizing one). Most union officials support such reforms and do what they can to lobby for them. But labor and its allies on the left have neither the funds nor the economic leverage to counteract their opponents in the U.S. Chamber of Commerce and among well-heeled conservative political donors.

The weakness of unions matters for another reason: the labor movement was once a vital source of political education. The working-class mobilization of the 1930s was driven, in part, by men and women who had studied history, economics, and the techniques for organizing at such institutions as the Brookwood Labor College, in New York, and the Highlander Folk School, in Tennessee. In the 1950s and 1960s, under the leadership of Walter Reuther (a socialist without a party), the United Automobile Workers ran an extensive program to train its local officials in these and other subjects. That tradition still flickers at Working America, a group affiliated with the country’s largest
federation of unions, the AFL-CIO. The organization schools its three million members in a pro-labor economic agenda and then organizes them to campaign for politicians who support it.

White men and women who belong to unions, the journalist Harold Meyerson has documented, are far more likely to support progressive ideas on a variety of issues and to vote for Democrats than are their nonunion counterparts. That was even true in 2010, when a poor economy helped Republicans capture the U.S. House of Representatives. That year, white voters who lacked college degrees but who either belonged to a union or had a union member in their households were 24 percent more likely to vote for the Democratic Party than those who did not belong to a union or did not have a union household member. (Of course, most African Americans, Latinos, and Asian Americans already supported the more liberal party.)

LABORING FOR EQUALITY

Even if organized labor enjoys a modest revival, ordinary Americans will still need new kinds of institutions that can speak to their economic discontent and offer compelling alternatives to their pervasive cynicism and alienation. The impressive achievements of the LGBT movement were built on just such institutional support. Groups such as the Equality Federation, Freedom to Marry, and the Human Rights Campaign raised substantial war chests and built impressive networks of lawyers to press their demands in courts and state legislatures. The activists also argued a moral case, similar to the one made earlier by the black freedom movement: namely, that extending full civic equality to minorities would make the United States a freer and kinder society for all.

Thanks in large part to the work of those activists, homosexual identity is on its way to becoming an uncontroversial social fact in the United States. To truly appreciate just how much progress LGBT groups have made—and just how far labor unions have to go in order to catch up—consider the cases of Mary Kay Henry and Randi Weingarten, the current presidents of two of the biggest unions in the country. Henry leads the Service Employees International Union, with 2.5 million members, and Weingarten heads the American Federation of Teachers, which represents 1.5 million. Both women also happen to live openly as lesbians, and they have long championed same-sex marriage and antidiscrimination clauses in union contracts.

Their labor unions are among the most controversial ones in the nation. Critics accuse Henry’s organization of abetting voter fraud and beating up workers who decline to join it. Opponents of Weingarten’s federation demonize it for allegedly protecting incompetent teachers and trying to prevent parents from setting up nonunion charter schools. But even the most vitriolic opponents of these unions seldom mention the sexual orientation of the women who lead them. Americans who dislike these spawns of the left, it seems, have moved on, or perhaps back, to other, more winnable causes.
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The Right Stuff

The Reformers Trying to Remake the Republican Party

Byron York

Room to Grow: Conservative Reforms for a Limited Government and a Thriving Middle Class

This past January, Republicans in the U.S. House of Representatives held their annual winter retreat at a waterfront resort in Cambridge, Maryland. Their aim was to debate the party’s 2014 agenda among themselves before committing publicly to any big-ticket proposals. The meeting featured panels on health care, immigration, jobs, taxes, and more—capped with an appearance by the former Notre Dame football coach Lou Holtz, whose rousing speech party leaders hoped would encourage a spirit of team play.

Yet the most striking part of the gathering was a presentation given by Eric Cantor, the House majority leader, who would lose his seat six months later in a stunning GOP primary upset. Cantor’s talk was about connecting with the middle class, and his message should have been obvious: most Americans don’t own their own businesses; instead, they depend on someone else for a paycheck.

This seemed to come as news, however, to the lawmakers in the audience who had swooned over Mitt Romney’s celebration of entrepreneurs during the 2012 presidential election. Many of them still subscribed to the assertion of his running mate, Paul Ryan, that the world was divided into entrepreneurial “makers” and government-dependent “takers.” Cantor told the group, however, that the majority of Americans do not even aspire to start their own businesses; instead, they dream of “a good job with an income that will allow them to support their family.” Cantor went on to chide Republicans for failing to reach out to the vast and troubled middle class, a great number of whom had ended up voting to reelect President Barack Obama in 2012. “We shouldn’t miss the chance to talk to these people,” he said.

The very fact that Cantor felt it necessary to explain such an elementary truth of modern American politics speaks volumes about the present state of the Republican Party. Although the GOP has been successful at the congressional level, its candidates for president have lost the popular vote in five of the last six elections, in large part because they failed to attract many of the millions of voters who are not entrepreneurs. Unless things change, the landscape could look just as bleak in 2016.

Not all Republicans, however, have failed to appreciate the concerns of middle-class Americans. A loose confederation of conservative thinkers and politicians is now developing a new approach based on policies designed to help the GOP reach such voters. These reformers could well save the Republican Party—but first, they need to win over their fellow conservatives.
In May, they released a manifesto of sorts called *Room to Grow*, under the auspices of the yg (“Young Guns”) Network, a group founded in 2011 by Cantor, Ryan, and Kevin McCarthy, who recently took over as House majority leader. The book is a collection of policy proposals by conservative wonks on ten issues: health care, taxes, K–12 education, college, entitlements, jobs, energy, regulation, labor, and the family. That’s a lot of ground to cover, but the fundamental thrust of the book could be summarized in a single proposition: Ronald Reagan is gone. The last truly successful Republican president left office a quarter of a century ago, and yet many gop politicians have steadfastly clung to not only his legacy but his policies as well. “Conditions have changed, often dramatically, and conservatives haven’t changed sufficiently with them,” writes Peter Wehner, a former speechwriter for President George W. Bush, in the introductory essay. “Conservatives need to set aside their habit of speaking as if the very same solutions we offered a generation ago would work equally well today.”

Wehner’s contribution is a brief, poll-based assessment of the realities of today’s economy. Two out of three Americans, he reports, believe they have fewer opportunities to advance than their parents had. Most—59 percent—worry about falling out of their current economic class. And an overwhelming majority believe it is harder to keep up today than it was ten years ago. Yet in response to this challenge, nearly every Republican presidential candidate in 2012 seemed to have the same answer: more Reagan, in the form of lower taxes and less government. The reformers agree that such an approach made sense in the 1980s. But they argue that, some three decades later, it’s high time conservatives offered something new.

**MONEY MATTERS**

Tax policy stands at the center of the reformers’ effort to move beyond Reaganism. It’s the issue that conservatives most closely associate with the Reagan legacy and the one they are wariest of waftling on. After all, the typical Republican still favors tax cuts as a solution to nearly every public policy dilemma.

In *Room to Grow*, Robert Stein, who served in the Treasury Department during the George W. Bush administration, argues that cutting marginal tax rates was the right policy in 1981. At that time, the top rate was 70 percent, a level that stifled initiative, discouraged work, and created strong incentives for elaborate tax-avoidance schemes. But that was then. Now, the top marginal rate is 40 percent, and much of the middle class pays little, if any, federal income tax. Although the wealthy naturally want the government to lower their taxes, doing so is not, Stein notes, “an effective tool for delivering tax relief to the middle class. It does very little to lower their tax bills or improve their work incentives.” He adds, “Having substantially cut top rates in the 1980s, our potential gains from fighting on the tax rate battlefield are now diminished.”

The reform conservatives still believe in tax relief, but they have to figure out how to enact cuts in an age when income taxes are no longer a pressing problem. For Stein, the answer is a new and generous tax break for parents. Reducing burdens on families would
The beauty of this proposal, Stein says, is that it would allow conservatives to offer meaningful relief to the middle class without further reducing the marginal tax rates on rich people who don’t need help—and it would encourage family growth in the process. “Too many free-market economists still consider the economics of the family a sideshow,” he writes. “They say the tax code should be ‘neutral’ about raising children.” But as he points out, “Unwittingly, the federal government has set up programs that deter parenting.”

When it comes to the specifics, Stein favors a proposal put forward by Republican Senator Mike Lee, who has called for raising the credit that families receive for each child to $3,500 per year. If the write-off exceeded the amount a family paid in tax on their income, it could go toward reducing that household’s Social Security tax. Lee would pay for the plan by getting rid of all existing deductions except the ones for mortgage interest and charitable contributions.

not only make life easier for the middle class; it would also end what is in effect a per-child penalty on those raising the next generation. Under existing law, taxpayers receive a credit of up to $1,000 and a $3,950 exemption for each of their kids every year. But according to government estimates, raising a child in the United States today costs around $13,600 annually (before the cost of college).

Particularly when it comes to taxes, not everyone is on board with such policy ideas. Soon after the release of Room to Grow, Kimberley Strassel of The Wall Street Journal pushed back hard, calling Stein’s plan an attempt “to embrace redistribution and lard the tax code with special, conservative-approved
would correct the imbalance between the price of employer-provided insurance, which the government subsidizes, and that of plans on the open market, which it does not. (He would cap the amount of tax subsidy offered to individuals covered by their employers and use the savings to give the same benefit to those without employer-based insurance.) His scheme would also allow for some policies now associated with Obamacare to remain law. Americans who switch jobs, for example, could keep their insurance, and no one could be denied coverage for having a preexisting condition. Finally, Capretta would abandon Obamacare’s detailed requirements on what features various insurance products must offer, giving providers more flexibility to sell the less deluxe plans that some consumers want.

Republican lawmakers have been circulating competing health-care proposals of their own for a while now; Tom Price, the Republican representative from Georgia, recently floated one prominent plan. The Republican Study Committee, a conservative congressional caucus, has put forward another. But the differences among them are not fundamental. If Republicans ever agree on an alternative to Obamacare—and so far, they have not—it will likely look something like Capretta’s.

**ERRORS OF OMISSION**

The good news for the reformers is that feelings are not nearly as strong when it comes to issues on which Reagan provided less guidance. Room to Grow’s chapter on health care, written by James Capretta, who served in the Office of Management and Budget during the George W. Bush administration, stays well within the bounds of right-wing orthodoxy. It closely tracks with a plan put forward in January by Republican Senators Richard Burr, Tom Coburn, and Orrin Hatch. And it builds on the recommendations of a group called the 2017 Project, which is chaired by William Kristol, the editor of The Weekly Standard, a conservative magazine.

All these proposals would repeal Obamacare, and Capretta suggests replacing much of the law with a number of simpler measures. For starters, he
to find a Republican who disagrees with that.

Indeed, apart from taxes, the divisions within today’s Republican Party mostly concern topics that Room to Grow avoids. The manifesto notably lacks a chapter on immigration—a topic for which no single substantive policy proposal could possibly unite the GOP. Its business wing and its donor class, as well as the political consultants who profit off them, strongly favor comprehensive immigration reform along the lines of the bipartisan bill the Senate passed in the summer of 2013. That piece of legislation, and others like it, was based on granting quick legal status to and creating an ultimate path to citizenship for the estimated 11 million immigrants now living in the United States illegally. But unlike the lawmakers and industry leaders who have backed such bills, much of the GOP’s base bitterly opposes any policy involving amnesty, and so far, there has been no way of bringing the two sides together. Room to Grow doesn’t even try.

Nor does the book weigh in on global warming. Whereas the absence of a chapter on immigration suggests that the conflict over that issue is irresolvable, the lack of a chapter on climate change is probably an indication that the reformers, in stark contrast to the liberal policy establishment, just don’t see rising temperatures as an urgent problem. The notion that the future of humankind counts as a second-order issue might drive liberals nuts, but it’s fair to say that even if many reformers believe that human activity is causing the earth to warm, they don’t believe the U.S. and global economies should be turned upside down in order to deal with it.

Just because the reformers steer clear of immigration and the environment, however, doesn’t mean their political opponents will, too. Immigration is guaranteed to be a divisive issue in the 2016 Republican presidential primaries, and climate change will surely come up in the general election. On both issues, GOP candidates will need to have clear, defensible positions. They won’t find them in Room to Grow.

**PARTY BUSINESS**

The reformers face resistance not just from the corners of the conservative world that disagree with them on taxes, immigration, and other, perhaps lesser issues. They are also under attack from those in the Republican establishment who see no need to reevaluate GOP policies. According to this faction, the party doesn’t have a policy problem; it has a messaging problem.

Whether or not that’s true—whether what’s hurting the GOP more is bad policies or poor communication—the cure is the same: a good Republican presidential nominee. A smart, talented, and appealing candidate could convince reluctant politicians to embrace new ideas, pull big donors and grass-roots activists onto the same track, and focus the energy of the party on defeating Democrats rather than fighting among itself. It can be done; in 1992, Bill Clinton dragged a reluctant Democratic Party toward a repositioning that allowed it to win national elections again. It would take a politician of Clinton’s talents to do the same for the Republicans. Whether there is such a person in the GOP at this moment is not clear. We’ll know more in 2016.

Who might such a leader be? From the reformers’ perspective, the best
prospect is probably Marco Rubio, the Republican senator from Florida, who has enthusiastically supported their positions. “Rubio is becoming the early policy leader among potential 2016 aspirants,” tweeted the National Review editor Richard Lowry in June, after the senator delivered a speech on economic reform at Hillsdale College, in Michigan. Rubio, who almost destroyed his presidential prospects by pushing immigration reform, clearly thinks he can use the cause of reform to force his way back to the front of the pack. If New Jersey Governor Chris Christie can’t recover from his current woes, and if former Florida Governor Jeb Bush stays out of the race, Rubio might pull it off. Lee also wants to move the party in a new direction but has shown no real interest in running for president, at least not in 2016. Had Cantor achieved his ambition of becoming Speaker of the House, he would have been a powerful advocate for the reformers, but now he’s out of the game. McCarthy is not known for his interest in policy matters. And it doesn’t look as if other GOP leaders will wholeheartedly, or even halfheartedly, embrace change.

Without a charismatic champion, the reform effort, like virtually every other cause in Washington, could eventually turn into just another business. Although the reformers themselves are generally serious people, with day jobs, who truly want to reinvent the GOP, they are also subject to the demands of the modern political system.

The publisher of Room to Grow, the yg Network, is a nonprofit policy center, plus a super PAC, devoted to electing Republican candidates. Like many of its peers, it spends more on fundraising, salaries, and television ads than it does on developing new ideas. In 2012, it collected over $12.7 million in contributions (it is not required to disclose its donors) and paid its top strategist, the former Cantor aide John Murray, $630,000. The group’s super PAC, the yg Action Fund, raised about $5.9 million in the 2012 election cycle, $5 million of it from the Las Vegas casino magnate Sheldon Adelson. With that kind of money available, organizations tend to focus on perpetuating themselves, even if their original goals fall by the wayside. As the old adage goes, “Every great cause begins as a movement, becomes a business, and eventually degenerates into a racket”—a fate that could await the reformers.

Despite such obstacles, the reformers have already launched the most extensive rethinking of conservative policy in a generation. A broader effort is still badly needed, however, as Cantor’s presentation to House Republicans back in January made clear. That so many GOP leaders still fail to grasp the party’s problem with middle-class voters should worry every committed conservative—and provide more than enough reason for the reformers to keep at it.

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A Woman of the People

Elizabeth Warren and the Future of the American Left

Michael Tomasky

*A Fighting Chance*


Talk of the Republican Party’s internal divisions has become a staple of the American news diet. Battles between the conservative establishment and the Tea Party, over matters ranging from foreign policy to immigration, have played out on cable news channels like movie-house serials. Yet no such internal malady seems to be afflicting the Democrats. That’s not because things are going so swimmingly on the left. After all, the median American household income—the amount earned by the very people the Democrats claim to champion—toaled just over $51,371 in 2012, a staggering 6.6 percent decline since 2000. The Democrats want to deliver more for the middle class, but after more than five years under President Barack Obama, they haven’t.

Luckily for the Democrats, they have reactionary Republicans to blame for their inability to make headway on their top priorities, from creating an infrastructure bank to enacting a carbon tax to raising the minimum wage. But what if the Democrats didn’t have Republican obstructionism to use as an excuse? Imagine if every jurisdiction that could possibly elect a Democrat did so. The party would have 68 senators (as many as President Lyndon Johnson had in 1965) and would hold a veto-proof majority in the House of Representatives. What would the party then pass into law? It would have to prioritize, since the public would tolerate only so much spending on government programs. Faced with such restrictions, the party’s internal fissures—which the Democrats have temporarily patched up to fight the Republicans—would reopen.

Such divides among Democrats are generally not matters of deep ideological conviction, as they often are on the Republican side. There is, for example, no Democratic version of Rand Paul, the Republican senator from Kentucky, steering the party toward exotic ideological shores. The Democrats already underwent their own internal feud of the sort that is currently consuming the GOP, during the presidency of Bill Clinton in the 1990s. They emerged from that experience with a kind of wobbly consensus: that given the raging culture wars, pivoting back toward the center on certain hot-button issues—adding the word “rare” to the standard Democratic rhetoric on abortion and promoting welfare reform, for example—could be useful.

Then, President George W. Bush nudged the Democrats left again. Meanwhile, the gradual leftward movement of U.S. public opinion, compounded by broader demographic changes, permitted
Democrats to take more openly liberal positions on a few controversial issues, such as same-sex marriage and immigration. That landed the Democratic Party of today slightly to the left of where it was under Clinton.

But the party’s approach has remained largely Clintonian when it comes to what matters most: the economy. Obama, in fact, has not departed from Clintonism on the economic front in any significant way. He appointed two former Clinton administration officials to key posts: Lawrence Summers, as director of the National Economic Council, and Timothy Geithner, as treasury secretary. And he settled for what many liberals saw as a measly $800 billion stimulus, nearly 40 percent of which took the form of tax cuts. On some questions, Obama has even tacked slightly to Clinton’s right. In 1993, for example, Clinton raised taxes on annual incomes above $115,000 (around $189,000 in today’s dollars). Obama drew his line at $250,000 while campaigning, but in the deal he struck with Republicans to avoid a U.S. government default in 2012, he ended up settling for $450,000. The progressives who had lost the economic argument within the Democratic Party during the 1990s drew the short stick yet again.

Obama’s right turn was likely a product of simple political fear. Most Democrats are still afraid to openly advocate raising taxes, and that is an understandable reflex. Yet in poll after poll, majorities have expressed support for typical Democratic policy goals even if they would result in higher taxes—or, in the case of policies to combat climate change, higher utility bills. In a September 2012 poll commissioned by the National Academy of Social Insurance, a solid majority of respondents even said they supported raising the federal payroll tax—on themselves—to avoid cutting Social Security benefits. But Democratic congressional candidates, incumbents and newcomers alike, are too concerned about the flood of conservative attack ads that a pro-tax position would invite.

This is the source of the real fissure that divides Democrats today: the split between the party’s rank and file and its donor and policymaking elites over economic issues. As polls suggest, ordinary Democrats overwhelmingly support paying higher taxes to advance progressive policies. But the elites regard such a posture as too left wing. Until recently, the Democratic masses were starved for a spokesperson, a leader unafraid to challenge elite assumptions. And in Massachusetts Senator Elizabeth Warren, they have found one.

**HOME EC**

Warren has rocketed to stardom because she can articulate in a few short sentences what millions of American liberals feel. Warren also speaks to some significant number of others who wonder why they struggle to pay their bills while the country’s wealthiest one percent search for the perfect Balinese sea salt. That frustration forms the subtext for Warren’s most famous lines, some of which she delivered to a living room full of supporters in 2011:

> There is nobody in this country who got rich on his own. Nobody. You built a factory out there? Good for you. But I want to be clear. You moved your goods to market on the roads the rest of us paid for. You hired workers the rest of us paid to educate.
did, however, pipe up at one crucial moment in his daughter’s life, when Betsy was in high school. One night, the girl cautiously broached the topic of college at the dinner table, only to have her mother insist that the family couldn’t afford tuition. Her father, however, interjected: “Let her try, Polly.” Warren ended up getting a full ride to George Washington University.

Instead of ascending to the ranks of the ruling elite, however, Warren left college in 1968 after just two years, to marry her high school boyfriend, Jim Warren—whom she divorced ten years later but whose surname she still carries. Given the tumultuous events of the late 1960s, one of the book’s biggest gaps is its lack of discussion of how Warren engaged with the world during those formative years. Readers never find out whether she protested against the Vietnam War, cried over Robert Kennedy’s assassination, or listened...
Michael Tomasky

endlessly to the Joni Mitchell album *Blue*. Instead, they learn a lot about Warren’s domestic life and how she came to develop a passion for the issues that motivate her today: namely, what one might call household economics, with particular attention to bankruptcy, and the travails of the middle class.

After Warren gave birth to her first child, Amelia, she started law school at Rutgers. Her mother fretted that she was becoming “one of those crazy women’s libbers.” After earning her law degree, Warren wrote to the University of Houston Law Center blind; there turned out to be a job opening. Jim arranged a transfer to Houston, and the couple moved.

In contrast to many political aspirants who emerge from the legal world, including Obama, Warren was not taken with constitutional law and other abstract matters. Instead, this daughter of near poverty “headed straight for the money courses” because she “loved the idea of mastery over money.” Her fascination with money led to years of groundbreaking research on bankruptcy that challenged several old-school assumptions about who declares bankruptcy and why, and it won her the recognition that led to tenure at the University of Pennsylvania Law School and Harvard Law School—and, eventually, to the government appointments in Washington that first gained her national prominence.

CHANCE GAME

*A Fighting Chance* is organized into six long chapters. The last four are the most relevant to the typical reader: they dwell on Warren’s experience overseeing the Troubled Asset Relief Program (TARP), through which the U.S. government unburdened the country’s largest banks of their toxic assets, in 2008–10; the genesis of the Consumer Financial Protection Bureau (CFPB), a government agency that Warren first promoted in 2007 and helped launch in 2010; and her Senate race. Here, Warren gets to the meat of her story and to the kind of dishy details required of any proper (and marketable) political memoir. Warren hasn’t included such anecdotes, however, simply to boost book sales. Her narrative has an obvious political point: to distinguish her from the party establishment.

She recalls, for example, that Summers invited her to dinner soon after she arrived in Washington, in April 2009. She appreciated his directness, she says—to a point. Toward the evening’s end, with the table “strewn with bits of food and spilled sauces,” Summers offered an explanation of how Washington worked. “You can be an insider or an outsider, he told Warren. Outsiders could say whatever they pleased, but insiders wouldn’t take them seriously. Insiders, on the other hand, got access—provided they didn’t criticize their fellow insiders. “I had been warned,” Warren writes.

Journalists have long painted Geithner as Warren’s nemesis while she was overseeing TARP, and she does little in this book to alter that perception. She clearly saw Geithner as too secretive and too tilted toward the banks. She was dismayed by the gap between the energy the Treasury Department devoted to saving the banks and its seeming nonchalance when it came to helping ordinary people on the verge of losing their homes to those very same banks. “After the rush-rush-rush to bail out the big banks with giant buckets of money,” Warren writes, Geithner’s response to
Finally he said: “You’re jamming me, Elizabeth.” He urged me not to overplay my hand.

Got it.

Our conversation was going nowhere—this just wasn’t going to work. Then he said: “Sometimes you have to trust the president. Let me work this out.” He pronounced each word separately: “Let—me—work—this—out.”

Warren did end up effectively running the CFPB on an interim basis. But Obama and Warren both knew that she would never win Senate confirmation to become its permanent head. Ultimately, she served as a handy bargaining chip: Obama agreed not to name her, and Republicans agreed not to filibuster the candidate he did name, Richard Cordray, a former attorney general of Ohio.

Being spurned in this way by the Washington establishment only helped transform Warren into an object of liberal adulation. When discussion in Massachusetts turned to finding someone to unseat then Republican Senator Scott Brown, despised by the left because he was occupying Kennedy’s old seat, Warren was a natural choice.

The campaign was rocky for a while—and was almost knocked off course by allegations that Warren had exaggerated the extent of her Native American heritage while applying for jobs. But the race was a perfect setup for Warren. Brown was one of Wall Street’s favorite senators, which gave Warren ample opportunity to draw a stark contrast between them. The polls were neck and neck for most of the race. Yet in the end, with turnout at 73 percent, Warren won by nearly eight points.

We pushed back and forth for an hour. Twice his assistant came out to remind him about his next meeting.

the housing crisis “seemed designed to deliver foreclosure relief with all the urgency of putting out a forest fire with an eyedropper.”

But Warren also finds cause for optimism in the Washington of which she is now a part, and her account of the creation of the CFPB provides evidence that a controversial bill can still become law. She recounts meeting with Ted Kennedy, the late Democratic senator from Massachusetts (whose seat Warren now occupies), who immediately rounded up several colleagues to announce their support for the idea at a press conference. (Her typically goofy, earnest rendering of her reaction: “I was goose-bump excited. Wow!”) Afterward, she went to see Representative Barney Frank, also a Democrat, in his disorderly apartment in Newton, Massachusetts, who explained to her all the political reasons why Congress wouldn’t authorize the CFPB but then agreed to support her—and ultimately championed the cause with his colleagues.

In 2010, after Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which created the CFPB, Obama invited Warren to the White House. As the two of them sat outside in the sweltering September heat, Obama told her she could help set up the bureau, reporting to Geithner. But he gave her no guarantees about “what my specific role would be or how long I’d be around to do it,” she explains. Warren, rejecting the prospect of insider status without actual influence, promptly turned down the offer:
STAGE LEFT

As a senator, Warren has done exactly what she advertised: she focuses on those households making $51,371 or less. And since the Democrats’ donor class remains wary of her, she hasn’t sought its sign-off on her efforts to increase funding for science research or to require banks to provide fairer student loans.

Talk of her becoming president will probably remain just talk: Warren is 65 years old and has suggested that she won’t run if Hillary Clinton does. Since a Clinton run seems likely, it may never be in the cards for Warren to have a shot at the presidency. But her gravitational pull within the party will remain strong, and her influence on Clinton could be immense. Warren commands such a loyal following that she doesn’t even need to be a candidate to nudge Clinton to the left. Many journalists already call the more populist faction of the Democratic Party “the Warren wing”—such is the level of authority she’s attained in just a few short years. Anything candidate Clinton proposes that falls under the general category of family economics will need to get a thumbs up from Warren. And any hint of Warren’s disapproval could cause Clinton considerable grief by attracting the suspicion of the party’s liberals. But Warren could also be a great asset: Clinton would have no better advocate with the progressive crowd than Warren.

Whatever happens in the realm of presidential campaigns, though, the Democrats’ commitment to fiscal centristism is already slipping. The party won’t likely make a clean break, however—more of an incremental pulling away. The Democratic Party remains large and ideologically diverse, and many of its members don’t necessarily identify with such liberals as Warren or the Ohio senator Sherrod Brown. But even a gradual shift could wind up establishing a line separating before and after similar to the one that exists, at least in Republican minds, between the pre-Reagan and post-Reagan eras. Warren could play a central role in determining if and when a new era of Democratic politics emerges, and she could even lend it her name.

More broadly, how will the divide between the party’s rank-and-file progressives and its more pro-business, centrist establishment play out? That will depend to a considerable extent on what happens in the 2016 election. If Clinton wins the White House, she will probably be able to maintain a rough consensus by shifting a few ticks to the left on some household economic matters—backing a modest program for paid family leave, say—while still trying to make sure that Wall Street knows she’s no lefty. Clinton understands that the liberal wing is now more powerful than it was in 1992, and, within limits, she would respond to their demands accordingly.

If a Republican wins, however, then the two Democratic camps will likely revert to the kinds of recriminatory debates that they carried out during the Reagan era and after the 2000 election. And in both of those cases, the centrists basically won. ✽
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## ESSAYS

Putin’s taking of Crimea should have come as no surprise. After all, the West had been moving into Russia’s backyard and threatening its core strategic interests.

– John Mearsheimer

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C
onceived at the 1944 Bretton Woods conference to help rebuild postwar Europe, the World Bank has expanded over the ensuing 70 years into a global organization dedicated to promoting economic growth and reducing poverty—goals it aims to meet by giving the billions of dollars in gets in contributions from developed countries to developing ones in the form of loans and grants. In 2012, U.S. President Barack Obama broke with tradition by nominating Jim Yong Kim to serve as the institution's president. Unlike his predecessors, Kim came not from the world of finance, economics, or politics but from that of public health. Trained as an anthropologist and a physician, Kim co-founded the nonprofit Partners in Health in 1987, gaining renown for his work on drug-resistant tuberculosis. He then directed the HIV/AIDS Department of the World Health Organization, taught at Harvard Medical School, and served as the president of Dartmouth College. Kim spoke with Foreign Affairs deputy managing editor Stuart Reid at the bank's Washington headquarters in June.

What are the major challenges to economic development, and what is the World Bank doing about them?

We’ve set two goals: ending extreme poverty by 2030 and boosting shared prosperity. How are we going to get there? Generally speaking, it divides into three main categories. One is economic growth. If you look at the greatest achievements in lifting people out of poverty, China, almost through brute economic growth, lifted 600 million people out of poverty. The second big block is investment in human beings. In other words, making sure that the poorest people have some kind of income or sustenance to be able to consume and, potentially, participate in economic growth. And a third category is social protection. There are some governments that found that even if you’ve had a tremendous amount of success, if you have a little bit of a downturn and you don’t have that safety net in place, people plunge right back into poverty. This happened in South Korea in the late 1990s.

If those are the strategies generally speaking, how can you help countries go down that path? In 1990, East Asia, South Asia, and Africa all had the same percentage of people living in extreme poverty: 55 percent. Now, East Asia is at ten percent, and South Asia has gone down to 30 percent. In Africa, it’s still 55 percent. Why did we succeed in East Asia, and why are we falling behind in Africa? This year, we’re going to be lending over $60 billion. That seems like a lot of money, but every year,
sub-Saharan Africa requires about $100 billion in new investment in infrastructure. Just the BRICS countries [Brazil, Russia, India, China, and South Africa] need about $1 trillion. All official development is about $130 billion. Even all that assistance is just a drop in the bucket. So our most critical role is to say, “Here’s what we’ve now learned over 70 years about why countries grow and why countries grow in an inclusive way.”

Is one way of figuring out how to spend that money through such things as randomized control trials?
Absolutely. We have a whole group engaging in randomized control trials. But that’s only one part of it. Randomized control trials tend to ask very focused questions: In this particular setting, is this intervention better than that intervention? These kinds of insights help shape the direction of our lending. But what we’re doing now is something that’s really quite unique. Every single time I’ve ever done a project in a developing country, I thought someone had solved this problem somewhere, but I didn’t know how to get to them. In the private sector, companies have experts running all over the place figuring out the details of how to solve particular problems, and then they share them with the rest of the organization. But in global health, global education, or global development, that’s been really difficult to do.

What we’re trying to build at the World Bank is, for example, an energy group. We brought all the people working on energy together into one technical group that can say, “OK, your problem is building solar-based or wind-based micro- or mini-grids to supply electricity to villages in India or in Africa.” They have to ask the question, Where has this been done better than anywhere else in the world? We’ve done that at our best. With conditional cash transfers, pioneered in Brazil and Mexico, we’ve been able to spread that particular intervention to 40 other places. We want to capture, curate, and then spread great solutions that don’t spread on their own.

Let me give you an example. Probably the best-functioning health institution I’ve ever seen is based in India. It’s called the Aravind Eye Institute. They are the best at doing cataract surgeries and a lot more. They do it for a tiny fraction of the cost in the developed world, and their outcomes are just as good. There are lessons there for every health-care system in the world, even for the U.S. health-care system. Who’s in charge of capturing that experience and making sure that it spreads to other parts of the world? Universities can’t really do it, because professors have to do their studies and publish their papers and get tenure. That’s who we want to be.

The critique of your reform is that you’re empowering the issue experts at the expense of the regional experts. And when it comes to development for any given country, the most important thing is to get the government to buy into the plan. Don’t country experts know better than issue experts what will work in a given place?
This is a huge misconception. Our footprint in the countries has not changed, even a little bit. The difference is that now, when there are road experts in a particular country, they’re going to be part of a group that includes every other road expert in the world. The fear from
the beginning was that all these technical experts would parachute in and try to sell their goods. We just had a three-hour meeting this morning where we looked at the situation in each different region and asked, “How’s it working? Are people parachuting in?” And believe me, if the technical folks want to take over the relationship, I will hear about it. We were functioning almost as six regional banks. It’s very difficult to take an organization that was so siloed and turn it into an organization that collaborates.

**Is that why there’s so much grumbling?**
There’s grumbling for lots of other things. We’re also going through an expenditure review, and there’s grumbling about parking, and there’s grumbling about breakfast. But it’s a culture change that everyone in the organization told me was necessary. We’ve got to move from a siloed system, where everyone is afraid to take risks and everyone pushes the decision up to the next level because they don’t want to get in trouble, to one in which everyone sits at the table and we actually collaborate.

**You’ve focused a lot of the World Bank’s energy on eradicating extreme poverty. What about the moderately poor? What’s your strategy for creating opportunities for them and, more broadly, the general process of economic development?**
This is exactly the question we’re asking right now. And that’s why having these two separate goals is so important: ending extreme poverty in 2030 but also boosting shared prosperity, specifically, trying to make sure that the bottom 40 percent participate in economic growth. It’s pretty straightforward. We’re going to follow the income growth of the bottom 40 percent and compare that to the growth of the entire economy. My own sense is that the goals are going to overlap a lot, that we’re going to be able to suggest infrastructure investment strategies, for example, that both provide a foundation for strong economic growth but also lead to greater inclusion.

Let me give you one example. We just put out a study that said that if India builds 1,000 kilometers of bus rapid transit, this would create 120,000 jobs, save lives from both reduced pollution and reduced road traffic accidents, and contribute to the growth of the Indian economy. We should be the ones who find those twofers or threefers.

**How much do you worry about inequality? If everyone’s better off than they were before, why does it matter that some are even better off?**
The world has changed. Even very poor people are more empowered and demanding more. This is happening everywhere. Even in places like Brazil, where the last two governments have been so committed to reducing inequality, there were protests last summer. It’s just a political reality for leaders that they’ve got to pay attention to inequality.

Then, we have this phenomenon of the Thomas Piketty book [*Capital in the Twenty-first Century*]. It’s a 700-page book. But there’s literally one page—and I’ll give you the page number—in which he says there are two forces that have led to decreasing inequality, both within and between nations: one, the diffusion of knowledge, and two, investment in people, especially in training and skills. His policy conclusions—a
global tax on wealth and increasing the top tax rates—have been very controversial, but there hasn’t been much of a real attack on his methods, his conclusions. People generally agree that \( r \) is greater than \( g \)—the return on wealth is greater than the growth of the economy—and therefore, those who control wealth will always get richer, and those who depend on the growth of the economy and their salaries increasing will always be poorer compared to the rich.

But one page suggests that the diffusion of knowledge and investment in people can actually change the formula. Well, I called Thomas, and I said, “We only see that on one page.” He said, “We just don’t have a lot of data on that, but that seems to be the case.” So I said to Thomas, “Then don’t institutions like the World Bank have an incredibly important role in boosting greater inclusion by ensuring that knowledge diffuses even more quickly, that we find even better ways in investing in people to improve their skills and their productivity?” And he said, “Yes, that is one of the potential conclusions of the book.”

The reality of global market capitalism is with us. The Chinese Communist Party and the Vietnamese Community Party embraced global market capitalism fully. So if the way to move this seemingly inexorable drive toward greater inequality is by diffusing knowledge and investing in people, then that is a huge part of our role.

**Let’s talk about democracy. Do economic growth and political openness go hand in hand?**

The Articles of Agreement of the World Bank prohibit us from interfering in the domestic politics of another country. We are supposed to be apolitical. In terms of democracy, the way that we come at it is that we look specifically at how various systems are functioning. So we do a lot of work on helping countries put effective judicial processes in place. We spend a lot of time focusing on how governments deliver services. We spend a lot of time thinking about openness. In terms of democracy itself, there are different definitions of what that means. We, generally speaking, are for rule of law. We encourage governments to be as open with their data as we are. We think it’s extremely important to have lots of feedback and input from civil society organizations. Something broad like, Does democracy lead to growth?—these are very difficult questions to answer. It’s almost academic.

**So what do you do when a country embraces economic reform but not political reform?** China, Singapore, Ethiopia, Rwanda come to mind. Should the bank have a mandate to promote democracy?

The great strength of the World Bank Group is that no matter the political situation in a particular country, as long as they’re in good standing, we try to maintain a relationship so that we can continue to work. Part of the thinking is this: if, in fact, political instability and conflict, for example, are related to poverty, then it’s better to try to address the problem of poverty even while there are regimes in place that some of our members might disagree with.

We’re trying to thread a needle here. We’re trying to keep our operations going because even inside governments that some have critiqued severely, there are still poor people. There are still needs...
for infrastructure and there are still needs for health care and education. There are countries that are not actively working with us right now. Venezuela is not actively working with us right now. North Korea is not a member of the World Bank Group. But our role is to remain ready to work with any of them, as long as they abide by our rules. For example, we keep good relationships with both Ukraine and Russia right now.

Does the World Bank try to protect human rights?
Human rights specifically is not part of our mission statement, as it is written right now. But what are the other things that are part of our values and our mission that I work on every day? Gender equality is now very much on our agenda. Fighting discrimination was not necessarily in the original Articles of Agreement, but it’s something for which I have very strong support from my board. You may have heard about the Uganda case [in which the government passed an anti-gay law]. Not only did I make my own personal view on discrimination known, but we delayed a specific loan because I wasn’t convinced that that loan would not lead to discrimination or even endangerment of the LGBT community.

Should you refrain from praising autocratic leaders who have presided over economic growth?
First of all, the definition of autocratic leader differs from person to person. But we have criticized leaders for choices that they made that we thought were bad. In the case of Uganda, I was pretty specific. At the same time, I have praised those same leaders for decisions...
they have made that are good. The important thing for me is to not be seen as politically partisan. Our mandate is economic growth, ending poverty, boosting shared prosperity. As long as I focus on those areas, then I can do a lot. But the minute I move into the realm of deciding whether a leader is autocratic or not, deciding whether human rights have been violated or not, I’m actually moving beyond the Articles of Agreement. I can do that when I become a private citizen, but I cannot do that now. I probably would lose my job.

Should emerging countries have more influence in the Bretton Woods institutions, of which the World Bank is a part? The Bretton Woods institutions were started as a banking cooperative. The decision early on was that the voting shares would be based on original investment and investments over time. The voice from the developing countries is higher in the World Bank Group than, say, the IMF. The IMF is trying to move in the same direction, but they’ve been thwarted.

By the U.S. Congress [which blocked a reform package].
Well, yeah. But there’s no question that the movement has been toward giving developing countries greater voice. In the last IDA [International Development Association] replenishment—our fund for the poorest countries—both China and India played a much larger role than they did before in providing these funds for the poorest countries.

This is something that has to be decided by our board members. It’s an intense and difficult negotiation, with a tremendous amount of jockeying. The ones who have the position they now have don’t want to give it up. The countries that are growing rapidly want a greater share. At the end of the day, the decisions have consistently moved toward giving greater voice to developing countries. Will that keep happening? I suspect it will.

Is it time to allow someone who’s not a U.S. citizen to head the World Bank? Is it time to allow it? You bet. And that’s what actually happened. I know there’s been a lot of talk that this wasn’t a real election. Well, it felt like a real election to me. [Then U.S. Treasury Secretary] Tim Geithner told me from the very beginning, “Jim, it’s different this time. You’re gonna have to get on the road, and you’re gonna have to make the case.” And I did. I visited 35 countries. I went to the African Union. I went to the Ethiopian government. I was running like crazy from the time of the nomination to the election, and it was not a unanimous vote. There was an extremely credible, very accomplished candidate that I was running against.

But at the end of the day, I feel like I won the election. You can analyze why I won the election all kinds of different ways, but I have very clear ideas about what it’s going to take to end extreme poverty and to share prosperity. In fact, this is what I’ve been doing my whole life. I feel like I’m here for a reason.
Trinidad & Tobago
IGNITING AMBITION

How is Trinidad and Tobago to be perceived by domestic and international investors?

Trinidad and Tobago is a highly industrialized economy; the metropolis of the Southern Caribbean. Our oil and gas sector has made us an economic powerhouse in the Caribbean with one of the highest GDP rates in the region. When my Government took office we began by forging new partnerships with the world’s emerging economies, continued to deepen South/South cooperation and enhanced our trading relationships with Brazil, India and China, as well as several Latin American countries. Trinidad and Tobago is fast becoming a major player in the multilateral trading system with one of the highest Foreign Direct Investment (FDI) rates in Latin America and the Caribbean.

What is your Government’s strategic plan to diversify the economy away from oil and gas?

We have been fortunate to be resource rich and enjoy the opportunities created from our hydrocarbon resources. We will use the wealth derived from our energy-based economy to fuel the transformation to a diversified, knowledge-intensive economy, open to the new technologies and thinking that are driving innovation and development. Diversification is the key to our continued economic growth and several priority sectors have been identified for development and investment including: information communications technology, light manufacturing, clean technology, maritime industries and logistics, creative industries, tourism, agribusiness, and financial services. We will implement this diversification strategy through the encouragement of direct foreign investment into these areas as well as local and foreign private/public-sector partnerships.

What are the main intersections of economic interest between Trinidad and Tobago and US investors?

Trinidad and Tobago currently ranks sixth in the world for LNG exports, and provided 50 percent of all United States’ LNG imports in the 2011/2012 periods. The country is also the world’s leading exporter of ammonia and methanol from a single site and produces liquid ammonia for the United States market.

What is your message for the international public?

The Government of Trinidad and Tobago continues to look for strategic opportunities to build a more diversified and internationally competitive production base. Trinidad and Tobago is already geographically positioned as an excellent investment site to international investors. As part of the Caribbean Community (CARICOM), investors may access many regional markets through a number of bilateral trade agreements between CARICOM and such countries as Venezuela, Dominican Republic, Colombia, Cuba, and Costa Rica. A strong, stable democracy, a skilled workforce, a vibrant financial system, duty exemption and tax-free holidays all combine to make Trinidad and Tobago the destination of choice for the discerning investor.

The Human Imagination at Work  Driving Competitiveness  Powering Innovation

VIII  AMERICAS COMPETITIVENESS FORUM  Trinidad & Tobago 2014
Come and be a part of this

Sponsored Section
What are the comparative advantages of Trinidad and Tobago in the Caribbean region?

Trinidad and Tobago has several advantages over neighboring Caribbean Islands from the perspective of doing business. We have very cheap energy sources as an oil and gas-based economy. The cost of electricity in Trinidad is about 3.5 cents per kWh while in Jamaica it costs about 40 cents. Our strategic geographical location as the southernmost island, acts as a gateway to North and South America; with developed shipping links and numerous bilateral agreements, it is ideal for companies wanting to do business in South, Central and Latin America. Trinidad and Tobago also boasts a 98.8-percent literate, English-speaking population, that can easily be trained and a government that will continue to provide the enabling environment and the stable economic climate conducive to maximizing our investment potential.

Trinidad and Tobago remains an oil and gas dependent economy. What are your plans to diversify the economy and exports?

Realizing the need to be less reliant on the fluctuating prices of our abundance of oil and gas, we are diversifying into strategic areas like financial services, ICT, tourism, the creative industry sector and agro-processing.

Located between Brazil and the U.S., Trinidad can become a maritime hub and offer transshipment port and drydock services. Over 60 thousand vessel voyages take place just 25 nautical miles outside our coast, passing by Trinidad because we do not have the appropriate facilities. Once we develop these facilities, we will be able to attract a great deal of traffic.

We are also developing our downstream energy services. Already the largest provider of ammonia and methanol from a single site to the U.S., we aim to create a cluster of industries that will utilize raw materials from the oil and gas sector to manufacture different downstream products like plastics and paints.

“We have to create a favorable environment to convince investors to come to Trinidad and to set up manufacturing hubs here for the wider market of 600 million people of South, Central and Latin America.”

Vasant Bharath
Minister of Trade, Industry, Investment and Communications

You came to the Ministry with the ambitious goal to make doing business in T&T easier. What are your objectives, your progress and your accomplishments so far?

The ability of any economy to generate sustainable wealth rests in its ability to be more productive and internationally competitive. Trinidad and Tobago is now placed 66 out of 189 countries in the World Bank’s ease of doing business 2014 rankings. My objective is to rank within the top 20 destinations in the world for ease of doing business, within three years.

Our government has cut the red tape, simplified procedures and provided sufficient incentives to attract investors. Our new motto is “moving from red tape to red carpet.” Through TTBizLink, a Single Electronic Window (SEW) for trade and business facilitation, individuals can now access over 20 e-services of the Government. This IT platform has been such a success that Trinidad and Tobago received international acclaim with a first-place award in the 2013 United Nations Public Services Awards, in the category “Promoting Whole-of-Government Approaches in the Information Age”.

We have to create a favorable environment to convince investors to come to Trinidad and Tobago to set up manufacturing hubs here for the wider market of the 600 million people of South, Central and Latin America. We are dedicated to improving the ease of doing business, embracing investors, highlighting opportunities and creating incentives that will allow investors to come in through our free-zone environment.
Never a Better Time, Never a Better Place:

INVEST IN
TRINIDAD & TOBAGO
TODAY

Trinidad and Tobago welcomes investment. Our twin-island paradise offers an energetic marketplace with enormous potential and opportunity for growth in several sectors including:

- Agribusiness • Clean Technology • Creative Industries • Downstream Energy • Financial Services • ICT • Manufacturing • Maritime Industries • Tourism

For an investment opportunity listing please contact us:
InvesTT Trinidad and Tobago
tel: + (868) 638-0038
dess: + (868) 675-9125
eemail: info@investt.co.tt
web: www.investt.co.tt
STREAMLINING INVESTMENT

>> Mrs. Kristine Gibbon-Thompson, Chairman of InvesTT Trinidad and Tobago

InvesTT Trinidad and Tobago is the blueprint for a comprehensive, synchronized approach to investment promotion and servicing investors, a strategy eagerly embraced by Mrs. Kristine Gibbon-Thompson. What is the vision for creating a streamlined approach to investment development?

Different agencies have been established to manage direct foreign investment including National Energy to manage energy investment, the Tourism Development Company to manage tourism and the International Financial Centre to attract financial services investment.

The key to promoting Trinidad and Tobago as an attractive investment destination is the ability to respond quickly to investment opportunities and to remove the obstacles in the system that slow down the decision-making process.

This Government determined that deals were not being closed fast enough and opted to have a single point of contact who would then allocate and direct investment enquiries to the specific Government agency.

InvesTT has become a one-stop-shop integrating human points of contact known as ‘account managers’ at every level to assist and support foreign investors in making contacts and building relationships.

Is there a minimum investment required and are local companies able to use the services of InvesTT?

This fast track service is also available to local companies who invest upwards of US$1 million or create at least 25 new jobs. InvesTT has also created a special dispensation for projects that do not meet the criteria but are deemed strategic in value to the country. The Agency will make an exception on merit, but all decisions are primarily based on capital investments.

What major investments have been concluded this year and which sectors have the biggest potential for development?

InvesTT has recently secured a multi-million dollar deal from a major European maritime service company and there is great interest by Columbus Communications to create a tier three data centre at Tamana Intech Park, East Trinidad, which would be the first in the region. The financial service industry is also gaining traction, proving to be popular with foreign investors like Scotia Bank and RBC who have made substantial investments in back-office support and are serving the region.

“InvesTT has become a one-stop-shop integrating human points of contact known as ‘account managers’ at every level to assist and support foreign investors make contacts and build relationships.”

Kristine Gibbon-Thompson
Chairman of InvesTT
Trinidad & Tobago
TOP 5 REASONS TO INVEST IN TRINIDAD AND TOBAGO

According to a new report by the Economic Commission for Latin America and the Caribbean (ECLAC), the Caribbean receives some of the highest levels of FDI in the world, with many of the region’s economies achieving FDI-to-GDP ratios above 10 percent in 2012. Trinidad and Tobago stands out for its ability to attract foreign investment thanks to abundant natural resources and low business costs. Here are the top five reasons corporate executives choose to locate here.

1. LOW BUSINESS COSTS

“Trinidad and Tobago has overtaken El Salvador to be ranked as the most cost-effective location” — FDI Magazine

One of the lowest energy costs worldwide at US$0.03 / kWh
Low cost labour with average annual salary of US$14K - US$18K
Ranked 1st for cost effectiveness in Central America and the Caribbean

2. MASSIVE MARKETS

Ideally located as a gateway to expanding markets in Latin America and a nearshore hub at just 3.5 hours from North America.
Access to 1.2 billion people via trade agreements
Multilateral trade agreements with USA, UK, Canada, Brazil, France, Columbia, Cuba, Denmark, Germany, India, Italy, Luxembourg, Spain, Sweden, Switzerland, Norway, Venezuela, Dominican Republic, Costa Rica, Panama and CARICOM.

3. INVESTMENT CLIMATE

Ranked 25th out of 148 countries for investor protection laws — World Economic Forum
Ranked 12th out of 148 countries for financial market development — World Economic Forum
Stable political environment
Economic freedom and no restrictions on profits
Attractive tax regime
Wide-ranging fiscal incentives

4. SKILLED WORKFORCE

Qualified English-speaking labour force
Over 7,000 graduates annually

5. WORLD-CLASS INFRASTRUCTURE

Direct flights to major international cities
Excellent transshipment hub for exporters
Modern digital and fibre-optic telecommunications
Ranked 2nd for port capacity in the English-speaking Caribbean
Ranked 2nd for most developed road network in the English-speaking Caribbean

Sources: World Economic Forum, FDI Magazine

For more information, please contact us at info@investtt.co.tt
Trinidad and Tobago is home to abundant natural resources, talented people and robust infrastructure. Here are some more facts about this leading Caribbean location.

**Sources:**
- Central Statistical Office
- Central Bank
- Telecommunications Authority
- fDi Magazine

### Location

- **GMT - 4:00**
- Two islands located at the southern tip of the Caribbean island chain.
- Ideal location below the hurricane belt with access to North and South American markets.

### Languages
- **English**

### Population
- 1.3 Million

### Economy

- **GDP**
  - **US$ 23 Billion**
  - **635,100** labour force
  - **GDP per capita US$18,010**
  - **Labour Force Growth** 1.5%
  - **Electricity Rate** US$ 0.03/kwh

- **GDP by Sector**
  - **52%** Oil/Gas
  - **41%** Services
  - **6%** Manufacturing

### Legal System
- **Independent Judiciary**
- Economic freedom and laws to protect investors.

### Education
- **Free Tertiary Education** 7,680 graduates annually

### Politics
- **Stable Parliamentary Democracy**

### Trade Agreements
- Trade Agreements with: USA, UK, Canada, Brazil, France, Columbia, Cuba, Denmark, Germany, India, Italy, Luxembourg, Spain, Sweden, Switzerland, Norway, Venezuela, Dominican Republic, Costa Rica, Panama and CARICOM.

### Telecommunications
- Modern digital and fibre-optic telecommunications infrastructure
- **80.1%** Internet penetration
- **139%** Mobile penetration

### Ports
- Two major ports handling dry and general cargo plus two liquid terminals
- Ranked #2 in port capacity in the Caribbean

### Transportation
- Second most developed road network in the Caribbean

### Air Travel
- Piarco International is a modern airport on the island of Trinidad while Tobago is served by the ANR Robinson International airport.
- Direct flights to major international cities like New York, Toronto and London.

### Flying Times

- **Approximate Flying Times**
  - **BEIJING** 25.1 hours
  - **ZURICH** 17 hours
  - **BRAZIL** 15.1 hours
  - **LONDON** 8.2 hours
  - **TORONTO** 5.5 hours
  - **HOUSTON** 5.3 hours
  - **NEW YORK** 4.5 hours
  - **MIAMI** 3.3 hours
  - **PANAMA** 3.25 hours
  - **CARACAS** 0.55 hours

For more information, please contact us at info@investt.co.tt
TRINIDAD AND TOBAGO’S COMPETITIVE EDGE

>> Interview with Minister of Planning and Sustainable Development, Republic of Trinidad and Tobago, Mr. Bhoendradatt Tewarie

What are the main objectives of your Ministry?
The key issue is to secure sustainable development in Trinidad and Tobago. Economic equity, elimination of poverty and efficient resource management—all of this is included in our strategic approach to thinking about growth. We want to connect industry with local communities, so that more jobs can be created. My personal goal is to find balance between ecological matters, economic prosperity and culture.

What are the plans of the Ministry for this year?
In October we are to be the host of the Americas Competitiveness Forum. We expect that many investors, business and political leaders from all over the world will come. We want to focus on such issues as competitiveness and innovation, and we would like to talk about those values in terms of economic growth factors. At the present time we are assessing our achievements and monitoring progress made so far as we map out an Action 21 agenda for the future.

What do you do to improve and promote Trinidad and Tobago’s competitiveness in terms of economic growth?
First of all, our goal is to speed up and facilitate the formalities associated with investment in the land. We have already facilitated the planning approval process to a large extent. We are trying to solve the bureaucracy problem and we do everything that is in our power to support the development and growth of entrepreneurship in our country.

How exactly do you want to stimulate development?
We can identify several actions. Recently we have initiated a port rationalization study dedicated to determine and estimate how Trinidad and Tobago might go about the development of the ports. We want to expand and develop the maritime industry.

We must remember our vulnerability to climate change since we are an island nation. We also take this into account while constructing our resource policy. We try to be engaged in various energy projects. For example, we have been granted support from the European Union for a wind farm project. We are also pursuing the idea of developing solar products. Naturally we are also keeping in mind our tourism resources. Our goal is to become an energy-rich country that has good transport infrastructure. That is why we systematically want to convert to compressed natural gas (CNG). This seems a good alternative, just like wind and solar energy. We build on our strengths but we pursue an agenda of change.

Is your ministry also with other important economic units contributing to development?
Yes. One of these is the Caribbean Industrial Research Institute (CARIRI). It is involved mainly in developing products linked to agricultural production and the generation of new export-oriented entrepreneurs. It also supports entrepreneurs via a range of dedicated programmes. CARIRI has also received World Bank funding which is being used to facilitate innovation solutions in climate change. We should also mention the Chaguaramas Development Authority, within which the growth strategy for Chaguaramas is prepared. It will incorporate a high level of ecological sensitivity as well as issues including entertainment, leisure and activity-based tourism.

We are pursuing diversification in finance, tourism, marine services, creative industries, ICT and food sustainability very vigorously. We are targeting poles of growth in our country and are in a hopeful and optimistic mood.

“My personal goal is to find balance between ecological matters, economic prosperity and culture”.

Bhoendradatt Tewarie
Minister of Planning and Sustainable Development

The key issue is to secure sustainable development in Trinidad and Tobago. Economic equity, elimination of poverty and efficient resource management—all of this is included in our strategic approach to thinking about growth. We want to connect industry with local communities, so that more jobs can be created. My personal goal is to find balance between ecological matters, economic prosperity and culture.
**UPSTREAM EASE**

>> Interview with Mr. Kevin C. Ramnarine, Minister of Energy & Energy Affairs, Republic of Trinidad and Tobago

**How do you want to position Trinidad and Tobago in order to attract the limited capital that foreign companies and investors have in the oil and gas sector?**

To attract foreign capital into Trinidad and Tobago, foreign investors need to be assured of two things. The first thing is a stable investment environment that guarantees fiscal, legal and political stability. The second is the requirement for a return on investment that satisfies shareholder expectation. Capital goes to where it is treated best.

“[...] we have to look at other ways of being competitive. That is why we decided to lessen the tax burden on companies in the upstream which would make them more competitive.”

Kevin C. Ramnarine
Minister of Energy & Energy Affairs

**How is the shale revolution impacting Trinidad and Tobago’s natural gas industry?**

We expect that according to recent forecasts the United States will become self-sufficient in energy by 2020. There will therefore be less need for imports of crude oil and natural gas and invariably this has geopolitical consequences. In the year 2013 the U.S. experienced the largest growth in oil production to date. What does this mean for Trinidad and Tobago? From the perspective of natural gas it means that our competitive advantages in natural gas will be facing a challenge from the U.S. market. Therefore we have to look at other ways of being competitive. That is why we decided to lessen the tax burden on companies in the upstream which will make them more competitive. From the perspective of natural gas it means that our competitive advantages in natural gas will be facing a challenge from the U.S. market.

**Are you considering partnerships with U.S. companies to develop activities like exploration of gas and oil?**

Yes, the NGC (National Gas Company) has been in discussions with companies involved in the shale gas business in the U.S. with the view of exploring potential joint venture arrangements. In terms of the impact of the shale gas revolution on the LNG business it has meant that America needs fewer and fewer imports of natural gas and therefore our LNG business has been shifted away from the U.S., mainly towards South America. Opening up of the Panama Canal will reduce the freight costs of shipping gas to the Far East. We are shifting from the U.S. to Asia, South America and Europe.

**What are the areas in which you see opportunities for further collaboration with the U.S.?**

The U.S. continues to be Trinidad and Tobago’s largest trading partner and largest market for energy products. As the U.S. reindustrializes, it will produce more methanol, ammonia and its own refined products so therefore Trinidad and Tobago’s energy sector has to seek new markets for its products. We continue to have an American presence in our energy sector in the form of several significant companies. There are a few Trinidadian companies that have entered the oil industry in the U.S. Our local service companies export their services to the U.S. and do business with very significant American banks such as Citibank. That nexus between the American financial and services sector and our energy sector is very strong.

**What is your long term vision for Trinidad and Tobago’s energy industry?**

The prosperity that Trinidad and Tobago enjoys is a direct consequence of the energy sector. In order to maintain it, we need to continue producing oil and natural gas, at least at the same level as we do today. With regard to oil, the future is clearly in the deep-water sector. We expect that there could be major discoveries of new oil resources in deep water in the near future.
The Perfect Climate for Investment.

Trinidad & Tobago

Trinidad and Tobago is one of the premier suppliers of natural gas and petrochemicals to the world. The southernmost nation of the Caribbean, this twin-island Republic is endowed with a wealth of resources that have been harnessed by the best local and international expertise to develop a dynamic, technologically advanced energy sector.

Principal activities include exploration, production and marketing of Liquefied Natural Gas, petrochemicals, crude oil and various other derivatives. Favourable rates of exchange along with attractive financial and legal frameworks make Trinidad and Tobago a preferred destination for investment in the global marketplace.
Company Profile
The NGC Group is a diversified group of companies with an asset base of over US$6 billion, making it one of the largest companies in the Caribbean and Latin America by assets.

Though strategically positioned in the midstream of the natural gas value chain, NGC also operates in the upstream sector through its interest in oil and gas exploration and production, and compression of low pressure associated gas.

Its customers comprise power generation plants, world-scale petrochemical and metal reduction plants, and a wide range of light manufacturing and commercial enterprises. The Company’s credit rating is A- from Standard & Poor’s, Baa1 from Moody’s and AAA from Caricris rating agencies.

Corporate with a conscience
NGC’s raison d’être was to enable the nation at large to benefit from the country’s resource wealth, and today its enormous contribution to Trinidad and Tobago’s GDP sees this mandate being fulfilled. Beyond that contribution, however, the Company actively seeks to enrich the lives of citizens through various Corporate Social Investment undertakings in the areas of sport, culture, the arts, education and community development.

As an entity engaged in resource development, NGC also recognizes the need for operational sustainability and has made a commitment to reduce its ecological footprint through a reforestation initiative.

Moreover, in a pioneering effort to impact the bigger picture, it has embarked on a campaign to introduce Compressed Natural Gas (CNG) as a cleaner, cheaper fuel into the country’s transportation sector.

Such an enterprise would return value not just in dollars and cents, but in improved environmental health.

Going global
Trinidad and Tobago is a developing nation that has experienced significant growth in recent years, and the country is poised to lead others through its example. Well-endowed with oil and gas, the nation has been able to successfully manage the monetisation of its resources.

NGC’s operations have been integral to that success, and this makes it an ideal business partner. In fact, the expansion into new and global markets is one of the Company’s strategic pillars, and driven by this imperative, it is seeking to export Trinidad’s model of natural gas-based development to other countries. It has already showcased its technical and operational expertise to several visiting international delegations, and given its stellar record of performance and alignment to global standards, the future promises NGC many opportunities for international joint-venture partnerships.

Key Facts
- Asset base of over US$6 billion
- Engaged in purchase, sale, transmission and distribution of natural gas; developing and managing industrial site, port and marine facilities; extracting and selling natural gas liquids such as butane and propane, and upstream exploration and production of oil and gas
- Pipeline capacity of 4.4 bcf/d
- Long history of safe transportation of natural gas
- Credit rating of A- from Standard & Poor’s, Baa1 from Moody’s and AAA from Caricris
NGC. A Global Model of Success

As a valued partner in our nation's natural gas-based energy industry, The National Gas Company of Trinidad and Tobago Limited (NGC) has a proven model of maximising resources for industrial development and long-term prosperity, applicable far beyond the shores of Trinidad and Tobago.

NGC is a diversified, state-owned group of companies with an asset base valued at over US $6 billion. Among its pioneering subsidiaries are the National Energy Corporation of Trinidad and Tobago Limited, responsible for providing infrastructural and marine asset development for the energy industry, and Phoenix Park Gas Processors Limited (PPGPL), one of the largest gas processing facilities in the Americas and a preferred supplier of LPG to the region.

Fulfilling the Vision of a Sustainable Future

NGC is dedicated to sustainability, its community outreach and Corporate Social Responsibility (CSR). Our Corporate Social Investment (CSI) programme is one of the most extensive in the nation, focusing on the areas of sport, training and education, arts and culture, facilities development, human and social development and the environment. In addition, NGC is conducting a 10-year reforestation programme and applying a 'no net loss principle' by restoring areas of forest equivalent to that cleared during construction activities.
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Why the Ukraine Crisis Is the West’s Fault

The Liberal Delusions That Provoked Putin

John J. Mearsheimer

According to the prevailing wisdom in the West, the Ukraine crisis can be blamed almost entirely on Russian aggression. Russian President Vladimir Putin, the argument goes, annexed Crimea out of a long-standing desire to resuscitate the Soviet empire, and he may eventually go after the rest of Ukraine, as well as other countries in eastern Europe. In this view, the ouster of Ukrainian President Viktor Yanukovych in February 2014 merely provided a pretext for Putin’s decision to order Russian forces to seize part of Ukraine.

But this account is wrong: the United States and its European allies share most of the responsibility for the crisis. The taproot of the trouble is NATO enlargement, the central element of a larger strategy to move Ukraine out of Russia’s orbit and integrate it into the West. At the same time, the EU’s expansion eastward and the West’s backing of the pro-democracy movement in Ukraine—beginning with the Orange Revolution in 2004—were critical elements, too. Since the mid-1990s, Russian leaders have adamantly opposed NATO enlargement, and in recent years, they have made it clear that they would not stand by while their strategically important neighbor turned into a Western bastion. For Putin, the illegal overthrow of Ukraine’s democratically elected and pro-Russian president—which he rightly labeled a “coup”—was the final straw. He responded by taking Crimea, a peninsula he feared would host a NATO naval base, and working to destabilize Ukraine until it abandoned its efforts to join the West.

Putin’s pushback should have come as no surprise. After all, the West had been moving into Russia’s backyard and threatening its core strategic

John J. Mearsheimer is R. Wendell Harrison Distinguished Service Professor of Political Science at the University of Chicago.
interests, a point Putin made emphatically and repeatedly. Elites in the United States and Europe have been blindsided by events only because they subscribe to a flawed view of international politics. They tend to believe that the logic of realism holds little relevance in the twenty-first century and that Europe can be kept whole and free on the basis of such liberal principles as the rule of law, economic interdependence, and democracy.

But this grand scheme went awry in Ukraine. The crisis there shows that realpolitik remains relevant—and states that ignore it do so at their own peril. U.S. and European leaders blundered in attempting to turn Ukraine into a Western stronghold on Russia’s border. Now that the consequences have been laid bare, it would be an even greater mistake to continue this misbegotten policy.

THE WESTERN AFFRONDT
As the Cold War came to a close, Soviet leaders preferred that U.S. forces remain in Europe and NATO stay intact, an arrangement they thought would keep a reunified Germany pacified. But they and their Russian successors did not want NATO to grow any larger and assumed that Western diplomats understood their concerns. The Clinton administration evidently thought otherwise, and in the mid-1990s, it began pushing for NATO to expand.

The first round of enlargement took place in 1999 and brought in the Czech Republic, Hungary, and Poland. The second occurred in 2004; it included Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia. Moscow complained bitterly from the start. During NATO’s 1995 bombing campaign against the Bosnian Serbs, for example, Russian President Boris Yeltsin said, “This is the first sign of what could happen when NATO comes right up to the Russian Federation’s borders. . . . The flame of war could burst out across the whole of Europe.” But the Russians were too weak at the time to derail NATO’s eastward movement—which, at any rate, did not look so threatening, since none of the new members shared a border with Russia, save for the tiny Baltic countries.

Then NATO began looking further east. At its April 2008 summit in Bucharest, the alliance considered admitting Georgia and Ukraine. The George W. Bush administration supported doing so, but France and Germany opposed the move for fear that it would unduly antagonize Russia. In the end, NATO’s members reached a compromise: the alliance
did not begin the formal process leading to membership, but it issued a statement endorsing the aspirations of Georgia and Ukraine and boldly declaring, “These countries will become members of NATO.”

Moscow, however, did not see the outcome as much of a compromise. Alexander Grushko, then Russia’s deputy foreign minister, said, “Georgia’s and Ukraine’s membership in the alliance is a huge strategic mistake which would have most serious consequences for pan-European security.” Putin maintained that admitting those two countries to NATO would represent a “direct threat” to Russia. One Russian newspaper reported that Putin, while speaking with Bush, “very transparently hinted that if Ukraine was accepted into NATO, it would cease to exist.”

Russia’s invasion of Georgia in August 2008 should have dispelled any remaining doubts about Putin’s determination to prevent Georgia and Ukraine from joining NATO. Georgian President Mikheil Saakashvili, who was deeply committed to bringing his country into NATO, had decided in the summer of 2008 to reincorporate two separatist regions, Abkhazia and South Ossetia. But Putin sought to keep Georgia weak and divided—and out of NATO. After fighting broke out between the Georgian government and South Ossetian separatists, Russian forces took control of Abkhazia and South Ossetia. Moscow had made its point. Yet despite this clear warning, NATO never publicly abandoned its goal of bringing Georgia and Ukraine into the alliance. And NATO expansion continued marching forward, with Albania and Croatia becoming members in 2009.

The EU, too, has been marching eastward. In May 2008, it unveiled its Eastern Partnership initiative, a program to foster prosperity in such countries as Ukraine and integrate them into the EU economy. Not surprisingly, Russian leaders view the plan as hostile to their country’s interests. This past February, before Yanukovych was forced from office, Russian Foreign Minister Sergey Lavrov accused the EU of trying to create a “sphere of influence” in eastern Europe. In the eyes of Russian leaders, EU expansion is a stalking horse for NATO expansion.

The West’s final tool for peeling Kiev away from Moscow has been its efforts to spread Western values and promote democracy in Ukraine.
and other post-Soviet states, a plan that often entails funding pro-Western individuals and organizations. Victoria Nuland, the U.S. assistant secretary of state for European and Eurasian affairs, estimated in December 2013 that the United States had invested more than $5 billion since 1991 to help Ukraine achieve “the future it deserves.” As part of that effort, the U.S. government has bankrolled the National Endowment for Democracy. The nonprofit foundation has funded more than 60 projects aimed at promoting civil society in Ukraine, and the NED’s president, Carl Gershman, has called that country “the biggest prize.” After Yanukovych won Ukraine’s presidential election in February 2010, the NED decided he was undermining its goals, and so it stepped up its efforts to support the opposition and strengthen the country’s democratic institutions.

When Russian leaders look at Western social engineering in Ukraine, they worry that their country might be next. And such fears are hardly groundless. In September 2013, Gershman wrote in *The Washington Post*, “Ukraine’s choice to join Europe will accelerate the demise of the ideology of Russian imperialism that Putin represents.” He added: “Russians, too, face a choice, and Putin may find himself on the losing end not just in the near abroad but within Russia itself.”

**CREATING A CRISIS**
The West’s triple package of policies—NATO enlargement, EU expansion, and democracy promotion—added fuel to a fire waiting to ignite. The spark came in November 2013, when Yanukovych rejected a major economic deal he had been negotiating with the EU and decided to accept a $15 billion Russian counteroffer instead. That decision gave rise to antigovernment demonstrations that escalated over the following three months and that by mid-February had led to the deaths of some one hundred protesters. Western emissaries hurriedly flew to Kiev to resolve the crisis. On February 21, the government and the opposition struck a deal that allowed Yanukovych to stay in power until new elections were held. But it immediately fell apart, and Yanukovych fled to Russia the next day. The new government in Kiev was pro-Western and anti-Russian to the core, and it contained four high-ranking members who could legitimately be labeled neofascists.

Although the full extent of U.S. involvement has not yet come to light, it is clear that Washington backed the coup. Nuland and Republican Senator John McCain participated in antigovernment demonstrations,
and Geoffrey Pyatt, the U.S. ambassador to Ukraine, proclaimed after Yanukovych’s toppling that it was “a day for the history books.” As a leaked telephone recording revealed, Nuland had advocated regime change and wanted the Ukrainian politician Arseniy Yatsenyuk to become prime minister in the new government, which he did. No wonder Russians of all persuasions think the West played a role in Yanukovych’s ouster.

For Putin, the time to act against Ukraine and the West had arrived. Shortly after February 22, he ordered Russian forces to take Crimea from Ukraine, and soon after that, he incorporated it into Russia. The task proved relatively easy, thanks to the thousands of Russian troops already stationed at a naval base in the Crimean port of Sevastopol. Crimea also made for an easy target since ethnic Russians compose roughly 60 percent of its population. Most of them wanted out of Ukraine.
Next, Putin put massive pressure on the new government in Kiev to discourage it from siding with the West against Moscow, making it clear that he would wreck Ukraine as a functioning state before he would allow it to become a Western stronghold on Russia’s doorstep. Toward that end, he has provided advisers, arms, and diplomatic support to the Russian separatists in eastern Ukraine, who are pushing the country toward civil war. He has massed a large army on the Ukrainian border, threatening to invade if the government cracks down on the rebels. And he has sharply raised the price of the natural gas Russia sells to Ukraine and demanded payment for past exports. Putin is playing hardball.

THE DIAGNOSIS

Putin’s actions should be easy to comprehend. A huge expanse of flat land that Napoleonic France, imperial Germany, and Nazi Germany all crossed to strike at Russia itself, Ukraine serves as a buffer state of enormous strategic importance to Russia. No Russian leader would tolerate a military alliance that was Moscow’s mortal enemy until recently moving into Ukraine. Nor would any Russian leader stand idly by while the West helped install a government there that was determined to integrate Ukraine into the West.

Washington may not like Moscow’s position, but it should understand the logic behind it. This is Geopolitics 101: great powers are always sensitive to potential threats near their home territory. After all, the United States does not tolerate distant great powers deploying military forces anywhere in the Western Hemisphere, much less on its borders. Imagine the outrage in Washington if China built an impressive military alliance and tried to include Canada and Mexico in it. Logic aside, Russian leaders have told their Western counterparts on many occasions that they consider NATO expansion into Georgia and Ukraine unacceptable, along with any effort to turn those countries against Russia—a message that the 2008 Russian-Georgian war also made crystal clear.

Officials from the United States and its European allies contend that they tried hard to assuage Russian fears and that Moscow should understand that NATO has no designs on Russia. In addition to continually denying that its expansion was aimed at containing Russia, the alliance has never permanently deployed military forces in its new member states. In 2002, it even created a body called the NATO-Russia
Council in an effort to foster cooperation. To further mollify Russia, the United States announced in 2009 that it would deploy its new missile defense system on warships in European waters, at least initially, rather than on Czech or Polish territory. But none of these measures worked; the Russians remained steadfastly opposed to NATO enlargement, especially into Georgia and Ukraine. And it is the Russians, not the West, who ultimately get to decide what counts as a threat to them.

To understand why the West, especially the United States, failed to understand that its Ukraine policy was laying the groundwork for a major clash with Russia, one must go back to the mid-1990s, when the Clinton administration began advocating NATO expansion. Pundits advanced a variety of arguments for and against enlargement, but there was no consensus on what to do. Most eastern European émigrés in the United States and their relatives, for example, strongly supported expansion, because they wanted NATO to protect such countries as Hungary and Poland. A few realists also favored the policy because they thought Russia still needed to be contained.

But most realists opposed expansion, in the belief that a declining great power with an aging population and a one-dimensional economy did not in fact need to be contained. And they feared that enlargement would only give Moscow an incentive to cause trouble in eastern Europe. The U.S. diplomat George Kennan articulated this perspective in a 1998 interview, shortly after the U.S. Senate approved the first round of NATO expansion. “I think the Russians will gradually react quite adversely and it will affect their policies,” he said. “I think it is a tragic mistake. There was no reason for this whatsoever. No one was threatening anyone else.”

Most liberals, on the other hand, favored enlargement, including many key members of the Clinton administration. They believed that the end of the Cold War had fundamentally transformed international politics and that a new, postnational order had replaced the realist logic that used to govern Europe. The United States was not only the “indispensable nation,” as Secretary of State Madeleine Albright put it; it was also a benign hegemon and thus unlikely to be viewed as a threat in Moscow. The aim, in essence, was to make the entire continent look like western Europe.
And so the United States and its allies sought to promote democracy in the countries of eastern Europe, increase economic interdependence among them, and embed them in international institutions. Having won the debate in the United States, liberals had little difficulty convincing their European allies to support NATO enlargement. After all, given the EU’s past achievements, Europeans were even more wedded than Americans to the idea that geopolitics no longer mattered and that an all-inclusive liberal order could maintain peace in Europe.

So thoroughly did liberals come to dominate the discourse about European security during the first decade of this century that even as the alliance adopted an open-door policy of growth, NATO expansion faced little realist opposition. The liberal worldview is now accepted dogma among U.S. officials. In March, for example, President Barack Obama delivered a speech about Ukraine in which he talked repeatedly about “the ideals” that motivate Western policy and how those ideals “have often been threatened by an older, more traditional view of power.” Secretary of State John Kerry’s response to the Crimea crisis reflected this same perspective: “You just don’t in the twenty-first century behave in nineteenth-century fashion by invading another country on completely trumped-up pretext.”

In essence, the two sides have been operating with different playbooks: Putin and his compatriots have been thinking and acting according to realist dictates, whereas their Western counterparts have been adhering to liberal ideas about international politics. The result is that the United States and its allies unknowingly provoked a major crisis over Ukraine.

**BLAME GAME**

In that same 1998 interview, Kennan predicted that NATO expansion would provoke a crisis, after which the proponents of expansion would “say that we always told you that is how the Russians are.” As if on cue, most Western officials have portrayed Putin as the real culprit in the Ukraine predicament. In March, according to The New York Times, German Chancellor Angela Merkel implied that Putin was irrational, telling Obama that he was “in another world.” Although Putin no doubt has autocratic tendencies, no evidence supports the charge that he is mentally unbalanced. On the contrary: he is a first-class strategist who should be feared and respected by anyone challenging him on foreign policy.
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Other analysts allege, more plausibly, that Putin regrets the demise of the Soviet Union and is determined to reverse it by expanding Russia’s borders. According to this interpretation, Putin, having taken Crimea, is now testing the waters to see if the time is right to conquer Ukraine, or at least its eastern part, and he will eventually behave aggressively toward other countries in Russia’s neighborhood. For some in this camp, Putin represents a modern-day Adolf Hitler, and striking any kind of deal with him would repeat the mistake of Munich. Thus, NATO must admit Georgia and Ukraine to contain Russia before it dominates its neighbors and threatens western Europe.

This argument falls apart on close inspection. If Putin were committed to creating a greater Russia, signs of his intentions would almost certainly have arisen before February 22. But there is virtually no evidence that he was bent on taking Crimea, much less any other territory in Ukraine, before that date. Even Western leaders who supported NATO expansion were not doing so out of a fear that Russia was about to use military force. Putin’s actions in Crimea took them by complete surprise and appear to have been a spontaneous reaction to Yanukovych’s ouster. Right afterward, even Putin said he opposed Crimean secession, before quickly changing his mind.

Besides, even if it wanted to, Russia lacks the capability to easily conquer and annex eastern Ukraine, much less the entire country. Roughly 15 million people—one-third of Ukraine’s population—live between the Dnieper River, which bisects the country, and the Russian border. An overwhelming majority of those people want to remain part of Ukraine and would surely resist a Russian occupation. Furthermore, Russia’s mediocre army, which shows few signs of turning into a modern Wehrmacht, would have little chance of pacifying all of Ukraine. Moscow is also poorly positioned to pay for a costly occupation; its weak economy would suffer even more in the face of the resulting sanctions.

But even if Russia did boast a powerful military machine and an impressive economy, it would still probably prove unable to successfully occupy Ukraine. One need only consider the Soviet and U.S. experiences in Afghanistan, the U.S. experiences in Vietnam and Iraq, and the Russian experience in Chechnya to be reminded that military occupations usually end badly. Putin surely understands that trying to subdue Ukraine would be like swallowing a porcupine. His response to events there has been defensive, not offensive.
A WAY OUT

Given that most Western leaders continue to deny that Putin’s behavior might be motivated by legitimate security concerns, it is unsurprising that they have tried to modify it by doubling down on their existing policies and have punished Russia to deter further aggression. Although Kerry has maintained that “all options are on the table,” neither the United States nor its NATO allies are prepared to use force to defend Ukraine. The West is relying instead on economic sanctions to coerce Russia into ending its support for the insurrection in eastern Ukraine. In July, the United States and the EU put in place their third round of limited sanctions, targeting mainly high-level individuals closely tied to the Russian government and some high-profile banks, energy companies, and defense firms. They also threatened to unleash another, tougher round of sanctions, aimed at whole sectors of the Russian economy.

Such measures will have little effect. Harsh sanctions are likely off the table anyway; western European countries, especially Germany, have resisted imposing them for fear that Russia might retaliate and cause serious economic damage within the EU. But even if the United States could convince its allies to enact tough measures, Putin would probably not alter his decision-making. History shows that countries will absorb enormous amounts of punishment in order to protect their core strategic interests. There is no reason to think Russia represents an exception to this rule.

Western leaders have also clung to the provocative policies that precipitated the crisis in the first place. In April, U.S. Vice President Joseph Biden met with Ukrainian legislators and told them, “This is a second opportunity to make good on the original promise made by the Orange Revolution.” John Brennan, the director of the CIA, did not help things when, that same month, he visited Kiev on a trip the White House said was aimed at improving security cooperation with the Ukrainian government.

The EU, meanwhile, has continued to push its Eastern Partnership. In March, José Manuel Barroso, the president of the European Commission, summarized EU thinking on Ukraine, saying, “We have a debt, a duty of solidarity with that country, and we will work to have them as close as possible to us.” And sure enough, on June 27, the EU and Ukraine signed the economic agreement that Yanukovych had fatefuly rejected seven months earlier. Also in June, at a meeting of NATO mem-
bers’ foreign ministers, it was agreed that the alliance would remain open to new members, although the foreign ministers refrained from mentioning Ukraine by name. “No third country has a veto over NATO enlargement,” announced Anders Fogh Rasmussen, NATO’s secretary-general. The foreign ministers also agreed to support various measures to improve Ukraine’s military capabilities in such areas as command and control, logistics, and cyberdefense. Russian leaders have naturally recoiled at these actions; the West’s response to the crisis will only make a bad situation worse.

There is a solution to the crisis in Ukraine, however—although it would require the West to think about the country in a fundamentally new way. The United States and its allies should abandon their plan to westernize Ukraine and instead aim to make it a neutral buffer between NATO and Russia, akin to Austria’s position during the Cold War. Western leaders should acknowledge that Ukraine matters so much to Putin that they cannot support an anti-Russian regime there. This would not mean that a future Ukrainian government would have to be pro-Russian or anti-NATO. On the contrary, the goal should be a sovereign Ukraine that falls in neither the Russian nor the Western camp.

To achieve this end, the United States and its allies should publicly rule out NATO’s expansion into both Georgia and Ukraine. The West should also help fashion an economic rescue plan for Ukraine funded jointly by the EU, the International Monetary Fund, Russia, and the United States—a proposal that Moscow should welcome, given its interest in having a prosperous and stable Ukraine on its western flank. And the West should considerably limit its social-engineering efforts inside Ukraine. It is time to put an end to Western support for another Orange Revolution. Nevertheless, U.S. and European leaders should encourage Ukraine to respect minority rights, especially the language rights of its Russian speakers.

Some may argue that changing policy toward Ukraine at this late date would seriously damage U.S. credibility around the world. There would undoubtedly be certain costs, but the costs of continuing a misguided strategy would be much greater. Furthermore, other countries are likely to respect a state that learns from its mistakes and ultimately
devises a policy that deals effectively with the problem at hand. That option is clearly open to the United States.

One also hears the claim that Ukraine has the right to determine whom it wants to ally with and the Russians have no right to prevent Kiev from joining the West. This is a dangerous way for Ukraine to think about its foreign policy choices. The sad truth is that might often makes right when great-power politics are at play. Abstract rights such as self-determination are largely meaningless when powerful states get into brawls with weaker states. Did Cuba have the right to form a military alliance with the Soviet Union during the Cold War? The United States certainly did not think so, and the Russians think the same way about Ukraine joining the West. It is in Ukraine’s interest to understand these facts of life and tread carefully when dealing with its more powerful neighbor.

Even if one rejects this analysis, however, and believes that Ukraine has the right to petition to join the EU and NATO, the fact remains that the United States and its European allies have the right to reject these requests. There is no reason that the West has to accommodate Ukraine if it is bent on pursuing a wrong-headed foreign policy, especially if its defense is not a vital interest. Indulging the dreams of some Ukrainians is not worth the animosity and strife it will cause, especially for the Ukrainian people.

Of course, some analysts might concede that NATO handled relations with Ukraine poorly and yet still maintain that Russia constitutes an enemy that will only grow more formidable over time—and that the West therefore has no choice but to continue its present policy. But this viewpoint is badly mistaken. Russia is a declining power, and it will only get weaker with time. Even if Russia were a rising power, moreover, it would still make no sense to incorporate Ukraine into NATO. The reason is simple: the United States and its European allies do not consider Ukraine to be a core strategic interest, as their unwillingness to use military force to come to its aid has proved. It would therefore be the height of folly to create a new NATO member that the other members have no intention of defending. NATO has expanded in the past because liberals assumed the alliance would never have to honor its new security guarantees, but Russia’s recent power play shows that granting Ukraine NATO membership could put Russia and the West on a collision course.
Sticking with the current policy would also complicate Western relations with Moscow on other issues. The United States needs Russia’s assistance to withdraw U.S. equipment from Afghanistan through Russian territory, reach a nuclear agreement with Iran, and stabilize the situation in Syria. In fact, Moscow has helped Washington on all three of these issues in the past; in the summer of 2013, it was Putin who pulled Obama’s chestnuts out of the fire by forging the deal under which Syria agreed to relinquish its chemical weapons, thereby avoiding the U.S. military strike that Obama had threatened. The United States will also someday need Russia’s help containing a rising China. Current U.S. policy, however, is only driving Moscow and Beijing closer together.

The United States and its European allies now face a choice on Ukraine. They can continue their current policy, which will exacerbate hostilities with Russia and devastate Ukraine in the process—a scenario in which everyone would come out a loser. Or they can switch gears and work to create a prosperous but neutral Ukraine, one that does not threaten Russia and allows the West to repair its relations with Moscow. With that approach, all sides would win.
A Broken Promise?
What the West Really Told Moscow About NATO Expansion

Mary Elise Sarotte

Twenty-five years ago this November, an East German Politburo member bungled the announcement of what were meant to be limited changes to travel regulations, thereby inspiring crowds to storm the border dividing East and West Berlin. The result was the iconic moment marking the point of no return in the end of the Cold War: the fall of the Berlin Wall. In the months that followed, the United States, the Soviet Union, and West Germany engaged in fateful negotiations over the withdrawal of Soviet troops and the reunification of Germany. Although these talks eventually resulted in German reunification on October 3, 1990, they also gave rise to a later, bitter dispute between Russia and the West. What, exactly, had been agreed about the future of NATO? Had the United States formally promised the Soviet Union that the alliance would not expand eastward as part of the deal?

Even more than two decades later, the dispute refuses to go away. Russian diplomats regularly assert that Washington made just such a promise in exchange for the Soviet troop withdrawal from East Germany—and then betrayed that promise as NATO added 12 eastern European countries in three subsequent rounds of enlargement. Writing in this magazine earlier this year, the Russian foreign policy thinker Alexander Lukin accused successive U.S. presidents of “forgetting the promises made by Western leaders to Mikhail Gorbachev after the unification of Germany—most notably that they would not expand NATO eastward.” Indeed, Russian President Vladimir Putin’s aggressive actions

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in Georgia in 2008 and Ukraine in 2014 were fueled in part by his ongoing resentment about what he sees as the West’s broken pact over NATO expansion. But U.S. policymakers and analysts insist that such a promise never existed. In a 2009 Washington Quarterly article, for example, the scholar Mark Kramer assured readers not only that Russian claims were a complete “myth” but also that “the issue never came up during the negotiations on German reunification.”

Now that increasing numbers of formerly secret documents from 1989 and 1990 have made their way into the public domain, historians can shed new light on this controversy. The evidence demonstrates that contrary to the conventional wisdom in Washington, the issue of NATO’s future in not only East Germany but also eastern Europe arose soon after the Berlin Wall opened, as early as February 1990. U.S. officials, working closely with West German leaders, hinted to Moscow during negotiations that month that the alliance might not expand, not even to the eastern half of a soon-to-be-reunited Germany.

Documents also show that the United States, with the help of West Germany, soon pressured Gorbachev into allowing Germany to reunify, without making any kind of written promise about the alliance’s future plans. Put simply, there was never a formal deal, as Russia alleges—but U.S. and West German officials briefly implied that such a deal might be on the table, and in return they received a “green light” to commence the process of German reunification. The dispute over this sequence of events has distorted relations between Washington and Moscow ever since.

**GETTING THE GREEN LIGHT**

Western leaders quickly realized that the fall of the Berlin Wall had brought seemingly long-settled issues of European security once again into play. By the beginning of 1990, the topic of NATO’s future role was coming up frequently during confidential conversations among U.S. President George H. W. Bush; James Baker, the U.S. secretary of state; Helmut Kohl, the West German chancellor; Hans-Dietrich Genscher, the West German foreign minister; and Douglas Hurd, the British foreign minister.

According to documents from the West German foreign ministry, for example, Genscher told Hurd on February 6 that Gorbachev would want to rule out the prospect of NATO’s future expansion not only to East Germany but also to eastern Europe. Genscher suggested
that the alliance should issue a public statement saying that “NATO does not intend to expand its territory to the East.” “Such a statement must refer not just to [East Germany], but rather be of a general nature,” he added. “For example, the Soviet Union needs the security of knowing that Hungary, if it has a change of government, will not become part of the Western Alliance.” Genscher urged that NATO discuss the matter immediately, and Hurd agreed.

Three days later, in Moscow, Baker talked NATO with Gorbachev directly. During their meeting, Baker took handwritten notes of his own remarks, adding stars next to the key words: “End result: Unified Ger. anchored in a ★ changed (polit.) NATO—★ whose juris. would not move ★ eastward!” Baker’s notes appear to be the only place such an assurance was written down on February 9, and they raise an interesting question. If Baker’s “end result” was that the jurisdiction of NATO’s collective-defense provision would not move eastward, did that mean it would not move into the territory of former East Germany after reunification?

In answering that question, it is fortunate for posterity’s sake that Genscher and Kohl were just about to visit Moscow themselves. Baker left behind with the West German ambassador in Moscow a secret letter for Kohl that has been preserved in the German archives. In it, Baker explained that he had put the crucial statement to Gorbachev in the form of a question: “Would you prefer to see a unified Germany outside of NATO, independent and with no U.S. forces,” he asked, presumably framing the option of an untethered Germany in a way that Gorbachev would find unattractive, “or would you prefer a unified Germany to be tied to NATO, with assurances that NATO’s jurisdiction would not shift one inch eastward from its present position?”

Baker’s phrasing of the second, more attractive option meant that NATO’s jurisdiction would not even extend to East Germany, since NATO’s “present position” in February 1990 remained exactly where it had been throughout the Cold War: with its eastern edge on the line still dividing the two Germanies. In other words, a united Germany would be, de facto, half in and half out of the alliance. According to Baker, Gorbachev responded, “Certainly any extension of the zone of
NATO would be unacceptable.” In Baker’s view, Gorbachev’s reaction indicated that “NATO in its current zone might be acceptable.”

After receiving their own report on what had happened in Moscow, however, staff members on the National Security Council back in Washington felt that such a solution would be unworkable as a practical matter. How could NATO’s jurisdiction apply to only half of a country? Such an outcome was neither desirable nor, they suspected, necessary. As a result, the National Security Council put together a letter to Kohl under Bush’s name. It arrived just before Kohl departed for his own trip to Moscow.

Instead of implying that NATO would not move eastward, as Baker had done, this letter proposed a “special military status for what is now the territory of [East Germany].” Although the letter did not define exactly what the special status would entail, the implication was clear: all of Germany would be in the alliance, but to make it easier for Moscow to accept this development, some kind of face-saving regulations would apply to its eastern region (restrictions on the activities of certain kinds of NATO troops, as it turned out).

Kohl thus found himself in a complicated position as he prepared to meet with Gorbachev on February 10, 1990. He had received two letters, one on either end of his flight from West Germany to the Soviet Union, the first from Bush and the second from Baker, and the two contained different wording on the same issue. Bush’s letter suggested that NATO’s border would begin moving eastward; Baker’s suggested that it would not.

According to records from Kohl’s office, the chancellor chose to echo Baker, not Bush, since Baker’s softer line was more likely to produce the results that Kohl wanted: permission from Moscow to start reunifying Germany. Kohl thus assured Gorbachev that “naturally NATO could not expand its territory to the current territory of [East Germany].” In parallel talks, Genscher delivered the same message to his Soviet counterpart, Eduard Shevardnadze, saying, “for us, it stands firm: NATO will not expand itself to the East.”

As with Baker’s meeting with Gorbachev, no written agreement emerged. After hearing these repeated assurances, Gorbachev gave West Germany what Kohl later called “the green light” to begin creating an

By design, Russia was left on the periphery of a post–Cold War Europe.
economic and monetary union between East and West Germany—the first step of reunification. Kohl held a press conference immediately to lock in this gain. As he recalled in his memoirs, he was so overjoyed that he couldn’t sleep that night, and so instead went for a long, cold walk through Red Square.

**BRIBING THE SOVIETS OUT**

But Kohl’s phrasing would quickly become heresy among the key Western decision-makers. Once Baker got back to Washington, in mid-February 1990, he fell in line with the National Security Council’s view and adopted its position. From then on, members of Bush’s foreign policy team exercised strict message discipline, making no further remarks about NATO holding at the 1989 line.

Kohl, too, brought his rhetoric in line with Bush’s, as both U.S. and West German transcripts from the two leaders’ February 24–25 summit at Camp David show. Bush made his feelings about compromising with Moscow clear to Kohl: “To hell with that!” he said. “We prevailed, they didn’t. We can’t let the Soviets clutch victory from the jaws of defeat.” Kohl argued that he and Bush would have to find a way to placate Gorbachev, predicting, “It will come down in the end to a question of cash.” Bush pointedly noted that West Germany had “deep pockets.” A straightforward strategy thus arose: as Robert Gates, then U.S. deputy national security adviser, later explained it, the goal was to “bribe the Soviets out.” And West Germany would pay the bribe.

In April, Bush spelled out this thinking in a confidential telegram to French President François Mitterrand. U.S. officials worried that the Kremlin might try to outmaneuver them by allying with the United Kingdom or France, both of which were also still occupying Berlin and, given their past encounters with a hostile Germany, potentially had reason to share the Soviets’ unease about reunification. So Bush emphasized his top priorities to Mitterrand: that a united Germany enjoy full membership in NATO, that allied forces remain in a united Germany even after Soviet troops withdraw, and that NATO continue to deploy both nuclear and conventional weapons in the region. He warned Mitterrand that no other organization could “replace NATO as the guarantor of Western security and stability.” He continued: “Indeed, it is difficult to visualize how a European collective security arrangement including Eastern Europe, and perhaps
even the Soviet Union, would have the capability to deter threats to Western Europe.”

Bush was making it clear to Mitterrand that the dominant security organization in a post–Cold War Europe had to remain NATO—and not any kind of pan-European alliance. As it happened, the next month, Gorbachev proposed just such a pan-European arrangement, one in which a united Germany would join both NATO and the Warsaw Pact, thus creating one massive security institution. Gorbachev even raised the idea of having the Soviet Union join NATO. “You say that NATO is not directed against us, that it is simply a security structure that is adapting to new realities,” Gorbachev told Baker in May, according to Soviet records. “Therefore, we propose to join NATO.” Baker refused to consider such a notion, replying dismissively, “Pan-European security is a dream.”

Throughout 1990, U.S. and West German diplomats successfully countered such proposals, partly by citing Germany’s right to determine its alliance partners itself. As they did so, it became clear that Bush and Kohl had guessed correctly: Gorbachev would, in fact, eventually bow to Western preferences, as long as he was compensated. Put bluntly, he needed the cash. In May 1990, Jack Matlock, the U.S. ambassador to Moscow, reported that Gorbachev was starting to look “less like a
man in control and more [like] an embattled leader.” The “signs of crisis,” he wrote in a cable from Moscow, “are legion: Sharply rising crime rates, proliferating anti-regime demonstrations, burgeoning separatist movements, deteriorating economic performance . . . and a slow, uncertain transfer of power from party to state and from the center to the periphery.”

Moscow would have a hard time addressing these domestic problems without the help of foreign aid and credit, which meant that it might be willing to compromise. The question was whether West Germany could provide such assistance in a manner that would allow Gorbachev to avoid looking as though he was being bribed into accepting a reunified Germany in NATO with no meaningful restrictions on the alliance’s movement eastward.

Kohl accomplished this difficult task in two bursts: first, in a bilateral meeting with Gorbachev in July 1990, and then, in a set of emotional follow-up phone calls in September 1990. Gorbachev ultimately gave his assent to a united Germany in NATO in exchange for face-saving measures, such as a four-year grace period for removing Soviet troops and some restrictions on both NATO troops and nuclear weapons on former East German territory. He also received 12 billion deutsch marks to construct housing for the withdrawing Soviet troops and another three billion in interest-free credit. What he did not receive were any formal guarantees against NATO expansion.

In August 1990, Saddam Hussein’s invasion of Kuwait immediately pushed Europe down the White House’s list of foreign policy priorities. Then, after Bush lost the 1992 presidential election to Bill Clinton, Bush’s staff members had to vacate their offices earlier than they had expected. They appear to have communicated little with the incoming Clinton team. As a result, Clinton’s staffers began their tenure with limited or no knowledge of what Washington and Moscow had discussed regarding NATO.

THE SEEDS OF A FUTURE PROBLEM
Contrary to the view of many on the U.S. side, then, the question of NATO expansion arose early and entailed discussions of expansion not only to East Germany but also to eastern Europe. But contrary to Russian allegations, Gorbachev never got the West to promise that it would freeze NATO’s borders. Rather, Bush’s senior advisers had a spell of internal disagreement in early February 1990, which they displayed
to Gorbachev. By the time of the Camp David summit, however, all
members of Bush’s team, along with Kohl, had united behind an offer
in which Gorbachev would receive financial assistance from West
Germany—and little else—in exchange for allowing Germany to
reunify and for allowing a united Germany to be part of NATO.

In the short run, the result was a win for the United States. U.S.
officials and their West German counterparts had expertly outmaneu-
vered Gorbachev, extending NATO to East Germany and avoiding
promises about the future of the alliance. One White House staffer
under Bush, Robert Hutchings, ranked a dozen possible outcomes,
from the “most congenial” (no restrictions at all on NATO as it
moved into former East Germany) to the “most inimical” (a united
Germany completely outside of NATO). In the end, the United States
achieved an outcome somewhere between the best and the second
best on the list. Rarely does one country win so much in an inter-
national negotiation.

But as Baker presciently wrote in his memoirs of his tenure as
secretary of state, “Almost every achievement contains within its
success the seeds of a future problem.” By design, Russia was left on
the periphery of a post–Cold War Europe. A young KGB officer serving
in East Germany in 1989 offered his own recollection of the era in an
interview a decade later, in which he remembered returning to Moscow
full of bitterness at how “the Soviet Union had lost its position in
Europe.” His name was Vladimir Putin, and he would one day have
the power to act on that bitterness.
Print Less but Transfer More

Why Central Banks Should Give Money Directly to the People

Mark Blyth and Eric Lonergan

In the decades following World War II, Japan’s economy grew so quickly and for so long that experts came to describe it as nothing short of miraculous. During the country’s last big boom, between 1986 and 1991, its economy expanded by nearly $1 trillion. But then, in a story with clear parallels for today, Japan’s asset bubble burst, and its markets went into a deep dive. Government debt ballooned, and annual growth slowed to less than one percent. By 1998, the economy was shrinking.

That December, a Princeton economics professor named Ben Bernanke argued that central bankers could still turn the country around. Japan was essentially suffering from a deficiency of demand: interest rates were already low, but consumers were not buying, firms were not borrowing, and investors were not betting. It was a self-fulfilling prophesy: pessimism about the economy was preventing a recovery. Bernanke argued that the Bank of Japan needed to act more aggressively and suggested it consider an unconventional approach: give Japanese households cash directly. Consumers could use the new windfalls to spend their way out of the recession, driving up demand and raising prices.

As Bernanke made clear, the concept was not new: in the 1930s, the British economist John Maynard Keynes proposed burying bottles of
bank notes in old coal mines; once unearthed (like gold), the cash would create new wealth and spur spending. The conservative economist Milton Friedman also saw the appeal of direct money transfers, which he likened to dropping cash out of a helicopter. Japan never tried using them, however, and the country’s economy has never fully recovered. Between 1993 and 2003, Japan’s annual growth rates averaged less than one percent.

Today, most economists agree that like Japan in the late 1990s, the global economy is suffering from insufficient spending, a problem that stems from a larger failure of governance. Central banks, including the U.S. Federal Reserve, have taken aggressive action, consistently lowering interest rates such that today they hover near zero. They have also pumped trillions of dollars’ worth of new money into the financial system. Yet such policies have only fed a damaging cycle of booms and busts, warping incentives and distorting asset prices, and now economic growth is stagnating while inequality gets worse. It’s well past time, then, for U.S. policymakers—as well as their counterparts in other developed countries—to consider a version of Friedman’s helicopter drops. In the short term, such cash transfers could jump-start the economy. Over the long term, they could reduce dependence on the banking system for growth and reverse the trend of rising inequality. The transfers wouldn’t cause damaging inflation, and few doubt that they would work. The only real question is why no government has tried them.

**EASY MONEY**

In theory, governments can boost spending in two ways: through fiscal policies (such as lowering taxes or increasing government spending) or through monetary policies (such as reducing interest rates or increasing the money supply). But over the past few decades, policymakers in many countries have come to rely almost exclusively on the latter. The shift has occurred for a number of reasons. Particularly in the United States, partisan divides over fiscal policy have grown too wide to bridge, as the left and the right have waged bitter fights over whether to increase government spending or cut tax rates. More generally, tax rebates and stimulus packages tend to face greater political hurdles than monetary policy shifts. Presidents and prime ministers need approval from their legislatures to pass a budget; that takes time, and the resulting tax breaks and government investments often benefit
powerful constituencies rather than the economy as a whole. Many central banks, by contrast, are politically independent and can cut interest rates with a single conference call. Moreover, there is simply no real consensus about how to use taxes or spending to efficiently stimulate the economy.

Steady growth from the late 1980s to the early years of this century seemed to vindicate this emphasis on monetary policy. The approach presented major drawbacks, however. Unlike fiscal policy, which directly affects spending, monetary policy operates in an indirect fashion. Low interest rates reduce the cost of borrowing and drive up the prices of stocks, bonds, and homes. But stimulating the economy in this way is expensive and inefficient, and can create dangerous bubbles—in real estate, for example—and encourage companies and households to take on dangerous levels of debt.

That is precisely what happened during Alan Greenspan’s tenure as Fed chair, from 1997 to 2006: Washington relied too heavily on monetary policy to increase spending. Commentators often blame Greenspan for sowing the seeds of the 2008 financial crisis by keeping interest rates too low during the early years of this century. But Greenspan’s approach was merely a reaction to Congress’ unwillingness to use its fiscal tools. Moreover, Greenspan was completely honest about what he was doing. In testimony to Congress in 2002, he explained how Fed policy was affecting ordinary Americans:

Particularly important in buoying spending [are] the very low levels of mortgage interest rates, which [encourage] households to purchase homes, refinance debt and lower debt service burdens, and extract equity from homes to finance expenditures. Fixed mortgage rates remain at historically low levels and thus should continue to fuel reasonably strong housing demand and, through equity extraction, to support consumer spending as well.

Of course, Greenspan’s model crashed and burned spectacularly when the housing market imploded in 2008. Yet nothing has really changed since then. The United States merely patched its financial sector back together and resumed the same policies that created 30 years of financial bubbles. Consider what Bernanke, who came out of the academy to serve as Greenspan’s successor, did with his policy of “quantitative easing,” through which the Fed increased the money supply by purchasing billions of dollars’ worth of mortgage-backed
securities and government bonds. Bernanke aimed to boost stock and bond prices in the same way that Greenspan had lifted home values. Their ends were ultimately the same: to increase consumer spending.

The overall effects of Bernanke's policies have also been similar to those of Greenspan's. Higher asset prices have encouraged a modest recovery in spending, but at great risk to the financial system and at a huge cost to taxpayers. Yet other governments have still followed Bernanke's lead. Japan's central bank, for example, has tried to use its own policy of quantitative easing to lift its stock market. So far, however, Tokyo's efforts have failed to counteract the country's chronic underconsumption. In the eurozone, the European Central Bank has attempted to increase incentives for spending by making its interest rates negative, charging commercial banks 0.1 percent to deposit cash. But there is little evidence that this policy has increased spending.
China is already struggling to cope with the consequences of similar policies, which it adopted in the wake of the 2008 financial crisis. To keep the country’s economy afloat, Beijing aggressively cut interest rates and gave banks the green light to hand out an unprecedented number of loans. The results were a dramatic rise in asset prices and substantial new borrowing by individuals and financial firms, which led to dangerous instability. Chinese policymakers are now trying to sustain overall spending while reducing debt and making prices more stable. Like other governments, Beijing seems short on ideas about just how to do this. It doesn’t want to keep loosening monetary policy. But it hasn’t yet found a different way forward.

The broader global economy, meanwhile, may have already entered a bond bubble and could soon witness a stock bubble. Housing markets around the world, from Tel Aviv to Toronto, have overheated. Many in the private sector don’t want to take out any more loans; they believe their debt levels are already too high. That’s especially bad news for central bankers: when households and businesses refuse to rapidly increase their borrowing, monetary policy can’t do much to increase their spending. Over the past 15 years, the world’s major central banks have expanded their balance sheets by around $6 trillion, primarily through quantitative easing and other so-called liquidity operations. Yet in much of the developed world, inflation has barely budged.

To some extent, low inflation reflects intense competition in an increasingly globalized economy. But it also occurs when people and businesses are too hesitant to spend their money, which keeps unemployment high and wage growth low. In the eurozone, inflation has recently dropped perilously close to zero. And some countries, such as Portugal and Spain, may already be experiencing deflation. At best, the current policies are not working; at worst, they will lead to further instability and prolonged stagnation.

MAKE IT RAIN
Governments must do better. Rather than trying to spur private-sector spending through asset purchases or interest-rate changes, central banks, such as the Fed, should hand consumers cash directly. In practice, this policy could take the form of giving central banks the ability to...
hand their countries’ tax-paying households a certain amount of money. The government could distribute cash equally to all households or, even better, aim for the bottom 80 percent of households in terms of income. Targeting those who earn the least would have two primary benefits. For one thing, lower-income households are more prone to consume, so they would provide a greater boost to spending. For another, the policy would offset rising income inequality.

Such an approach would represent the first significant innovation in monetary policy since the inception of central banking, yet it would not be a radical departure from the status quo. Most citizens already trust their central banks to manipulate interest rates. And rate changes are just as redistributive as cash transfers. When interest rates go down, for example, those borrowing at adjustable rates end up benefiting, whereas those who save—and thus depend more on interest income—lose out.

Most economists agree that cash transfers from a central bank would stimulate demand. But policymakers nonetheless continue to resist the notion. In a 2012 speech, Mervyn King, then governor of the Bank of England, argued that transfers technically counted as fiscal policy, which falls outside the purview of central bankers, a view that his Japanese counterpart, Haruhiko Kuroda, echoed this past March. Such arguments, however, are merely semantic. Distinctions between monetary and fiscal policies are a function of what governments ask their central banks to do. In other words, cash transfers would become a tool of monetary policy as soon as the banks began using them.

Other critics warn that such helicopter drops could cause inflation. The transfers, however, would be a flexible tool. Central bankers could ramp them up whenever they saw fit and raise interest rates to offset any inflationary effects, although they probably wouldn't have to do the latter: in recent years, low inflation rates have proved remarkably resilient, even following round after round of quantitative easing. Three trends explain why. First, technological innovation has driven down consumer prices and globalization has kept wages from rising. Second, the recurring financial panics of the past few decades have encouraged many lower-income economies to increase savings—in the form of currency reserves—as a form of insurance. That means they have been spending far less than they could, starving their economies of investments in such areas as infrastructure and defense, which
would provide employment and drive up prices. Finally, throughout the developed world, increased life expectancies have led some private citizens to focus on saving for the longer term (think Japan). As a result, middle-aged adults and the elderly have started spending less on goods and services. These structural roots of today’s low inflation will only strengthen in the coming years, as global competition intensifies, fears of financial crises persist, and populations in Europe and the United States continue to age. If anything, policymakers should be more worried about deflation, which is already troubling the eurozone.

There is no need, then, for central banks to abandon their traditional focus on keeping demand high and inflation on target. Cash transfers stand a better chance of achieving those goals than do interest-rate shifts and quantitative easing, and at a much lower cost. Because they are more efficient, helicopter drops would require the banks to print much less money. By depositing the funds directly into millions of individual accounts—spurring spending immediately—central bankers wouldn’t need to print quantities of money equivalent to 20 percent of GDP.

The transfers’ overall impact would depend on their so-called fiscal multiplier, which measures how much GDP would rise for every $100 transferred. In the United States, the tax rebates provided by the Economic Stimulus Act of 2008, which amounted to roughly one percent of GDP, can serve as a useful guide: they are estimated to have had a multiplier of around 1.3. That means that an infusion of cash equivalent to two percent of GDP would likely grow the economy by about 2.6 percent. Transfers on that scale—less than five percent of GDP—would probably suffice to generate economic growth.

**LET THEM HAVE CASH**

Using cash transfers, central banks could boost spending without assuming the risks of keeping interest rates low. But transfers would only marginally address growing income inequality, another major threat to economic growth over the long term. In the past three decades, the wages of the bottom 40 percent of earners in developed countries have stagnated, while the very top earners have seen their incomes soar. The Bank of England estimates that the richest five percent of British households now own 40 percent of the total wealth of the United Kingdom—a phenomenon now common across the developed world.
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To reduce the gap between rich and poor, the French economist Thomas Piketty and others have proposed a global tax on wealth. But such a policy would be impractical. For one thing, the wealthy would probably use their political influence and financial resources to oppose the tax or avoid paying it. Around $29 trillion in offshore assets already lies beyond the reach of state treasuries, and the new tax would only add to that pile. In addition, the majority of the people who would likely have to pay—the top ten percent of earners—are not all that rich. Typically, the majority of households in the highest income tax brackets are upper-middle class, not superwealthy. Further burdening this group would be a hard sell politically and, as France’s recent budget problems demonstrate, would yield little financial benefit. Finally, taxes on capital would discourage private investment and innovation.

There is another way: instead of trying to drag down the top, governments could boost the bottom. Central banks could issue debt and use the proceeds to invest in a global equity index, a bundle of diverse investments with a value that rises and falls with the market, which they could hold in sovereign wealth funds. The Bank of England, the European Central Bank, and the Federal Reserve already own assets in excess of 20 percent of their countries’ GDPs, so there is no reason why they could not invest those assets in global equities on behalf of their citizens. After around 15 years, the funds could distribute their equity holdings to the lowest-earning 80 percent of taxpayers. The payments could be made to tax-exempt individual savings accounts, and governments could place simple constraints on how the capital could be used.

For example, beneficiaries could be required to retain the funds as savings or to use them to finance their education, pay off debts, start a business, or invest in a home. Such restrictions would encourage the recipients to think of the transfers as investments in the future rather than as lottery winnings. The goal, moreover, would be to increase wealth at the bottom end of the income distribution over the long run, which would do much to lower inequality.

Best of all, the system would be self-financing. Most governments can now issue debt at a real interest rate of close to zero. If they raised

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Cash transfers are a uniquely effective way of fighting recessions.
capital that way or liquidated the assets they currently possess, they could enjoy a five percent real rate of return—a conservative estimate, given historical returns and current valuations. Thanks to the effect of compound interest, the profits from these funds could amount to around a 100 percent capital gain after just 15 years. Say a government issued debt equivalent to 20 percent of GDP at a real interest rate of zero and then invested the capital in an index of global equities. After 15 years, it could repay the debt generated and also transfer the excess capital to households. This is not alchemy. It’s a policy that would make the so-called equity risk premium—the excess return that investors receive in exchange for putting their capital at risk—work for everyone.

**MO’ MONEY, FEWER PROBLEMS**

As things currently stand, the prevailing monetary policies have gone almost completely unchallenged, with the exception of proposals by Keynesian economists such as Lawrence Summers and Paul Krugman, who have called for government-financed spending on infrastructure and research. Such investments, the reasoning goes, would create jobs while making the United States more competitive. And now seems like the perfect time to raise the funds to pay for such work: governments can borrow for ten years at real interest rates of close to zero.

The problem with these proposals is that infrastructure spending takes too long to revive an ailing economy. In the United Kingdom, for example, policymakers have taken years to reach an agreement on building the high-speed rail project known as HS2 and an equally long time to settle on a plan to add a third runway at London’s Heathrow Airport. Such large, long-term investments are needed. But they shouldn’t be rushed. Just ask Berliners about the unnecessary new airport that the German government is building for over $5 billion, and which is now some five years behind schedule. Governments should thus continue to invest in infrastructure and research, but when facing insufficient demand, they should tackle the spending problem quickly and directly.

If cash transfers represent such a sure thing, then why has no one tried them? The answer, in part, comes down to an accident of history: central banks were not designed to manage spending. The first central banks, many of which were founded in the late nineteenth
century, were designed to carry out a few basic functions: issue currency, provide liquidity to the government bond market, and mitigate banking panics. They mainly engaged in so-called open-market operations—essentially, the purchase and sale of government bonds—which provided banks with liquidity and determined the rate of interest in money markets. Quantitative easing, the latest variant of that bond-buying function, proved capable of stabilizing money markets in 2009, but at too high a cost considering what little growth it achieved.

A second factor explaining the persistence of the old way of doing business involves central banks’ balance sheets. Conventional accounting treats money—bank notes and reserves—as a liability. So if one of these banks were to issue cash transfers in excess of its assets, it could technically have a negative net worth. Yet it makes no sense to worry about the solvency of central banks: after all, they can always print more money.

The most powerful sources of resistance to cash transfers are political and ideological. In the United States, for example, the Fed is extremely resistant to legislative changes affecting monetary policy for fear of congressional actions that would limit its freedom of action in a future crisis (such as preventing it from bailing out foreign banks). Moreover, many American conservatives consider cash transfers to be socialist handouts. In Europe, which one might think would provide more fertile ground for such transfers, the German fear of inflation that led the European Central Bank to hike rates in 2011, in the middle of the greatest recession since the 1930s, suggests that ideological resistance can be found there, too.

Those who don’t like the idea of cash giveaways, however, should imagine that poor households received an unanticipated inheritance or tax rebate. An inheritance is a wealth transfer that has not been earned by the recipient, and its timing and amount lie outside the beneficiary’s control. Although the gift may come from a family member, in financial terms, it’s the same as a direct money transfer from the government. Poor people, of course, rarely have rich relatives and so rarely get inheritances—but under the plan being proposed here, they would, every time it looked as though their country was at risk of entering a recession.

Unless one subscribes to the view that recessions are either therapeutic or deserved, there is no reason governments should not try to end them if they can, and cash transfers are a uniquely effective way
of doing so. For one thing, they would quickly increase spending, and central banks could implement them instantaneously, unlike infrastructure spending or changes to the tax code, which typically require legislation. And in contrast to interest-rate cuts, cash transfers would affect demand directly, without the side effects of distorting financial markets and asset prices. They would also help address inequality—without skimming the rich.

Ideology aside, the main barriers to implementing this policy are surmountable. And the time is long past for this kind of innovation. Central banks are now trying to run twenty-first-century economies with a set of policy tools invented over a century ago. By relying too heavily on those tactics, they have ended up embracing policies with perverse consequences and poor payoffs. All it will take to change course is the courage, brains, and leadership to try something new.
An Army to Defeat Assad

How to Turn Syria’s Opposition Into a Real Fighting Force

Kenneth M. Pollack

Syria is a hard one. The arguments against the United States’ taking a more active role in ending the vicious three-year-old conflict there are almost perfectly balanced by those in favor of intervening, especially in the aftermath of the painful experiences of the wars in Afghanistan and Iraq. The cons begin with the simple fact that the United States has no interests in Syria itself. Syria is not an oil producer, a major U.S. trade partner, or even a democracy.

Worse still, intercommunal civil wars such as Syria’s tend to end in one of two ways: with a victory by one side, followed by a horrific slaughter of its adversaries, or with a massive intervention by a third party to halt the fighting and forge a power-sharing deal. Rarely do such wars reach a resolution on their own through a peaceful, negotiated settlement, and even when they do, it is typically only after many years of bloodshed. All of this suggests that the kind of quick, clean diplomatic solution many Americans favor will be next to impossible to achieve in Syria.

Nevertheless, the rationale for more decisive U.S. intervention is gaining ground. As of this writing, the crisis in Syria had claimed more than 170,000 lives and spilled over into every neighboring state. The havoc is embodied most dramatically in the Islamic State of Iraq and al-Sham, or ISIS, a Sunni jihadist organization born of the remnants of al Qaeda in Iraq. After regrouping in Syria, ISIS (which declared itself the Islamic State in late June) recently overran much of northern Iraq and helped rekindle that country’s civil war. ISIS is now using the areas it controls in Iraq and Syria to breed still more Islamist extremists, some of whom have set their sights on Western targets.

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I WANT YOU FOR THE NEW SYRIAN ARMY
Meanwhile, Syria’s conflict is also threatening to drag down its other neighbors—particularly Jordan, Lebanon, and Turkey, where the influx of nearly three million refugees is already straining government budgets and stoking social unrest.

After resisting doing so for three years, the White House is now scrambling to expand its role in the turmoil. In June, U.S. President Barack Obama requested $500 million from Congress to ramp up U.S. assistance to moderate members of the Syrian opposition (such assistance has until recently been limited to a covert training program in Jordan). Yet at every stage of the debate on Syria, the administration has maintained that the only way to decisively ensure the demise of the Assad regime is to deploy large numbers of ground troops.

But there is, in fact, a way that the United States could get what it wants in Syria—and, ultimately, in Iraq as well—without sending in U.S. forces: by building a new Syrian opposition army capable of defeating both President Bashar al-Assad and the more militant Islamists. The United States has pulled off similar operations before and could probably do so again, and at far lower cost than what it has spent in Afghanistan and Iraq. Considering the extent to which the Iraqi and Syrian civil wars have become entwined, such a strategy would help secure U.S. interests throughout the Middle East. Indeed, despite its drawbacks, it has become the best option for the United States and the people of Syria and the region.

**PICK YOUR BATTLES**

Given the powerful arguments against a greater U.S. role in Syria, any proposal to step up U.S. involvement has to meet four criteria. First, the strategy cannot require sending U.S. troops into combat. Funds, advisers, and even air power are all fair game—but only insofar as they do not lead to American boots on the ground. Second, any proposal must provide for the defeat of both the Assad regime and the most radical Islamist militants, since both threaten U.S. interests.

Third, the policy should offer reasonable hope of a stable end state. Because spillover from Syria’s civil war represents the foremost security concern, defeating the regime while allowing the civil war to continue—or even crushing both the regime and the extremists while allowing other groups to fight on—would amount to a strategic failure. There are no certainties in warfare, but any plan for greater U.S. involvement must at least increase the odds of stabilizing Syria.
Finally, the plan should have a reasonable chance of accomplishing what it sets out to do. Washington must avoid far-fetched schemes with uncertain chances of success, no matter how well they might fit its objectives in other ways. It should also properly fund the strategy it does select. Announcing a new, more ambitious Syria policy but failing to give it an adequate budget would be self-defeating, convincing friend and foe alike that the United States lacks the will to defend its interests.

Every proposal so far for greater U.S. involvement in Syria has failed to satisfy at least one of these criteria. The Obama administration’s new bid to expand training and equipment aid for the moderate opposition is no exception. Over time, supplying advanced antiaircraft and antitank weapons to the rebels, as Washington intends, would make victories costlier for the Assad government. But even large quantities of such arms are unlikely to break the stalemate. During the Soviet war in Afghanistan in the 1980s, for example, mujahideen fighters armed with U.S.-supplied Stinger antiaircraft and Milan antitank missiles inflicted heavy losses on Soviet tanks and helicopters but failed to score tactical battlefield gains. Moreover, unlike the Soviet Union, which was fighting a war of choice in Afghanistan (and could simply walk away), the Assad regime is waging a war for survival. Heavier equipment losses are unlikely to force it to capitulate, especially if it continues to win individual battles.

More problematic, the current strategy does not ensure a stable end state. Providing weapons and limited training to the rebels will simply improve their ability to kill. It will not unite them, create a viable power-sharing arrangement among fractious ethnic and sectarian communities, or build strong government institutions. These same shortfalls led to Afghanistan’s unraveling once Soviet forces withdrew; the victorious mujahideen soon started fighting one another, which eventually allowed them all to be crushed by the Taliban.

ARMY STRONG
Studying past cases of American military support suggests an alternative course: the United States could create a new Syrian military with a conventional structure and doctrine, one capable of defeating both the regime and the extremists. A decisive victory by this U.S.-backed army would force all parties to the negotiating table and give the United States the leverage to broker a power-sharing arrangement among the competing factions. This outcome would create the most favorable
conditions for the emergence of a new Syrian state: one that is peaceful, pluralistic, inclusive, and capable of governing the entire country.

To get there, the United States would have to commit itself to building a new Syrian army that could end the war and help establish stability when the fighting was over. The effort should carry the resources and credibility of the United States behind it and must not have the tentative and halfhearted support that has defined every prior U.S. initiative in Syria since 2011. If the rest of the world believes that Washington is determined to see its strategy through, more countries will support its efforts and fewer will oppose them. Success would therefore require more funding—to train and equip the new army’s soldiers—and greater manpower, since much larger teams of U.S. advisers would be needed to prepare the new force and guide it in combat operations.

Recruiting Syrian army personnel would be the first task. These men and women could come from any part of the country or its diaspora, as long as they were Syrian and willing to fight in the new army. They would need to integrate themselves into a conventional military structure and adopt its doctrine and rules of conduct. They would also have to be willing to leave their existing militias and become reassigned to new units without regard for religion, ethnicity, or geographic origin. Loyalty to the new army and to the vision of a democratic postwar Syria for which it would stand must supersede all other competing identities.

The strategy’s most critical aspect would be its emphasis on long-term conventional training. The program would represent a major departure from the assistance Washington is currently providing the opposition, which involves a few weeks of coaching in weapons handling and small-unit tactics. The new regimen, by contrast, should last at least a year, beginning with such basic training and then progressing to logistics, medical support, and specialized military skills. Along the way, U.S. advisers would organize the soldiers into a standard army hierarchy. Individuals chosen for command positions would receive additional instruction in leadership, advanced tactics, combined-arms operations, and communications.

Because the existing Syrian opposition is hobbled by extremism and a lack of professionalism, vetting all new personnel would be crucial.
History shows that the only effective way to do this is for the U.S. advisers to work with the recruits on a daily basis. That would allow the advisers to gradually weed out the inevitable bad seeds—radicals, regime agents, thugs, and felons—and promote the good ones.

Since training the first cadre of fighters (a task that the CIA would likely handle) would require security and freedom from distraction, it would be best to start it outside Syria. Possible training sites could include Jordan, where the United States is already providing some aid to the rebels, and Turkey. Both countries have strongly lobbied Washington to widen its support for the Syrian opposition. Yet both would probably demand compensation for hosting big new base camps. Jordan already receives about $660 million in U.S. aid per year, and in February 2014, the White House pledged an additional $1 billion in loan guarantees to help the country with its refugee burden. Washington could offer to continue such aid in return for cooperation with its new strategy.

In addition to being trained and organized like a conventional military, the new force must be equipped like one. Washington would need to provide the new army with heavy weapons, including tanks, armored personnel carriers, artillery, and surface-to-air missiles—vital tools for eliminating the regime’s current advantage in firepower. The new army would also need logistical support, communications equipment, transport, and medical gear to mount sustained offensive and defensive operations against the regime.

THE ROAD TO DAMASCUS
This new Syrian army would eventually move into Syria, but only once it was strong enough to conquer and hold territory. For that, it would need to reach a critical threshold of both quantity and quality. It would be unwise to send the new army into the maelstrom of Syria until it could field at least two or three brigades, each composed of 1,000 to 2,000 soldiers. Yet more important, these formations should go into battle only once they have developed the unit cohesion, tactical skills, leadership, and logistical capabilities necessary to beat the regime’s forces and any rival militias. And when it does cross into Syria, the army should do so accompanied by a heavy complement of U.S. advisers.

Even after the force made its first significant territorial gains, it would have to keep growing. Its ultimate task—securing control of the entire country by crushing all actors that challenge it—would require several hundred thousand soldiers to complete. But the launch of mili-
tary operations would not have to wait until the army could field that many fighters. Quite the contrary: it could still recruit and train most of its soldiers after its first brigades made their initial advance.

Once the soldiers began to secure Syrian territory, their leaders would need to quickly restore law and order there. That would mean allowing international humanitarian organizations to return to areas that are currently off-limits and protecting their staff while they deliver aid. It would also require the establishment of a functional, egalitarian system of governance. The vast majority of Syrians want nothing to do with either Assad’s tyranny or the fanaticism of his Islamist opponents. As in every intercommunal civil war, the population is likely to rally behind any group that can reinstate order. The new army should thus be ready from the outset to meet people’s needs in every city and village it wins back, which would also distinguish it from its rivals.

Once the new army gained ground, the opposition’s leaders could formally declare themselves to represent a new provisional government. The United States and its allies could then extend diplomatic recognition to the movement, allowing the U.S. Department of Defense to take over the tasks of training and advising the new force—which would now be the official military arm of Syria’s legitimate new rulers.

Lessons from other countries demonstrate that postwar governments are most durable when they grow from the bottom up. When they are imposed from the top down, as was the case in Iraq in 2003, the outcomes can range from bad to catastrophic. But allowing the new government to take shape organically in Syria would take years. In the meantime, areas controlled by the U.S.-backed army would require a provisional authority—ideally, a special representative of the UN secretary-general who would retain sovereignty until a new government was ready.

If history is any guide, as the new force started to beat back both the regime and the Islamist extremists, fairly administer its territory, and prove to the world that the United States and its allies were determined to see it succeed, growing numbers of Syrians should flock to its cause. This surge of public support would generate more volunteers for the

The United States should create a new Syrian military—capable of defeating both the regime and the extremists.
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army and a groundswell of momentum for the opposition movement, factors that have often proved decisive in similar conflicts.

One of the most baleful legacies of protracted civil wars is the difficulty of creating stable political systems once the fighting ends. A stable peace in the wake of intercommunal strife requires a pluralistic system with strong guarantees of minority rights. Such a system, in turn, rests on an army that is strong, independent, and apolitical. Postwar Syria would need this kind of military culture to reassure all its communities that whoever holds power in Damascus would not once more turn the security forces into agents of oppression. The best way to ensure that the army upheld these principles would be to ingrain them in its institutional culture from the very start, through the long-term process of military socialization.

Iraq offers both a powerful example and a critical warning in this regard. On the one hand, by 2009 the United States had succeeded there in building a military that, although only modestly capable, was quite independent and apolitical. Just three years earlier, the country’s security forces had been a discredited and inept institution and a source of fear for most Iraqis. Similar to the Syrian opposition today, the Iraqi army had been overrun by criminals, extremists, militiamen, and incompetent, poorly equipped fighters. Yet a determined U.S. program transformed the force, making it a welcomed, even sought after, enforcer of stability across the country. In 2008, for example, mostly Sunni army brigades were hailed as liberators by the Shiites of Basra when they drove out the Shiite militia Jaish al-Mahdi. A key factor in this transformation was rigorous training of the kind here proposed for Syria, which allowed U.S. advisers to vet local personnel.

On the other hand, a strong independent army often draws the suspicion of ruthless local politicians who try to subvert or politicize it. That is precisely how Prime Minister Nouri al-Maliki turned the Iraqi military back into a sectarian militia after Washington disengaged. The resulting decline in skill and morale explains why four Iraqi army divisions collapsed in the face of the ISIS offensive in June, and why many Sunnis threw in their lots with ISIS against Maliki. The lesson for Syria is that it’s not enough to merely bring a new army into existence and help it win the war. If the United States wants to see the country develop into a stable new polity, it will have to keep supporting and shepherding the new Syrian military for some years thereafter, albeit at declining levels of cost and manpower.
WINNING THE PEACE

The biggest question about this ambitious proposal, of course, is, can it work? Although wars are always unpredictable, there is more than enough historical evidence to suggest that this approach is entirely plausible—and in fact better than any other option for intervention.

For example, even though the United States eventually gave up on Vietnam, it did enjoy considerable success rebuilding the South Vietnamese army from 1968 to 1972, after U.S. neglect and Vietnamese mismanagement had left it politicized, corrupt, and inept. Although that force continued to face many problems, it improved so much that it managed to halt the North’s invasion during the Easter Offensive of 1972. South Vietnamese fighters did enjoy the backing of extensive U.S. air power and legions of U.S. advisers, but four years earlier, few had believed them capable of such a feat even with that kind of support.

Then there is the dramatic transformation of the Croatian army that NATO achieved during the 1992–95 Bosnian war, a conflict precipitated by ethnic and territorial tensions triggered by the dissolution of Yugoslavia. The fledgling Croatian force, which was supporting the Bosnian Croats against Serbian forces, had started out hapless and incompetent in the opening months of the war. In three years, the West’s provision of training and supplies, coupled with the determination of the Croatian fighters, was enough to remake the army into an efficient fighting machine able to mount a series of combined-arms campaigns that forced Serbia to the negotiating table. (This example is particularly apt for Syria because Serbia’s forces were far more formidable than Assad’s.) Iraq’s history, meanwhile, illustrates both the ability of the United States to build a relatively capable indigenous force in just a few years largely from scratch and the perils of abandoning it to an immature political system.

In each of these cases, the factor that mattered most was commitment on the part of Washington. Where and when the United States has proved willing to make its strategy work—in Vietnam, Bosnia, even Iraq—it has succeeded. But where it abandoned its commitments, its progress rapidly came undone.

U.S. experience in Bosnia and Iraq also points to an effective tactic for preventing a bloodbath after the new Syrian army wins. In both those countries, the United States built up a force that was clearly capable of defeating its rivals, but then Washington was able to prevent it from taking that final step. The U.S.-backed groups fought well enough to convince their enemies of the necessity to compromise.
on a power-sharing arrangement. At the same time, U.S. pressure ensured that the winners accepted something less than total victory.

Past performance is no guarantee of future success, of course, and each historical analogy differs from Syria in important ways. The South Vietnamese army’s improved performance failed to forestall its collapse once it lost U.S. air cover. Croatia in the early 1990s was a proto-state fighting another proto-state, Serbia. And the Iraqi security force benefited from a massive U.S. ground presence that went well beyond what the proposed plan envisions for Syria.

The prospect that a new Syrian army could be created from scratch and lack the power of a state behind it should give policymakers pause, but these problems should not be deal breakers. The Northern Alliance (the group that helped topple the Taliban in Afghanistan in 2001) and the Libyan opposition each managed to prevail with no Western support beyond advisers and air power; they certainly never enjoyed the backing of a proto-state such as Croatia. Of course, Assad’s troops are also more capable today than were either the Taliban’s forces in Afghanistan or Muammar al-Qaddafi’s army in Libya. But strong as the Syrian military may seem in a relative sense, it is hardly a juggernaut, having performed miserably in every war since 1948 and having fought only marginally better than the very lackluster opposition since 2012.

How long would it take to implement this plan? The history of similar operations in Bosnia, Afghanistan, Iraq, and Libya indicates that the United States would need one to two years to prepare the first few brigades. After their initial foray into Syria, the growing army would likely need another one to three years to defeat the regime’s forces and other rivals. That suggests a two- to five-year campaign.

Once it attained a peace deal, the new army would have to reorganize itself into a traditional state security apparatus. It might have to further expand its ranks in order to meet Syria’s long-term security needs, including the defeat of residual terrorist elements. This stabilizing role would take years longer but would be far less demanding than fighting the Assad regime, especially if the United States kept up its support for Syria’s new institutions and its economic and political reconstruction.
Critics will inevitably argue that this road map for Syria is infeasible today, coming too late to make a difference. Yet analogous arguments have proved wrong in the past. In March 2005, for example, I gave a briefing on Iraq to a small group of senior U.S. officials, presenting the strategy I had been advocating since early 2004: a shift to true counterinsurgency operations, an effort to reach out to the Sunni tribal leaders of western Iraq, the addition of thousands of U.S. forces, and a bottom-up process of political reform to encourage power sharing. My audience responded that although this plan might have worked in 2003 or even 2004, by 2005 Iraq was simply too far gone. Yet what I was prescribing was the very strategy that General David Petraeus and Ryan Crocker, the U.S. ambassador to Iraq, would employ two years later—and that would turn the tide of the conflict.

Likewise, there is no reason to believe that it’s too late for Syria. The civil war there will not end anytime soon, despite the fact that expanded Iranian and Russian assistance have allowed Assad loyalists to make significant gains. The most probable scenario is that the regime’s advances will prove limited and the resources flowing to the rebels from their foreign backers will cause a stalemate. Syria will burn on, while U.S. officials continue telling themselves that the time for action has passed.

Even if Washington adopted this course of action, many more Syrian lives would be lost before it could succeed. The only way to save those lives, however, would be to deploy U.S. ground forces—a proposal that, given the American public’s sentiment, is a nonstarter. Barring boots on the ground, the approach described here is the best chance to avoid hundreds of thousands of additional casualties.

**SUPPORT FROM THE SKIES**

Another key question is whether the plan would require U.S. air power, since an air campaign would make this strategy far more expensive in both financial and diplomatic terms. At least one case, the Bosnian war, suggests that U.S. air support may prove unnecessary. During that conflict, it was a Croatian (and Bosnian) ground assault, undertaken with barely any Western air cover, that made the difference. Although NATO flew 3,515 sorties during the conflict, none was in direct support of the Croatian forces, and most of the targets were unrelated to the ground fighting. Moreover, the unclassified CIA history of the war concluded that the NATO air strikes contributed only
modestly to securing Serbian acquiescence to the Dayton peace accords; Croatian battlefield victories mattered far more.

Most of the other historical evidence, however, indicates that U.S. air support would be needed. In Afghanistan in 2001 and Libya in 2011, Western air power paved the way for the opposition victories. Looking further back in time, even after the South Vietnamese army matured enough to operate without U.S. ground support, it remained dependent on massive U.S. air assistance—albeit while battling a foe much tougher than the Assad regime.

Nevertheless, the fact that the proposed strategy could require air power does not mean that the American public will necessarily oppose it. Public opinion surveys in the mid-1990s, during the Bosnian war, showed firm and consistent opposition to U.S. intervention, even if undertaken multilaterally. Yet those same polls reported considerably higher support for air operations. Likewise, few Americans objected when the Obama administration contributed U.S. air forces to the NATO air campaign in Libya in 2011.

Beyond air power, two other variables would heavily influence the ultimate cost of the strategy proposed here: how much Washington spent on the new Syrian army, and whether it could convince its allies to shoulder a part of the burden. Given the costs of similar past operations, one can reasonably expect the new fighting force to require $1–$2 billion per year to build. The United States would need to budget an additional $6–$20 billion per year for air support and perhaps another $1.5–$3 billion per year for civilian aid.

Adding these sums together yields a total operating budget of $3 billion annually for two or three years at the lower end of the price scale. If an air campaign on the scale of that in Bosnia, Afghanistan, or Libya were required, the annual price would rise to roughly $9–$10 billion for as long as the fighting continued. And if the United States were forced to provide twice as much air power as it did in those earlier wars, the cost could reach $18–$22 billion per year. Following a political settlement, Washington’s continued support for the new government would probably require $1–$5 billion in civilian and security assistance annually for up to a decade. By comparison, Afghanistan cost the United States roughly $45 billion a year from 2001 to 2013, and Iraq, about $100 billion a year from 2003 to 2011.

Of course, the numbers would come down considerably if the United States won financial support from its allies in Europe and the Middle
East, especially the Persian Gulf states. For years, Gulf leaders have insisted in private that they would fund most or all of such an effort. And they have paid for similar operations in the past. Saudi Arabia heavily supported the covert U.S. campaign against the Soviet Union in Afghanistan and, along with Kuwait and other Gulf states, the U.S. operations during the Gulf War. Gulf leaders also threw their weight behind the U.S. decision to intervene in Libya. There is no question that these states see the outcome of the Syrian conflict as vital to their interests; they have already spent billions of dollars backing various Syrian militias. So they would likely support the scheme outlined here—although Washington should gauge their interest before deciding whether to pursue it.

RAISING THE BAR
If the Obama administration does decide to build a Syrian army, it should do so with its eyes open, for the strategy would entail some risk of escalation. Few, if any, wars work exactly as planned without incurring unexpected costs, and some turn out to be far more expensive, messy, and deadly than anticipated. Afghanistan and Iraq are both cases in point, and they also demonstrate that a country typically gets the worst outcome when it prepares for nothing but the best. If the United States pursued the strategy proposed here, it would need to be prepared to lose some American lives. U.S. pilots could be shot down and U.S. advisers could be wounded, killed, or captured.

The Assad regime could also launch missile strikes against U.S. allies in retaliation or mount terrorist attacks abroad. Syria’s allies Iran and Hezbollah could respond as well, likely by attacking U.S. advisers, just as they did U.S. troops in Iraq. The fear of Washington’s counterattack could deter Tehran from staging a more direct assault but might be insufficient to scare off Hezbollah, since the fall of the Assad regime would imperil Hezbollah’s very existence. And no matter what country ultimately hosted the new Syrian army during the early stages of its development, that country would need guarantees that the United States would help defend it against enemy retaliation.

Finally, the new Syrian army could still lose the war. Given the limited capability of Assad’s forces and the previous successes of Western air power in similar circumstances, such a scenario seems unlikely, but it should not be ruled out. The same goes for a slightly more realistic worry: that the opposition would conquer the country but then fail to secure it. The new Syrian army would then continue
to face a grueling and destabilizing battle with extremists and insurgents while struggling to establish law and order, a challenge that undermined postwar governments in both Afghanistan and Libya.

In all these scenarios, the pressure on the United States to escalate its involvement would increase. The strategy outlined here is designed to minimize this risk, but it cannot eliminate it. No one should embrace this approach without recognizing that it could at some point confront Washington with the difficult choice between doubling down and walking away.

**THE COSTS OF INACTION**

Since the fall of Mosul in June 2014, the Syrian and Iraqi civil wars have become entangled. Any strategy to deal with one must also deal with the other. The region’s sectarian fault lines complicate matters further. In Syria, the Sunni majority is in revolt; in Iraq, the Sunni minority is. In both countries, the United States is seeking to separate the moderate Sunni opposition from more radical groups, such as ISIS. But only in Syria does it aim to depose a Shiite regime. In Iraq, Washington hopes to remain on good terms with the Shiite-dominated government, even as it insists that Baghdad enact immediate and far-reaching reforms.

The strategy proposed here would serve U.S. interests in both countries. Although the contemplated new Syrian army should be neutral, it would inevitably be dominated by Sunnis. Its victories over both the Shiite-dominated Assad regime and the Islamist militants in Syria would make it a model for Iraq’s moderate Sunni tribes. These groups would be key to defeating ISIS, just as their support proved crucial for the U.S. troop surge in Iraq in 2007–8. Decisive U.S. support for the Syrian offshoots of those Iraqi tribes—coupled with Washington’s commitment to build the kind of inclusive, pluralistic, and equitable state in Syria that moderate Sunnis seek in Iraq—could help turn Sunnis across the region against ISIS and its ilk.

Events in Iraq have starkly demonstrated the costs of inaction. Whatever choice the United States makes, it should not make it in the mistaken belief that there is no plausible strategy for victory at an acceptable cost. The United States can end the Syrian civil war on its own terms and rebuild a stable Syria without committing ground troops. Doing so could take a great deal of time, effort, and resources. It will certainly take the will to try.
In the past twenty-years, Israel has earned the nickname “start-up nation” exporting solutions to global human challenges in the field of water and food technologies, healthcare and life sciences, ICT, cybersecurity and energy. Since the state was established in 1948, kibbutz and moshav (communal and cooperative agricultural communities), then state companies and start-ups have led the way.

Dan Senor and Saul Singer, in their eponymous book, explained it is all about creating the right innovation ecosystem, which drives the remarkable economic performances of the country. Growth projection for 2014 is pegged at 3.4—Israeli performance will exceed that of OECD’s other members. High tech products account for half of industrial exports from Israel. Investing the highest ratio of GDP into R&D Israel is the world’s second most educated country after Canada. The engrained quest for perfection and the local sense of chutzpah—audacity—create a particularly competitive business culture.

“In Israel, we have our own DNA of policy innovation” explains the Ministry of Economy’s Chief Scientist, Avi Hasson. His office supervises twenty incubators for early stage projects. Alongside private venture capital, Israel provides its entrepreneurs with the necessary backing to turn their innovative ideas into profitable businesses. The country has the highest density of start-ups per capita, which aim high and global with more Israeli companies listed on the NASDAQ than the entire European continent.

Harel Locker, Director General of the Prime Minister’s Office, wants Israel to further open to the world. In Locker’s words: “We help foreign investors and companies that come to Israel remove any barriers”. Supported by these regulations, almost half of the world’s top technology companies have bought start-ups or opened R&D centers in the country—200 of them from the U.S., such as IBM, Cisco and Intel, and more recently Apple and Facebook.

Kibbutz Sdot Yam’s engineered stone surface company, Caesarstone, is an example of kibbutz perpetually renewing their range of activity.

Here: Calacatta Nuvo, latest design from Caesarstone

Israel, a world leader in life sciences technology, has the world’s highest number of patents per capita in the medical device area, as illustrated by pioneer Insightec, leading the therapeutic use of ultrasound technology.

Here: Physician and patient during ExAblate Neuro treatment

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Here: Calvin Koppelman and Rony Gross, founders of UVCare, showing the life sciences technology of a pacemaker.
PREPARING FOR TOMORROW
AN INTERVIEW WITH SHIMON PERES

The history of Israel coincides to a great degree with Shimon Peres’ own biography. Ever since Israel was born, the country’s immediate former president, 91, has pushed the country along the path of innovation.

How has Israel become one of the world’s most innovative and entrepreneurial economies?

When Israel was started, the land we got was unfertile. We thus had to use technology. The need for weapons brought us to ‘real’ high tech, of which Ben Gurion put me in charge. My friend Al Schwimmer, came from the US to help with this work. In spite of the failure the experts predicted then, our chutzpah helped us.

What will be the impact of scientific innovation on tomorrow’s world?

Tomorrow is already here but we think as we did yesterday, ignoring reality. We have to adapt ourselves to a new age where competition, not wars, will take over. We have an alternative way to government for governing: global companies. Global companies do not have any force or power. It is a new sort of democracy, without delegation. They will be in charge of the future investing in innovation and research. Everything will evolve around individuals.

“We have to adapt ourselves to a new age where competition, not wars, will take over.”

How would you like to see Israel in the next few years?

We must understand the decision-making processes in our own brains. The brain is the most illustrous instrument that exists. Israel must lead brain research. We live on our brain more than our land.

Israel shall continue to prefer the moral code to any other attraction on earth; values must come before power and wealth. If we overcome the difficulties in negotiations, Arabs will know Israel is not their problem. If Israel helps without fanfare, we can contribute.

“Concretely, we must move from the start-up nation to a start-up region.”

How can scientific development contribute to peace and stability in the region?

For fifty years, poverty has been growing in the Middle East. People are overusing natural resources. The only thing we can do is to improve quality of life. We must also ensure men and women have equal rights. Concretely, we must move from the start-up nation to a start-up region. Israel has 13,000 start-ups involving 60,000 students.

I suggest we open initiatives encouraging entrepreneurial ventures to Arab universities. Sixty percent of the 350 million Arabs living in this region are below the age of 26. One hundred million of them are connected to the Internet. Israel can contribute indirectly to have all the youngsters connected.

Having completed your term, and as a “dissatisfied optimist,” what is next?

My dream is to help the region to escape poverty and terror. I will do this working with multinational companies. I want to create a sort of matchmaking bringing companies and people together. This interview has been edited and condensed.

WATER TECHNOLOGY
ISRAEL SETTING THE GLOBAL PACE

Israel’s founder and first Prime Minister, David Ben Gurion, cherished the dream of a blossoming Negev desert. Ever since, water technology has been top priority in a land that is 60 percent arid. Water was Israel’s 2013 Chairman and former Water Commissioner. Shimon Tal, refers to Israel as the “water solutions hub.” Technologies such as the desalination of seawater, reclamation of treated sewage for agriculture, early-warning methods to detect leaks and computerized drip irrigation, allow 80 percent of all water used in Israel to be recycled and reused. Spain, the second biggest recycler of water by comparison, only reuses about one quarter of its water.

Avshalom Felber, CEO of IDE Technologies, stresses that the water scarcity problem revolves around three angles: water conservation, water re-use and water desalination. IDE is currently building the largest seawater desalination plant in the Western Hemisphere, located north of San Diego in Carlsbad. This US$1 billion dollar project has been developed with local partners to deliver 50 million gallons of water a day by early 2016. Felber explains that when it comes to water solutions the US is lagging behind: “U.S. companies can learn from us in the fields of desalination, water treatment, and sophisticated water treatment solutions for complex projects.”

Israeli technologies are also providing top-quality drinking tap water in the home. Strauss Group, Israel’s second-largest food group, is developing patents for unique point of use water purification solutions available globally, and distributed through joint ventures with Virgin and appliance producer Haier, with products delivered in the Israeli, European and Chinese markets. Ofra Strauss, Chairwoman of the Group, reveals that the purification technology is based on gravity, enabling its use in developing countries with unreliable electricity sources. She guarantees, “safety is inherent within this machine”. Thanks to this technology, “even if there is no electricity, and no water pressure, one can get purified water,” thus suiting both developed and developing markets.
Tourism is a booming sector in Israel. In February 2014, while visiting the U.S., Prime Minister Benjamin Netanyahu declared it was a priority sector for the Israel economy to preserve its growth rate. “Tourism is an economic growth engine that we need to cultivate. It is important to show, to the world, Israel as a progressive and enlightened country with scenic vistas and vibrant nightlife, and as a state that respects all religions.”

With over a billion NIS (US$300 million) in revenue in 2013, Isrotel has established itself as the leading hotel chain in Israel. Known for its ability to provide amazing added value, Isrotel is able to turn each of Israel’s scenic landscapes into modern and unique tourism destinations.

Isrotel’s story begins in 1983 when David Lewis, a London-based Jewish businessman, realized the potential for tourism in Israel—especially in Eilat, Israel’s premier resort town located at its southern tip by the Red Sea. Since then, the Isrotel Hotel Chain has grown to 17 hotels, including the Beresheet Hotel on the edge of the Ramon Crater; and its newest luxurious Spa Hotel, Cramim, in the Jerusalem hills. Isrotel pioneered the Spa & Resort concept in Israel.

“Israel is a small country that has everything”
Lior Raviv, General Manager
Isrotel Hotel Chain

Isrotel, traded on the Tel Aviv Stock Exchange, mixes sound management practices with innovative thinking. Yet, contrary to international hotel chains, Isrotel confined its ambition to Israel, turning its knowledge of the country into an unbeatable asset. The General Manager, Lior Raviv, explains “Israel is a small country that has everything”. For perfectionist Raviv, this innovative quest is Isrotel’s DNA: “We have always been ahead of the market and we will continue being like that.”

Effectively, the company’s services and facilities have turned it into the go-to brand for international and local visitors. Urban centers, Tel Aviv and Jerusalem, are new development priorities, where Isrotel can truly leave a mark in redefining high-end travel options for business and leisure visitors. The results are already visible: the chain’s newest facility in Tel Aviv, Royal Beach Tel Aviv by Isrotel Exclusive Collection, open since June 2013, benefits from the city’s highest occupancy rates for the first months of 2014. Raviv anticipates: “I believe this will continue until the end of the year.”
As sectarian tensions convulse the Mideast, this InfoGuide examines the roots and consequences of the divide between Sunni and Shia Muslims.

The InfoGuides offer a comprehensive look at complex foreign policy issues through online teaching and storytelling tools. “The Sunni-Shia Divide” is the fourth in a series that includes “China’s Maritime Disputes,” “Child Marriage,” and “The Emerging Arctic.”
Leaders Indicating

Why Markets Now Use Politics to Predict Economics

*Ruchir Sharma*

The normal rhythm of politics tends to lead most nations’ economies around in a circle, ashes to ashes. This life cycle starts with a crisis, which forces leaders to reform, which triggers an economic revival, which lulls leaders into complacency, which plunges the economy back into crisis again. Although the pattern repeats itself indefinitely, a few nations will summon the strength to reform even in good times, and others will wallow in complacency for years—a tendency that helps explains why, of the world’s nearly 200 economies, only 35 have reached developed status and stayed there. The rest are still emerging, and many have been emerging forever.

Beginning in 2003, however, this cycle seemed to stop turning. The world economy entered a unique period of prosperity, driven by declining interest rates, rising trade, and surging commodity prices. These global tail winds were so strong that national leaders did not need to push fresh reforms to generate economic growth; the fruit virtually fell from the tree on its own. By the peak of the boom, in 2007, roughly 60 percent of the world’s economies had hit annual growth rates of at least five percent, a record high number of economies and far above the 35 percent average of the post–World War II era. Even more unusual, only five economies contracted that year. It seemed as if virtually every country was brimming with promise, and global investors poured hundreds of billions of dollars into emerging stock markets without bothering to distinguish one from the other, India’s from Indonesia’s.

Then came the financial meltdown of 2008; suddenly, the tail winds stopped blowing. By 2014, the percentage of the world’s economies...
that were growing at five percent or faster had fallen from 60 percent to 30 percent. The threat of crisis and recession returned with a vengeance, forcing investors to become much more discerning—and in an entirely novel way. Market players usually focus on and respond to data related to a nation’s economic prospects: measurements of GDP growth, employment, trade, and so on. But given the trying economic climate, investors have lately started to train their gaze elsewhere: on political leadership. In recent years, stock markets in countries ranging from Japan to Mexico have rallied on mere hope for political change: specifically, the rise of new leaders who seem likely to push for economic reform.

As political leadership has come to seem more and more important to economic growth prospects, these stock market hope rallies have grown increasingly common, especially this year, which is an unusually busy one for elections. Of the world’s 110 emerging democracies, 44, including six of the largest, have held or will hold national ballots in 2014. Not all these contests have affected the markets: where there was little expectation that elections would oust entrenched rulers, as in South Africa and Turkey, the markets largely ignored the campaigning. But in countries where promising newcomers gained momentum, the markets paid close attention. In Indonesia, what analysts called a “Jokowi rally” began last December, when polls started forecasting that Joko “Jokowi” Widodo would be the next president, and the rally continued through his victory in July. India experienced something similar—a Modi rally—starting the day Narendra Modi was confirmed as the opposition candidate for prime minister last September and continuing after his victory in May.

Never before have investors so frequently named rallies after people, the way meteorologists name hurricanes. Even the developed world, where economies are more mature and politicians generally have less influence on growth prospects, has started to witness rallies named after the politicians that inspired them; when the reform-minded Matteo Renzi became prime minister of Italy in February, for example, one suddenly started hearing talk of a Renzi rally.

Meanwhile, in Latin America, investors have become so desperate for fresh faces and policies that they have rallied even on bad news for seated leaders. Argentina’s markets began to rise sharply late last year after stories spread suggesting that the country’s populist president, Cristina Fernández de Kirchner, was in ill health. And in Brazil, where the ruling Workers’ Party is widely blamed for the country’s stagflation,
the stock market has risen every time a new poll has shown that President Dilma Rousseff’s approval ratings are falling ahead of October’s election. In São Paulo, investors are calling this a rally in support of “anyone but Dilma.”

Why has politics suddenly started to exercise so much influence over financial markets? The answer starts with the breakdown of economic growth models that had come to rely too heavily on the high commodity prices, low interest rates, and other global windfalls of the last decade. When the times were good, many leaders neglected to keep pushing reforms and to invest profits wisely. As a consequence, their nations are now struggling to sustain growth. Three of the biggest commodity-exporting economies, for example—Brazil, Russia, and South Africa—have seen their GDP growth rates collapse to about one percent or less this year and their inflation rise to around six percent. That’s made investors especially alert for signs that new leaders with new ideas might emerge.

Another reason why politics has become so important to the markets is that the two conditions necessary for orderly leadership changes and quick economic turnarounds—free elections and free markets—have become increasingly ubiquitous in recent decades. Since the financial crises of the 1970s began weakening autocratic regimes, the number of countries holding free elections has tripled, from around 40 to about 120. It was not until after the fall of the Berlin Wall, however, that many big developing nations took the next necessary step and began opening up their stock markets to foreign investors. And even then, these countries did not appear on the radar of global investors for another decade, because their economies’ emergence was delayed by the currency crises that swept developing nations in the 1990s. The broad explosion of hope rallies was thus not even possible until relatively recently.

**MARKET LEADERS**

The global markets have seen some hope rallies before, although on a smaller scale. An analysis of how stock markets have reacted to 140 national elections in 30 major democracies over the past two decades shows that investors tend to respond dramatically in conditions much like those of today: when reform-minded challengers ascend to power in the wake of financial or political crises and then actually deliver. Over the past two decades, 16 leaders have fit this profile. On average, during these leaders’ first 18 months in office, the performance of the stock
markets in their countries beat the emerging-market average by an astounding 40 percentage points.

Among this group, four leaders, all of whom rose to power following the currency crises of the late 1990s, are especially noteworthy because they represent the most important generation of economic reformers in the developing world in recent times: Kim Dae-jung, South Korea’s president from 1998 to 2003; Vladimir Putin, who has served as Russia’s leader since 2000; Luiz Inácio Lula da Silva (known as Lula), president of Brazil from 2003 to 2011; and Recep Tayyip Erdogan, Turkey’s prime minister since 2003. By imposing discipline on deeply indebted economies, they brought financial respectability to once-lagging countries and helped set the stage for the boom of 2003 to 2007—the strongest and widest the emerging-market nations have ever seen.

All four managed, with stunning speed, to transform their economies into engines of growth. In South Korea, Kim used the Asian financial crisis to push through a major overhaul of the nation’s banks and debt-ridden conglomerates, repaid an emergency loan from the International Monetary Fund in less than three years, and saw the economy rebound from a severe recession in 1998 to a growth rate of more than seven percent in the last four years of his single term. In Brazil, Lula managed to contain the government’s profligate spending habits, helping keep inflation under control and setting the stage for an increase in economic growth from 1.5 percent before he took office to an average of over three percent in his first term and to an average of four percent in his second. Erdogan engineered a similarly fundamental turnaround. Weaning Turkey off the IMF loans to which it had resorted roughly every other year for four decades helped the country’s GDP growth accelerate to more than seven percent in his first term before it cooled off to around three percent in his second. But perhaps the most dramatic reversal of fortune has come in Russia under Putin, who inherited an economy in 2000 that had contracted in five of the previous six years and a currency that had collapsed twice in the previous decade. Putin not only stabilized the ruble but also, with the help of higher oil prices, led Russia to an average GDP growth rate of around seven percent during his first two terms.

Such accomplishments turned all four of these reformers into market darlings. By reviving economic growth, Kim, Lula, Erdogan, and Putin also generated stock market rallies that lasted many years, but they are exceptional cases. Markets are extremely impatient and will turn on even the strongest leaders if they stop generating high growth or on the most
Everyone concerned with the future of China in the global economy should carefully consider Lardy’s thesis.”

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promising newcomers if they don’t produce results within their first 12 to 18 months in power. Many presidents and prime ministers have suffered this fate, including once-promising leaders such as Fernando Henrique Cardoso of Brazil, Joseph Estrada of the Philippines, and Junichiro Koizumi of Japan. All three tried but failed to deliver enough reform to revive economic growth—and the markets punished them accordingly.

HOPE SPRINGS
Just as stock markets have grown finely attuned to signs that new leaders could produce economic revivals, so, too, have they learned to read the signs of decay that usually follow, as successful leaders grow too self-satisfied to continue pushing for change. Over the last two decades, the stock markets of emerging-market countries with new leaders have typically beat the developing world’s average stock market returns by about 20 percentage points during those leaders’ first terms, then tracked the average closely in their second terms, and then fallen by about six percentage points below the average in their third. Such third terms are rare, but they offer at least anecdotal evidence of how markets tend to spurn aging regimes. The two recent examples are Erdogan and Putin, former investor darlings who became complacent and allowed growth to stall in their third terms. In both Turkey and Russia, GDP growth has stumbled along at an annual pace of just over two percent in recent years.

The stage for the more recent hope rallies and the leaders who sparked them was set by the vast scale of the 2008 financial crisis and the long global slowdown that followed. In many of the countries most affected by the downturn, anxiety over the immediate impact of the financial meltdown was compounded by concerns about the fact that these nations had been falling behind for many years. Such worries made voters especially open to bold new leaders—and markets especially prone to reward them.

The first of the recent string of rallies started with the Philippines in 2010, after Benigno Aquino III won the presidency on promises to clean up the country’s corrupt and debt-burdened economy. Soon, this chronic laggard became one of the world’s fastest-growing economies. Next came Greece—the epicenter of the eurozone crisis—where the stock market has more than doubled since Antonis Samaras became prime minister in June 2012 and began delivering on promises of tough reforms, including cuts to public-sector wages and employment. The next month, July 2012, markets in Mexico rose sharply around the electoral victory of President
Enrique Peña Nieto, who had entered office in December promising to unclog the state’s monopoly-choked economy. Also in December, stocks in Japan rose just before and after the election of Prime Minister Shinzo Abe, who vowed to bring both serious stimulus and major structural reforms to that country’s long-dormant economy.

Then came perhaps the most unexpected hope rally yet. In 2013, despite Pakistan’s reputation as a terrorist haven, its stock market became one of the best performing in the world, based in large part on expectations that the newly elected prime minister, Nawaz Sharif, would keep his promises to increase the tax base, privatize state companies, tighten budget discipline, and push other basic economic reforms. So far, despite continuing battles with the Taliban, Sharif has delivered on his promises, and investors have rewarded him for it.

These new reformers are a much more eclectic group than their predecessors. In the 1980s, most of the star leaders, such as Ronald Reagan and Margaret Thatcher, pushed free-market reforms; in the late 1990s and early years of this century, the big struggle for Kim, Lula, Erdogan, and Putin was to establish financial stability. For the most part, however, the new generation lacks a clear theme. At a time when every nation is scrambling to carve out a competitive niche in a tough global economy, they are pursuing a mix of policies designed both to put their economies on a more solid footing (lowering national debts, balancing government budgets) and to build more competitive businesses (cutting red tape, busting monopolies). In the Philippines, Aquino has focused on distinguishing himself from his corrupt and ineffectual predecessors, from the strongman Ferdinand Marcos and his flamboyant wife, Imelda Marcos, to Estrada, a former action-movie heartthrob who proved far less dynamic once he took office. Aquino eschews visionary speeches and, when I met him in Manila in August 2012, spoke in minute detail about the city’s water projects and local sardine fisheries. His honesty alone sent a strong early signal of change, and the markets have treated him as the execution-oriented technocrat that the Philippines needs.

Abe, by contrast, has promised a dramatic shakeup for Japan. He electrified markets in his first 100 days with a sweeping plan to stimulate the country’s stagnant economy and raise its long-term growth potential by streamlining the bureaucracy and subjecting coddled industries to real competition. Peña Nieto, meanwhile, came to power the same month as Abe and arrived with even more drama, cutting a grand political bargain to preempt the kind of opposition that had prevented his
predecessors from tackling Mexico’s biggest economic problems, including the entrenched power of unions and monopolies. Within months of taking charge, Peña Nieto passed reforms that diminished the power of Mexico’s mighty teachers’ union and broke up the telecommunications monopoly owned by Carlos Slim, the country’s richest man.

But even as Abe has pushed the easy steps to promote growth (providing cheaper credit and devaluing the currency), he has not yet undertaken the more difficult competitive reforms (making it easier for corporations to hire and fire workers and opening up Japan to more immigration). Peña Nieto, meanwhile, is continuing to take the tough steps (opening up the state-run energy sector to foreign investors, for example) but has yet to propel growth in the short term. Given such setbacks and skepticism about Abe’s and Peña Nieto’s long-term prospects, market enthusiasm for both men began to wane almost exactly on cue in May, when they each reached their 18th month in power.

But neither leader should be written off just yet. As of mid-2014, Abe, Peña Nieto, and indeed all the new reformers were presiding over economies that looked strong relative to their main competitors. Despite recent signs of weakness, Japan has been one of the developed world’s three fastest-growing economies over the past two years. Mexico had yet to accelerate, but along with Greece and Pakistan, it is one of the few emerging economies in which the pace of growth is expected to speed up over the next three years. The Philippines has outpaced virtually every other economy in the world since 2012. Newly confident since Modi’s election, India’s economy also looked poised to speed up, at least in the coming year.

It remains too early to say how many of these hope rallies will foretell long runs of strong economic growth. But the historical pattern is clear: movements in the stock market do tend to anticipate real moves in the economy. Normally, the current valuation of the stock market in any country reflects the world’s best collective guess about the growth prospects of that country’s economy. And such valuations are based on the sum total of economic intelligence collected by local and international investors. More recently, markets have begun to factor in the possible arrival of new leaders as harbingers of change and have often seemed more responsive to poll data and election news than to current economic statistics. Investors, meanwhile, have become politically discerning in a ruthless way, and they are likely to keep punishing complacent regimes while richly rewarding new leaders ready and able to boldly forge new paths.\*$\$
Passage to India

What Washington Can Do to Revive Relations With New Delhi

Nicholas Burns

In the century ahead, U.S. strategic interests will align more closely with India’s than they will with those of any other continental power in Asia. The United States and India both seek to spread democracy, expand trade and investment, counter terrorism, and, above all, keep the region peaceful by balancing China’s growing military power. As Washington expands its presence in Asia as part of the so-called pivot, New Delhi will be a critical partner. In the Asia-Pacific region, especially, India joins Australia, Japan, South Korea, and others in a U.S.-led coalition of democratic allies. And as the most powerful state in South Asia, India will exert a positive influence on a troubled Afghanistan, as well as on Bangladesh, Nepal, and Sri Lanka.

The Obama administration should therefore use its remaining two years to make India a greater priority, especially since the country has not yet figured prominently in the rebalancing of U.S. attention and resources to Asia. In President Barack Obama’s first term, many Indians complain, the United States devoted less attention to India than to its rivals China and Pakistan, pursuing economic links with the former and counterterrorism ties with the latter. That appearance of neglect, however fair or unfair, has rankled Indian officials and eroded some of their trust in Washington.

With the election of a new government in New Delhi, the Obama administration has a chance to repair the relationship. In May, Indians voted into office Narendra Modi, a Hindu nationalist from the western state of Gujarat who has signaled that he wants to build a...
more ambitious partnership with the United States. That will happen only if Obama pushes India to the top of his foreign policy agenda and Modi implements a series of reforms to enable stronger economic and political ties between the two governments. The leaders are scheduled to hold their first meeting in Washington this September, and before they do, both should begin thinking about rebuilding the U.S.-Indian relationship in five key ways: by expanding bilateral trade, strengthening military cooperation, collaborating to combat threats to homeland security, stabilizing a post-American Afghanistan, and, especially, finding greater common ground on transnational challenges such as climate change. It is an ambitious agenda, but pursuing it would put India where it belongs: at the center of U.S. strategy in the region.

FALLING OUT
Many Indian officials look back on the presidency of George W. Bush as a special moment in U.S.-Indian relations. From his first days in office, Bush made India a priority, arguing that its flourishing market economy, entrepreneurial drive, democratic system, and growing young population were crucial to U.S. aims in the region. He saw that the two countries, far from being strategic rivals, shared many of the same views on how power should be balanced in the twenty-first century. He believed that the United States had a clear interest in supporting India’s rise as a global power.

The results of his emphasis were dramatic. The volume of trade in goods and services between the United States and India has more than tripled since 2004. Also since then, the two governments have dramatically strengthened their military ties and launched new cooperative projects on space, science and technology, education, and democratic governance.

Bush also engineered one of the most important initiatives in the history of the U.S.-Indian relationship: the civil nuclear agreement, which for the first time permitted U.S. firms to invest in India’s civil nuclear power sector. (I served as the lead American negotiator for the deal.) This agreement helped end India’s nuclear isolation, allowing New Delhi to trade in civil nuclear technology even though it is not a party to the Nuclear Nonproliferation Treaty. In return, India opened up its civil nuclear industry for the first time to sustained international inspection. The agreement’s real import,
though, lay in its message to the Indian people: the United States took their country seriously and wanted to leave behind the previous decades of cool relations. More broadly, it was a signal of U.S. support for India's emerging global role.

When Obama took office, he followed Bush's lead. After all, Bush’s India policy had enjoyed rare and strong support from Democrats—including then U.S. Senators Joseph Biden, Hillary Clinton, and Obama himself—throughout his second term. In 2009, Obama hosted then Indian Prime Minister Manmohan Singh and his wife as the administration's first official state visitors. During his own successful state visit to New Delhi in 2010, Obama became the first U.S. president to endorse India’s bid to become a permanent member of the UN Security Council.

Yet despite this promising start, Obama’s India policy never hit full stride. Although Clinton, as secretary of state, collaborated with New Delhi on development and women’s issues, the administration was understandably preoccupied with the more urgent short-term crises it had inherited on taking office: the global financial meltdown, the wars in Afghanistan and Iraq, and the threat of a nuclear Iran. It was a classic Washington story of near-term crises crowding out long-term ambitions. As Obama’s first term ended, India slid down Washington's priority list, and Indian officials complained privately about what they saw as a lack of attention from their American counterparts.

To be fair to Obama, however, the Indian government played an even greater role in the relationship's decline. In 2010, the Indian Parliament passed an ill-advised nuclear liability law that placed excessive responsibility on suppliers for accidents at nuclear power plants. The legislation, which gained support after the 25th anniversary of a horrific chemical spill at an American-owned plant in Bhopal, shattered investor confidence. By deterring U.S. and other firms from entering the Indian market, the law made implementation of the civil nuclear agreement impossible, undermining what should have been the centerpiece of the two countries’ relationship. Washington and New Delhi haven’t managed to resolve the impasse.

The relationship suffered further when Indian economic growth slowed markedly in 2012 and 2013, depressing foreign investment,
as the government, led by the Indian National Congress, was rocked by corruption allegations and failed to implement promised reforms in retail, insurance, energy, and infrastructure. New Delhi unwisely imposed discriminatory taxes on foreign investors and enacted protectionist measures that impeded trade. A series of bitterly fought U.S.-Indian trade disputes took center stage, overshadowing the political and military ties that had been the glue of the growing partnership and preventing the two countries from being able to strike any major new economic agreements.

Then came two severe diplomatic tempests. Over the course of 2013, as Modi emerged as a front-runner in the upcoming election, the Indian press revived the story of Washington’s earlier decision to bar Modi from entering the United States on the grounds that he had failed to suppress deadly anti-Muslim riots in 2002, when he was chief minister of Gujarat. Bush administration officials, including me, believed this to be the right decision at the time, but many Modi
supporters charged that the visa ban was yet another example of American disregard for Indian dignity.

Then, in December 2013, U.S. federal agents arrested Devyani Khobragade, India’s deputy consul general in New York, for lying on her housekeeper’s visa application, infuriating the Indian press and public. It was a perfect but avoidable storm. The United States should have handled the visa issue at the core of the dispute in private to avoid inflaming India’s bruised ego, and the Indian government, which made matters worse by downgrading security at the U.S. embassy in New Delhi and refusing to renew teachers’ visas at the American Embassy School, should have reacted more calmly. Instead, both governments fanned the flames, and anti-American furor dominated the news in India for weeks.

By early 2014, the collapse in confidence was all too visible, and this is what Obama and Modi must begin working to repair when they meet. At the same time, U.S. Secretary of State John Kerry, Secretary of Defense Chuck Hagel, and Secretary of the Treasury Jack Lew must act, in effect, as project managers, steering the relationship past the inevitable obstacles, just as then Secretary of State Condoleezza Rice did so capably in Bush’s second term. Top-down government leadership is essential to motivate the vast U.S. bureaucracy to put India back at the center of Washington’s attention.

Obama, meanwhile, will find a willing partner in Modi. Remarkably, the prime minister has exhibited no public signs of resentment over the visa issue and, in a show of good faith, decided in May that he would visit Washington instead of insisting that Obama first visit New Delhi. Modi has already demonstrated himself to be an unusually strong Indian leader, who will use his executive authority in a more hands-on fashion than did his predecessors. His clear intent to jump-start New Delhi’s relationship with Washington has created a unique opportunity for Obama to reciprocate.

**IT’S THE ECONOMY, STUPID**

Obama should focus first on Modi’s main priority: reviving the Indian economy. Modi’s Bharatiya Janata Party won a landslide victory in the spring in large part because voters had grown frustrated by India’s slow growth, crumbling infrastructure, and pervasive government corruption. Through Modi’s landslide win, the Indian people sent a compelling message about the need for dramatic economic reform, and Modi promised to deliver.
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But in the past two years, U.S.-Indian trade disputes have hampered economic cooperation. The United States has made legitimate complaints about Indian protectionism, and the two governments have filed World Trade Organization cases against each other involving such goods as solar panels, steel, and agricultural products. Invoking safety concerns, the U.S. Food and Drug Administration has also banned imports from more than a dozen Indian plants, mostly in the pharmaceutical industry.

The United States and India have long antagonized each other in global trade talks. Their fight over agricultural protectionism ultimately caused the Doha Round of international trade negotiations to collapse in 2008. Since then, the two countries have been unable to bridge their ideological divide. The estrangement is so great that India has been excluded from one of Obama’s most ambitious trade initiatives in Asia: the Trans-Pacific Partnership. Washington and New Delhi must now prevent the inevitable trade disputes from overwhelming the political and military cooperation that binds the two countries together.

Obama and Modi will have no choice but to rebuild their economic ties brick by brick. When they meet in Washington, they should focus first on setting a 2015 deadline for completing the two countries’ bilateral investment treaty, which the United States and India have been negotiating for more than a decade. Obama should also encourage Modi to undertake the necessary trade and financial liberalization that would help India gain acceptance into the Asia-Pacific Economic Cooperation forum, a regional trade group that has denied New Delhi membership for over two decades because the member states consider Indian trade policies to be too protectionist. Support from the United States could help Modi distance his new government from the statist policies of his predecessors.

To encourage Modi to further boost confidence in India’s economy, Obama should counsel Modi to enact clearer regulations governing taxation and foreign investment. The two leaders could also announce a high-priority effort to resurrect the moribund civil nuclear deal. Modi would need to exercise his considerable political muscle to push a revision of the law through a reluctant Indian Parliament, but doing
so would address a major American complaint: that after the Bush administration’s Herculean effort to lift nuclear sanctions on India, New Delhi never reciprocated by actually implementing the agreement and opening up its market to U.S. firms.

**GANG OF TWO**

As a second step, the United States and India should continue to strengthen their defense and political coordination in the Asia-Pacific region. India’s greatest national security concern is its competition with China for regional military dominance: when U.S. officials visit Indian government offices these days, their counterparts invariably rank China as a greater long-term concern than Pakistan. Modi has already begun to build a close relationship with Japanese Prime Minister Shinzo Abe. The United States should welcome stronger Indian-Japanese defense coordination, since it would further the U.S. goal of strengthening its regional security network of Asian democracies as China expands its own power base.

More broadly, Washington and New Delhi should enhance their already robust collaboration on defense. The United States has conducted more military exercises with India than with any other nation in recent years, but the two can do even more to fortify their growing air and naval cooperation. For instance, Obama could make India a more prominent part of the pivot to Asia by including its forces in all the military training and exercises the United States conducts in the region. The United States should also continue its trilateral security talks with India and Japan, and the three countries should work through the East Asia Summit to align their counterterrorism and maritime security policies more closely. Above all, the United States and India must agree on a clear strategic plan to cement their military and political cooperation in Asia.

Even as the United States and India tighten their military ties, Obama and Modi must be careful to avoid creating the appearance of an anti-China coalition; looking for common ground on other issues with Beijing would help this cause. Washington and New Delhi could, for example, advance joint programs with Beijing to combat piracy, drugs, and crime, as Clinton suggested in 2011. When it comes to China, Obama and Modi must achieve a delicate balance between cooperation and competition, and they should do what they can to reassure Beijing. But they should also recognize that the most
effective way to keep the peace in Asia is to maintain their countries’ military strength in the region.

As a third priority, Obama should strengthen U.S. cooperation with India on counterterrorism and homeland security—areas in which U.S. and Indian interests align particularly closely, especially due to the insidious growth in the last decade of terrorist groups based in Pakistan, such as Lashkar-e-Taiba. The United States should support India’s determined efforts to combat the Naxalite insurgency, a violent Maoist movement active in more than half of India’s states. The two governments will also want to collaborate even more closely on cyber- and missile defense. Given that India is home to one of the world’s largest Muslim populations, the Modi government wants to consult more closely with the United States on the rise of extremism in Syria and Iraq and the potential danger to India’s large population of workers in the Middle East.

Fourth, Obama and Modi should work together to promote stability in India’s South Asian neighborhood, an area the prime minister has already signaled is a priority. Obama should support Modi’s efforts to push the Sri Lankan government on its lamentable human rights situation, guard against Islamic extremism in Bangladesh, and promote greater political stability in Nepal.

Their most important regional project, however, should be Afghanistan. India is currently the fifth-largest provider of economic assistance to Afghanistan, and Indian firms have been active in rebuilding the country’s infrastructure. In the past, the Bush and Obama administrations tried to limit India’s involvement in Afghanistan out of deference to Pakistani opposition. But with the bulk of U.S. forces set to withdraw from Afghanistan by the end of 2016, the United States should encourage India to become a leading partner of the newly elected Afghan government, including taking on an active role in training the Afghan army. Washington should also reach out to Indian officials to include them more actively in its long-term planning to stabilize a shaky Afghanistan.

Stability in South Asia will continue to depend, first and foremost, on the always troubled Indian-Pakistani relationship. Obama should support efforts by the Indian and Pakistani governments to commit

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India will be a more reliable and trusting partner than Pakistan has ever been.
to greater cross-border trade. India will continue to resist, unfortunately, any overt attempt by the United States or others to mediate between India and Pakistan over Kashmir.

The Obama team should also reaffirm Rice’s policy of “dehyphenating” the U.S. relationship with India and Pakistan. For decades, successive U.S. administrations treated India and Pakistan policy as a single unit. But Rice did away with that in 2005 by pursuing independent and quite different policies with the two countries. That permitted the Bush administration to initiate the civil nuclear agreement, for example, without feeling obligated to negotiate an identical deal with Pakistan. (That would have been impossible, of course, given Pakistan’s disastrous record on proliferation of its nuclear materials.) Although the United States needs to maintain an effective relationship with Pakistan, building a more durable partnership with India will bring much greater strategic benefit in the long term.

Finally, the United States and India must find a way to work together more effectively on leading global political challenges. U.S. officials have long felt frustrated by the fact that although the two countries have a close bilateral friendship, they are more often than not sparring partners at the United Nations and in other multilateral bodies. Obama and Modi can change that dynamic by looking for common ground this year on two big challenges: climate change and Iran, two issues on which India has been a historically weak partner to the United States. This will not be quick or easy. For nearly its entire existence as an independent country, India has been a proud and insistent advocate of nonalignment and of resisting what its diplomats often view as overbearing pressure to conform to U.S. policies. It is not even clear that the pragmatic Modi, with everything else on his plate, will want to take on the Indian bureaucracy to revise decades of Indian foreign policy. But the two governments ought to be able to work more effectively to curb climate change and pressure Iran over its nuclear program.

**THE PATH AHEAD**

As Washington and New Delhi work more closely together, each will have its own hurdle to overcome. Indian leaders, for their part, must meet the United States halfway on trade. If India continues to oppose meaningful global trade liberalization, the two countries will remain fundamentally at odds. Indian officials should understand
that U.S. trade complaints against New Delhi are not part of a politically driven campaign to weaken their country, as they sometimes allege. Obama can point to the vigorous trade wars between the United States and Canada and between the United States and the European Union as evidence that Washington aggressively contests the trade policies of even its strongest allies.

The United States will have its own challenge in learning to work effectively with India, and that is to recognize the unique nature of this great-power relationship. The United States has no other partnership quite like it. India is too big and too proud to become a formal treaty ally of the United States, as Germany and Japan are. India will insist, for instance, on retaining its strong military ties to Russia and continuing its trade with Iran. The United States is accustomed to calling the shots with its allies in Europe and East Asia. That won’t work with India, which will insist on equal standing with United States. To be effective in dealing with New Delhi, American diplomats must therefore pay special attention to Indian sensitivities, maintaining a realistic sense of what is and what is not possible with modern India.

This enhanced partnership will not be warmly welcomed in Pakistan or China. But the United States can manage whatever resentment results: India will likely be a more reliable and trusting partner than Pakistan has ever been, and a stronger military link to India will also send a useful and important message to Beijing—that the democratic countries of the region will remain strong and united.

Luckily, Washington’s renewed emphasis on India should not be a hard sell in the United States. Obama can count on enthusiastic backing from the growing and highly successful Indian American community. The American and Indian publics consistently support the relationship in opinion polls. Most important, perhaps, Obama can also rely on one advantage he does not enjoy on nearly any other major foreign policy issue: bipartisan support. Bill Clinton, Bush, and Obama have co-authored the rise of U.S.-Indian ties over the last 15 years. This rare Democratic-Republican consensus that the United States ought to pivot its attention to New Delhi should allow India to remain at the forefront of U.S. strategy in Asia for decades to come.
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Chinese citizens are experiencing something even more fundamental than a desire for political representation: a search for dignity. —John Osburg

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Can’t Buy Me Love
China’s New Rich and Its Crisis of Values

John Osburg

Age of Ambition: Chasing Fortune, Truth, and Faith in the New China
BY EVAN OSNOS. Farrar, Straus, and Giroux, 2014, 416 pp. $27.00.

Ever since the late 1970s, when China began the process of reforming and opening up its economy, Western observers have struggled to make sense of the country’s rise and to predict the future path of Chinese society and politics. Early in the reform period, most China experts in the West—along with some members of China’s leadership—assumed that economic development would inevitably lead to political reforms. As Chinese citizens grew wealthier, the thinking went, they would conform to the predictive models of political science and demand a government that better represented their interests and protected their newly acquired assets.

During the 1980s, it seemed possible that the country’s politics might indeed liberalize along with its economy, as a nascent pro-democracy movement began to take shape, especially among young people. But those hopes were extinguished when the Chinese Communist Party launched a brutal crackdown on dissent during the Tiananmen Square protests of 1989. In the 25 years since those fateful days, China’s economy has grown and developed far more rapidly than almost anyone expected, and Chinese society has transformed in many ways. But the country’s politics have remained more or less frozen—or even regressed.

Since the end of Mao Zedong’s rule, in 1976, a number of Chinese leaders have occasionally hinted at possible political reforms. But the current government, led by Xi Jinping, seems downright Maoist at times in its hostility to Western-style political institutions and values. For example, a document drafted last year by the party’s Central Committee denounces any call for “defending the constitution” or the “rule of law” as an attempt to “undermine the current leadership and the socialism-with-Chinese-characteristics system of governance.”

Meanwhile, although growth has created a middle class of sorts and even an upper crust of very wealthy Chinese, neither group has followed the anticipated script. For the most part, the new middle class seems too preoccupied with the intense pressures of owning a home and raising a child in a hypercompetitive society to get involved in politics. As for the new rich, they have hardly pushed for a fairer and more representative government to protect their new prosperity. Instead, most of them have been co-opted by the Communist Party—or have simply emigrated to countries with more reliable legal systems.

Perhaps most telling, today young Chinese across the socioeconomic spectrum exhibit almost none of the political fervor that led thousands of
students to take to the streets in 1989. China’s educational system has fed the country’s youth a steady diet of patriotism to ward off rebellious thoughts. But such measures appear almost redundant, since many young Chinese seem more interested in buying iPhones and Louis Vuitton products than in fighting for democratic change.

On the surface, then, the prediction that Chinese economic and political reform would go hand in hand seems not to have panned out. In truth, however, the story is more complicated. As Evan Osnos suggests in Age of Ambition, the optimistic view of China’s evolution wasn’t entirely wrong; it merely relied on a conception of politics too narrow to capture a number of subtle but profound shifts that have changed China in ways that are not always immediately visible. In his riveting profiles of entrepreneurs, journalists, artists, dissidents, and strivers, Osnos discovers the emergence in Chinese society of something even more fundamental than a desire for political representation: a search for dignity.

Age of Ambition is based on the stories Osnos gathered during his time in Beijing, first as a reporter for the Chicago Tribune and then as a correspondent for The New Yorker, from 2005 to 2013. During those years, he detected a fascinating shift in the ambitions and hopes of ordinary Chinese. Although it’s true that China’s economic boom has encouraged levels of materialism and conspicuous consumption that would have been unimaginable in earlier eras, the country’s increased openness to the world has also produced a different set of values. A growing segment of Chinese society now not only yearns to be well clothed and well fed but also feels a keen desire for truth, meaning, and spiritual fulfillment.

The implicit post-Tiananmen social contract offered material well-being and social stability in exchange for disengagement from politics. Osnos’ stories reveal a fraying of this contract, as more and more Chinese citizens seek a version of the good life that goes beyond owning a house or a car. As ever-greater numbers of ordinary Chinese go online, travel abroad, and adopt the latest spiritual or self-help fads, the Communist Party has found itself ill prepared to confront the desire for not just a materially comfortable life but a meaningful one.

Although Osnos does not explore it in depth, his book also suggests a link between many Chinese citizens’ quest for meaning and a set of gnawing worries churning beneath the frothy good times. The search for dignity is no mere embrace of New Age positivity. It also reflects the fears and frustrations of a society laden with systemic risks: environmental devastation, bursting economic bubbles, the collapse of institutions hollowed out by corruption. Each of those threats has the potential to dramatically alter China’s course in unpredictable ways. The growing awareness among Chinese citizens of their society’s fragility has yet to translate into an overt political sentiment. But if and when that happens, it will come as a rude, and potentially earthshaking, shock to the ruling regime.

**HAVE-NOTS AND HAVE-LOTS**

Even without taking into account the kind of deep-seated shifts that Osnos detects, the Communist Party is already having trouble holding up its end of the
post-Tiananmen bargain. The farmers who left the countryside for China’s cities and factory towns starting in the late 1980s now have children who dream of earning college degrees and landing white-collar jobs. Thanks to a government-led expansion of funding for higher education, China now has 11 times as many college students as it did at the time of the Tiananmen protests.

Yet for several years in a row now, the average starting salary of a college graduate in China has been less than that of an entry-level factory worker. Of course, after their families have sacrificed and poured their meager resources into the pursuit of an education, most college students find the thought of settling for blue-collar work after graduation inconceivable. In their desperate search for office jobs, graduates from rural towns and small cities congregate in cramped apartments and boarding houses in China’s wealthy coastal cities: “the ant tribe,” the Chinese call them.

Perhaps even more frustrating to China’s young and ambitious is a sense that the golden years of opportunity have already passed them by—the impression that, in Osnos’ words, China’s boom was “a train with a limited number of seats.” Increasingly, a young person’s success depends on his or her parents’ connections, and one can find considerable vitriol directed against the so-called second-generation rich (fuerdai) when stories of them crashing Ferraris and enjoying $12,000 dinners circulate online.

Such resentment is hardly limited to the young and the poor. As I conduct anthropological research on the new rich in Sichuan Province, I constantly hear complaints from businesspeople (some of whom are doing quite well) that only those with strong political connections can make real money in today’s China. Many of China’s nouveaux riches (including several of the entrepreneurs profiled by Osnos), who have succeeded in acquiring vast “barehanded fortunes”—the Chinese equivalent of “rags to riches”—haven’t fared particularly well in the long run. In 2011, Forbes estimated that during the previous eight years, a Chinese billionaire had died of unnatural causes every 40 days, on average. Besides illness, the most common causes of death were murder, suicide, and execution. Chinese commentators have even begun wryly referring to Forbes’ annual ranking of China’s richest people as “the death list.”

NAILING JELL-O TO THE WALL
In the early years of the Internet era, many observers predicted that the spread of digital communications technology would overwhelm the Chinese government’s ability to suppress all these tensions and resentments brewing within society. In 2000, Bill Clinton declared that the Communist Party’s attempts to control the Internet would be like “trying to nail Jell-O to the wall.” It was a good line—but controlling the Internet hasn’t proved quite as hard as Clinton and many others expected.

Today, the Chinese government blocks websites and search results with the so-called Great Firewall, an army of censors deletes articles and comments deemed politically sensitive, and legions of government-sponsored Internet users steer online sentiment in the government’s favor by posting pro-Communist Party and nationalist comments in discussion forums.

The recent rise of social media platforms such as Weibo (China’s
Osnos’ reporting on the political, economic, and technological pressures on China’s stability is first-rate. But those themes—and some of the characters Osnos focuses on, such as the artist Ai Weiwei and the human rights lawyer Chen Guangcheng—are somewhat familiar. Where Osnos manages to offer a truly fresh perspective on the country’s changing Zeitgeist is in the sections of the book that explore the role of faith in Chinese society and the contemporary search for meaning among Chinese citizens.

When the Cultural Revolution ended with Mao’s death, in 1976, the Communist Party’s abandonment of class struggle and collectivist ideology left an ideological vacuum. The economic boom that followed, coupled with government suppression of political dissent and official hostility toward organized religion, all but guaranteed that pragmatism and materialism would trump faith or ideology. This has led to what intellectuals and ordinary Chinese call a “moral crisis” or a “spiritual vacuum,” which they cite to explain everything from the pervasiveness of corruption to scandals over tainted food that has cost hundreds of lives and outraged China’s neophyte consumers. It seems to many Chinese that in the absence of a widely shared set of values, concern for fellow citizens has become a scarce commodity—and that life itself has become cheap.

Osnos documents what might very well prove to be a tipping point in public angst over this kind of social alienation: the story of Yueyue, a two-year-old girl who, in 2011, wandered from her home in a crowded outdoor market in the southern city.
of Foshan and was hit by a van making its way through the market's narrow streets. After the van's driver continued on his way without stopping, at least 18 people walked past the injured child without assisting her. Then, another vehicle struck her; that driver also fled the scene. Finally, an elderly scrap collector stopped to help the girl, who later died from her injuries. The entire episode was captured by security cameras nearby, and the recording quickly spread online. In addition to laments about the state of Chinese society and threats to the drivers, the story led to an outpouring of donations to the victim's family and to the scrap collector who stopped to help her.

Osnos compares the aftermath of this incident to that of the Kitty Genovese murder in New York City in 1964: it has become an allegory of the decline of civic virtue and social trust. Yet as Osnos points out, despite the way the girl's death touched a nerve, Chinese society has also displayed a tremendous amount of collective concern for others. Jump-started by the massive civic response to the 2008 Sichuan earthquake, philanthropic and volunteer organizations have blossomed in recent years, and charitable giving is on the rise.

Perhaps the most significant response to the perceived moral and spiritual crisis has been a surprising flourishing of religion. Middle-class professionals and entrepreneurs are turning to Christianity and Buddhism in ever-greater numbers. Wenzhou, a wealthy city in China's southeast dubbed “China's Jerusalem,” has seen an explosion in church building financed largely by wealthy businesspeople; at least 15 percent of the city's population now considers itself Christian. Nationwide, the number of Christians has grown from just a few million underground worshipers in the late 1970s to an estimated 67 million today. Given Christianity's status as a state-designated “foreign religion” and the role Christianity played in anticommunist movements in Eastern Europe in the 1980s, the Communist Party views the rise of Christianity with considerable apprehension.

Even more discomforting for the Communist Party than the spread of Christianity has been the growing embrace of Tibetan Buddhism by middle-class Chinese who view it as more potent and pure than its Chinese counterpart. Ethnic Han Chinese from outside Tibet have begun funding the construction and maintenance of monasteries and temple complexes across the Tibetan plateau. Tibetan monks now frequently travel to large Chinese cities to give sermons and conduct “spiritual empowerment” ceremonies. The prospect of millions of Han Chinese devoted to a religion whose leader, the Dalai Lama, is considered an enemy of the Chinese state has produced distinct uneasiness in Beijing.

The Communist Party has responded to these trends by encouraging citizens to embrace the precepts of Confucianism. This represents a dramatic reversal from the Mao era, when Beijing tried to drive the population away from traditional beliefs that might compete with Maoism and even launched numerous “criticize Confucius” campaigns (the philosopher was blamed for promoting ideas that contributed to China's economic and social backwardness). China's current leaders have begun trying to rehabilitate Confucianism, hoping that its emphasis on stability will help patch up the country's fraying social fabric without threatening...
the Communist Party. But so far, these attempts have fallen flat. Most notably, a state-financed 2010 Confucius biopic—starring Chow Yun-Fat as the ancient philosopher—was a massive flop at the box office.

**HARD TRUTHS**

“Development is the only hard truth,” declared the reformist Chinese leader Deng Xiaoping in 1992, aptly summing up the guiding sentiment of post-ideological China. The Communist Party has shown that it can deliver hundreds of shiny new airports and thousands of miles of high-speed railways. But its ideological offerings during the reform era have failed miserably. As Osnos puts it, “Thirty years after China embarked on its fitful embrace of the free market, it has no single unifying doctrine—no ‘central melody’—and there is nothing predestined about what kind of country it is becoming.” Managing the diverse, ambitious, and increasingly sophisticated dreams of some 1.3 billion people will likely prove an even harder task for the Communist Party than overseeing the largest economic expansion in human history.

The costs of all that growth are now coming into focus. China is the world’s largest carbon emitter; the poisonous smog that blankets Beijing has become an emblem of a growing environmental crisis. Meanwhile, analysts warn that China’s massive property bubble might already be bursting. The damage could be enormous, since real estate investment represents around 20 percent of Chinese GDP. The systemic risks posed by environmental degradation and financial fragility have the potential to generate unforeseeable crises, which could prove especially difficult for the Communist Party to manage if its legitimacy erodes.

And therein lies the subtle threat posed to the Community Party by the Chinese people’s expanding search for meaning and dignity. Even as ordinary Chinese continue to benefit from the growth the party has fostered, many are already beginning to turn away from consumerism and toward other sources of satisfaction: unruly online discussions, religious worship, charity work. Should an environmental or economic crisis make it harder for the party to maintain stability or growth, it might find itself with few ways to appeal to—much less control—the significant number of Chinese who have latched on to truths they find more convincing than the “hard truth” of development.
The Triumph of the Hindu Right

Freedom of Speech and Religious Repression in Modi’s India

Ananya Vajpeyi

On Hinduism

The Hindus: An Alternative History
BY WENDY DONIGER. Penguin Press, 2009, 800 pp. $25.00.

In February, Penguin Books India pledged to cease publishing The Hindus: An Alternative History, a 2009 book by Wendy Doniger, a prominent American scholar of India and Hinduism. The publisher also promised to recall and pulp all copies of the book available for sale in India. Penguin’s decision was prompted by a complaint filed by Dina Nath Batra, a retired schoolteacher who heads a right-wing Hindu nationalist group, the Shiksha Bachao Andolan Samiti (Campaign Committee to Save Education, or SBAS). The group claimed that Doniger’s work denigrated Hinduism and Hindus and thus violated Indian laws prohibiting “deliberate and malicious acts intended to outrage religious feelings of any class by insulting its religion or religious beliefs.” Batra’s organization is affiliated with the hard-line Rashtriya Swayamsevak Sangh (National Patriotic Organization, or RSS), which is driven by an ideology of Hindutva (Hinduness) and envisions India as a Hindu Rashtra (Hindu nation)—a state defined by and restricted to Hindus.

The SBAS alleged that Doniger’s work was riddled with factual inaccuracies and deliberate misrepresentations of Hindu deities and Scriptures that amounted to “heresies.” The group’s most vehement objections concerned Doniger’s interpretations of sex and sexuality in Hindu traditions. In her five decades of scholarship, Doniger has sought to highlight and reclaim the earthy and even erotic elements of Hinduism that were suppressed during the colonial era by British authorities and missionaries—and by some Indians who sought to “modernize” their country’s religious practices.

For instance, Doniger argues that the lingam, a symbol of the Hindu deity Shiva that is found in temples, should be understood “unequivocally as an iconic representation of the male sexual organ in erection, in particular as the erect phallus” of Shiva. Similarly, Doniger notes that the Mahabharata, one of the two Sanskrit epics, portrays the deity Krishna as “a prince with many wives, sixteen thousand by some counts,” and points out that other Hindu texts depict Krishna as a handsome young man who dances with the many Gopis, the wives of the cowherd men. In the great circle dance in the moonlight . . . he doubles himself again and again so that each Gopi

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The Triumph of the Hindu Right

novel *The Satanic Verses* was banned in India, and the *New York Times* editor Joseph Lelyveld, whose biography of Mahatma Gandhi was banned in the Indian state of Gujarat. For decades, the fight over freedom of expression has divided Indian intellectual opinion, with little middle ground between the two most vocal camps: secular liberals on one end of the spectrum and religious conservatives on the other. The Doniger affair represented a clear victory for the conservatives, who are riding higher now than at any moment in India’s postindependence history.

Indian liberals were dismayed by Penguin’s decision and by the possibility that Aleph might have followed suit. But what most worried them was the way in which the Doniger affair seemed to fit into a broader trend of right-wing ascendance in Indian politics and society. After an intense campaign, national elections took place over five weeks in April and May. The Hindu nationalist Bharatiya Janata Party (BJP) won a clear majority, and Narendra Modi, the chief minister of Gujarat, became India’s new prime minister. Modi now heads the most right-wing government ever to lead India. He started his political career as a young cadre in the hard-line RSS and eventually rose to the top echelons of its leadership. His victory represents the culmination of decades of Hindu nationalist ideological development and political activism—and is a direct threat to Indian liberalism. The convergence was hard to miss: just as the RSS and its allies gained the upper hand in their crusade against Doniger’s supposed heresies, their champion, Modi, was marching toward victory at the ballot box.

Indian democracy has long been limited by colonial-era laws that restrict speech in the name of protecting religion. Religious groups routinely exploit such statutes to limit the freedom of expression that generally characterizes public life in the world’s largest democracy. Dozens of Indian scholars, writers, and artists have found their work in the cross hairs of such self-appointed guardians of faith, as have the British Indian writer Salman Rushdie, whose
The Hindu religion is a palace with many rooms—and also some gardens, terraces, outhouses, and a basement. Unlike other world religions, Hinduism is not built on one God, one book, one prophet, or one holy place. Very crudely put, adherents of Hinduism for the most part believe in rebirth and the transmigration of the soul; in gods and goddesses who occupy a divine world that is distinct from the human world; in the centrality of karma, deeds that drive the cycle of birth, death, and rebirth; in the possibility of moksha, a final release from karma and its entailments, when the individual soul merges with the cosmic soul; in the validity of the caste system as a form of social organization; and in the interrelationship between human life and the world of nature.

But this hardly captures the extreme variety within the practice of the faith. Doniger addresses this definitional problem in the opening essay of On Hinduism:

ZEN DIAGRAM
On Hinduism is a collection culled from 140 essays Doniger wrote between 1968 and 2012, some of which have been revised, condensed, and updated. The book might bewilder non-Hindu Western readers, partly because Doniger seems to assume (or hope) that her audience will consist of many Indians and Hindus who won’t need too much simplification or reduction. In fairness, of course, Hinduism is a vast, complex topic, more difficult to pin down, in many respects, than the Abrahamic faiths. In fact, the term “Hinduism” is of relatively recent coinage; only since modern times has that single word been used to refer to what is in reality a huge variety of faiths, sects, and cults.
define the practice just as much as Indian philosophical approaches that are concerned primarily with the mind (or with consciousness) and only later with the body.

**HINDU NATION**

Yet Doniger does not do quite enough to straighten out the tangled relationship within Hinduism between ancient and modern, Eastern and Western. Admittedly, it’s a tall order to offer a comprehensive, exhaustive portrait of Hinduism in all its forms. But conspicuously missing
from her otherwise wide-ranging book is a clear account of Hinduism’s reinvention over the past 200 years.

Beginning in the nineteenth century, when India’s encounter with colonialism produced periods of internal reflection, revision, criticism, and revival among Indian intellectuals and religious leaders, new schools and strands of “reform Hinduism” have led to important changes in traditional beliefs and practices. Driving much of this ferment was the aspiration of many Hindu thinkers and leaders to “Semitize” Hinduism and render it similar to Judaism, Christianity, and Islam by endowing it with a more clearly identifiable set of canonical texts, doctrines, institutions, and sources of authority.

Chief among these revisionist figures was Vinayak Damodar Savarkar, a poet and political activist who pushed for Indian independence from the United Kingdom and who, during the 1920s, developed the concept of Hindutva. In order to possess Hindutva, Savarkar claimed, a person—a man, really, because Savarkar and his Hindu nationalist acolytes tended to use rigidly patriarchal terms—must think of India as both his “fatherland” and his “holy land.” He must be attached to India not simply through the fact of his birth there but through a love for “Hindu civilization,” which Savarkar defined as representing “a common history, common heroes, a common literature, common art, a common law and a common jurisprudence, common fairs and festivals, rites and rituals, ceremonies and sacraments.” Savarkar tried to fill in the empty circle at the center of Doniger’s Venn diagram with definitions and identities drawn from modern nationalism, which had almost nothing to do with the religious lives of millions of Hindus. Hindutva revolves around history, culture, and civilization, rather than belief, worship, and tradition. It is a political credo, not a religious faith.

Savarkar and his followers lionized Benito Mussolini and Adolf Hitler and sought to adapt elements of fascist politics to India. But the early Hindu nationalists had little success in the face of Gandhi’s enormous popularity and his leadership of an anticolonial movement that eventually brought down the British Raj. Gandhi’s philosophy, with its emphasis on nonviolence and tolerance, stood in stark contrast to the divisive vision of Hindutva leaders, and the two movements were often in conflict. Indeed, Nathuram Godse, the man who assassinated Gandhi in 1948, was a follower of Savarkar.

In the aftermath of the murder, mobs attacked Savarkar’s house in Mumbai. Authorities later arrested and tried him for conspiring in the assassination plot. He was acquitted and released, but he was rearrested soon after for making inflammatory speeches. The authorities set him free only once he agreed to give up his political activities, and he mostly retreated from public view for the remainder of his life (he died in 1966).

But Savarkar’s dream of a Hindu Rashtra never died. It was kept alive over the decades by groups such as the RSS and, later, by the BJP, which leavened Savarkar’s extreme vision of Hindu supremacy with a more palatable pro-business, technocratic approach to politics, all the while stoking Hindu nationalist sentiment by exploiting tensions between Hindus and Muslims. Modi has perfected this synthesis—so skilfully, in fact, that even some Indian
liberals appear willing to believe that despite his decades of involvement in Hindu nationalist causes, Modi embraced Hindutva mostly as an electoral strategy and the “real” Modi is not a divisive ideologue but a pragmatic, growth-oriented manager.

DONIGER DONNYBROOK
Doniger has little to say about these aspects of contemporary Hinduism’s story. She has criticized the efforts of groups such as the rss to “Hinduize” India. She also rejects the essentialist quality of Hindu nationalist thought. After all, she writes, there is no Hindu canon, and “ideas about all the major issues of faith and lifestyle—vegetarianism, nonviolence, belief in rebirth, even caste—are subjects of a debate, not a dogma.”

Yet in spite of the breadth of her critical gaze and the accessibility of her prose, Doniger does not venture deeply enough into Hinduism’s complex history and turbulent present. One problem is perhaps insurmountable: her perspective remains that of an outsider—a knowledgeable, even expert, outsider, but an outsider nevertheless. She seems to feel sympathy for her subject but not empathy. She is curious but not passionate. This makes her books easy to pick up but also easy to put down.

Still, while it’s easy to imagine readers being left cold by Doniger’s views on Hinduism, it’s much harder to understand why anyone would be insulted, offended, or agitated by them. Her critics have accused her of Christian missionary zeal (despite the fact that she’s Jewish) and of practicing a kind of intellectual imperialism. In reality, Doniger, who has taught at the
University of Chicago since 1978, is part of a group of scholars who during the past three decades have dismantled the colonial and Orientalist assumptions of Western Indology.

That fact is lost on many of Doniger’s detractors, not all of whom reside on the Indian subcontinent. Indeed, the most vocal of Doniger’s critics include Indian Americans deeply sensitive to the ways in which their religion, culture, and traditions are represented in the United States. The Hindu American Foundation, a Washington-based advocacy group that models itself on Jewish organizations such as the Anti-Defamation League, has blasted Doniger’s work as “pornographic . . . skewed and superficial” and urged academic organizations not to honor Doniger or promote her scholarship.

MODI’S MOMENT
The controversy over Doniger’s work yielded a brief boost in attention to and sales of her books. And despite Penguin’s decision to withdraw *The Hindus*, it continues to be available in India, thanks to versions circulating on the Internet, foreign editions that Indians can order from Amazon and other online booksellers, and e-book editions that remain legal to sell and buy. But the existence of well-organized anti-Doniger campaigns on two continents surely limits Doniger’s ability to reach the Hindu audiences that might benefit most from her insights. It hardly helps matters that sexist attitudes—in the United States as well as in India—make it harder for female scholars, even very accomplished and established ones such as Doniger, to write freely, provocatively, and creatively about subjects that touch the raw nerves of cultural pride, historical memory, and group identity. Doniger’s work is particularly galling to patriarchal conservatives in India, focusing as it does on feminist undercurrents within Hinduism that undermine the authority of elite, upper-caste, male, and orthodox sections of Hindu society. That’s one reason why, for all its flaws, Doniger’s work is valuable at the moment, as the Modi era begins to cast a shadow over liberal and secular traditions in India.

Modi’s election was the first occasion since the late 1940s that Hindutva beliefs seem to have appealed to Indians across regional, class, and caste divides. Of course, it isn’t completely clear that Hindu nationalism truly drove the BJP’s electoral victory. Nor is anyone certain of how much influence Hindutva ideology will have on Modi’s government. Modi might sacrifice the support of hard-liners in order to seek a broad consensus on economic policy, foreign policy, or other issues that don’t directly touch the intersection of religion and politics. On the other hand, if his political standing remains strong, he might well jettison the preferences of the vocal but tiny liberal intelligentsia and reveal himself as the champion of Hindutva that he has always been at heart.

Indian liberals would prefer the first scenario. But they are understandably alarmed that either way, the future of Indian liberalism and secularism now depends so much on the political calculations of a man who has made clear his antipathy toward such values. The fight over Doniger, which both terrified and energized many Indian liberals, might soon seem a mere prelude to a larger, much uglier struggle.
Success Stories

A Reader’s Guide to Strategy

Paul Kennedy

Strategy: A History
BY LAWRENCE FREEDMAN. Oxford University Press, 2013, 768 pp. $34.95.

L
awrence Freedman’s monumental new book is one of the most significant works in the fields of international relations, strategic studies, and history to appear in recent years, so readers should know what it is and what it is not. Despite its size and ambition, this magnum opus is not comprehensive. Strategy is instead a deliberately selective look at an important term that gets bandied about so much as to become almost meaningless. Scholars now have a work that arrests that slackness.

Readers should also know that Freedman’s book does not focus on “grand strategy,” a topic widely studied and a term often used to judge policymaking, since it concerns historical actors pursuing big ends. The index therefore contains no entry for the Roman Empire, and Freedman never discusses the grand strategies of such lasting players as the Ming dynasty, the Ottomans, King Philip II of Spain, the British Empire, or the Catholic Church. He does, however, tackle Satan’s strategy, in a dissection of Paradise Lost. There are diversions into literature, ancient myth, political theory, and the classics, and to the extent that they serve Freedman’s grander purpose of showing what strategy can sometimes be, the detours may be justified. But Freedman certainly likes to pick and choose, a tendency that can sometimes make it difficult for readers to follow the thread of his arguments even as readers move into the central sections.

Those sections are threefold—“Strategies of Force,” “Strategy From Below,” and “Strategy From Above”—and Strategy is best read as three separate books in one. As he has with everything else in this elaborate study, Freedman has chosen these titles carefully. Still, his idiosyncratic and even peremptory claim on meanings and the logical chain of his chapters remind one of Alice’s encounter with the arbitrary Red Queen: things are as the author says they are, whatever one may happen to think about whether a “from below” strategy is included in his “Strategies of Force” section. Yet the book still stands tall compared to the many lesser works on strategy and policy out there, which is why it will still stand out in ten or 20 years’ time.

WAR ON THE MIND
“Strategies of Force,” the largest of Freedman’s sections, comes the closest to a classic discussion of wars, campaigns, generals, and admirals. Yet rather than analyzing strategic campaigning on the battlefield, it mostly covers strategic theory about war. The book’s striking front cover, which shows a model of the Trojan horse, may trick bookstore browsers, but they will not find much about tactics, logistics, or the warrior ethos in the pages that follow.
“Strategies of Force,” moreover, begins only in 1815, after the Napoleonic era, when full-blown theories of war emerged in the Western world. In one crisp chapter, Freedman introduces the military theorists Carl von Clausewitz and Henri de Jomini, making the case that the two contrasting authors—the former Prussian, the latter Swiss—should be regarded as the founding fathers of modern strategic thought, as they both reflected on the larger meanings of the epic struggle for Europe that they witnessed. Whereas Jomini gave planners somewhat more mechanistic rules regarding battlefield leadership, distance, timing, and logistics, Clausewitz taught them to appreciate other, less measurable elements, such as passion, unpredictability, chance, and friction. It was Clausewitz, too, who taught that politics does not stop when the fighting begins and that statesmen had to gear that fighting toward a desired peace. No wonder generals and professors in the nineteenth-century railway age generally preferred Jomini, whereas their successors, shocked by the chaos of World War I, came to favor Clausewitz. Both authors made sense in their time, Freedman argues, and they both have their limits. But he himself prefers the nuance that runs through Clausewitz’s works.

None of the later strategic theorists would surpass this duo, although they would add newer data and experiences. Freedman takes readers through the succeeding schools of thought, offering fine descriptions of such figures as the German military thinkers Hans Delbrück and Helmuth von Moltke the Elder, the analysts of land and naval power Halford Mackinder and Alfred Thayer Mahan, the British strategists of armored warfare Basil Liddell Hart and J. F. C. Fuller, the theorists of the nuclear age Bernard Brodie and Herman Kahn, and, finally, the students of guerrilla conflicts Che Guevara and David Galula.

This list may sound obvious, like the contents of a standard introductory syllabus on strategic theory, but Freedman turns it into something much more valuable through his acute judgments and summaries. For example, although the section on Mahan does explain that author’s belief that the nation with the greatest fleet would control the seas, Freedman gives more space to a lesser-known naval strategist, Julian Corbett, because he prefers the latter’s emphasis on geographic position, communications, and trade to the former’s more simplistic study of great fleets and the Trafalgar-like encounters they engaged in. Generally, Freedman approves of theorists with a Corbettian approach, since no single strategist can comprehend all aspects of war and get it right; once a conflict erupts, calm judgment and careful reasoning will prove more useful than fixed mindsets. Appropriately, this section of Strategy ends with al Qaeda, an adversary that has demonstrated the importance of surprise, confusion, luck, and passion—and the futility of trying to use a fixed strategy against it.

THE UNDERDOGS
In “Strategy From Below,” Freedman shifts his attention to what he calls a “strategy for underdogs”—although he focuses on only the post-1789 ones. Like so many other scholars before him, he accepts that the most important changes in modern history in the West came with the European Enlightenment and
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the French Revolution. Scholars of early modern history may find this cutoff irritating: surely, Martin Luther’s nailing of his theses to the door of a Wittenberg church in 1517 was nothing if not a strategy from below. The same can be said of the social and political revolutions that convulsed Europe around 1648, many of which took their most extreme forms in such bodies as the Levellers, that radical political movement in England.

Karl Marx, Freedman’s key author here, knew all about these earlier revolutionary movements, of course, but as Freedman explains, Marx saw his own movement as different. In addition to having a scientific precision, it would also have a clear destiny: the destruction of capitalism followed by the uniting of the world’s workers. It is precisely because Marx and his co-writer, Friedrich Engels, worked out a full-blown theory of revolution that Freedman can commence his second section in the early nineteenth century. After all, unlike the Marxists, the Levellers were archaic radicals who claimed no predictive powers. They wanted to smash church rood screens and extend popular sovereignty; the Marxists wanted to abolish class structures altogether. Once true international socialism was established, the thinking went, there would be no more underdogs.

Moreover, no later revolutionary movement would lose its way getting to that harmonious endpoint, because Marx and Engels had provided a road map throughout their writings, if only they were studied carefully and properly followed. But in the early nineteenth century, other socialist writers were providing different road maps, and even some of Marx’s own followers would deviate from his. Freedman displays his impressive acuteness and erudition in describing the various leaders of these movements—just look at his impressive portrait of the nineteenth-century French libertarian Pierre-Joseph Proudhon. Yet the story is a complicated one, and this part of the book flails around a lot.

The entry of Vladimir Lenin into this story, beginning with his return to Russia from exile in April 1917 to kick off the Bolshevik Revolution, returns purpose to the text. When Lenin dismounted his train at Petrograd’s Finland Station that month, he already had his own strategy: he would work with a small but strong Bolshevik core to quicken the Russian people’s revolution, employing the gun as well as the pulpit. The result was breathtaking. Lenin, Leon Trotsky, and their cadre toppled the moderate regime that had already gotten rid of the tsar, and they created a Bolshevik state that managed to stay alive despite massive counterassaults from the West. Previous thinkers had written about change; these ones actually accomplished it. Here at last, the theory of overthrow from below was being turned into practice.

But if Lenin could both alter and accelerate the course of revolution, then so could his many admirers in later ages and foreign lands—or so they hoped. Provided the end goal was the same, the means could be altered. Even in Lenin’s experience, the socialist cause often experienced setbacks followed by renewal, and sometimes, well-meaning comrades who failed to understand the urgency of things or who were too keen to compromise had to be smashed as thoroughly as the old order. This happened again when Joseph Stalin steadily took control.
of the Soviet state, exiled Trotsky (and then had him killed), and survived successive threats from the West, Poland, Japan, and even the Nazis. Exigency and flexibility were the name of the game. As early as 1925 (when some Western powers were beginning to recognize the Soviet Union), one could say that a strategy from below had actually worked. As a strategic success story, it ranks as one of the great narratives of the past 200 years.

But Freedman’s jerkiness again intrudes. Just when one expects his revolutionary tale to move on to Mao Zedong in China and Vo Nguyen Giap in Vietnam, Freedman turns instead to the German sociologist Max Weber, the Russian writer Leo Tolstoy, the American social worker Jane Addams, and the American educational reformer John Dewey—hardly firebrands. (For Mao and Giap, readers must go back to a chapter in the first section on guerrilla warfare.)

The post-Lenin part of “Strategy From Below” thus becomes an overwhelmingly American story, although with many other pieces added in. It mixes an account of the struggles of the United Automobile Workers in the United States with further discussions of revolutionary thinkers; invaluable vignettes of the Black Power crusade, civil rights, and feminism; a nifty chapter on Mohandas Gandhi and the strategy of nonviolence; summaries of the teachings of the philosophers Antonio Gramsci, Thomas Kuhn, and Michel Foucault; and a recounting of the opposition to the Vietnam War. Then, Freedman takes another remarkable turn, to analyze the successful political strategies of such Republicans as Ronald Reagan and his adviser Lee Atwater and the successful campaigns of Barack Obama.

This section of Freedman’s book does start strong—how could it not, with Marx as its hero?—but the many meanderings cost it strength and purpose. Moreover, the story of Marxism as a major historical phenomenon fits uneasily with the other, smaller crusades covered. It is easy to agree that the efforts of, say, the Black Power movement involved a strategy that was rooted in specific circumstances and strove toward specific ends that, once realized, meant success. It was indeed a strategy from below, as were Lenin’s grasp for power in 1917 and many of the revolutionary acts of later radicals. Yet Marxism itself was something larger, a total grand strategy that would never be realized until it had taken hold everywhere.

**STRATEGY AT WORK**

Freedman’s third book within a book bears the promising title “Strategy From Above,” although anyone looking for a quick survey of how great leaders carried out strategy will not find it here. Instead, this section concerns the rise and evolution of management, in theory and practice, from World War II to the present. “The focus is largely on business,” Freedman admits, and the players are modern managers, entrepreneurs, and theorists. In another example of Red Queen–like arbitrariness, Freedman focuses only on American business and the gurus who have provided it with new ideas. One can almost hear the Sorbonne intellectuals grinding their teeth at this hijacking. Aren’t their very different views of European state capitalism, the social welfare state, and the responsibilities of the firm of
Freedman highlights two trends that changed American business in the post-war years. The first involves companies’ drive to find better and better methods of management in order to enhance their competitiveness—a seductive idea, given all the evidence suggesting that the best-run firms, such as IBM, are usually the ones to survive and conquer. The high prophets of competitiveness have been extremely influential, and they have been rewarded with astonishing book sales. For example, *Competitive Strategy*, by the Harvard Business School professor Michael Porter, has now been in print for 34 years.

The second trend is the arrival of rational choice theory at business schools and other parts of the American university. According to this remorselessly logical way of thought, all actors maximize their utility. Its early advocates contended that it could apply to all forms of managing, from running a business to fighting the Cold War, and this simple way of looking at things proved immensely popular, perhaps nowhere more so than in political science departments. In most of *Strategy*, Freedman sticks to neutral description, but in this particular debate, he seems to enjoy dissecting rational choice. After pointing out how actual behavior deviates so frequently from what these models assume, he gently suggests, “The fact that they might be discussed mathematically did not put these theories on the same level as those in the natural sciences.”

This narrative of evolving ideas about management demonstrates once again Freedman’s hunch that no single comprehensive strategy can ever serve all purposes. In his view, it is futile to even search for such a theory, although...
that’s unlikely to stop social scientists from looking for one. It is equally likely that historians—along with others who have witnessed what happens when theoretical strategies get mugged by reality, whether in business or in war—will continue to prefer messier explanations of how things work. As Freedman argues, no strategy, however well it may work against a particular enemy or sell a particular product, is ever final, with a definite endpoint. Strategy is about how to get there; it is not about there.

TAKING STOCK
Freedman’s book should prove useful to students, fellow scholars, denizens of think tanks, and those working in the strategy departments of large organizations and top-rank investment companies. (It is already required reading in the grand strategy class I co-teach at Yale.) Yet Strategy has two main defects.

First, its contents are unbalanced. The three-legged structure simply cannot stand on its own, because the third part lacks the historical importance of the other two. After all, in the first section, readers learn about Moltke the Elder’s profound thoughts on victory, and in the second section, they read of Stokely Carmichael’s wrenching calls for black power, yet in the third section, they get the Boston Consulting Group. The come-down is great.

Second, despite the universalistic claim of its title, Strategy gets more and more American as it goes on. The third book is simply all about the United States. Freedman justifies his focus by noting that “the United States has been not only the most powerful but also the most intellectually innovative country in recent times.” Perhaps this emphasis reflects the author’s own life and times. Born in England just after World War II, Freedman could hardly have avoided being influenced by the increasing Americanization of his world.

Like me, many readers may wonder where to place Strategy in their libraries. It obviously should not go next to my various encyclopedias, given its selectiveness. Nor does it belong beside my small collection of books on management and business. It could go near my section of works on Marxism, socialism, and revolutionaries, but Strategy covers a far larger territory. By process of elimination, I have had to place it with my books on war. Although it differs from them all, it will stand close to books by Clausewitz, Jomini, and Mahan and not far from the many writings of the British military historian Michael Howard, Freedman’s longtime mentor and predecessor in his chair at King’s College London. That is not a bad place in which to be found.
Coupdunnit

What Really Happened in Iran?

Uncle Sam’s Hidden Hand
Christopher de Bellaigue

For as long as the shah of Iran occupied the Peacock Throne, his relations with the United States depended on a mutually accepted falsehood. Neither side stood to gain from acknowledging that Washington’s favorite dictator owed his position to American skullduggery. So regarding the events of August 1953, when the shah fled his country after unsuccessfully challenging its constitutionally elected prime minister, only to be restored a few days later after a military coup, both sides stuck to the story that the shah’s loyal subjects were responsible for his salvation.

But after 1979, when Islamic and secular revolutionaries overthrew the shah, not everyone felt compelled to maintain the lie any longer. A stream of histories, memoirs, and eyewitness accounts emerged that revealed how American and British spies, and not Iranian royalists, had played decisive roles in the plot to oust the prime minister, Mohammad Mosaddeq. Now, Ray Takeyh (“What Really Happened in Iran,” July/August 2014) has tried to rehabilitate the same discredited myths that prevailed during the shah’s time.

To get at the truth, it is necessary to go back to 1951, when Mosaddeq outraged the British by nationalizing Iran’s oil industry, which was then run by the Anglo-Iranian Oil Company, the precursor to British Petroleum (now BP). Mosaddeq went on to thwart British attempts to topple him, most notably an embargo the United Kingdom placed on Iranian oil, a move that was supported by the United States. In late 1952, British Prime Minister Winston Churchill’s government appealed for more American help in removing Mosaddeq, arguing that Iran was in danger of falling into the Soviet orbit—a line that the incoming Eisenhower administration readily swallowed.

The coup that took place the following August was a catastrophic success. It extinguished the brief democratic experiment that Iran had enjoyed under Mosaddeq; entrenched the shah, who had already begun to show despotic inclinations; and elevated the United States to the role of top Western power in Iranian affairs (in lieu of the United Kingdom). All these factors contributed to the Iranian Revolution a quarter of a century later and to the widespread perception that the United States had perverted the course of Iranian history.

Takeyh accepts that CIA operatives, led by Kermit Roosevelt, Jr., the chief of the agency’s Near East and Africa division, were involved in an attempt—endorsed by the shah (under American pressure) and put into effect on August 15, 1953—to topple Mosaddeq and replace him with a disaffected former cabinet minister, General Fazlollah Zahedi. The scheme failed when Mosaddeq arrested the men who had been sent to depose him. Chaos ensued, the shah fled to Europe, and violence consumed Tehran. In the days that followed, royalist army units girded themselves to intervene...
while Mosaddeq was paralyzed by indecision. On August 19, Mosaddeq was almost killed when army units launched an assault on his house. He later surrendered, at which point Zahedi assumed power and the startled shah got word that he could come home.

Takeyh, in his description of what took place in the four days between the two coup attempts, departs from the interpretation of these events that has gained authority since 1979. Takeyh writes that after the initial effort to dislodge Mosaddeq failed, “It seems that some operatives in the cia station in Tehran thought there was still a chance that Zahedi could succeed,” adding that “the station might even have maintained some contact with Zahedi.” But, Takeyh claims, “it’s not clear whether it did or not. What is clear is that by that point, the attempt to salvage the coup became very much an Iranian initiative.” In Takeyh’s view, the cia’s role was ultimately insignificant: whatever the agency did or did not do, “Mosaddeq was bound to fall and the shah was bound to retain his throne and expand his power.”

In fact, Roosevelt and his fellow plotters were as integral to the second coup attempt as they had been to the first; indeed, the two attempts were separate phases of the same operation. Even if one regards with skepticism Roosevelt’s later boast that the shah thanked him in person for saving his throne, there is nothing unclear about the Americans’ involvement. Between August 15 and August 19, the cia protected Zahedi and his coconspirators (who were being sought by Mosaddeq’s police), took charge of an effective propaganda campaign that depicted the prime minister as a rebel against the monarch, and contributed to the disorder on the streets by bribing agents to provoke angry mobs. On the afternoon of August 19, it was Roosevelt who decided when Zahedi would announce over the radio that he had taken power.

THE GUILTY PARTY
Takeyh’s highly selective history makes no mention of these facts. At the same time, Takeyh adduces no evidence to support his claim that without the cia’s involvement, the events of 1953 would have ended in the same result. In fact, by building a network of royalist officers, enlisting the shah, and maintaining the plotters’ network between August 15 and August 19, the cia played a leading part in the outcome.

Takeyh almost completely ignores an internal cia history of the operation written in 1954 by a participant in the plot, Donald Wilber, and leaked to The New York Times in 2000. Wilber’s account attests to the cia’s crucial role in the run-up to the coup on August 19 and shows that the relationship between Roosevelt and Zahedi was weighted in the American’s favor; amid the chaos that day, Zahedi and a fellow plotter were “told to wait for instructions” before Roosevelt informed “his charges” that it was “time for them to play an active role.”

Perhaps Takeyh considers this version of events to be one of the “concocted” and “self-serving” American accounts that he claims obscure the truth. If Takeyh believes Wilber’s history to be a work of fiction, he should say so. But he does not; in fact, he quotes Wilber’s history to prove the point that officials in London and Washington had given up on the plot to overthrow Mosaddeq
after the first coup failed. (That is true—but American agents and diplomats on the ground in Tehran carried on with their plans.)

In 2013, responding to a Freedom of Information Act request filed by the National Security Archive, the CIA acknowledged for the first time that the “coup that overthrew [Mosaddeq] . . . was carried out under CIA direction as an act of U.S. foreign policy.” Is this admission, too, concocted? Given that each admission of American guilt aggravates Iranians’ grievances, this one can hardly be considered self-serving.

HISTORY OR POLITICS?
Takeyh takes Mosaddeq to task for his increasingly erratic, demagogic leadership in the first half of 1953 and suggests that he was a victim of his own miscalculations. These are fair points, but they do not lessen the odium of the coup. A condition of sovereignty is that national politicians are punished for their domestic transgressions by their own citizens, not by foreign intelligence agencies.

In a speech to the American Iranian Council in 2000, U.S. Secretary of State Madeleine Albright acknowledged that the United States had played “a significant role in orchestrating the overthrow of Iran’s popular prime minister,” and that this had been “a setback for Iran’s political development.” Albright’s admission reflected a “narrative of American culpability” that Takeyh deplores, in part because he believes it cedes the moral high ground to Iran in the ongoing nuclear negotiations with its Western adversaries. According to Takeyh, American contrition is unnecessary because the U.S. role in Mosaddeq’s overthrow was ultimately of little consequence.

Takeyh urges the Iranians to abandon their “outdated notions of victimhood” and “move beyond” the martyrology of 1953. Doing so, he declares, would allow them to “claim ownership of their past.”

In such passages, Takeyh compounds his faulty history with moralizing. The past cannot be “owned”—not by the Iranians nor by anyone else. A historian’s job is to find out what happened and explain why. Everything else is just politics.

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Takeyh Replies

The story of the 1953 coup in Iran is quite simple, despite Christopher de Bellaigue’s attempts to confuse it. During Mohammad Mosaddeq’s tumultuous tenure as prime minister, his dictatorial tendencies and his unwillingness to resolve the oil dispute with the British steadily eroded his support. The shah, meanwhile, retained the loyalty of many Iranian army officers, merchants, and mullahs who preferred an ineffectual monarch to a reckless prime minister. In the end, the shah’s coalition proved more formidable than Mosaddeq’s frayed alliance.

In the heady days of August 1953, Iran witnessed not one but two coup attempts. It is indisputable that the United States was complicit in the first one, which failed when Mosaddeq refused to accept the shah’s order to step down. At that point, Washington gave up on
the idea of ousting Mosaddeq and even considered mending fences with him. For that reason, the second coup was very much an Iranian initiative; Iranian royalists had more at stake and more to lose than the Americans. When the shah triumphantly returned to Tehran, a bewildered White House was overjoyed by its unexpected good fortune.

In alleging that my article minimizes the role that U.S. and British operatives in Tehran played in organizing and executing the second coup, de Bellaigue accuses me of being selective with the facts. But he neglects to deal with those facts himself. He alludes to stale stories about how the CIA paid provocateurs to stir up the crowds that engulfed Tehran in the days between the two coup attempts. But as I noted in my article, documentary evidence reveals that, far from acting as puppet masters, CIA operatives and U.S. embassy staffers in Tehran were surprised at the size and diversity of the crowds. The protesters who took to the streets were not merely thugs hired by the CIA; in fact, they represented a cross section of Iranian society. Mosaddeq’s defiance of the shah had outraged them and, in the words of one contemporaneous CIA assessment, had “galvanized the people into an irate pro-Shah force.”

If U.S. and British intelligence operatives had truly rescued the coup after the initial failure, one would expect them to have taken credit for doing so in their reports to political leaders in Washington and London. Instead, shortly after the coup, the acting director of the CIA, Charles Cabell, informed U.S. President Dwight Eisenhower that “an unexpectedly strong upsurge of popular and military reaction to Prime Minister Mossadeq’s Government has resulted, according to late dispatches from Tehran, in the virtual occupation of that city by forces proclaiming their loyalty to the Shah and his appointed Prime Minister Zahedi.” Similarly, less than a week after the coup, the British Foreign Office reported to the cabinet that “a spontaneous demonstration in favor of the shah started in the bazaar and spread throughout Tehran. . . . The rank and file of the army apparently largely went over to the demonstrators, and by the evening [Zahedi] had emerged from hiding and taken over all the centres of government.” In neither account do Western intelligence operatives play a significant role; both the CIA and the Foreign Office primarily credit the Iranians with restoring the monarchy.

**PERSIAN PAWNS?**

De Bellaigue also claims that the CIA “took charge of an effective propaganda campaign that depicted the prime minister as a rebel against the monarch.” The CIA did help the royalists spread their anti-Mosaddeq message, as I noted in my article. But can something be propagandistic if it is also true? Mosaddeq was, in fact, a rebel against the monarch. The shah had the constitutional right to dismiss his prime minister; once he did so, on August 15, he rendered Mosaddeq’s premiership illegal and unconstitutional. Mosaddeq’s refusal to step down was quite clearly a rebellion against Iran’s constitutional order.

De Bellaigue accepts the view that General Fazlollah Zahedi and his fellow coup plotters were essentially mercenaries, awaiting commands from the CIA operative Kermit Roosevelt, Jr. As I explained in my article, it is difficult
to assess if there was any contact between the CIA station in Tehran and Zahedi’s group during the four days between the two coup attempts. The claims made by the internal CIA history that de Bellaigue cites have been disputed by a number of Iranian participants in the coup and by Zahedi’s son Ardeshir, who was with his father during the events in question.

The fact is that Iranian military officers had their own reasons for plotting against Mosaddeq, and they required neither instigation nor instruction from Roosevelt. Under the shah, and during the rule of his father before him, the military and the monarchy were indivisible. The army was an essential pillar of the shah’s rule. That is why Mosaddeq—who wanted to weaken the shah—continuously purged the army’s officer ranks, cut the military’s budget, and hollowed out its institutions.

Zahedi and his coconspirators had ample motive to hasten the shah’s restoration and oust Mosaddeq, and the army took a number of steps to consolidate its control of the country during the four days between the two coup attempts. But the image of the Iranian military as a competent institution acting in its own self-interest upsets the paternalistic narrative of the coup that de Bellaigue prefers, in which the Iranians—elites and ordinary people alike—appear as benighted pawns in the hands of diabolically clever Americans.

NOT EVEN PAST
De Bellaigue trumpets the notion that just last year, the CIA acknowledged that the coup was “an act of U.S. foreign policy.” A reader would be forgiven for interpreting this as suggesting that the director of the CIA mounted a podium and finally came clean. The truth is more prosaic, more complex, and less definitive. In the summer of 2013, the agency did rerelease a study conducted in the mid-1970s by one of its in-house historians. Titled *The Battle for Iran*, the report had been released once before, in 1981, with a significant number of redactions. The version released last year is fuller, yet still heavily censored: the most important sections, which deal with the planning and execution of the coup, are still classified. The study remains silent on the critical question of who was primarily responsible for the second coup attempt. It is therefore hardly the last word on the matter.

De Bellaigue faults me for moralizing but then does some moralizing of his own, proclaiming that “the past cannot be ‘owned.’” That is true: but neither can the past be denied. De Bellaigue is free to cling to his cherished myth, in which helpless, ignorant Iranians were victimized by nefarious, all-knowing Westerners. He’ll get no complaints from the theocrats in Tehran, who exploit the image of a rapacious Great Satan to justify their tyrannical rule. But those concerned with the truth have good reason to question the reductive conventional wisdom about what happened in 1953 and embrace the facts. 🌍
Showdown in Santiago
What Really Happened in Chile?

Made in the U.S.A.
Peter Kornbluh

More than 40 years after the 1973 military coup that cost Chilean President Salvador Allende his life and brought General Augusto Pinochet to power, the historical record on the U.S. role in Chile continues to stir debate. Far from being a “cold case” of the Cold War, as Foreign Affairs implied in its July/August issue, it remains a hot and controversial topic. Jack Devine’s audaciously titled article, “What Really Happened in Chile,” relates his version of the story of infamous U.S. covert actions in which Devine himself played a key role as a young CIA officer based in Santiago.

Devine’s central argument is that between 1970 and 1973, the CIA sought to protect Chile’s democratic institutions from Allende’s Popular Unity government, which Washington believed would push Chile toward Cuban-style socialism and into the Soviet orbit. According to Devine, the CIA was merely “supporting Allende’s domestic political opponents and making sure Allende did not dismantle the institutions of democracy,” such as opposition parties and media outlets. The CIA’s goal, Devine suggests, was to preserve those institutions until the 1976 elections, in which Allende’s opponents, bolstered by CIA support, would presumably defeat Allende at the polls.

In this view, the military coup and the bloody Pinochet dictatorship, which lasted nearly 17 years, were unfortunate but unintended consequences. But that is not what really happened in Chile.

BLOOD ON THE TRACKS
As Devine acknowledges, in the fall of 1970, U.S. President Richard Nixon ordered the CIA to orchestrate a military putsch that would prevent the recently elected Allende from assuming office. This top-secret plan was referred to as Track II, to distinguish it from Track I, a covert political campaign supported by the State Department to convince the Chilean Congress not to ratify Allende’s election and thus to keep him from office.

Devine benignly characterizes Track II as a misguided covert action. In fact, Track II centered on a violent criminal scheme. The plan was to kidnap Chile’s commander in chief, General René Schneider, who firmly opposed the idea of a military coup. “The CIA was aware of the plan,” Devine notes, as if the agency were an innocent bystander, simply gathering intelligence on the operation.

The truth is far more sinister. The Schneider operation was a CIA-sponsored plot: CIA officials pressed the agency’s station in Santiago to come up with a way to “remove” Schneider because he was standing in the way of a military coup. CIA representatives met repeatedly with the conspirators, led by a retired Chilean army general, Roberto Viaux, and an active-duty brigadier general, Camilo Valenzuela. On October 19, CIA headquarters sent the station six untraceable submachine guns and ammunition...
in a diplomatic pouch, to be provided to the plotters. The agency also provided $50,000 to Valenzuela to bankroll the operation and thousands more to Viaux to keep the operation “financially lubricated,” as one CIA cable stated. Given the risks involved, the CIA issued the plotters life insurance policies.

But on October 22, the thugs hired with CIA funds shot Schneider during their attempt to abduct him as he drove to work. U.S. operatives then provided $35,000 to help some of the assassins flee Chile—and to purchase their silence about the CIA’s involvement.

The very next day, as Schneider lay dying from multiple gunshot wounds, high-level CIA officials sent a cable of commendation to the station in Santiago: “The station has done [an] excellent job of guiding [the] Chileans to [the] point today where a military solution”—that is, an anti-Allende coup—“is at least an option for them,” the cable read. The agency lauded its operatives in Chile “for accomplishing this under extremely difficult and delicate circumstances.”

In the face of widespread public revulsion in Chile at Schneider’s murder, the Chilean military officials whom the CIA had paid and counted on failed to go forward with the coup. “At that point, all coup plotting ended and Nixon drastically altered his policy,” Devine asserts. Washington’s “new goal,” he writes, “was to support the political opposition and avoid giving Allende an excuse to exploit anti-American sentiment to increase his domestic popularity and international support.”

The declassified record tells a very different story: U.S. policymakers adjusted their strategy but not their ultimate goal. Rather than rely on a small group of covert operatives to quickly catalyze a coup, Washington developed a longer-term effort to destabilize the Chilean government economically, politically, and militarily and to create a climate conducive to Allende’s demise. For the CIA, “Track II never really ended,” Thomas Karamessines, Devine’s superior officer in the agency’s Directorate of Operations, testified during a special Senate investigation in 1975. “What we were told to do was to continue our efforts. Stay alert, and to do what we could to contribute to the eventual achievement of the objectives and purposes of Track II.”

Devine appears unaware that Henry Kissinger, Nixon’s national security adviser, convinced Nixon to reject the State Department’s position that the United States should accept Allende’s election and work toward his electoral defeat in 1976. At a pivotal National Security Council meeting on November 6, 1970, three days after Allende’s inauguration, Kissinger’s talking points called for a discussion of “actions we can take ourselves to intensify Allende’s problems so that at a minimum he may fail or be forced to limit his aims, and at a maximum might create conditions in which a collapse or overthrow might be feasible.” Both Secretary of Defense Melvin Laird and Secretary of State William Rogers agreed that “we want to do it right and bring [Allende] down.” Nixon instructed his top national security aides to pursue aggressive actions to subvert Allende’s government, masked by a “very cool and very correct” public posture toward Chile, which would deny Allende the chance to use the specter of U.S. intervention to rally nationalist support.
By the time Devine arrived in Chile in August 1971, the CIA had already initiated a five-part “Covert Action Program for Chile.” The operations included “enlarging contacts in the Chilean military,” “political action to divide and weaken the Allende coalition,” “support to non-Marxist opposition political groups and parties,” aiding media outlets that “can speak out against the Allende government,” and running propaganda operations through media outlets to “play up Allende’s subversion of the democratic process.”

Devine minimizes the CIA’s contact with the Chilean military leadership, suggesting that the CIA was simply gathering intelligence. But at the first meeting after Allende’s inauguration of the high-level interagency committee that oversaw clandestine operations, Kissinger stated that the goal of maintaining covert contact with Chile’s military officers was “not just for intelligence but for potential future action.” CIA documents reveal that as political and economic instability increased in Chile, the agency stepped up its communication with key officers. A May 1973 memorandum to CIA Director James Schlesinger noted that the agency had “accelerated efforts against the military target” in order to “better monitor any coup plotting and bring our influence to bear on key military commanders so that they might play a decisive role on the side of the coup forces.”

Moreover, the CIA was not the only part of the U.S. government bringing its influence to bear. The U.S. Department of Defense also maintained contact with the generals. Indeed, a full year before the coup, U.S. military officials met with Pinochet and his aides in the Panama Canal Zone. A declassified intelligence report recorded Pinochet’s belief that Allende “must be forced to step down or be eliminated” and a clear message from U.S. Army officers in response: the “U.S. will support [a] coup against Allende with ‘whatever means necessary’ when the time comes.”

**AN EXPENSIVE FREE PRESS**

When the time came, the United States did not directly participate in the coup, as Devine correctly points out. But that is not because Washington opposed a military takeover. Rather, according to the minutes of an interagency meeting in October 1972, U.S. officials determined that “if and when the Chilean military decided to undertake a coup, they would not need U.S. government assistance or support to do so successfully.” Even so, just four days before the coup, the CIA was working on “a capability for influencing the situation” if, as one State Department report noted, the predicted coup was “in danger of failure.”

In that sense, the issue of whether Washington played a direct role in the coup is a red herring. The questions that matter more are whether the Nixon administration attempted to “bring down” Allende by creating conditions “in which a collapse or overthrow may be feasible,” as Kissinger put it, and whether the CIA contributed to that effort in a significant way.

The answer to both questions is yes—and by his own account, Devine was deeply involved in the covert operations that, according to his CIA superiors, made the biggest contribution to the 1973 coup. “My most important responsibility at the time was handling the...
‘media account,’” Devine writes, “especially the CIA’s relationship with El Mercurio,” Chile’s leading newspaper. Although Devine casts the $2 million that the CIA clandestinely funneled to El Mercurio—the equivalent of more than $11 million in today’s dollars—as an effort to preserve “press freedom” in Chile, declassified White House and CIA records show that Nixon and Kissinger authorized that funding so that the newspaper could mobilize and bolster political opposition to Allende.

Indeed, far from being the professional news outlet that Devine describes, El Mercurio was a key player in the pro-coup forces in Chile. Only ten days after Allende’s election, the paper’s owner, Agustín Edwards, traveled to Washington to meet with Kissinger and CIA Director Richard Helms and provide detailed intelligence on real and potential coup plotters inside the Chilean military. With massive CIA financing, El Mercurio positioned itself as a bullhorn for organized agitation against the government. In the summer of 1973, the CIA station in Santiago reported that El Mercurio and the militant right-wing group Patria y Libertad (Fatherland and Liberty) “have set as their objective [the] creation of conflict and confrontation which will lead to some sort of military intervention.” After Allende was overthrown, the CIA gave special credit to the media project; according to one CIA memo, it “played a significant role in setting the stage for the military coup of 11 September 1973.”

Moreover, as Pinochet’s forces began systematically murdering and torturing thousands of civilians—some 1,200 people were executed just in the three months following the coup, including

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Devine and His Critic

two U.S. citizens—the CIA continued to pass funds to El Mercurio to generate popular support for the regime. The media outlets “have supported the new military government,” the CIA reported three months after the coup, seeking continued financing for the paper. “They have tried to present the Junta in the most positive light for the Chilean public.” Given Devine’s covert role in supplying funds to El Mercurio in the aftermath of the coup, his lament for the Pinochet regime’s atrocities during that period rings hollow.

PLENTY OF BLAME TO GO AROUND
Devine decries the “conventional wisdom . . . that Washington played a crucial role” in the coup. He asserts that “the CIA should not be blamed for bad outcomes it did not produce.” But the historical record confirms that the CIA did contribute to the tragic outcome of a bloody regime change and the rise of authoritarianism in Chile. For its role in the overthrow of Allende and the consolidation of the Pinochet regime, the CIA deserves all the blame it has received—and more.

And so do the policymakers who sent the CIA on this disgraceful mission. A few days after the coup, Nixon and Kissinger spoke and complained to each other about criticisms of U.S. policy that had appeared in press coverage of the coup. “In the Eisenhower period we would be heroes,” Kissinger mused, referring to the CIA-sponsored coup that toppled the democratically elected leftist president of Guatemala in 1954.

“Our hand doesn’t show on this one though,” Nixon suggested.

“We didn’t do it,” Kissinger replied, referring to a direct U.S. role in the coup in Chile. “I mean we helped them. [Word omitted] created the conditions as great as possible.”

“That is right,” Nixon agreed.

And that is what really happened in Chile.

PETER KORNBLUH is Director of the National Security Archive’s Chile Documentation Project and the author of The Pinochet File: A Declassified Dossier on Atrocity and Accountability.

Devine Replies

I do not expect to change the minds of Peter Kornbluh and others who have spent decades insisting that the CIA was the architect of the 1973 Chilean military coup against Salvador Allende. I would, however, like to respond to some of Kornbluh’s points and once again stress firmly that the CIA did not plot with the Chilean military to oust Allende in 1973.

Like many other critics of the CIA’s actions in Chile during the 1970s, Kornbluh fails to properly distinguish between the U.S. role in the failed coup attempt in Chile of 1970, which sought to keep Allende from taking office, and the U.S. role in the coup in 1973, which resulted in Allende’s overthrow. As I noted in my article, the 1970 coup attempt, which President Richard Nixon instructed the CIA to support, easily meets my definition of bad covert action. The conditions on the ground in Chile did not favor the kind of military coup that the White House envisioned. No one at the CIA really believed the coup would succeed; in fact, the CIA station chief in Santiago strongly recommended against supporting it. Even the White House ultimately came around to the
same position: declassified documents show that on October 15, Henry Kissinger directed the CIA to tell Roberto Viaux to call off the planned kidnapping of General René Schneider. But Viaux ignored that instruction and went ahead with the ill-fated plot.

More important, there is no evidence to support the view that the CIA engaged with the plotters who managed to overthrow Allende three years later. Even Kornbluh seems to recognize this. So the disagreement comes down to the extent to which the CIA’s activities influenced the political environment and contributed to Allende’s downfall. Based on my experience inside the CIA station in Santiago during the events in question, I clearly have a different perspective on that matter than Kornbluh does.

A RELATIVELY MINOR ROLE
During my time in Chile, between 1971 and 1973, the CIA pursued a policy designed to support the political opposition, including certain media outlets and protest groups, but did not collude or conspire with the Chilean military to overthrow Allende. The goal was to keep the opposition alive and help position it to defeat Allende’s party in the next national elections. Washington also hoped to thwart Allende’s efforts to draw Chile into the Soviet sphere. In the context of the Cold War, the importance of that objective cannot be overstated.

I’m not arguing that the agency’s activities didn’t contribute to Allende’s fall; they did. But that outcome was not the intention of the CIA’s support to the opposition—and the agency’s activities clearly weren’t the only factor that contributed to the final result. Indeed, the CIA’s support played a relatively minor role compared to the domestic political and economic factors that led the military to act against Allende.

Kornbluh and others critics tend to ignore the truth about the conditions in Chile under Allende. They overlook the economic and political incompetence of Allende’s government and his very serious flirtation with President Fidel Castro of Cuba and the extreme leftists of Chile’s Revolutionary Left Movement, who revealed their true nature when they violently attacked the peaceful “March of the Empty Pots and Pans,” led by women’s groups in December 1971. Kornbluh also ignores the major role that the Communist Party of Chile played in Allende’s government, as well as the aid and support Allende received from Cuba and the Soviet Union, which included the training of Chilean intelligence operators and Allende’s personal security detail.

As Allende enacted radical, destabilizing land reforms and nationalized industries, including Chile’s vitally important copper industry, U.S. officials began to fear that Allende’s government would also take direct control of the media. The CIA’s support for El Mercurio aimed to prevent such a strike against Chilean democracy. As I noted in my article, the paper’s editors in Chile took no guidance from the CIA. The funding the agency provided was designed to keep the newspaper in business at a time when the Allende government was blocking its access to newsprint. Agustín Edwards, the paper’s owner, feared that the government would soon shut down the paper. Edwards had a good, but not particularly deep, relationship with Nixon; he lived abroad.
and had no contact with the CIA in Chile. And there was no indication in the field that Edwards had any real sway over U.S. policymakers, especially after the failed 1970 coup.

Just as Kornbluh misconstrues support for a free press as evidence that the CIA took part in coup plotting, he also draws inaccurate conclusions about the CIA’s ties to the Chilean military. Kornbluh asserts that those ties were deeper than I described in my article. He bases that conclusion on a declassified document describing a meeting between U.S. military personnel and Augusto Pinochet in the Panama Canal Zone and another declassified document stating that the CIA would be increasing its surveillance of the Chilean armed forces.

First of all, assuming that the first document’s account of the meeting in Panama is accurate, the discussion it describes does not reflect U.S. policy. And there is no evidence to suggest that this discussion was related to the CIA’s covert-action program. As for the second document, there is a world of difference between conducting surveillance on another country’s armed forces and collaborating with them. Kornbluh suggests that the U.S. relationship with the Chilean military was robust, but I know the exact number and quality of the United States’ military sources at the time, and they were indeed meager.

Ultimately, the Chilean military moved against Allende not because the United States wanted it to do so but because the country was in disarray. By the spring of 1973, the Chilean economy had spiraled out of control and street demonstrations had become routine. Coup rumors were rampant, and in what became known as “the tank putsch,” junior military officers started plotting on their own. The generals decided to take charge of the coup plotting to maintain discipline in Chile’s military institutions and to preserve stability.

**CREDIT WHERE CREDIT’S NOT DUE**

It is true that Washington welcomed the 1973 coup, since it appeared to be a Cold War victory for the United States. Kornbluh cites a transcript of a conversation between Nixon and Kissinger in which the men seem to take credit for Allende’s removal. But the fact that Nixon said something doesn’t make it true. It is hardly uncommon for political figures to take excessive credit for developments they see as positive—just as they distance themselves from outcomes they deem unfavorable.

Despite our differences, Kornbluh and I agree on one point: U.S. involvement in Chile in the 1970s remains a hot-button issue. I take some modest comfort from the fact that as a former CIA field operative who served in Santiago during the Allende era, I have been able to offer my firsthand account of what really happened in the Chilean coup in 1973. I hope that it proves useful to historians and that its lessons might inform future policymakers and CIA leaders.
Data Minding

A Response to “Privacy Pragmatism”

Ann Cavoukian

Craig Mundie recommends changing privacy laws and practices to focus more on preventing and mitigating the misuse of personal data than on limiting the collection and retention of such data (“Privacy Pragmatism,” March/April 2014). That would be a mistake: limits on the collection of personal data should remain central to the protection of privacy. Simply put, governments and organizations cannot abuse or lose control of personal data that they cannot collect or retain in the first place.

Mundie also believes that better control over the use of personal data would obviate the need for businesses to obtain individuals’ consent to collect their information. According to Mundie, consent is often too difficult to obtain in a world of “passive” data collection, complex data flows, and incomprehensible privacy policies. But the solution to such problems is not to eliminate consent or to lower the expectations one should have about how one’s data will be used. Individuals deserve the right to control what happens to their personal data at any given moment—not only after someone else has obtained it, perhaps even without consent.

Consent allows individuals to set conditions for the use of their data, access the information relating to them that others have obtained, verify the accuracy of that information, check to make sure companies comply with the rules, and seek redress for any harm that results from the misuse of their data. Remove consent, and the other privacy checks and balances collapse.

In place of such protections, Mundie proposes a draconian government oversight scheme in which regulators would impose mandatory registration, auditing, and presumably new sanctions on all organizations seeking to use personal data. Such a system would rely mostly on after-the-fact remedies for abuse. But when it comes to personal data, once the harm has been done, it is extremely difficult to make things right again. Regulators all over the world already struggle to police privacy infractions. In this era of massive online connectivity, the majority of privacy breaches and data leaks remain unknown, unchallenged, and unregulated. Regulatory compliance alone cannot ensure privacy.

In addition to his regulatory proposal, Mundie suggests a technological approach to preventing the misuse of data: placing all personal data in a “wrapper” that would control how the data could and could not be used. Such an approach—similar to the digital rights management “locks” that many common computer applications already use—is certainly intriguing. But the idea of wrapping personal data has been proposed many times during the past decade without gaining much traction, probably because it would be hard to make it work.

Indeed, Mundie is unclear when it comes to precisely how his mixture of
regulatory reform and technological innovation would come to fruition and concedes that it “would require political will and popular support” as well as “a combination of innovative new national and international laws and regulations.” That sounds like a daunting task—and a risky course to take, given the fundamental shifts in privacy law and practice it would entail.

Mundie is right to seek more accountability when it comes to the misuse of personal data. But he is wrong to advocate abandoning the user-centric practices and principles that have guided privacy protection since the 1970s and that arise from a fundamental belief that individuals must be allowed to exercise control over the collection, use, and disclosure of their personal data by others. Indeed, Mundie’s proposals are out of step with cutting-edge thinking in policy circles on both sides of the Atlantic. The administration of U.S. President Barack Obama recently released two major reports on the challenges that “big data” poses to privacy: both affirmed the right of individuals to understand what happens to their personal information and to enjoy privacy-enhancing options and tools. Meanwhile, in May, the Court of Justice of the European Union issued a landmark ruling that recognized a “right to be forgotten” and directed Google to remove outdated personal data from its search results.

If Mundie truly believes that dramatic changes are required, he should forgo his narrow conception of pragmatism, which would mostly serve corporate and government interests at the expense of individual privacy, and instead pursue a more radical form of pragmatism that would embed privacy protections into the design and architecture of information technologies, business practices, and government operations. Individuals must be able to directly share in the production and consumption of their personal data, impose limits and conditions on that data’s use by others, and choose whom they want to trust. When it comes to regulating privacy, let the people decide.
Recent Books

Political and Legal

**G. John Ikenberry**

*Leviathan 2.0: Inventing Modern Statehood*

*The Fourth Revolution: The Global Race to Reinvent the State*

Governments around the world have fallen on hard times, and the crisis seems especially acute among the liberal Western states that until recently enjoyed decades of unprecedented prosperity and stability. Western powers that ushered in the Industrial Revolution and the rise of the liberal order are now barely able to perform rudimentary tasks. When beleaguered Western leaders look over their shoulders, they see authoritarian Asian countries—especially China and Singapore—gaining ground. These two recent books offer competing but complementary visions of the past, present, and future of government.

Maier’s world-historical tour de force reminds readers that, for all its current troubles, the modern state has enjoyed a pretty good run over the past few centuries. Its foundations can be traced to the legal and political breakthroughs of the sixteenth and seventeenth centuries, when notions of territorial sovereignty and statehood took hold across Europe. Maier dubs the state that emerged at that time Leviathan 1.0, after Thomas Hobbes’ famous 1651 treatise. But what interests Maier most is the next great era of political transformation, stretching from the 1850s to the 1970s, when the modern nation-state—Leviathan 2.0—came of age and spread around the world, representing “the most efficient engine of expansion and governance that the world had seen for centuries.” Maier reveals the deep contradictions, across decades of wars, revolutions, and modernizations, of the state, which has served as a source of both emancipation and oppression. As Maier chronicles in his gripping account, the modern state wrapped itself in legal authority, harnessed technology, established markets, acquired wealth, and launched violent campaigns of territorial expansion. By the 1970s, the modern state had vanquished all the major alternative forms of political organization: a remarkable world-historical moment.

Micklethwait and Wooldridge cover some of the same ground. But the two editors of The Economist are more interested in the state’s future than in its past—and they are worried. In this clever and sharply argued book, they warn that the liberal democracies of the West have grown too big, a development they describe in evocative terms: “bloat,” “elephantiasis,” “omnipresent nanny,” the “supersizing” of the state. The unchecked growth of government, they claim, contributes to all the ills of today’s Western democracies: frayed social safety nets, demographic imbalances, fiscal crises, legislative gridlock, influence peddling, toxic partisanship.
Micklethwait and Wooldridge argue that to fix those problems and fend off the challenge posed by the updated models of authoritarianism put in practice by the Chinese and others, Western democracy must be reinvented. Their main prescription is for governments to shrink, especially by making use of information technology to decentralize public administration. Such an approach might reduce government overreach, but the authors do not explain how it would address much bigger problems, such as rising inequality, social fragmentation, and crumbling infrastructure.

**Liberal Internationalism: Theory, History, Practice**
BY BEATE JAHN. Palgrave Macmillan, 2013, 240 pp. $115.00 (paper, $40.00).

The Western liberal tradition rests on free markets, limited government, human rights, and the rule of law. But as Jahn notes, those concepts originated as guides to the organization of domestic politics, and the effort to project them onto the international system, which began in the early nineteenth century, has been marked by tensions, dilemmas, tradeoffs, and contradictions. Liberal internationalism enshrines the norms of sovereignty and self-determination, for example, but it also has provided the rationale for imperialism, military interventionism, and postwar European efforts to transcend the sovereign state. In this rare and welcome survey of an important school of thought, Jahn argues that the tensions between the theory and the practice of liberal internationalism have been particularly pronounced since the end of the Cold War. During the past three decades, financial crises, the rise of illiberal democracy, and the hegemonic exceptionalism of liberalism’s most powerful advocate, the United States, have called into question the viability of a stable and universal liberal system. Jahn’s outlook is pessimistic, but her book nonetheless reaffirms why liberalism has endured thus far: the possible alternatives to a messy and incomplete liberal international order are all much worse.

**The New Terrain of International Law: Courts, Politics, Rights**
BY KAREN J. ALTER. Princeton University Press, 2014, 480 pp. $95.00 (paper, $35.00).

This pathbreaking book illuminates a quiet revolution that has reshaped international law, and it will change many readers’ views about the new global legal system. Today, at least 24 international courts and organizations review administrative decisions, assess government compliance with international law, and pass judgment on constitutional questions. These include global bodies, such as the International Court of Justice, the International Criminal Court, and the World Trade Organization, and regional legal bodies in Africa, Europe, and Latin America. These bodies have issued thousands of rulings, and, as Alter argues, they are not simply settling disputes between governments but also offering authoritative views about what it actually means to follow the rule of law in specific policy areas. In detailed case studies, Alter examines when and how such courts and organizations exercise political influence. She masterfully demonstrates how, as the idea of global
governance takes root, governments increasingly take pains to be seen as following the law—a development that has greatly increased the power of international courts and judges.

**Good-Bye Hegemony! Power and Influence in the Global System**

BY SIMON REICH AND RICHARD NED LEBOW. Princeton University Press, 2014, 208 pp. $95.00 (paper, $24.95).

Reich and Lebow have joined a long list of writers who have announced the end of U.S. hegemony and the coming of the next world order. In fact, they argue that hegemony has been dead for many decades. “Hegemony is a fiction propagated to support a large defense establishment, justify American claims to world leadership, and buttress the self-esteem of voters,” they proclaim. But they have an odd notion of what constitutes hegemony, which they equate with “the blunt exercise of force.” Reich and Lebow note that influence is far more important than raw power and identify three functions that leading states must perform to sustain order in today’s allegedly post-hegemonic international system: agenda setting (advocating policies and principles of order), custodianship (stabilizing the world economy), and sponsorship (initiating rules and institutions). These are perfectly good points, but the main critique relies on a straw man: political scientists and policymakers are well aware of the distinction between raw power and influence. Indeed, the field of international relations even has a term for the strategy of influence that Reich and Lebow advocate. That term is “hegemony.”

**Economic, Social, and Environmental**

**The Other Population Crisis: What Governments Can Do About Falling Birth Rates**


Many countries are going gray, as the average age of their citizens increases. Two quite different factors are driving the change: people are living longer, and they are having fewer babies. The potential fiscal strains arising from greater longevity have received a lot of attention; the implications of falling birthrates, much less. With this book, Kramer aims to correct the imbalance. He believes that falling birthrates pose a serious threat to a number of wealthy countries, not only to their economic well-being but also to their national security. With a decrease in fertility comes a loss of economic vitality, an increase in dependency ratios (the number of retirement-age citizens who need the support of working-age ones), and the decline of rich countries relative to the rest of the world. Those changes might destabilize international migration. Kramer describes and analyzes the policy reactions—or absence thereof—to declining birthrates in France, Italy, Japan,
Singapore, and Sweden. He concludes, on the basis of the French and Swedish cases, that governments can increase fertility rates with policies that make it easier for women to raise families and also pursue careers. But such approaches succeed only when governments commit to them for the long term and are willing to use public funds to pay for them.

**Flash Boys: A Wall Street Revolt**  
BY MICHAEL LEWIS. Norton, 2014, 288 pp. $27.95.

Hardly a week goes by without news of some malfeasance committed by a large American or European bank. Lewis zeros in on one particularly explosive charge: the claim that major banks engage in predatory trading behavior. Instead of filing their customers’ orders to buy and sell stocks and bonds in a straightforward way, banks have found it far more lucrative to trade those orders in “dark pools”—private stock markets run by the banks themselves—and to sell access to those pools to high-frequency traders who use superior technological tools to make large purchases or sales, often at the expense of ordinary customers. This has allowed the banks to game the financial system and enhance their earnings—as well as the bonuses they pay to key employees and executives. Lewis’ main characters are a group of financial specialists who become disillusioned with this rigged system and set up a new exchange called IEX, which aims to level the playing field and treat investors more fairly. The book is a chatty exposé, rich with dialogue and character studies, and also explains complex financial processes in terms accessible to laypeople.

**The Globalization of Clean Energy Technology: Lessons From China**  
BY KELLY SIMS GALLAGHER. MIT Press, 2014, 280 pp. $28.00.

The diffusion of applied knowledge, both within and between countries, is one of the sources of economic growth. The spread of such knowledge is also necessary to deal with climate change. Yet economists and environmentalists alike know little about the process. This useful book—a thorough piece of practical research—looks closely at how clean energy technologies such as gas turbines, advanced batteries, solar photovoltaics, and coal gasification emerged and spread to China. Gallagher bases her case studies not only on data and written material but also on nearly a hundred interviews she conducted with participants in the clean energy sector. She finds many of the usual problems faced by cross-border businesses. But her book also suggests some reasons for optimism. Much diffusion of technology does occur, both through direct investment and through licensing. Intellectual property issues, although present, rarely prove insuperable. China is developing new indigenous technology and even exporting it. China’s patent system is growing rapidly, and Chinese courts are gradually developing the capacity to resolve patent disputes impartially.

**The Culture Map: Breaking Through the Invisible Boundaries of Global Business**  

The rapid growth of cross-border business, education, and travel has
brought people of different cultural backgrounds closer together than ever before—and has thereby increased the likelihood of miscommunication and misunderstanding. Meyer boldly attempts to characterize the diverse cultural practices of Asians, Europeans, and North and South Americans in eight areas: communication, performance evaluation, persuasion, leadership and hierarchy, decision-making, trust building, dealing with disagreements, and scheduling. The book abounds with well-chosen anecdotes to illustrate the misunderstandings that can arise from clashing cultural assumptions, making this enlightening book a pleasure to read.

**Out of Poverty: Sweatshops in the Global Economy**
BY BENJAMIN POWELL. Cambridge University Press, 2014, 193 pp. $60.00 (paper, $29.99).

This book might have been titled *In Praise of Sweatshops*. It is a serious attack on well-meaning European and U.S. organizations that lament the working conditions in the factories of many developing countries, sometimes calling for boycotts against the multinational firms that purchase from such factories or that even own them. But Powell argues persuasively that sweatshops, where the conditions are admittedly appalling by Western standards, represent an improvement—often a significant improvement—over the alternatives available to their workers. To boycott them or impose other significant additional costs on them makes life worse for many poor people by depriving them of relatively good jobs. This is especially true for women in the developing world, for whom rural life is often far worse than industrial labor in cities. The book contains a good deal of data and economic analysis, but it also addresses moral and philosophical issues and compares the labor dilemmas of the contemporary developing world with those that arose during comparable periods of British and U.S. history, when sweatshops likewise represented a step forward. One lesson of the book is hard to ignore: if Americans want more workers around the world to enjoy American working conditions, they should let more immigrants into the United States.

**Military, Scientific, and Technological**

**Lawrence D. Freedman**

**No Use: Nuclear Weapons and U.S. National Security**
BY THOMAS M. NICHOLS.

**On Limited Nuclear War in the Twenty-first Century**
EDITED BY JEFFREY A. LARSEN AND KERRY M. KARTCHNER.
Stanford University Press, 2014, 312 pp. $90.00 (paper, $27.95).

For six decades, nuclear weapons have shaped the behavior of states—largely for the better, as the destructive potential of such weapons
has encouraged extreme caution during conflicts, which has helped prevent disasters. But the stability of the atomic age has bred complacency and reduced policymakers’ fluency with the nuances and practicalities of nuclear strategy. Those trained in the dark arts of deterrence are growing older and are not being replaced, even though the weapons live on. It is therefore important for fresh eyes to look at the dilemmas created by nuclear weapons.

Nichols provides a succinct history of those dilemmas and a sharp critique of Washington’s recent moves away from traditional deterrence theory and toward introducing “operational” elements into nuclear policy. He shows how post–Cold War attempts to bring clarity to U.S. nuclear policy have resulted instead in an approach that depends on ambiguity, and he asks whether it is realistic to expect military organizations to implement deliberately vague ideas. After demonstrating just how hard it would be to find a rational reason for a country to use nuclear weapons under any circumstances—even after suffering a first-strike nuclear attack—Nichols argues that the United States should adopt a minimalist approach to deterrence by limiting its stock of nuclear arms, reducing the centrality of nuclear arms in U.S. national security policy, and developing better conventional weapons and better strategies to deal with crises. Such an approach, he argues, would also allow the United States to wean its allies off their dependence on extended U.S. nuclear deterrence and encourage them to take more responsibility for their own defense.

In making this argument, Nichols perhaps understates the powerful political symbolism of the nuclear guarantees Washington offers.

The contributors to Larsen and Kartchner’s collection focus on how the United States might respond if a relatively small number of nuclear weapons were used in a conflict and examine possible methods for bringing such a conflict to an end. They offer a speculative but serious and well-informed journey through a variety of scenarios and contingencies, reminding readers that nuclear policy is a two-way street: U.S. policymakers’ efforts to develop credible answers to the problems of the atomic age are inevitably shaped by the way other states pose their own nuclear questions.

Invasion of Laos, 1971: Lam Son 719

BY ROBERT D. SANDER. University of Oklahoma Press, 2014, 304 pp. $29.95.

Sander was a U.S. Army helicopter pilot during a little-known battle of the Vietnam War, code-named Operation Lam Son 719, that took place in early 1971, in which South Vietnamese forces, back by U.S. airpower, attacked routes used by the North Vietnamese to infiltrate Laos. Sander has produced something better than a battlefield memoir: an accomplished history of the operation that explains why it failed. The U.S. Army had long wanted to destroy a North Vietnamese transportation hub in the Laotian village of Tchepone but had refrained because such a move would have presented political problems for the Nixon administration and would have required a great deal of military effort.
By the end of 1970, however, the administration decided that an attack on Tchepone was worth the potential costs. But the mission was a disaster: the North Vietnamese pushed back, and the South Vietnamese ended up withdrawing under heavy fire. As it had done many times before, Washington overestimated the capabilities of the South Vietnamese forces and underestimated the strength of the North Vietnamese.

Contrition has allowed other countries—Austria, for example—to avoid reckoning with their collaboration with the Nazis. This book explores what is normal in war and what constitutes exceptional atrocity, and it underlines the importance of independent and honest historical writing that stays close to the evidence and steers clear of mythmaking.

102 Days of War: How Osama bin Laden, al Qaeda, and the Taliban Survived 2001

For a country, such as the United States, that believes in decisive conclusions to military operations, allowing Osama bin Laden to escape from his redoubt in the Tora Bora region of Afghanistan in December 2001 was an extraordinary lapse. In this short—perhaps too short—book, Barzilai, an enterprising young scholar and U.S. diplomat, has done a good job of pulling together the basic sources on this set of events. He was frustrated by his inability to use government archives but has enlivened his account through interviews with key policymakers. This story is already known, including the fact that the United States committed an insufficient number of ground forces to prevent bin Laden’s escape and that Washington was loath to take risks with the limited forces it did deploy. Barzilai also blames the outcome on a combination of political inattention and sloppy tactics. The lesson he draws is that civilian leaders need to monitor military commanders carefully and make sure they understand the political significance of operational decisions.
The United States

_Walter Russell Mead_

**Hard Choices**
BY HILLARY RODHAM CLINTON. Simon & Schuster, 2014, 656 pp. $35.00.

**HRC: State Secrets and the Rebirth of Hillary Clinton**
BY JONATHAN ALLEN AND AMIE PARNES. Crown, 2014, 448 pp. $26.00 (paper, $15.00).

*Hard Choices* is more a manifesto than a memoir. It is best understood as Clinton’s attempt to position herself for the intense political battles she will likely face in the next few years as the front-runner for the Democratic nomination for president in 2016. Still, it is a rich and even compelling read, hinting at how Clinton wants to be seen in the culminating years of her political career. The memoir pulls off a deft political balancing act; Clinton distinguishes herself from President Barack Obama even as she highlights her loyalty to the man she served as secretary of state. Clinton ran for president in 2008 as a liberal hawk, albeit one chastened by the Iraq war, which she supported. *Hard Choices* indicates that she is standing her ground, and has perhaps become more hawkish and less chastened. She makes clear that she would have preferred a more muscular U.S. intervention in the civil war in Syria and highlights her deep reservations about Russian President Vladimir Putin. Meanwhile, she demonstrates her continuing liberal values by emphasizing the importance of women’s issues in her approach to foreign affairs.

Allen and Parnes, a pair of Washington-based journalists, take a broadly sympathetic look at Clinton’s tenure as secretary of state, one that mostly aligns with Clinton’s own account. In their telling, Clinton was an effective secretary who, in the face of a presidential staff bent on keeping key foreign policy issues under the White House’s control, nevertheless managed to keep herself and her department relevant in the national security process. She did this in part by forging an alliance with Secretary of Defense Robert Gates and CIA Director David Petraeus and in part by building a strong professional relationship with Obama. In addition to drawing attention to women’s rights and technology issues, Clinton exercised influence on the renewed U.S. engagement in the Asia-Pacific region (and the associated tough line on China), the opening to Myanmar (also called Burma), and NATO’s intervention in Libya in 2011. None of these ended in unqualified triumph, and the aftermath in Libya has justified the concerns of those who argued against aiding the cause of regime change there. Nevertheless, it appears on balance that Clinton’s service in the State Department has burnished her résumé and strengthened her already formidable position in U.S. politics.

**What Good Is Grand Strategy? Power and Purpose in American Statecraft From Harry S. Truman to George W. Bush**
BY HAL BRANDS. Cornell University Press, 2014, 288 pp. $29.95.

This remarkable book catapults Brands into the foremost ranks of a new genera-
tion of U.S. strategic thinkers. Brands brilliantly combines an analysis of the grand strategies of selected presidents (Harry Truman, Dwight Eisenhower, Richard Nixon, Ronald Reagan, and George W. Bush) with an investigation into the nature and value of the very concept of grand strategy. Throughout, his analysis is evenhanded and insightful. He argues that an effective presidency requires a conscious strategic framework even when the pressure of events makes it impossible to adhere rigidly to an overall grand design. The task of formulating a grand strategy relies less on creating rigid plans than on examining and testing the sometimes contradictory assumptions that drive U.S. policy. Future presidential administrations would do well to embrace this vision at a time when the United States faces limited resources and a bewildering array of challenges. On the evidence of this closely reasoned book, Brands will have much to contribute to the strategic debates that lie ahead.

*The Scorpion’s Sting: Anti-Slavery and the Coming of the Civil War*

BY JAMES OAKES. Norton, 2014, 208 pp. $23.95.

The antebellum debate over slavery in the United States revolved around more than just morality; generations of Americans vigorously debated the ways in which constitutional and international law applied to the “peculiar institution” of the South. In *The Scorpion’s Sting*, Oakes surveys the legal doctrines that enabled President Abraham Lincoln to envision and then enact the Emancipation Proclamation. Under the international laws of the day, countries at war could emancipate slaves with or without compensation to masters and could either establish or ban slavery in specific territories in treaties or as acts of policy. Thus, international law allowed Lincoln to override the constitutional protection of slaveholders’ property rights. The point is not merely one of antiquarian interest; the degree to which the provisions of international law affect the rights and responsibilities of the federal government is a controversial subject today. *The Scorpion’s Sting* will lead readers to reflect on the degree to which international law might hold significant implications for the American system of government.

*An Anxious Age: The Post-Protestant Ethic and the Spirit of America*

BY JOSEPH BOTTUM. Image, 2014, 320 pp. $25.00.

The mainline Protestant churches were historically the center of gravity of the U.S. political, cultural, and intellectual establishment. Their collapse in the past five decades is one of the most important changes the United States has undergone in the contemporary era, but there has been little serious thought about its meaning. *An Anxious Age* is a dazzling tour de force, in which Bottum offers the richest and most interesting analysis yet of this cultural shift. Whereas most conventional analyses of the decline of the Protestant establishment emphasize the rise of Catholics and Jews after World War II, Bottum argues that the Protestant establishment collapsed because of internal shifts rather than external pressure. The heirs of the mainline Protestants, Bottum argues, still set the tone for American
social and cultural life, but they no longer do so in an overtly religious context. Not all of Bottum’s observations ring equally true, but any reader interested in American politics or culture needs to grapple with the insights of this fascinating book.

**Western Europe**

*Massacre in Norway: The 2011 Terror Attacks on Oslo and the Utoya Youth Camp*


Since 2001, Europe has suffered more terrorist incidents than the United States, although none of the attacks has been as spectacular as those that struck New York City and Washington on 9/11. Among the most lurid European incidents was the 2011 massacre by a lone gunman of 69 young Norwegians at a summer camp near Oslo associated with the Labour Party, which was combined with a diversionary bomb blast in the city that killed eight people. Bromark, a Norwegian journalist, tells the story based on detailed eyewitness accounts, and his book serves as a corrective to wrongheaded foreign commentary that used the event to criticize Scandinavian social democracy. Despite the xenophobic rhetoric of the perpetrator, his crime was not evidence of widespread right-wing radicalism or of lax Norwegian law enforcement. The murderer, although an adult, seems to have been a lonely outsider in a close-knit society, not unlike many of the teenagers responsible for school shootings in the United States. The most revealing anecdotes in this book illustrate something that foreigners often overlook: the deep bonds of friendship and community that continue to define what it means to be Norwegian.

*Is the EU Doomed?*

BY JAN ZIELONKA. Polity Press, 2014, 120 pp. $45.00 (paper, $12.95).

Zielonka is an intellectual provocateur in the best sense of the word. He has previously likened the EU to an empire; now, he claims the union is doomed to disintegrate into the governmental equivalent of polyphonic music. Underneath that strained analogy lies a serious point. Arguments over the future of Europe tend to fall into two extreme camps: the EU must either centralize power in Brussels and become a technocratic United States of Europe, as federalists advocate, or it must grant power back to national governments, as British conservatives and others desire. Zielonka argues, entirely plausibly, that neither idea would work. He suggests that decentralized networks of businesses, civil society groups, independent government agencies, EU officials, and European citizens should interact with one another in open-ended, nonhierarchical forums tailored to different issues. Some might object that such a vision simply repackages the EU as it already functions. Others might protest, as globalization theorists have for years, that any arrangement that does not formally allocate political
Land and Wine: The French Terroir
BY CHARLES FRANKEL. University of Chicago Press, 2014, 264 pp. $27.50.

As do most books on wine, this one contains histories of famous regions and ancient vineyards, paens to the distinctiveness of particular grapes, and florid descriptions of specific wines. And, as do nearly all wine books, it sings the praises of terroir—the qualities that a product such as wine exhibits owing to its place of origin. Yet I have never encountered a book quite like this one. In careful detail, it tells the geological history of France, at each point linking the character of the country’s wines to the underlying geology of the land on which the grapes are grown. The story proceeds chronologically, starting 500 million years ago, when great oceans were swallowed up during tectonic shifts, and ends just 10,000 years ago, at the moment when the Strait of Gibraltar broke open and the Mediterranean ceased to be an inland sea. Throughout, one is struck by the violence and diversity of geological change and by the overarching lesson that few things are as essential to a place as its terroir.

Lessons From Europe? What Americans Can Learn From European Public Policies
EDITED BY R. DANIEL KELEMEMEN. CQ Press, 2014, 232 pp. $44.00.

This book sets out to explore what the United States could learn about public policy from European countries. European models are increasingly cited in American public debates, often as negative examples in ideologically polarized discussions. This group of distinguished

The Tragedy of the European Union: Disintegration or Survival?

This is the most honest and sensible book yet to tackle the euro crisis. Soros eschews the sanctimony and pseudoscience that frequently accompany commentary on the EU and gets right to the basic political conflicts and human foibles that underlie the union’s problems. Although he is a bit imprecise on the origins of the euro system, he explains with clarity how the single currency created a financial system dominated by incorrect assessments of risk. One result has been the eurozone’s domination by Germany, which benefits from the system in the short term and refuses to change it, blocking significant banking reform. This guarantees a long period of stagnation for southern European countries, which now find themselves in a position similar to that of developing countries that borrow in a foreign currency. Soros sees this as a “nightmare” from which Europe might never wake: for better or worse, the eurozone might not last. This book represents not merely the clear-eyed criticism of a single economist; it also marks a final loss of faith in the EU project on the part of one of its most prominent believers.
authors seeks more sober conclusions, grounded in empirical evidence. They examine rules relating to issues of work-family balance, labor-market regulations, climate change policy, urban transport, election law, pensions, and immigration. Three lessons stand out. First, Europe is a continent of extreme diversity, and so a single European model rarely exists. Second, in all but the last two areas, plenty of European policy solutions exist that the United States could learn positive lessons from. Third, although some might criticize the entire notion of learning from Europe on the ground that the United States is “exceptional,” much of the distinctiveness of the United States results from policy choices and political institutions that could be reformed, should Americans desire better outcomes from their government.

In the past few years, Greece has gone from being the protest-wracked poster child for European dysfunction to one of Europe’s most promising reformers. Dramatic as the turnaround has been, it pales in comparison to Greece’s experience during the first half of the last century, when it suffered through two Balkan wars, numerous skirmishes with Turkey, a military coup, German occupation, and a bitter civil war that ran, on and off, from 1942 to 1949. It’s a bloody and confounding history that few non-Greeks even remember today, let alone understand. This singular book—part memoir, part history—should change that. In it, Rizopoulos, a historian and former director of studies at the Council on Foreign Relations, deftly weaves together his own implausible story—he was raised in Athens, was orphaned at 17, and yet somehow still found his way first to the Hotchkiss School, in Connecticut, and then to Yale—with that of his turbulent homeland. Shaped by a combination of striking detail and lack of self-pity that brings to mind Vladimir Nabokov’s *Speak, Memory*, the book works well as both personal narrative and political saga.

Jonathan Tepperman

**Civil and Uncivil Wars: Memories of a Greek Childhood, 1936–1950**


**Globalization, Trade, and Economic Development: The CARIFORUM–EU Economic Partnership Agreement**

BY RICHARD L. BERNAL. Palgrave Macmillan, 2013, 292 pp. $110.00.

**The Bolivian Revolution and the United States, 1952 to the Present**

BY JAMES F. SIEKMEIER. Penn State University Press, 2011, 224 pp. $64.95 (paper, $29.95).

**Contesting Trade in Central America: Market Reform and Resistance**

BY ROSE J. SPALDING. University of Texas Press, 2014, 334 pp. $60.00.

In international negotiations with seemingly much stronger states, astute developing countries can
sometimes successfully defend their national interests and even win major victories. Bernal, a seasoned trade negotiator, explains how, during the negotiations over an interregional free-trade agreement signed in 2008, a number of Caribbean countries extracted important concessions from the EU. Decades earlier, as Siekmeier ably documents, a revolutionary government in Bolivia managed a similar feat in its bilateral dealings with the United States.

Bernal’s book reveals how, in negotiating with some of their former colonial masters, the small economies of the West Indies persuaded the EU to grant immediate duty-free entry to Caribbean goods and services while allowing the islands to maintain some of their own protectionist barriers for up to 25 years. Moreover, European countries pledged foreign aid to help the Caribbean states improve their international competitiveness. Bernal served as a chief negotiator for the Caribbean side and makes use of his insider’s knowledge to explain what his team required to succeed: a realistic assessment of trends in the global economy; a sophisticated understanding of the other side’s internal dynamics; an adequately resourced secretariat to administer the negotiating team’s affairs; courageous, well-briefed, and unified political leadership; and outreach to the private sector and civil society groups in order to build political support for the agreement. In addition to being of interest to theorists of international relations and trade policy, this in-depth case study by a scholar-practitioner should serve as a valuable textbook for negotiators.

In 1952, in the midst of the Cold War, social upheaval in Bolivia led to the nationalization of the country’s tin mines and to extensive land redistribution. The victorious Bolivian revolutionaries persuaded the Eisenhower administration not to fear their regime—averting the type of hostile U.S. intervention that violently ousted Guatemala’s left-leaning government two years later—but rather to lavish it with massive foreign assistance. Siekmeier reveals how the Bolivian leadership shrewdly played on Washington’s desire to demonstrate that it could partner successfully with socially progressive governments and manipulated Washington’s anticommunist impulses by warning that the new government’s collapse could create opportunities for unpredictable far-left forces. Siekmeier’s narrative includes an interesting profile of the charming Bolivian diplomat Victor Andrade, who cunningly translated his nation’s politics into terms that Washington officials and pundits could comprehend.

In contrast to the David-versus-Goliath stories that Bernal and Siekmeier tell, Spalding’s book describes the negotiations for the free-trade agreement among the United States, five Central American countries, and the Dominican Republic (CAFTA-DR, signed in 2004) as a more traditional case in which a stronger party imposed its conditions on weaker ones. Nevertheless, Spalding recognizes that the Central American negotiating team scored a number of points, despite suffering from internal divisions and from the absence of a strong, unified secretariat. Spalding also notes that the success of economic reforms, which are often linked to international trade deals, depends to a great degree on domestic politics. Recently, governments in Costa Rica, El Salvador, and Nicaragua have shifted
away from market fundamentalism and toward various forms of state activism—a welcome development, in Spalding’s view. Drawing on over 200 interviews and combining various scholarly approaches, Spalding shows how international economic links have altered domestic political landscapes in Central America and demonstrates how the influence of landowners has declined as new productive centers have emerged, a process that has blurred the lines between external and internal economic forces.

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**Smuggler Nation: How Illicit Trade Made America**

BY PETER ANDREAS. Oxford University Press, 2013, 472 pp. $29.95.

*Smuggler Nation* is one of those rare books that compellingly reconstructs history by examining familiar events through an entirely novel lens. Andreas’ subject is the long American tradition of turning a profit by illicitly evading overbearing rules and laws imposed for reasons of national security, revenue collection, or morality. Whenever authorities have sought to deny intense consumer demand or to impose prohibitive taxes on commerce, enterprising Americans have smuggled a remarkable range of unauthorized goods: from tea, rum, and hard drugs, to condoms and pornography, to industrial technology, skilled workers, and immigrant laborers. But Andreas is no mere collector of amusing tales from the underground; rather, in demonstrating that cross-border criminality is nothing new, he counters sensationalistic fearmongers who warn that globalization presents unprecedented dangers and requires more expansive policing. Washington’s repeated overreaction to the alleged threat of illicit trade and illegal immigration has resulted in a massive, invasive, and increasingly militarized federal law enforcement bureaucracy and has badly damaged relations between the United States and Mexico, among other countries. Washington, he argues, should recognize that contraband capitalism is driven by demand and that solutions to the problem of illicit trade must address that reality. *Smuggler Nation* should appeal to libertarians on the right and progressives on the left alike.

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**The Tupac Amaru Rebellion**

BY CHARLES F. WALKER. Belknap Press, 2014, 376 pp. $29.95.

Empires that try to coerce their colonial subjects into financing their overseas ambitions do so at their own peril, as both George III of the United Kingdom and Charles III of Spain learned. In Peru in 1780, anger over rising Spanish taxes and the many abuses of the Spanish colonial authorities spurred a Jesuit-educated, middle-class, indigenous merchant who called himself Túpac Amaru—claiming to descend from the last ruler of the Incan Empire—to organize an armed rebellion with the assistance of his wife, Micaela Bastidas. But as Walker explains, the Spanish authorities quickly and ruthlessly quelled the indigenous uprising: Túpac Amaru lacked organizational skills and a clear vision and made major tactical errors, including failing to seize the strategically vital city of Cuzco. During the course of the ethnically polarized struggle, the rebels were unable to win enough public support to survive, and
the powerful Catholic Church sided with the colonial authorities. Superior Spanish firepower and brutality proved decisive, resulting in the deaths of an estimated 100,000 people. To succeed, anticolonial rebellions typically require assistance from geopolitical rivals. But for reasons that Walker does not fully explore, the British showed no interest in aiding Túpac Amaru’s challenge to the United Kingdom’s rivals in Spain.

Eastern Europe and Former Soviet Republics

Robert Legvold

Vodka Politics: Alcohol, Autocracy, and the Secret History of the Russian State
BY MARK LAWRENCE SCHRAD. Oxford University Press, 2014, 512 pp. $35.00.

Schrad’s startling claims about vodka’s central role in shaping Russian history might seem implausible. But he marshals 500 years’ worth of evidence so relentlessly that even a skeptic is likely to concede his basic argument: for centuries, vodka has served as a cynically employed instrument of power, a key to state finance, and a source of Russian society’s backwardness. Schrad seems to overreach only in suggesting that vodka consumption determined Russia’s victories or defeats in various wars and that the prohibition of vodka was a principal cause of the 1917 revolution. Readers will be left agog by Schrad’s tales of the bacchanals hosted by nearly every Russian tsar (and tsarina) and Joseph Stalin, and by the stunning cruelty those leaders inflicted on their loyal courtiers. Then there are the numbers: in 1680, 53 percent of state revenue came from a tax on vodka and salt, and that number remained roughly the same for much of the next two centuries. Every year, roughly 300 Americans die of alcohol poisoning; in 1994, 55,000 Russians did.

Diplomatic Counterinsurgency: Lessons From Bosnia and Herzegovina

In 2007, Leroux-Martin was a young lawyer working for the Office of the High Representative in Bosnia and Herzegovina, the international administration created by the 1995 Dayton peace agreement. Reattaching the splintered parts of a war-torn country has never been easy, but when the high representative pushed for institutional changes that would have led to police reform, the move was resisted by Serbian-dominated Republika Srpska, a critical region in the country, and things went terribly wrong. The dispute essentially reignited the Bosnian war, although without guns or bloodshed. In legal chambers, the press, and diplomatic talks, the Serbian faction waged a fully formed political and diplomatic insurgency against the international community’s effort to advance the Dayton agreement. In the end, the international community lost and the proposed changes were abandoned. Leroux-Martin reflects on that outcome and offers a highly original and practical exploration of the way that, for outside peace makers, the aftermath of a war
can pose challenges almost as great as the war itself.

The Last Empire: The Final Days of the Soviet Union
BY SERHII PLOKHY. Basic Books, 2014, 520 pp. $32.00.

Books on the end of the Cold War tend to skim over the four months between the failed August 1991 attempt to oust Soviet Premier Mikhail Gorbachev and the final curtain that fell on the Soviet Union in December of that year. Plokhy claims that period is a critical and misunderstood antecedent to the entire historical era that followed. Using recently released documents, he traces in fascinating detail the complex events that led to the Soviet Union’s implosion and profiles the principal actors—Gorbachev, Russian President Boris Yeltsin, Ukrainian President Leonid Kravchuk, and U.S. President George H. W. Bush—revealing that their roles were far more complicated than is generally assumed. In particular, the Bush administration, far from seeing those months as the best moment to secure a final victory in the Cold War, was more concerned with ensuring that the Soviet Union remain intact—its nuclear weapons under central control and its arms control arrangements with the United States secured.

The Golden Age Shtetl: A New History of Jewish Life in East Europe

For one shining period, the shtetls of eastern Europe were not the melancholy, ramshackle places familiar from Fiddler on the Roof. On the contrary, argues Petrovsky-Shtern in this important history, from the 1790s, when parts of the Polish-Lithuanian Commonwealth were incorporated into the Russian empire, until the 1840s, shtetls were economically vibrant, culturally diverse, lively merchant communities. Had the Russians left these communities intact as the private holdings of Polish magnates, sustained by Jewish traders and businessmen and unburdened by serfdom, these

Russian Roulette: How British Spies Thwarted Lenin’s Plot for Global Revolution
BY GILES MILTON. Bloomsbury Press, 2014, 400 pp. $28.00.

Readers who can overlook the far-fetched claim in this book’s subtitle will be in for one wild ride. True spy stories are good fun, and this one—relating the madcap efforts of a small band of British intelligence agents sent into Russia during World War I—is better than most. The team included Arthur Ransome, a leftist journalist who romanced Leon Trotsky’s secretary and joined the social circles of the highest Bolshevik leaders, including Lenin, and Sidney Reilly, the likely inspiration for Ian Fleming’s James Bond, who hatched a loony plot in 1918 to capture Lenin and Trotsky and overthrow the Bolshevik government. Through bravery, incredible ruses, and narrow escapes, these spies provided the United Kingdom with vital intelligence on Russia—including information about the Bolshevik plot to foment a revolution in India, the crown jewel of the British Empire.
areas might have remained a dynamic western outpost of the Russian empire. But beginning in the 1840s, industrialization and Russian nationalism destroyed that prospect and transformed the shtetls into something closer to the popular image that persists today. In a tour de force of archival research, Petrovsky-Shtern re-creates life in the shtetls in all its amazing richness: the whirl of trade fairs, taverns, inns, and the traditional Jewish house, alongside prolific smuggling, the social role of liquor, Jewish-Slavic relations, “kosher” sex, and the flowering of Hasidism.

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**To the Edge of the World: The Story of the Trans-Siberian Express, the World’s Greatest Railroad**
BY CHRISTIAN WOLMAR.

Wolmar is a historian of railroads, not of Russia, but his story of the Trans-Siberian Express opens a fascinating window onto aspects of Russian history only touched on obliquely in conventional histories. The book begins in the late nineteenth century by exploring the politics surrounding the monumental project of building the railroad and the extraordinary challenges it posed. Wolmar describes in textured detail what travel on the Trans-Siberian Express has looked like from its early years up to the present. He notes the railway’s original mission as a military and imperial project, its role in populating the emptiness of Siberia, and its unique impact as a solitary thread tying Russia together. He follows its fate during the civil war following the 1917 revolution, when it became a high-stakes prize in the struggle between the Bolsheviks and their opponents. Above all, he recounts the vital role that the railroad played in saving the Soviet Union during World War II.

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**Middle East**

**John Waterbury**

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**Do Muslim Women Need Saving?**
BY LILA ABU-LUGHOD. Harvard University Press, 2013, 336 pp. $35.00.

“It is never easy to cleanly distinguish freedom and duty, consent and bondage, choice and compulsion.” So writes Abu-Lughod, an anthropologist with three decades of field experience in the Middle East, reflecting on the question of women’s rights and status in Muslim-majority societies. This elegantly written and compelling book contends that women in such places suffer more from the inequities of globalization than from patriarchy. Indeed, she suggests that humanitarianism represents the new face of colonialism, sometimes unwittingly—arguing, for example, that well-intentioned Western feminism has served as a cover for the U.S.-led war against the Taliban in Afghanistan, a military action she deems to be deeply flawed. She criticizes a genre of writing about the Muslim world that she terms “pulp nonfiction”: sensationalized accounts of rape, oppression, and brutality that are suffused with a kind of titillating sexuality. She presents an interesting and original analysis of Muslim feminism and tells
Recent Books

The New Arabs: How the Millennial Generation Is Changing the Middle East

Arab Social Media Report. 5th ed.,
Transforming Education in the Arab World: Breaking Barriers in the Age of Social Learning

Since the Arab uprisings of 2011, Cole, an academic historian and prolific blogger, has tracked the young generation he calls “the Arab millennials,” or “the Arab Gen Y,” or simply “the Arab New Left.” In this book, he focuses on Egypt, Libya, and Tunisia and argues that the millennials brought down those countries’ authoritarian regimes and that, any appearances to the contrary, the millennials will remain a force in one form or another and will find ways to hold to account the new regimes in all three countries. Cole’s chronicle is interesting, but he doesn’t provide enough quantitative data about the millennials’ basic characteristics, making it difficult to understand their agenda, assess their staying power, or grasp the political variety that surely exists within the demographic. For example, the leaders of the 2011 uprising in Egypt, such as the young people who formed the April 6 Youth Movement, are quite different from the youthful leaders of Tamarod (Mutiny), the group that provoked the downfall of Egypt’s first freely elected civilian president, Mohamed Morsi, two years later.

In contrast to Cole’s book, the periodic Arab Social Media Report (ASMR) offers a wealth of statistics but not much analysis. By conducting extensive polling throughout the Arab world and the complex life stories of a number of ordinary Egyptian women, revealing them to be far more than simple tales of oppression. Abu-Lughod’s message is valuable, but she asks readers to evince a sensitivity to nuance that has taken her 30 years to acquire.

Temptations of Power: Islamists and Illiberal Democracy in a New Middle East
BY SHADI HAMID. Oxford University Press, 2014, 280 pp. $27.95.

An Egyptian colleague of mine recently suggested that Hamid, who has emerged as a prominent commentator on the Muslim Brotherhood in recent years, had been duped by the organization. My colleague should read Hamid’s book; so should others. Many observers have explored the question of whether Islamist moderation is tactical or sincere. Hamid’s answer is clear: it is tactical. Hamid has extensively researched the Brotherhood’s branches in Egypt, Jordan, and Tunisia. He explains that only a legitimate concern for survival led the Brotherhood to moderate its positions before 2011 and to deliberately underperform in elections held by authoritarian regimes in all three countries. The democratic openings after 2011 forced a change in strategy: now, in order to survive, the Brotherhood had to win elections. The strong showing of Salafists in Egypt’s first open parliamentary elections, in 2011–12, was a Tea Party moment for the Brotherhood, forcing the organization to tack to the right. Looking to the future, Hamid takes a clear stand: “Liberalism cannot hold within it Islamism.” Liberal secularists and Islamists, he writes, hold “irreconcilable worldviews.”
by monitoring Facebook, Twitter, and LinkedIn users, the ASMR offers a detailed picture of social media’s penetration of the region over time. In 2013, there were 54 million Arabic-speaking Facebook users, ten million of whom had joined in 2012–13 alone. Women represented only about a third of those users, a proportion that does not appear to be increasing over time. The percentage of users over the age of 30 has grown steadily and now reaches 51 percent. Saudi Arabia and some other Gulf states used to boast the highest levels of social media penetration, but those numbers have decreased recently; the ASMR cautiously speculates that regulation and censorship might be the cause.

The ASMR’s opinion survey finds a near-universal appreciation of social media as an educational tool, coupled with widespread dissatisfaction with all levels of the public education system. This presents Cole’s millennials with opportunities to promote their agendas by politicizing social media. The question is whether they will be able to do so in the face of determined repression and censorship.

Shah is a strong advocate for civilian control of military forces. His book explores why such control has consistently eluded Pakistan’s government. Many others have studied the Pakistani military, but Shah brings new insights based on interviews with intelligence officials and analyses of Pakistan’s National Defense University and its publications. He argues that Pakistan’s military maintains its own institutional norms and culture. It views civilian politicians as inherently incompetent and therefore as a threat to national security. The military blames its own serial bungling, from the loss of East Pakistan in 1971 to the fiasco of the Kargil conflict with India in 1999, on the failings of the civilian leadership. Since the military regime led by Pervez Musharraf ended in 2008, there have been glimmers of hope that civilian control of the military might be established. But Shah cautions that the military’s spy agency, Inter-Services Intelligence, remains a powerful tool and that the military retains tight control of Pakistani policy on Kashmir, India, and nuclear weapons.

The military seems to have learned to prefer indirect control to direct rule, and Pakistan’s most powerful partner, the United States, is unlikely to pressure the military to change its ways.

Asia and Pacific

Andrew J. Nathan

Asia’s Cauldron: The South China Sea and the End of a Stable Pacific

Strategic Reassurance and Resolve: U.S.-China Relations in the Twenty-first Century

These two books ponder the changes taking place in the strategic environment of Asia
and come to similar conclusions about how the United States should respond to them. Kaplan traveled around the rim of the South China Sea in an attempt to understand competition among the littoral states. Those countries value this body of water for its transportation routes, undersea oil, and fishery resources. And modern military technology has made the South China Sea vital to the security of the entire Asia-Pacific region: as technology has shrunk distances, China’s interests have conflicted with the other states in the area. Kaplan may overdramatize when he says that Chinese domination of the South China Sea would make it a “virtual hegemon” in a region that stretches from the Indian Ocean to the Pacific, but he does not think this is the most likely outcome. Rather, he argues that balance-of-power politics might allow for a growing Chinese role without major conflict, albeit amid constant tension and friction. But this least worst scenario depends on a continued robust U.S. presence and on American technological superiority, both of which are perennially uncertain.

And how can the United States play a balancing role without triggering a hostile Chinese reaction? Steinberg and O’Hanlon suggest that a “sustainable equilibrium” can be achieved if Washington and Beijing both demonstrate that they do not seek to threaten each other’s core security interests. For example, the United States could refrain from creating long-range missile systems capable of attacking inland China and could design missile defense systems that would not undermine the credibility of China’s nuclear deterrent. For Chinese policymakers, the authors recommend banning the use of anti-satellite weapons, giving advance notice to the United States before deploying military ships to the East China and South China seas, informally agreeing to cap Chinese spending on defense at around half the amount that the United States spends, and committing not to use force against Taiwan. But strategists in Beijing would likely interpret such proposals as asking China to accommodate an intrusive encirclement even as the country becomes more powerful. For its part, the United States would risk its credibility if it appeared to yield preemptively to Chinese ambitions. Still, neither side finds the alternative of escalating conflict particularly attractive.

North Korean Nuclear Operationality: Regional Security and Nonproliferation
EDITED BY GREGORY J. MOORE.

Pyongyang is well on the way to mastering the technologies it needs to build a deliverable nuclear weapon. But the expert contributors to this volume argue convincingly that little will change when North Korea crosses that threshold. The retaliatory capabilities of Japan, South Korea, and the United States are already sufficient to deter Pyongyang from attacking anyone with a nuclear weapon, and North Korea already has enough military power to deter its neighbors from attacking it. China and Russia do not approve of further advances in North Korean nuclear weaponry, but they will continue to support Pyongyang in order to avert a collapse of the North Korean regime,
which serves as a buffer against U.S. power. Several contributors believe that the key to changing this dead-end dynamic is for Washington to give Pyongyang diplomatic recognition and institutionalized security guarantees and for South Korea to deepen its engagement with the North, in exchange for a freeze on North Korean weapons development. But these proposals are unlikely to be adopted—and even if they were, they would probably fail to alleviate the sense of siege that motivated Pyongyang to pursue nuclear weapons in the first place.

*In Transit: The Formation of a Colonial East Asian Cultural Sphere*
BY FAYE YUAN KLEEMAN. University of Hawaii Press, 2014, 320 pp. $52.00.

The short-lived Japanese empire (1895–1945) espoused a confused and contested ideology. One of its strands was assimilationist: Koreans, Taiwanese, and others were supposed to act as imperial subjects and, in some parts of the empire, were encouraged to accept Japanese names, language, culture, and even marriage partners. But the project was also racist, and many Japanese treated other Asians as inferior. The diverse ways in which both Japanese and colonial subjects navigated these contradictions have rarely been explored in English. Although Kleeman’s book is sometimes disjointed, it helps open up this interesting subject by examining the lives of a number of women who crossed boundaries for personal or professional reasons. Her subjects include Japanese aristocrats who married into Manchu or Korean royal families, fiction writers who romanticized colonial encounters, and actors and dancers who became exotic superstars. More people cooperated with the Japanese colonial project than most Asians today acknowledge or realize. But after World War II, many of these boundary crossers were rejected by their own societies, as anti-Japanese sentiments drove the reassertion of exclusively national identities.

*A Middle Class Without Democracy: Economic Growth and the Prospects for Democratization in China*
BY JIE CHEN. Oxford University Press, 2013, 240 pp. $49.95 (paper, $29.95).

About a quarter of the Chinese population is now middle class. Classic modernization theory predicts that these new middle-class citizens will push for democracy. But as earlier researchers have pointed out, few have done so. Chen attributes this restraint to three factors. The middle class depends on the state-dominated economy for its prosperity, it is relatively satisfied with the state’s provision of urban services, and it fears the disruptive potential of the lower classes, which still form a large majority. Middle-class Chinese want individual rights, but they are less likely than workers and farmers to support democratizing reforms that they fear might destabilize the government. Chen’s study relies chiefly on survey research, which makes it difficult to uncover the effects of the fear of repression, and of the government’s control of information, on people’s attitudes. Chen believes that middle-class support for the government could weaken if economic conditions worsen or if economic liberalization reduces the dependence of the middle class on the state.
An Anatomy of Chinese: Rhythm, Metaphor, Politics

Link focuses on how Chinese syntax is to a great extent ordered by speech and sound and not by the kind of grammatical logic at work in many Western languages. He scrutinizes the ways in which certain Chinese words take on metaphoric meanings. For example, the word for “yellow” can imply “licentious,” and the word for “black” sometimes connotes “calamity”; the terms for “to eat” or “to ingest” can imply “taking or conquering,” “suffering,” or “incurring blame.” In writing about the intersection of politics and language in China, Link reveals—with precision, courage, and irony—how the Chinese Communist Party’s officialese dominates the speech and writing of the world’s most populous country. Link’s mastery of Chinese extends beyond modern Mandarin to include subdialects of Cantonese, and it is difficult to overstate the breadth and subtlety of his analysis. This book should be read by anyone who wants to engage with China intellectually, commercially, or culturally.

Anthony C. Yu

Africa

Nicolas van de Walle

The Bright Continent: Breaking Rules and Making Change in Modern Africa

In her sunny tour of contemporary sub-Saharan Africa, Olopade does not deny the existence of the region’s ills so much as selectively focus on the positive contributions of individuals and grass-roots civic organizations. In her telling, kanju, a Yoruba term that broadly suggests resilience and ingenuity, will help Africans overcome poor governance and material scarcity. The book profiles creative entrepreneurs who have improved people’s lives or who have forced governments to act more positively; these stories include fascinating details and make the book an excellent introduction to contemporary sub-Saharan African society and the region’s economy. Olopade’s optimism is refreshing, especially because she does not oversell her arguments and never peddles fashionable magic bullets to solve the region’s problems. The more policy-oriented reader will nonetheless be disappointed that few prescriptions emerge from her analysis and will wonder whether kanju is more a palliative for the region’s shortcomings than a solution to them.
Liberation Front (eplf) took power and promised rapid development, suggesting that it would model its economic policy after Singapore’s, focusing on exports to the European market and tourism on the coral-rich coastline of the Red Sea. Many hoped that a vibrant and well-educated expatriate population would return to Eritrea and spearhead its development. Instead, the country has remained one of the poorest in the world, and its government pursues a counterproductive policy of autarky that owes considerably more to North Korea than Singapore. This insider’s account by a former member of the eplf’s leadership blames President Isaias Afwerki, who turned the country into a personal fiefdom. Giorgis never completely explains why he chose to accept leadership positions in the Afwerki regime until finally breaking with it in 2006, but he provides interesting behind-the-scenes descriptions of key policy decisions and power struggles within the eplf. Particularly good are two chapters devoted to the 1998–2000 border war with Ethiopia and the subsequent peace negotiations.

**Africa in the World: Capitalism, Empire, Nation-State**

BY FREDERICK COOPER. Harvard University Press, 2014, 144 pp. $35.00.

This wide-ranging essay on the evolving relationship between Africa and the rest of the world since the Middle Ages is erudite and insightful. Cooper uses his considerable knowledge of the historical record to comment on contemporary debates about the role of institutions in economic development and the extent to which Africa’s progress has been impeded by its international relations. He also asks whether the current political map of the continent, which features more than 50 countries, was inevitable, or whether multistate federal structures could have developed. He has no easy answers to these questions but offers good ways of thinking about them. The book’s most novel passages concern the failure to create a broad Francophone federation in West Africa in the waning years of French colonial rule. Cooper shows how such a federation was thwarted by French concerns about granting full citizenship rights to Africans and by the ways that the quest for sovereignty quickly put African nationalist leaders at odds with one another.

**Eritrea at a Crossroads: A Narrative of Triumph, Betrayal, and Hope**


A good deal of optimism greeted Eritrean independence in 1993, after a long war against Ethiopia. The Eritrean People’s Liberation Front (eplf) took power and promised rapid development, suggesting that it would model its economic policy after Singapore’s, focusing on exports to the European market and tourism on the coral-rich coastline of the Red Sea. Many hoped that a vibrant and well-educated expatriate population would return to Eritrea and spearhead its development. Instead, the country has remained one of the poorest in the world, and its government pursues a counterproductive policy of autarky that owes considerably more to North Korea than Singapore. This insider’s account by a former member of the eplf’s leadership blames President Isaias Afwerki, who turned the country into a personal fiefdom. Giorgis never completely explains why he chose to accept leadership positions in the Afwerki regime until finally breaking with it in 2006, but he provides interesting behind-the-scenes descriptions of key policy decisions and power struggles within the eplf. Particularly good are two chapters devoted to the 1998–2000 border war with Ethiopia and the subsequent peace negotiations.

**Authoritarian Origins of Democratic Party Systems in Africa**

BY RACHEL BEATTY RIEDL. Cambridge University Press, 2014, 286 pp. $95.00.

Africa’s fledgling democracies feature both stable, strong political parties, in countries such as Ghana, and fractious, weak, and unstable parties, in countries such as Benin. In this finely crafted book, Riedl argues convincingly that the main factor in determining the
Recent Books

The tendency to depict Africa’s cities as unfolding ecological and political disasters, instead recognizing that urban populations in sub-Saharan Africa have exhibited great resilience and ingenuity. But the authors do criticize the relative inattention paid to urban policy concerns by the region’s governments and lament the woefully inadequate public resources devoted to improving urban infrastructure and to addressing welfare needs. A lack of resources plays a major role, they concede, but they also argue that African governments have historically feared the potential political power of concentrated urban populations and so have been reluctant to devolve power to the municipal level.

**Africa’s Urban Revolution**

Sub-Saharan Africa boasts the fastest-growing urban population of any region in the world. With an annual rate of urbanization of 3.3 percent, the region can’t be viewed as primarily rural anymore. Indeed, the authors of this timely collection of essays estimate that if the region maintains its present rate of growth, a majority of Africans will live in cities by 2030. Already today, in absolute terms, there are more Africans living in cities than there are Americans or Europeans living in cities. The authors resist the common
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