FOREIGN AFFAIRS MARCH / APRIL 2009 • VOLUME 88 • NUMBER 2 • INDIAN OCEAN RIVALRY

MARCH / APRIL 2009

FOREIGN AFFAIRS

Rivalry in the Indian Ocean

Robert Kaplan

Geoengineering the Climate?

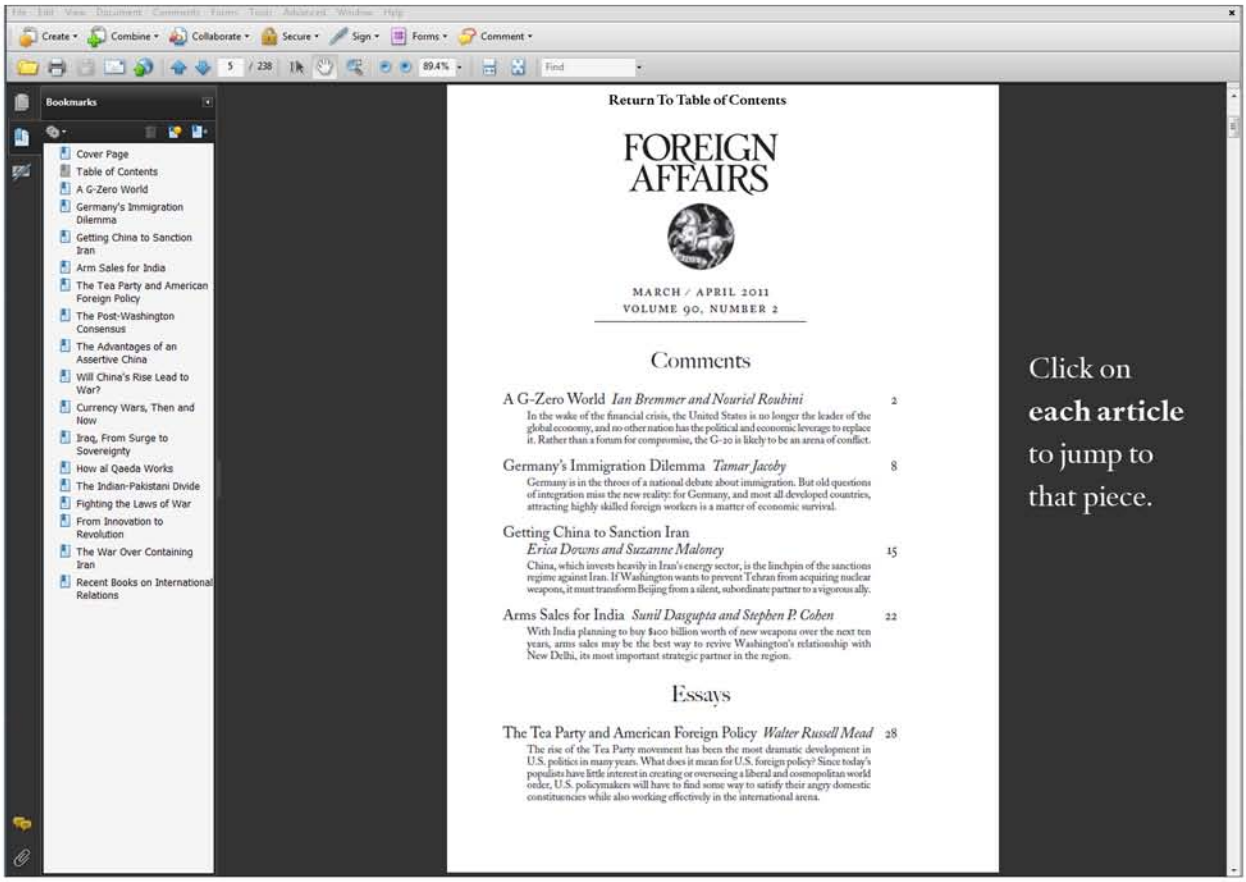
Victor, Morgan, Apt, Steinbruner & Ricke

$9.95 USA
FOREIGNAFFAIRS.ORG

FOREIGN AFFAIRS
Digital Edition User Guide

Here are some quick tips for navigating your enhanced PDF issue.

* View as a spread by choosing View → Page Display → Two-Up Continuous.
* Go to a specific page using the tools in the top and left-side navigations.
* Return to the Table of Contents from the page header and footer.
* Use the Table of Contents in the left-side navigation to jump to an article.
* Click on advertisements and book titles to visit company and publisher Web sites.



Please send feedback about your experience to foreignaffairs@cfr.org.

FOREIGN AFFAIRS MARCH / APRIL 2009 • VOLUME 88 • NUMBER 2 • INDIAN OCEAN RIVALRY

MARCH / APRIL 2009

FOREIGN AFFAIRS

Rivalry in the Indian Ocean

Robert Kaplan

Geoengineering the Climate?

Victor, Morgan, Apt, Steinbruner & Ricke

$9.95 USA
FOREIGNAFFAIRS.ORG

how

BETWEEN A CAUSE AND AN OUTCOME, THERE IS ONE IMPORTANT WORD: HOW.

Defending its citizens is every nation's most important mission. And working with governments around the world, it is a mission we're working every day to accomplish. Ensuring global stability is all a question of how. And it is the how that makes all the difference.

lockheedmartin.com/how

LOCKHEED MARTIN

We never forget who we're working for®

FOREIGN AFFAIRS

MARCH / APRIL 2009
VOLUME 88, NUMBER 2

Comments

Essays

TETRA TECH

complex world | CLEAR SOLUTIONS™

CLEAR SOLUTIONS FOR INTERNATIONAL DEVELOPMENT

Tetra Tech and its subsidiary ARD are creating practical, environmentally responsible solutions that ensure sustained development. Our service areas include water resources and infrastructure, agriculture, environment and natural resources, land tenure and property rights, democracy and governance, economic growth, and knowledge management. For governments, multilateral banks, and multinational corporations, Tetra Tech provides scientific and institutional solutions for the world's most complex challenges. **www.tetratech.com**

THE FLETCHER SCHOOL
TUFTS UNIVERSITY

Study from afar.
Get closer to your international goals.

The Global Master of Arts Program (GMAP) delivers the innovation and excellence of a Fletcher international affairs degree without interrupting your career. GMAP brings 35 international professionals together—through residencies and Internet-mediated learning—to examine how legal, economic, social, and political forces alter an increasingly complex world. Together with professors and classmates, you join a global network of leaders seeking meaningful solutions to today's pressing issues. Apply today.

Courses Include:

- International Politics
- International Negotiation
- International Finance
- International Trade
- Leadership and Management
- Security Studies
- Transnational Social Issues
- International Business and Economic Law
- International Organizations

CLASSES BEGIN IN MARCH AND JULY.

Global Master of Arts Program

Visit fletcher.tufts.edu/GMAP
or call 617.627.2429.

Reviews & Responses

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

FOREIGN AFFAIRS

MANUSCRIPTS should be sent to 58 East 68th Street, New York, NY 10065. The editors will consider all manuscripts but assume no responsibility regarding them and will return only materials accompanied by appropriate postage. To order back issues, call W. S. Hein at (800) 828-7571 or e-mail order@wshein.com.

SUBSCRIPTIONS: www.ForeignAffairs.org/subscribe. Call (800) 829-5539 or (386) 246-3386 (outside the U.S. and Canada). To change your address, log on to your subscriber account at www.ForeignAffairs.org.

ACADEMIC RESOURCES: Call (800) 716-0002 or (212) 434-9786 (outside the U.S.), or e-mail fabooks@cfr.org.

ADVERTISING: Call Carolina Aguilar at (212) 434-9526 or visit www.ForeignAffairs.org/advertising. *Foreign Affairs* is a member of the Audit Bureau of Circulations and the Magazine Publishers of America.

PERMISSIONS: www.ForeignAffairs.org/permissions. Fax (212) 434-9859, or write to *Foreign Affairs*, 58 East 68th Street, New York, NY 10065.

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

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

cfr Published by the Council on Foreign Relations

Master of Arts in Diplomacy

ONLINE

Prepare for Global Success

Understanding and insight are crucial to foreign relations and global business. Perspective on globalization and knowledge of cross cultural issues will differentiate the leaders and innovators of tomorrow. Influence change, initiate dialogue and foster collaboration with Norwich University's Master of Arts in Diplomacy. Concentrations available include International Commerce, International Conflict Management and International Terrorism. Earn your degree in 18 months from a fully accredited university with 189 years of academic heritage.

Learn more:
www.diplomacy.norwich.edu/fap
or call 1-800-460-5597 ext. 3378

NORWICH UNIVERSITY™

Return to Table of Contents

Comments

AP/WIDE WORLD PHOTOS

The last troops of the U.S. Third Marine Division prepare to leave Da Nang, South Vietnam, as part of President Richard Nixon's withdrawal program, 1969

Washington should swallow its pride and follow the lessons of Vietnam, Cambodia, Lebanon, and Somalia: when internal political dysfunction overwhelms external attempts at stabilization, getting out sooner rather than later is the best way to protect U.S. interests.

The Precedents for Withdrawal

From Vietnam to Iraq

Bennett Ramberg

In November 2008, the governments of the United States and Iraq agreed that U.S. troops would leave Iraq by 2011—eight years after the U.S. invasion. For some, this is much too soon. These critics argue that events on the ground, not an artificial deadline, should govern the pull-out and that, in any case, a residual force should remain for decades.

But as Washington ponders how long to stay in Iraq, it would do well to examine the strategic impact of the United States' withdrawal from other conflict-riven countries: Vietnam and Cambodia in the 1970s, Lebanon in the 1980s, and Somalia in the 1990s. Even though Washington's commitment to these situations differed in its degree, disengagement eventually proved to be the right policy for the United States. Abandonment damaged Washington's credibility at first, but it was the best way to protect U.S. interests in the long run. The dominoes did not fall after the United States left Southeast Asia; Moscow did not fill the power vacuum in Lebanon; Washington has been largely unaffected by the failed state of Somalia. In each case, after the United States exited, its adversaries became preoccupied with consolidating power and embroiled themselves in conflicts with neighboring countries. A regional stability of sorts emerged, leaving Washington's vital interests intact. For the people of Vietnam, Cambodia, Lebanon, and Somalia, U.S. withdrawal may have been a mixed blessing. But from the United States' perspective, the costs of withdrawal were less than those of staying and lower than what had been feared.

Extensive, long-term nation building paid off in Germany and Japan after 1945. But Iraq is different. Divided and unstable, it has more in common with Vietnam, Cambodia, Lebanon, and Somalia. It is those who make the case for staying in Iraq who bear the burden of proving why history would unfold differently this time.

INTERVENING IN INDOCHINA

It was the ghosts of Munich, Yalta, and Beijing's fall to Mao that lured the United States into Vietnam's jungles in the 1960s.

Bennett Ramberg, a foreign policy writer and consultant based in Los Angeles, California, served in the U.S. State Department's Bureau of Politico-Military Affairs in 1989–90.

"If we ran out on Southeast Asia, I could see trouble ahead in every part of the globe—not just in Asia but in the Middle East and in Europe, in Africa and in Latin America," President Lyndon Johnson later wrote in his memoirs. Clark Clifford, a Johnson confidant who would later become secretary of defense, warned at the time that the situation would turn into a "quagmire . . . without a realistic hope of ultimate victory." Fifty thousand U.S. soldiers could die. But Johnson would not flinch: "I was convinced that our retreat from this challenge would open the path to World War III." In 1965, he decided to commit 50,000 more troops, bringing the total number of U.S. soldiers in Vietnam to 125,000. By the end of Johnson's tenure, three and a half years later, Washington found itself stuck in Vietnam, unwilling to walk away.

What Johnson would not do—put the domino theory to the test by withdrawing U.S. forces—President Richard Nixon did do. When Nixon assumed office in 1969, 540,000 U.S. troops were in Vietnam. About 31,000 soldiers had already been killed, and an average of 200 were dying every week. Nixon opposed staying the course, but he also argued that "the precipitate withdrawal of American forces from Vietnam would be a disaster not only for South Vietnam but for the United States and for the cause of peace." Nixon's solution was "Vietnamization": to gradually replace U.S. troops with South Vietnamese forces and, if possible, strike a peace agreement with the North Vietnamese. After difficult negotiations, Hanoi publicly feigned buying into the plan but privately committed itself to bearing any human cost in order to prevail. In the end, the 1973 Paris peace accords offered Washington a graceful exit that allowed North Vietnam to defeat the South Vietnamese army in 1975.

As the United States' war in South Vietnam faltered, Cambodia became a victim. Unable to cut off Hanoi's vital lifelines into South Vietnam through Cambodia's northeast, Phnom Penh attempted to maintain neutrality even as Cambodia's frontier became a battlefield. In 1969, the United States initiated an intense 14-month bombing campaign to interdict the North Vietnamese in Cambodia. Cambodia's generals soon decided to no longer try to sustain the balancing act. The Cambodian National Assembly deposed Prince Norodom Sihanouk in 1970, replacing him with the pro-American general and ex-prime minister Lon Nol. But the new leadership overplayed its weak hand. Increasingly dispirited by the failing war in Vietnam, the United States would not commit to a major troop deployment in Cambodia. Instead, to avoid congressional opposition to U.S. involvement, the Nixon administration exported captured Russian arms to Phnom Penh and encouraged other governments to do the same. The assistance proved paltry, and once Congress nixed the appropriation for air support for Cambodian troops, the fate of Cambodia's anticommunist regime was sealed.

In 1975, Pol Pot and his Khmer Rouge forces marched into Phnom Penh and took control. The slaughter that followed marks one of the darkest moments of the late twentieth century; still, contrary to U.S. leaders' apprehensions, the fall of Cambodia, Vietnam, and then Laos to the communists did not cause any more dominoes to topple. One reason is that the United States' withdrawal dissolved the glue that had held its adversaries together. Even before the last U.S. soldier departed

Vietnam, in 1975, the fraternal bonds between the communist countries had begun to crumble. Shortly after U.S. helicopters lifted off the roof of the U.S. embassy in Saigon that April, the Khmer Rouge, which had revived centuries-old claims to portions of Vietnam, attacked two disputed islands under Vietnam's control, killing hundreds of Vietnamese.

Thus began the Third Indochina War, with the domino sentinels falling on themselves. The Khmer Rouge continued its incursions into Vietnam; Hanoi pushed back. Then, in 1979, Vietnamese forces marched into Cambodia to remove Pol Pot, a move that prompted China, his ally, to attack Vietnam. In the end, as the United States sat back and observed, none of the purported communist allies could digest the other, and the interventions ended. Their imperial ambitions defeated, the former belligerents focused on rebuilding their economies, and both the United States and Indochina left the past to the past.

LEAVING LEBANON

The U.S. intervention in Lebanon in the early 1980s presents the closest parallel to Iraq today. A country torn by sectarian violence since 1975, Lebanon saw an even more complex array of contestants—Christian, Druze, Shiite, and Sunni militias, along with the Iranians, the Israelis, the Palestinians, and the Syrians—pitted against one another. Attempting to promote a modicum of order, the United States and its Western allies stepped into the fray.

In 1982, the Lebanese civil war, which had already cost tens of thousands of lives, reached a new stage: Israeli forces invaded Lebanon to expel the leadership of the Palestine Liberation Organization (PLO), which had taken refuge in Beirut. As the nightly news televised graphic images of Israel's bombing of the Lebanese capital, the Reagan administration fashioned a plan to halt the violence. Its solution was to create a multinational peacekeeping force that would promote the departure of all foreign armies from Lebanon, starting with that of the PLO. For the residents of Beirut, the arrival of U.S., French, and Italian soldiers in late August 1982 was a welcome reprieve from the constant violence. The PLO leadership soon left Lebanon, and U.S. forces followed suit on September 10. The job seemed finished.

But peace failed to follow the parting, and the score settling began. Syrian agents assassinated the newly elected Lebanese president, Bashir Gemayel, on September 14. With their Lebanese ally dead, Israeli forces entered Beirut and transported members of Gemayel's militia to clean out PLO fighters in the Sabra and Shatila refugee camps, in southern Lebanon. The resulting massacre of hundreds of innocent civilians sickened outsiders, including Ronald Reagan, who ordered the reinsertion of U.S. and allied forces to help the Lebanese government restore stability. The effort proved quixotic. Because it supported the Christian-dominated government, the United States found itself in the bull's-eye of local Shiites and Druze, the Syrians, and the Iranian Revolutionary Guards. To the contending parties, the U.S. military had become just another militia.

Inevitably, the United States' enemies began to hit their targets. A van carrying explosives destroyed the U.S. embassy in April 1983, and the multinational forces soon came under attack, too. Offshore, U.S. naval forces responded with their big guns against enemy sites. Reagan dug in his

heels further, announcing that terrorism would not drive the United States out of Lebanon. That Moscow might take advantage of a U.S. withdrawal also weighed heavily on his mind.

The notion that saving Lebanon was worth losing U.S. lives began to fade, however, after a series of attacks: the bombing of the U.S. Marine barracks, which killed 241 U.S. troops, and then the downing of U.S. military aircraft and the loss of additional marines elsewhere. Reagan put on a determined public face. In a February 4, 1984, radio address, he called on the American people to remain stalwart: "Yes, the situation in Lebanon is difficult, frustrating, and dangerous. But that is no reason to turn our backs on friends and to cut and run." But three days later, his advisers decided to do just that, and Reagan meekly agreed. Explaining the about-face, which the White House press office called a "decisive new step," John Poindexter, then deputy national security adviser, told reporters that "the immediate fighting in the streets of Beirut is a problem for the government of Lebanon and the Lebanese armed forces to control."

Lebanon's civil war would continue for the rest of the decade. Its conclusion, brokered by the Arab League, ended the general mayhem, but it did not prevent years of political instability, the presence of Syrian forces in the country until 2005, and the 2006 Israel-Hezbollah war. The intensity of Lebanon's sectarian conflict and the difficulty of ending it previewed what the United States would later confront in Iraq. But there is one clear difference: after suffering some hard knocks, the Reagan administration conceded that cutting its losses was a better tack than staying the course. The decision saved Washington

from becoming the piñata in a civil conflict that the United States could not resolve.

SAVING SOMALIA

The 1990s, Somalia: a new decade brought a new U.S. intervention—and another eventual withdrawal that spared the United States a long and problematic occupation of a severely divided country. In the wake of the economic collapse and clan-based anarchy that had followed the 1991 overthrow of Somali President Muhammad Siad Barre, an undermanned and outgunned UN force struggled to bring humanitarian relief to Somalia. The country presented a daunting challenge. Some 350,000 inhabitants, including one-quarter of those under the age of five, had already died from civil strife and famine. As warlords disrupted and hoarded limited food supplies in the drought-stricken countryside, 1.5 million Somalis found themselves at risk of starvation, and 800,000 were dislodged from their homes.

Prompted by reports of Somalia's humanitarian disaster, President George H. W. Bush decided Washington had to intervene. Providing the imprimatur was a December 1992 UN Security Council resolution sponsored by the United States that would place more than 25,000 U.S. troops, along with 12,000 additional forces from over two dozen other countries, into this corner of the Horn of Africa. The point of the mission was not to address the roots of the fighting but to apply a humanitarian tourniquet by securing food warehouses, repairing roadways to allow food distribution, and confiscating militia arsenals. In May 1993, having succeeded in their initial famine-relief mission, the U.S. combat forces turned over nation-building responsibilities to 16,000 UN peacekeepers and 1,200 supporting U.S. troops.

Within days, anarchy began to return. Skirmishes broke out between the new UN force and local militias, and the killing of 24 Pakistani peacekeepers distributing food in Mogadishu marked a turning point for the mission. Determined to capture the leading culprit, the clan leader Muhammad Farrah Aidid, President Bill Clinton sent in the Army Rangers. Their mission was a disaster: two Black Hawk helicopters were shot down, 18 U.S. soldiers died, and 80 others were wounded. Cheering Somalis dragged some of the dead U.S. soldiers through the streets. Congress demanded that the United States get out, and quit it did.

Clinton later explained the problem. "If we went back in and nabbed Aidid, dead or alive, then we, not the UN, would own Somalia," he wrote in his memoirs, "and there was no guarantee that we could put it together politically any better than the UN had." And so for a decade after the United States withdrew from Somalia, it left the issue on the back burner, without regret. Walter Kansteiner, then assistant secretary of state for African affairs, described the sentiment behind the neglect to Congress in 2002:

> Quite frankly, the United States has not paid a great deal of policy-level attention [to Somalia] since 1994. Civil war, external intervention, clan conflict, and poverty have combined to turn Somalia into a "failed state." . . . If the United States and the international community want good governance for Somalia more than the Somalis do themselves, the effort is doomed to fail.

But after 9/11, Washington no longer had the luxury of turning its back on Somalia;

doing so would have risked allowing the entire Horn of Africa to become an al Qaeda safe haven. With diplomacy stuck—nearly 20 years of peace conferences had failed to bring the parties together—and humanitarian assistance unable to promote peace, Washington had three options: it could send in troops, rely on domestic and international surrogates, or pursue targeted killings of Somalia-based al Qaeda operatives from the air.

Unwilling to risk another "Black Hawk down" incident or worse, Washington covertly assisted warlords and backed Ethiopia's 2006 military intervention to ferret out terrorists and defeat the Islamic Courts Union, the radical militia that had taken control of much of Somalia. These efforts failed, and the United States' targeted killings had mixed results, eliminating some suspected terrorists but enraging the Somali population in the process. However, as of this writing, the Islamists can take little solace: although they face no competition from Somalia's internationally recognized but dysfunctional Transitional Federal Government, they remain divided in an anarchic land.

Somalia now endures in a political and economic vacuum. This has left Washington to fashion a new strategy that can support friendly neighboring states and moderate groups in an effort to prevent radical Islam from metastasizing in Somalia. The United States can enjoy a fortunate flexibility in this task as a result of its decision years ago not to bog itself down in a commitment that risked becoming a quagmire.

WITHDRAWAL LESSONS

The United States' experiences in Vietnam, Cambodia, Lebanon, and Somalia have much to teach about the risks and benefits of staying the course in conflict-torn countries such as Iraq. In the end, U.S. decision-makers approached each intervention hopeful that it would serve the national interest. But when the situations soured—when local populations failed to resolve their differences, when the mounting U.S. casualties started to appear needless, when policymakers failed to identify vital national interests that an on-the-ground presence would protect, and when no clear exit strategy emerged—Washington called it quits. Despite much foreboding, the United States' exits in these examples better served its interests than soldiering on would have.

By no means did these retreats bring peace to the regions in question; in fact, civil conflict often worsened, and the turmoil resulting from the power vacuum frequently lured neighboring states into interventions of their own. In each of the cases, the interventions—Cambodia's and China's in Vietnam, Syria's in Lebanon, and Ethiopia's in Somalia—ultimately proved to be more than the intervenors could bear. And in each case, the intervenors, like the United States before them, eventually gave up and withdrew, leaving the task of rebuilding to the intervened. Southeast Asia became politically and economically stable, whereas Lebanon and Somalia are still works in progress. After the United States left, Lebanon continued to stumble but managed its affairs; Somalia remains in tatters, with neighboring states and international organizations attempting to impose order.

But however undesirable the aftermaths of U.S. withdrawals for the local populations, Washington, staying in the background, found itself better off.

Of course, the United States did not come out of these events entirely unscathed; its failed interventions hurt its credibility. (Indeed, Islamic fundamentalists have taken advantage of U.S. retreats to raise the fervor of their followers.) In an era dominated by fears that the dominoes would fall after the United States withdrew from Vietnam, Washington's failure in Indochina, as Henry Kissinger later argued, did give "psychological impetus" for subsequent Cuban and Soviet interventions in Africa and Afghanistan. But history ended up working to the United States' advantage. Heeding the lessons of Southeast Asia for the remainder of the Cold War, Washington adopted a nimble strategy to keep boots off the ground in new hotspots in Asia and Africa, choosing to support local proxies instead of intervening itself. Applied to the Soviet Union's war in Afghanistan, the tactic defeated the Kremlin on the battlefield, adding to an increasingly unbearable set of economic and political stresses that ultimately led to the demise of the Soviet Union itself.

It would be unwise to rely on the possibility of such favorable twists of fate in Iraq to overcome the reputational costs of leaving. For Washington, one important legacy of its searing Iraq experience will hopefully be a reinvention of the nimbleness it demonstrated after Vietnam: applying force more wisely and with more nuance, supporting proxies, using diplomacy, and exercising soft power. Unfortunately for Iraq, what the cases examined here consistently suggest is that whenever the United States does withdraw, the country's sectarian violence will likely intensify. Whether neighbors will intervene militarily remains uncertain, but Iraq, which is now more experienced at resistance, should be no less frustrating to intervenors than countries in similar situations have been in the past. Regardless of whether regional troubles will affect Iraq, ultimately it will be the Iraqis who will define their own future in their own way. Given the country's deep divisions, the likely outcome will look more like the periodically erupting Lebanon than the long-stable Vietnam.

Washington is now left with a choice about Iraq. It can stick to the agreed timetable and leave in 2011 (perhaps allowing leeway for an extension through a mutual U.S.-Iraqi agreement) or it can withdraw much sooner. At least two templates might inform the decision. On the one hand, Nixon's "peace with honor" formula would try to save the United States' reputation by prolonging its stay, spending more blood and treasure, and wagering that Iraqization will outperform Vietnamization. On the other hand, Washington can swallow its pride and follow the lessons of Vietnam, Cambodia, Lebanon, and Somalia: when internal political dysfunction overwhelms external attempts at stabilization, getting out sooner rather than later is the United States' best chance to protect its interests.

The Japan Fallacy

Today's U.S. Financial Crisis Is Not Like Tokyo's "Lost Decade"

Richard Katz

In periods of crisis, pundits and policymakers tend to scramble for historical analogies. This time, many have seized on Japan's notorious "lost decade," the decade of stagnation that followed a mammoth property bubble in the late 1980s. But this comparison is wrong. In Japan, the primary problem was pervasive dysfunction in the economy, which caused a banking crisis. In the United States, pervasive dysfunction in the financial sector has caused a deep recession in the economy as a whole. This financial dysfunction is not the result of structural flaws, as in Japan, but of grave policy mistakes. It is now being compounded by widespread investor panic.

The consequences of the 2008 U.S. financial crisis will be different from Japan's slump in the 1990s for three reasons: the cause of the current crisis is fundamentally different, its scope is far smaller, and the response of policymakers has been quicker and more effective.

Japan's malaise was woven into the very fabric of its political economy. The country has a thin social safety net, and so in order to protect jobs, weak domestic firms and industries were sheltered from competition by a host of regulations and collusion among companies. Ultimately, that system limited productivity and potential growth. The problem was compounded by built-in economic anorexia. Personal consumption lagged, not because people refused to spend but because the same structural flaws caused real household income to keep falling as a share of real GDP. To make up for the shortfall in demand, the government used low interest rates as a steroid to pump up business investment. The result was a mountain of money-losing capital stock and bad debt.

Japan's crisis pervaded virtually its entire corporate world. In sector after sector, debt levels and excess capacity ballooned and profitability remained low. White-elephant projects, from office buildings to auto plants, were built on borrowed money under the assumption that if times got tough, the government and banks would bail out the debtors. But the banks were too poorly capitalized to write off bad loans. And for every bad

---

Richard Katz is Editor in Chief of *The Oriental Economist Alert* and the author of *Japanese Phoenix: The Long Road to Economic Revival*.

loan, there was a bad borrower whose products were not worth the cost to make them. The cumulative total of bank losses on bad debt between 1993 and 2005 added up to nearly 20 percent of GDP.

Policy mistakes—from Japan's mismanaged fiscal and monetary policy to the government's failure to address the loan crisis—made a bad situation even worse. But even if policymakers had done everything right, Japan's economy still would have stagnated until Tokyo addressed its more fundamental flaws.

DEREGULATION NATION

The United States' subprime mortgage fiasco of 2007–8, in contrast, was primarily the result of discrete, correctable mistakes brought on by ideological excess and the power of financial-industry lobbyists rather than intractable structural problems.

The first mistake was the U.S. government's refusal to regulate subprime mortgages. Traditional banking regulations forbid banks from lending to people with no down payment or proof that they can repay a loan. However, no such rule applied to nonbank lenders, even after they became the country's biggest mortgage originators. That left new mortgage institutions with little incentive to ensure that their loans could be repaid; no sooner had they issued these so-called liar loans than they resold them to investment banks for a profit. The investment banks then sliced and diced the loans into securities embossed with AAA ratings despite the dubious creditworthiness of the original borrowers. A single statistic makes clear how damaging this lack of regulation was: by the third quarter of 2008, 22 percent of subprime, adjustable-rate mortgages were in foreclosure; by contrast, the foreclosure rate for prime, fixed-rate mortgages—60 percent of all mortgages—was still less than one percent.

There were plenty of warnings. In 1994, a bipartisan coalition in Congress passed the Home Ownership and Equity Protection Act, which enabled the Federal Reserve to force all mortgage lenders to follow traditional banking standards. But Federal Reserve Chair Alan Greenspan refused to use these powers, claiming that the financial markets were self-correcting. When Democrats and Republicans in the next Congress tried to require that the Fed enforce these rules, House Majority Leader Tom DeLay (R-Tex.) quashed the effort.

The second policy blunder was the U.S. government's failure to regulate the compensation of chief executive officers (CEOs)—a system that in its current form gives executives incentives to take outrageous risks with other people's money. When CEOs are paid primarily in stock options, as is the case today at many firms, they suffer little punishment for failure. If CEOs gamble big with the company's money and succeed, they can gain hundreds of millions of dollars in bonuses; if their gambling fails, they do not suffer losses, just a smaller reward. Even CEOs who have caused their firms to collapse, such as Merrill Lynch's Stan O'Neal, have still walked away with enormous severance packages. This system is a critical factor in the behavior that led to today's crisis. Studies show that extraordinary losses are much more common at firms where the majority of CEO compensation comes from stock options, rather than cash or outright stock.

The third error was the virtual nonregulation of the derivatives market. Derivatives should serve as a kind of insurance to lessen risk. Corn futures, for example, stabilize

farmers' incomes, inducing them to plant more, which gives consumers more food at cheaper prices. Today's financial derivatives often turn the insurance principle on its head, causing shocks to be amplified and transforming derivatives into what the investor Warren Buffett has called "financial weapons of mass destruction." If an investor buys a share of General Electric from Merrill Lynch, that share retains its value even if Merrill goes bankrupt. But unlike corn futures or stocks, most financial derivatives are traded not on exchanges but in bilateral deals. If an investor's trading partner (counterparty) fails, the investor takes the loss. The collapse of the investment bank Lehman Brothers caused the insurance company AIG to lose big in so-called credit default swaps, undermining trust in all counterparties and causing a run on the entire derivatives and securitization markets. Rather than frightened depositors banging on bank doors, the result was investors furiously clicking away at their keyboards as their money disappeared. In the end, the impact was the same: perfectly solid

companies suddenly found themselves unable to issue commercial paper, and creditworthy homeowners found it hard to get car or student loans. It took an intervention by the Federal Reserve to forestall a more serious meltdown.

This run on the shadow banking system is the real cause of the severe post-September credit crunch that transformed a mild recession into something far worse. Banks have actually increased their extension of credit by six percent since September, but they are having a hard time securitizing those loans in the capital markets. That means that they can no longer use the proceeds to make further loans, which would allow them to use the initial dollar over and over again.

If powerful financial lobbyists waving the banner of faith in markets had not thwarted commonsense regulation, much of this would never have occurred. Democratic and Republican policymakers alike, from Treasury Secretaries Robert Rubin and Lawrence Summers to Federal Reserve Chair Greenspan, blocked attempts at reform in 1998. Then, in 2000, Senator Phil Gramm (R-Tex.) went so far as to virtually outlaw the monitoring and regulation of many types of derivatives by initiating the Commodity Futures Modernization Act. Just as deposit insurance now prevents massive runs on banks, the regulation of derivatives could have made this crisis less severe.

A TALE OF TWO BUBBLES

The scope of the Japanese crisis and the scope of the U.S. crisis are also fundamentally different. From 1981 to 1991, commercial land prices in Japan's six biggest cities rose by 500 percent. The subsequent bust brought prices down to a level well below that of 1981; as of 2007, they were still 83 percent below the 1991 peak. In the United States, the real estate bubble was not as inflated, and the bust has been less severe. From 1996 through the 2006 peak, housing prices in the 20 biggest U.S. cities rose by 200 percent. Most forecasters think prices will drop by 30–40 percent from the peak levels before bottoming out in 2009 or 2010. No one is suggesting that prices will fall below the level of 1996.

Most of the United States' nonfinancial corporations are still healthy. Whereas the debt of Japanese corporations was several times their net worth, in the United States, corporate debt amounts to only half of companies' net worth, the same level that has prevailed for decades. The ratio of nonperforming loans among nonfinancial companies is only 1.6 percent, and productivity growth remains solid.

In October 2008, the International Monetary Fund's *Global Financial Stability Report* predicted that the losses on all U.S.-originated unsecuritized loans (including home mortgages) would amount to $425 billion, about three percent of U.S. GDP. This estimate will likely rise, but even then it would not come close to the 20 percent ratio that Japan experienced.

The biggest financial losses are coming not in loans taken out by household or business borrowers but in the shadow banking system. Because of the leverage inherent in financial derivatives—which are designed so that a one percent hike in real estate prices can create a much larger gain in asset-backed securities—a small loss in the value of the underlying assets can be multiplied several times over. Far more significant is the psychological factor: by mid-December 2008, pure panic had pushed the value of AAA-rated commercial-

mortgage-backed securities (CMBS) down to 68 percent of their face value, despite a commercial-mortgage delinquency rate of only one percent.

That 32 percent loss has reverberated throughout the financial system due to mark-to-market accounting rules, which require securities to be valued at their current market price, even in markets where there is little trading and prices fluctuate wildly. As a result of these rules, all investors holding CMBS have had to write down their holdings by 32 percent, even if the underlying mortgages are being paid on time. That, in turn, has led prices to decline even more and investors to write off more capital, further tightening the credit crunch.

The International Monetary Fund predicts that this vicious cycle will cause $1 trillion in mark-to-market losses, as much as seven percent of U.S. GDP. If this is correct, most financial losses suffered since the onset of the crisis will have come not from genuine defaults in the real economy but from problems generated within the shadow banking system. Applying normally beneficial mark-to-market rules in today's abnormal markets without any adjustment is doing more harm than good. By the time the economy recovers and those marked-down securities are marked back up, the credit crunch will have led to a host of corporate bankruptcies, millions of layoffs, and countless families losing their homes.

A PROGRAM OF ACTION

The Japanese and U.S. crises differ in many ways, but the starkest contrast is in the response of policymakers. Denial, dithering, and delay were the hallmarks in Tokyo. It took the Bank of Japan nearly nine years

to bring the overnight interest rate from its 1991 peak of eight percent down to zero. The U.S. Federal Reserve did that within 16 months of declaring a financial emergency, which it did in August 2007. It has also applied all sorts of unconventional measures to keep credit from drying up.

It took Tokyo eight years to use public money to recapitalize the banks; Washington began to do so in less than a year. Worse yet, Tokyo used government money to help the banks keep lending to insolvent borrowers; U.S. banks have been rapidly writing off their bad debt. Although Tokyo did eventually apply many fiscal stimulus measures, it did so too late and too erratically to have a sufficient impact. The U.S. government, by contrast, has already applied fiscal stimulus, and the Obama administration is proposing a multiyear program totaling as much as five to six percent of U.S. GDP. When it comes to crisis management, it is far better to do too much than too little.

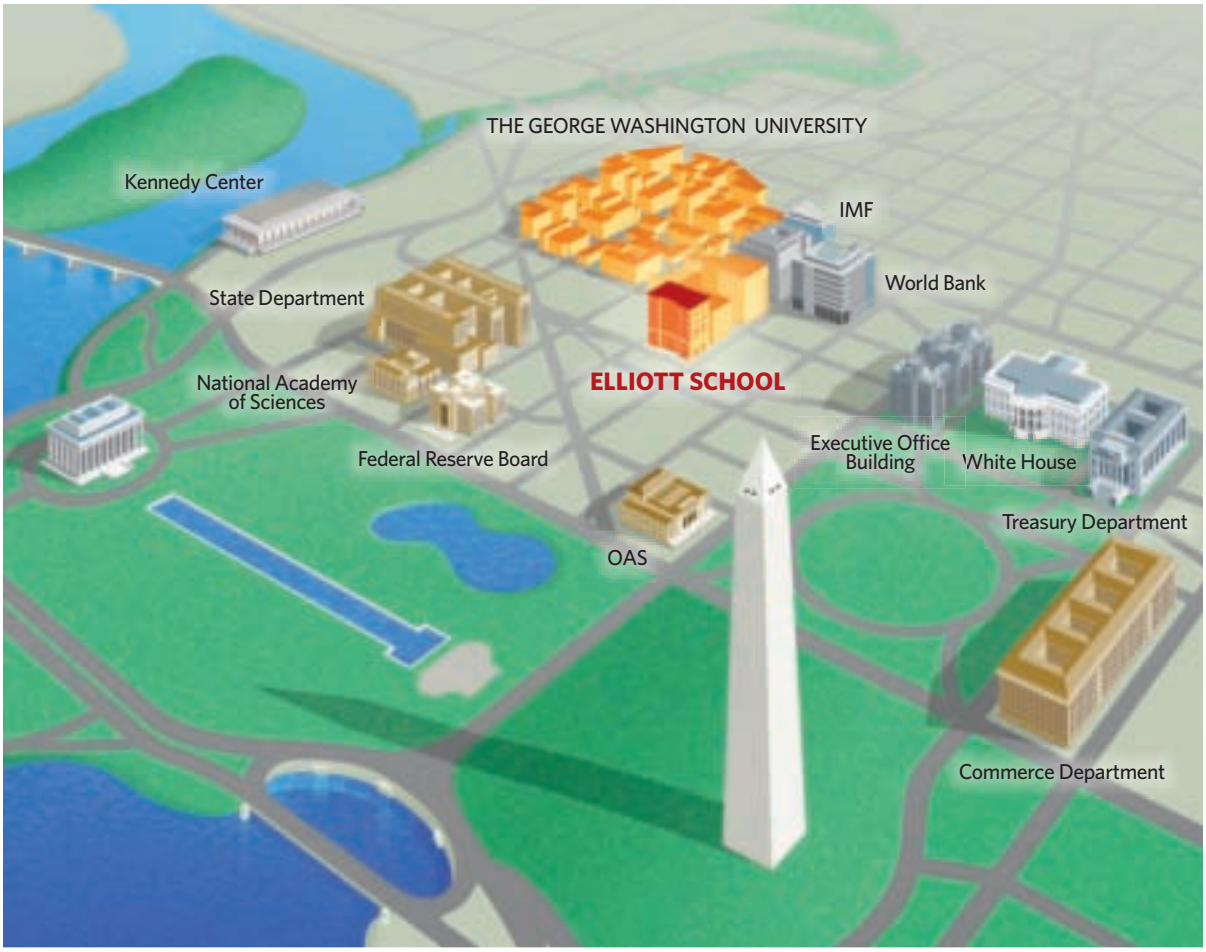
Policymakers can draw many lessons from this comparison. First, the current U.S. crisis—like the Asian financial crisis of 1997–98—has proved that even an economy with sound fundamentals can be thrashed when financial markets go haywire. However, the Asian crisis provides a more promising message: once financial markets are calmed and policy mistakes are reversed, economies recover.

Second, whereas Japan needed a thorough overhaul of its political and economic institutions and practices, a process that continues today, the United States simply needs aggressive reform of its financial architecture and CEO compensation system. President Barack Obama clearly understands the need for better regulation, and there is reason to hope that his economic advisers, many of whom are alumni of the Clinton administration, have learned from their mistakes. In October, former Treasury Secretary Summers, now director of the National Economic Council, wrote in the *Financial Times*, "The pendulum will swing—and should swing—towards an enhanced role for government in saving the market system from its excesses and inadequacies."

Third, fiscal policy works, but only in connection with other measures. Many commentators believe that Japan's lost decade proves the uselessness of fiscal stimulus. They are wrong. When Tokyo stepped on the fiscal gas, the Japanese economy did better. When it took its foot off the pedal or, worse yet, applied the brakes—such as when it raised taxes in 1997—the economy faltered. Equally important, it is hard for fiscal and monetary stimuli to be effective when the financial system is broken.

Finally, markets only work when undergirded by proper regulatory institutions that enforce genuine checks and balances on corporate executives, corporate boards, financiers, accountants, rating agencies, and regulators. Better rules make it safe to have freer markets.

There is, of course, one way in which the United States' crisis is much worse than Japan's: its global ripple effects. Getting through today's recession will be neither quick nor easy. But there is absolutely no need for fatalism or talk of an upcoming "lost decade" in the United States. The first step is to recognize, as Obama has repeatedly stressed, that this crisis is not a once-in-a-century unforeseeable disaster. Bad policies created this mess. Better policies can fix it.



WELCOME TO THE NEIGHBORHOOD

This is a critical juncture in international affairs. The next few years will be momentous, as international leaders tackle tremendous global challenges. The Elliott School's unique location provides us with unmatched opportunities to engage U.S. and international policymakers. Now more than ever, there is no better place to study international affairs than the Elliott School.

The Elliott School of International Affairs

Asian Studies	European and Eurasian Studies	Global Communication	International Affairs
International Development Studies	International Science and Technology Policy	International Trade and Investment Policy
Latin American and Hemispheric Studies	Middle East Studies	Security Policy Studies

www.elliott.gwu.edu

THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON DC

Return to Table of Contents

Essays

CORBIS

A Chinese navy poster, 1977: "Struggle Hard to Build Up a Mighty Navy"

Precisely because India and China are now emphasizing their sea power, especially in the Indian Ocean, the job of managing their peaceful rise will largely fall to the U.S. Navy.

Center Stage for the Twenty-first Century

Power Plays in the Indian Ocean

Robert D. Kaplan

For better or worse, phrases such "the Cold War" and "the clash of civilizations" matter. In a similar way, so do maps. The right map can stimulate foresight by providing a spatial view of critical trends in world politics. Understanding the map of Europe was essential to understanding the twentieth century. Although recent technological advances and economic integration have encouraged global thinking, some places continue to count more than others. And in some of those, such as Iraq and Pakistan, two countries with inherently artificial contours, politics is still at the mercy of geography.

So in what quarter of the earth today can one best glimpse the future? Because of their own geographic circumstances, Americans, in particular, continue to concentrate on the Atlantic and Pacific Oceans. World War II and the Cold War shaped this outlook: Nazi Germany, imperial Japan, the Soviet Union, and communist China were all oriented toward one of these two oceans. The bias is even embedded in mapping conventions: Mercator projections tend to place the Western Hemisphere in the middle of the map, splitting the Indian

---

Robert D. Kaplan, a National Correspondent for *The Atlantic* and a Senior Fellow at the Center for a New American Security, in Washington, D.C., is writing a book on the Indian Ocean. He recently was the Class of 1960 Distinguished Visiting Professor in National Security at the U.S. Naval Academy.

Ocean at its far edges. And yet, as the pirate activity off the coast of Somalia and the terrorist carnage in Mumbai last fall suggest, the Indian Ocean—the world's third-largest body of water—already forms center stage for the challenges of the twenty-first century.

The greater Indian Ocean region encompasses the entire arc of Islam, from the Sahara Desert to the Indonesian archipelago. Although the Arabs and the Persians are known to Westerners primarily as desert peoples, they have also been great seafarers. In the Middle Ages, they sailed from Arabia to China; proselytizing along the way, they spread their faith through sea-based commerce. Today, the western reaches of the Indian Ocean include the tinderboxes of Somalia, Yemen, Iran, and Pakistan—constituting a network of dynamic trade as well as a network of global terrorism, piracy, and drug smuggling. Hundreds of millions of Muslims—the legacy of those medieval conversions—live along the Indian Ocean's eastern edges, in India and Bangladesh, Malaysia and Indonesia.

The Indian Ocean is dominated by two immense bays, the Arabian Sea and the Bay of Bengal, near the top of which are two of the least stable countries in the world: Pakistan and Myanmar (also known as Burma). State collapse or regime change in Pakistan would affect its neighbors by empowering Baluchi and Sindhi separatists seeking closer links to India and Iran. Likewise, the collapse of the junta in Myanmar—where competition over energy and natural resources between China and India looms—would threaten economies nearby and require a massive seaborne humanitarian intervention. On the other hand, the advent of a more liberal regime in Myanmar would undermine China's dominant position there, boost Indian influence, and quicken regional economic integration.

In other words, more than just a geographic feature, the Indian Ocean is also an idea. It combines the centrality of Islam with global energy politics and the rise of India and China to reveal a multilayered, multipolar world. The dramatic economic growth of India and China has been duly noted, but the equally dramatic military ramifications of this development have not. India's and China's great-power aspirations, as well as their quests for energy security, have compelled the two countries "to redirect their gazes from land to the seas," according to James Holmes and Toshi Yoshihara, associate professors of strategy at the U.S. Naval War College. And the very fact that they are focusing on their sea power indicates how much more self-confident they feel

on land. And so a map of the Indian Ocean exposes the contours of power politics in the twenty-first century.

Yet this is still an environment in which the United States will have to keep the peace and help guard the global commons—interdicting terrorists, pirates, and smugglers; providing humanitarian assistance; managing the competition between India and China. It will have to do so not, as in Afghanistan and Iraq, as a land-based, in-your-face meddler, leaning on far-flung army divisions at risk of getting caught up in sectarian conflict, but as a sea-based balancer lurking just over the horizon. Sea power has always been less threatening than land power: as the cliché goes, navies make port visits, and armies invade. Ships take a long time to get to a war zone, allowing diplomacy to work its magic. And as the U.S. response to the 2004 tsunami in the Indian Ocean showed, with most sailors and marines returning to their ships each night, navies can exert great influence on shore while leaving a small footprint. The more the United States becomes a maritime hegemon, as opposed to a land-based one, the less threatening it will seem to others.

Moreover, precisely because India and China are emphasizing their sea power, the job of managing their peaceful rise will fall on the U.S. Navy to a significant extent. There will surely be tensions between the three navies, especially as the gaps in their relative strength begin to close. But even if the comparative size of the U.S. Navy decreases in the decades ahead, the United States will remain the one great power from outside the Indian Ocean region with a major presence there—a unique position that will give it the leverage to act as a broker between India and China in their own backyard. To understand this dynamic, one must look at the region from a maritime perspective.

SEA CHANGES

Thanks to the predictability of the monsoon winds, the countries on the Indian Ocean were connected well before the age of steam power. Trade in frankincense, spices, precious stones, and textiles brought together the peoples flung along its long shoreline during the Middle Ages. Throughout history, sea routes have mattered more

than land routes, writes the historian Felipe Fernández-Armesto, because they carry more goods more economically. "Whoever is lord of Malacca has his hand on the throat of Venice," went one saying during the late fifteenth century, alluding to the city's extensive commerce with Asia; if the world were an egg, Hormuz would be its yolk, went another. Even today, in the jet and information age, 90 percent of global commerce and about 65 percent of all oil travel by sea. Globalization has been made possible by the cheap and easy shipping of containers on tankers, and the Indian Ocean accounts for fully half the world's container traffic. Moreover, 70 percent of the total traffic of petroleum products passes through the Indian Ocean, on its way from the Middle East to the Pacific. As these goods travel that route, they pass through the world's principal oil shipping lanes, including the Gulfs of Aden and Oman—as well as some of world commerce's main chokepoints:

Bab el Mandeb and the Straits of Hormuz and Malacca. Forty percent of world trade passes through the Strait of Malacca; 40 percent of all traded crude oil passes through the Strait of Hormuz.

Already the world's preeminent energy and trade interstate seaway, the Indian Ocean will matter even more in the future. Global energy needs are expected to rise by 45 percent between 2006 and 2030, and almost half of the growth in demand will come from India and China. China's demand for crude oil doubled between 1995 and 2005 and will double again in the coming 15 years or so; by 2020, China is expected to import 7.3 million barrels of crude per day—half of Saudi Arabia's planned output. More than 85 percent of the oil and oil products bound for China cross the Indian Ocean and pass through the Strait of Malacca.

India—soon to become the world's fourth-largest energy consumer, after the United States, China, and Japan—is dependent on oil for roughly 33 percent of its energy needs, 65 percent of which it imports. And 90 percent of its oil imports could soon come from the Persian Gulf. India must satisfy a population that will, by 2030, be the largest of any country in the world. Its coal imports from far-off Mozambique are set to increase substantially, adding to the coal that India already imports from other Indian Ocean countries, such as South Africa, Indonesia, and Australia. In the future, India-bound ships will also be carrying increasingly large quantities of liquefied natural gas (LNG) across the seas from southern Africa, even as it continues importing LNG from Qatar, Malaysia, and Indonesia.

As the whole Indian Ocean seaboard, including Africa's eastern shores, becomes a vast web of energy trade, India is seeking to increase its influence from the Plateau of Iran to the Gulf of Thailand—an expansion west and east meant to span the zone of influence of the Raj's viceroys. India's trade with the Arab countries of the Persian Gulf and Iran, with which India has long enjoyed close economic and cultural ties, is booming. Approximately 3.5 million Indians work in the six Arab states of the Gulf Cooperation Council and send home $4 billion in remittances annually. As India's economy continues to grow, so will its trade with Iran and, once the country recovers, Iraq. Iran, like Afghanistan, has become a strategic rear base for India against Pakistan, and it is poised to become an important energy partner.

One day, his son would speak to the world.

He wanted them to understand.

Rosetta Stone. The fastest and easiest way to learn CHINESE.

Arabic • Chinese (Mandarin) **• Danish • Dutch • English** (American) **• English** (British) **• French • German • Greek • Hebrew**
Hindi Indonesian • Italian • Irish • Japanese • Korean • Latin • Pashto • Persian (Farsi) **• Polish • Portuguese** (Brazil) **• Russian**
Spanish (Latin America) **• Spanish** (Spain) **• Swahili • Swedish • Tagalog** (Filipino) **• Thai • Turkish • Vietnamese • Welsh**

Rosetta Stone® brings you a complete language-learning solution, wherever you are: at home, in-the-car or on-the-go. You'll learn quickly and effectively, without translation or memorization. You'll discover our method, which keeps you excited to learn more and more.

- You'll experience **Dynamic Immersion**® as you match real-world images to words spoken by native speakers so you'll find yourself engaged and learn your second language like you learned your first.
- Our proprietary Speech Recognition Technology evaluates your speech and coaches you on more accurate pronunciation. You'll speak naturally.
- Only Rosetta Stone has **Adaptive Recall,**™ that brings back material to help you where you need it most, for more effective progress.
- And Rosetta Stone includes **Audio Companion**™ so that you can take the Rosetta Stone experience anywhere you use a CD or MP3 player.

Innovative software. Immersive method. Complete mobility. It's the total solution. Get Rosetta Stone—**The Fastest Way to Learn a Language. Guaranteed.**®

SAVE 10%!

100% GUARANTEED
SIX-MONTH MONEY-BACK

Level 1	~~Reg. $259~~	**NOW $233**
Level 1&2	~~Reg. $419~~	**NOW $377**
Level 1,2&3	~~Reg. $549~~	**NOW $494**

Call
(877) 203-3058

Online
RosettaStone.com/fgs039

Use promotional code fgs039 when ordering.
Offer expires July 31, 2009.

RosettaStone®

COUNCIL on FOREIGN RELATIONS

CFR.org

CFR.org is a nonpartisan resource on U.S. foreign and national security policy that provides expert analysis of international news and a daily digest of the best information and insight from around the world.

"A central point to grasp the mosaic of foreign policy."
— Charlie Rose, Host and Executive Editor, *Charlie Rose*

"This is an institution stepping up and honoring the best of journalism."
— Knight-Batten Awards

"From podcasts to Backgrounders, CFR.org is a tremendous resource on a wide range of issues."
— Representative John Sarbanes (D-MD)

"An important development in the space between think tank and digital journalism."
— Robert Siegel, Senior Host, NPR, *All Things Considered*

Expert Briefs

CFR.org now includes Expert Briefs, a new editorial franchise featuring commentary and analysis from CFR scholars. Read them at **www.cfr.org/expertbriefs**.

In 2005, India and Iran signed a multibillion-dollar deal under which Iran will supply India with 7.5 million tons of LNG annually for 25 years, beginning in 2009. There has been talk of building a gas pipeline from Iran to India through Pakistan, a project that would join the Middle East and South Asia at the hip (and in the process could go a long way toward stabilizing Indian-Pakistani relations). In another sign that Indian-Iranian relations are growing more intimate, India has been helping Iran develop the port of Chah Bahar, on the Gulf of Oman, which will also serve as a forward base for the Iranian navy.

India has also been expanding its military and economic ties with Myanmar, to the east. Democratic India does not have the luxury of spurning Myanmar's junta because Myanmar is rich in natural resources—oil, natural gas, coal, zinc, copper, uranium, timber, and hydropower—resources in which the Chinese are also heavily invested. India hopes that a network of east–west roads and energy pipelines will eventually allow it to be connected to Iran, Pakistan, and Myanmar.

India is enlarging its navy in the same spirit. With its 155 warships, the Indian navy is already one of the world's largest, and it expects to add three nuclear-powered submarines and three aircraft carriers to its arsenal by 2015. One major impetus for the buildup was the humiliating inability of its navy to evacuate Indian citizens from Iraq and Kuwait during the 1990–91 Persian Gulf War. Another is what Mohan Malik, a scholar at the Asia-Pacific Center for Security Studies, in Hawaii, has called India's "Hormuz dilemma," its dependence on imports passing through the strait, close to the shores of Pakistan's Makran coast, where the Chinese are helping the Pakistanis develop deep-water ports.

Indeed, as India extends its influence east and west, on land and at sea, it is bumping into China, which, also concerned about protecting its interests throughout the region, is expanding its reach southward. Chinese President Hu Jintao has bemoaned China's "Malacca dilemma." The Chinese government hopes to eventually be able to partly bypass that strait by transporting oil and other energy products via roads and pipelines from ports on the Indian Ocean into the heart of China. One reason that Beijing wants desperately to integrate Taiwan into its dominion is so that it can redirect its naval energies away from the Taiwan Strait and toward the Indian Ocean.

The Chinese government has already adopted a "string of pearls" strategy for the Indian Ocean, which consists of setting up a series of ports in friendly countries along the ocean's northern seaboard. It is building a large naval base and listening post in Gwadar, Pakistan, (from which it may already be monitoring ship traffic through the Strait of Hormuz); a port in Pasni, Pakistan, 75 miles east of Gwadar, which is to be joined to the Gwadar facility by a new highway; a fueling station on the southern coast of Sri Lanka; and a container facility with extensive naval and commercial access in Chittagong, Bangladesh. Beijing operates surveillance facilities on islands deep in the Bay of Bengal. In Myanmar, whose junta gets billions of dollars in military assistance from Beijing, the Chinese are constructing (or upgrading) commercial and naval bases and building roads, waterways, and pipelines in order to link the Bay of Bengal to the southern Chinese province of Yunnan. Some of these facilities are closer to cities in central and western China than those cities are to Beijing and Shanghai, and so building road and rail links from these facilities into China will help spur the economies of China's landlocked provinces. The Chinese government is also envisioning a canal across the Isthmus of Kra, in Thailand, to link the Indian Ocean to China's Pacific coast—a project on the scale of the Panama Canal and one that could further tip Asia's balance of power in China's favor by giving China's burgeoning navy and commercial maritime fleet easy access to a vast oceanic continuum stretching all the way from East Africa to Japan and the Korean Peninsula.

All of these activities are unnerving the Indian government. With China building deep-water ports to its west and east and a preponderance of Chinese arms sales going to Indian Ocean states, India fears being encircled by China unless it expands its own sphere of influence. The two countries' overlapping commercial and political interests are fostering competition, and even more so in the naval realm than on land. Zhao Nanqi, former director of the General Logistics Department of the People's Liberation Army, proclaimed in 1993, "We can no longer accept the Indian Ocean as an ocean only of the Indians." India has responded to China's building of a naval base in Gwadar by further developing one of its own, that in Karwar, India, south of Goa. Meanwhile, Zhang Ming, a Chinese naval analyst, has warned that

the 244 islands that form India's Andaman and Nicobar archipelago could be used like a "metal chain" to block the western entrance to the Strait of Malacca, on which China so desperately depends. "India is perhaps China's most realistic strategic adversary," Zhang has written. "Once India commands the Indian Ocean, it will not be satisfied with its position and will continuously seek to extend its influence, and its eastward strategy will have a particular impact on China." These may sound like the words of a professional worrier from China's own theory class, but these worries are revealing: Beijing already considers New Delhi to be a major sea power.

As the competition between India and China suggests, the Indian Ocean is where global struggles will play out in the twenty-first century. The old borders of the Cold War map are crumbling fast, and Asia is becoming a more integrated unit, from the Middle East to the Pacific. South Asia has been an indivisible part of the greater Islamic Middle East since the Middle Ages: it was the Muslim Ghaznavids of eastern Afghanistan who launched raids on India's northwestern coast in the early eleventh century; Indian civilization itself is a fusion of the indigenous Hindu culture and the cultural imprint left by these invasions. Although it took the seaborne terrorist attacks in Mumbai last November for most Westerners to locate India inside the greater Middle East, the Indian Ocean's entire coast has always constituted one vast interconnected expanse.

What is different now is the extent of these connections. On a maritime-centric map of southern Eurasia, artificial land divisions disappear; even landlocked Central Asia is related to the Indian Ocean. Natural gas from Turkmenistan may one day flow through Afghanistan, for example, en route to Pakistani and Indian cities and ports, one of several possible energy links between Central Asia and the Indian subcontinent. Both the Chinese port in Gwadar, Pakistan, and the Indian port in Chah Bahar, Iran, may eventually be connected to oil- and natural-gas-rich Azerbaijan, Kazakhstan, Turkmenistan, and other former Soviet republics. S. Frederick Starr, a Central Asia expert at the Johns Hopkins School of Advanced International Studies, said at a conference in Washington last year that access to the Indian Ocean "will help define Central Asian politics in the future." Others have called ports in India and Pakistan "evacuation points" for Caspian

Sea oil. The destinies of countries even 1,200 miles from the Indian Ocean are connected with it.

ELEGANT DECLINE

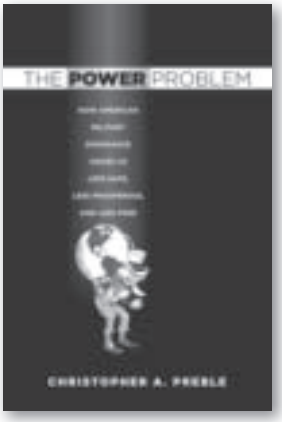
The United States faces three related geopolitical challenges in Asia: the strategic nightmare of the greater Middle East, the struggle for influence over the southern tier of the former Soviet Union, and the growing presence of India and China in the Indian Ocean. The last seems to be the most benign of the three. China is not an enemy of the United States, like Iran, but a legitimate peer competitor, and India is a budding ally. And the rise of the Indian navy, soon to be the third largest in the world after those of the United States and China, will function as an antidote to Chinese military expansion.

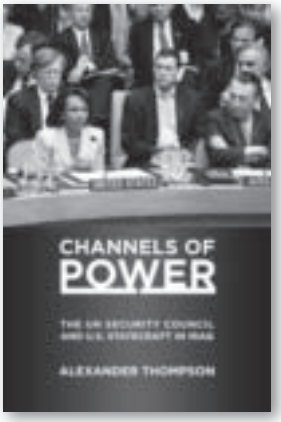
The task of the U.S. Navy will therefore be to quietly leverage the sea power of its closest allies—India in the Indian Ocean and Japan in the western Pacific—to set limits on China's expansion. But it will have to do so at the same time as it seizes every opportunity to incorporate China's navy into international alliances; a U.S.-Chinese understanding at sea is crucial for the stabilization of world politics in the twenty-first century. After all, the Indian Ocean is a seaway for both energy and hashish and is in drastic need of policing. To manage it effectively, U.S. military planners will have to invoke challenges such as terrorism, piracy, and smuggling to bring together India, China, and other states in joint sea patrols. The goal of the United States must be to forge a global maritime system that can minimize the risks of interstate conflict while lessening the burden of policing for the U.S. Navy.

Keeping the peace in the Indian Ocean will be even more crucial once the seas and the coasts from the Gulf of Aden to the Sea of Japan are connected. Shipping options between the Indian Ocean and the Pacific Ocean will increase substantially in the future. The port operator Dubai Ports World is conducting a feasibility study on constructing a land bridge near the canal that the Chinese hope will be dug across the Isthmus of Kra, with ports on either side of the isthmus connected by rails and highways. The Malaysian government is interested in a pipeline network that would link up ports in the Bay of Bengal with those

Return to Table of Contents

CORNELL UNIVERSITY PRESS





THE POWER PROBLEM

How American Military Dominance Makes Us Less Safe, Less Prosperous, and Less Free

Christopher A. Preble

In the *Power Problem*, Preble explores the aims, costs, and limitations of the use of this nation's military power. Preble shows that Washington's eagerness to maintain and use an enormous military is corrosive to America's interests—and its democracy.

240 pages / $25.00 cloth / Cornell Studies in Security Affairs

NETWORKED POLITICS

Agency, Power, and Governance

Edited by Miles Kahler

"This path-breaking volume generates a set of exciting research questions about the role of networks in world politics and offers some innovative methodologies to facilitate their empirical investigation. Anyone interested in new ways of thinking about world politics should read *Networked Politics*."

—Robert O. Keohane, Princeton University

280 pages / $22.95 paper / Cornell Studies in Political Economy

New in Paperback

PLUTONIUM

A History of the World's Most Dangerous Element

Jeremy Bernstein

"Bernstein's book should play a useful role by helping demystify plutonium and by encouraging interested members of the public and Congress to start constructing a more rational policy to deal with the dangers posed by this man-made element."

—*American Scientist*

216 pages / $17.95 paper

CHANNELS OF POWER

The UN Security Council and U.S. Statecraft in Iraq

Alexander Thompson

"*Channels of Power* addresses an important and fascinating issue using an innovative argument, careful theoretical reasoning, and sound empirical evidence. Alexander Thompson's book will stand out as a particularly valuable contribution to the literature on the Security Council, Iraq, and U.S. statecraft."

—Darren Hawkins, Brigham Young University

280 pages / $39.95 cloth

New in Paperback

THINK GLOBAL, FEAR LOCAL

Sex, Violence, and Anxiety in Contemporary Japan

David Leheny

"*Think Global, Fear Local* reveals how broadly accepted global norms against child prostitution and terrorism get transformed by anxiety-ridden Japanese policy makers into powerful weapons used to attack peripheral, though admittedly vexing, domestic demons."

— T. J. Pempel, Director, UC Berkeley

248 pages / $19.95 paper

DEPENDENT COMMUNITIES

Aid and Politics in Cambodia and East Timor

Caroline Hughes

This comparative analysis critiques international policies that focus on rebuilding state institutions to accommodate the global market.

275 pages / $23.95 paper / Distributed for Southeast Asia Program Publications, Cornell University

1-800-666-2211 **www.cornellpress.cornell.edu**

Return to Table of Contents

Due Diligence

PERSPECTIVE

Analyzing the complex chain of causes and effects

The *World Economic Outlook* (WEO) and *Global Financial Stability Report* (GFSR) offer comprehensive assessment of the current international economic situation and much-needed global perspective on the long-term outlook.

See sample content of *World Economic Outlook* and *Global Financial Stability Report* at www.imf.org/external/pubind.htm

Subscribe today to these essential IMF publications at www.imfbookstore.org

Please use promotion code FA0903 during checkout.

in the South China Sea. To be sure, as sea power grows in importance, the crowded hub around Malaysia, Singapore, and Indonesia will form the maritime heart of Asia: in the coming decades, it will be as strategically significant as the Fulda Gap, a possible invasion route for Soviet tanks into West Germany during the Cold War. The protective oversight of the U.S. Navy there will be especially important. As the only truly substantial blue-water force without territorial ambitions on the Asian mainland, the U.S. Navy may in the future be able to work with individual Asian countries, such as India and China, better than they can with one another. Rather than ensure its dominance, the U.S. Navy simply needs to make itself continually useful.

Indispensability, rather than dominance, must be the United States' goal in the Indian Ocean.

It has already begun to make the necessary shifts. Owing to the debilitating U.S.-led wars in Afghanistan and Iraq, headlines in recent years have been dominated by discussions about land forces and counterinsurgency. But with 75 percent of the earth's population living within 200 miles of the sea, the world's military future may well be dominated by naval (and air) forces operating over vast regions. And to a greater extent than the other armed services, navies exist to protect economic interests and the system in which these interests operate. Aware of how much the international economy depends on sea traffic, U.S. admirals are thinking beyond the fighting and winning of wars to responsibilities such as policing a global trading arrangement. They are also attuned to the effects that a U.S. military strike against Iran would have on maritime commerce and the price of oil. With such concerns in mind, the U.S. Navy has for decades been helping to secure vital chokepoints in the Indian Ocean, often operating from a base on the British atoll of Diego Garcia, a thousand miles south of India and close to major sea-lanes. And in October 2007, it implied that it was seeking a sustained forward presence in the Indian Ocean and the western Pacific but no longer in the Atlantic—a momentous shift in overall U.S. maritime strategy. The document *Marine Corps Vision and Strategy 2025* also concluded that the Indian Ocean and its adjacent waters will be a central theater of global conflict and competition this century.

Yet as the challenges for the United States on the high seas multiply, it is unclear how much longer U.S. naval dominance will last. At the end of the Cold War, the U.S. Navy boasted about 600 warships; it is now down to 279. That number might rise to 313 in the coming years with the addition of the new "littoral combat ships," but it could also drop to the low 200s given cost overruns of 34 percent and the slow pace of shipbuilding. Although the revolution in precision-guided weapons means that existing ships pack better firepower than those of the Cold War fleet did, since a ship cannot be in two places at once, the fewer the vessels, the riskier every decision to deploy them. There comes a point at which insufficient quantity hurts quality.

Meanwhile, by sometime in the next decade, China's navy will have more warships than the United States'. China is producing and acquiring submarines five times as fast as is the United States. In addition to submarines, the Chinese have wisely focused on buying naval mines, ballistic missiles that can hit moving targets at sea, and technology that blocks signals from GPS satellites, on which the U.S. Navy depends. (They also have plans to acquire at least one aircraft carrier; not having one hindered their attempts to help with the tsunami relief effort in 2004–5.) The goal of the Chinese is "sea denial," or dissuading U.S. carrier strike groups from closing in on the Asian mainland wherever and whenever Washington would like. The Chinese are also more aggressive than U.S. military planners. Whereas the prospect of ethnic warfare has scared away U.S. admirals from considering a base in Sri Lanka, which is strategically located at the confluence of the Arabian Sea and the Bay of Bengal, the Chinese are constructing a refueling station for their warships there.

There is nothing illegitimate about the rise of China's navy. As the country's economic interests expand dramatically, so must China expand its military, and particularly its navy, to guard these interests. The United Kingdom did just that in the nineteenth century, and so did the United States when it emerged as a great power between the American Civil War and World War I. In 1890, the American military theorist Alfred Thayer Mahan published *The Influence of Sea Power Upon History, 1660–1783*, which argued that the power to protect merchant fleets had been the determining factor in world history. Both Chinese and Indian naval strategists read him avidly nowadays.

China's quest for a major presence in the Indian Ocean was also evinced in 2005 by the beginning of an extensive commemoration of Zheng He, the Ming dynasty explorer and admiral who plied the seas between China and Indonesia, Sri Lanka, the Persian Gulf, and the Horn of Africa in the early decades of the fifteenth century—a celebration that signals China's belief that these seas have always been part of its zone of influence.

Just as at the end of the nineteenth century the British Royal Navy began to reduce its presence worldwide by leveraging the growing sea power of its naval allies (Japan and the United States), at the beginning of the twenty-first century, the United States is beginning an elegant decline by leveraging the growing sea power of allies such as India and Japan to balance against China. What better way to scale back than to give more responsibilities to like-minded states, especially allies that, unlike those in Europe, still cherish military power?

India, for one, is more than willing to help. "India has never waited for American permission to balance [against] China," the Indian strategist C. Raja Mohan wrote in 2006, adding that India

has been balancing against China since the day the Chinese invaded Tibet. Threatened by China's rise, India has expanded its naval presence from as far west as the Mozambique Channel to as far east as the South China Sea. It has been establishing naval staging posts and listening stations on the island nations of Madagascar, Mauritius, and the Seychelles, as well as military relationships with them, precisely in order to counter China's own very active military cooperation with these states. With a Chinese-Pakistani alliance taking shape, most visibly in the construction of the Gwadar port, near the Strait of Hormuz, and an Indian naval buildup on the Andaman and Nicobar Islands, near the Strait of Malacca, the Indian-Chinese rivalry is taking on the dimensions of a maritime Great Game. This is a reason for the United States to quietly encourage India to balance against China, even as the United States seeks greater cooperation with China. During the Cold War, the Pacific and Indian oceans were veritable U.S. lakes. But such hegemony will not last, and the United States must seek to replace it with a subtle balance-of-power arrangement.

COALITION BUILDER SUPREME

So how exactly does the United States play the role of a constructive, distant, and slowly declining hegemon and keep peace on the high seas in what Fareed Zakaria, the editor of *Newsweek International*, has called "the post-American world"? Several years ago, Admiral Michael Mullen, then the chief of naval operations (and now chairman of the Joint Chiefs of Staff), said the answer was a "thousand-ship navy . . . comprised of all freedom-loving nations—standing watch over the seas, standing watch with each other." The term "thousand-ship navy" has since been dropped for sounding too domineering, but the idea behind it remains: rather than going it alone, the U.S. Navy should be a coalition builder supreme, working with any navy that agrees to patrol the seas and share information with it.

Already, Combined Task Force 150 (CTF-150), a naval force based in Djibouti and comprising roughly 15 vessels from the United States, four European countries, Canada, and Pakistan, conducts

antipiracy patrols around the troubled Gulf of Aden. In 2008, about a hundred ships were attacked by pirates in the region, and over 35 vessels, with billions of dollars worth of cargo, were seized. (As of the end of 2008, more than a dozen, including oil tankers, cargo vessels, and other ships, along with over 300 crew members, were still being held.) Ransom demands routinely exceed $1 million per ship, and in the recent case of one Saudi oil tanker, pirates demanded $25 million. Last fall, after the capture of a Ukrainian vessel carrying tanks and other military equipment, warships from the United States, Kenya, and Malaysia steamed toward the Gulf of Aden to assist CTF-150, followed by two Chinese warships a few weeks later. The force, which is to be beefed up and rechristened CTF-151, is likely to become a permanent fixture: piracy is the maritime ripple effect of land-based anarchy, and for as long as Somalia is in the throes of chaos, pirates operating at the behest of warlords will infest the waters far down Africa's eastern coast.

> Rather than going it alone, the U.S. Navy should be a coalition builder supreme, ready to work with any navy that agrees to cooperate with it.

The task-force model could also be applied to the Strait of Malacca and other waters surrounding the Indonesian archipelago. With help from the U.S. Navy, the navies and coast guards of Malaysia, Singapore, and Indonesia have already combined forces to reduce piracy in that area in recent years. And with the U.S. Navy functioning as both a mediator and an enforcer of standard procedures, coalitions of this kind could bring together rival countries, such as India and Pakistan or India and China, under a single umbrella: these states' governments would have no difficulty justifying to their publics participating in task forces aimed at transnational threats over which they have no disagreements. Piracy has the potential to unite rival states along the Indian Ocean coastline.

Packed with states with weak governments and tottering infrastructure, the shores of the Indian Ocean make it necessary for the United States and other countries to transform their militaries. This area represents an unconventional world, a world in which the U.S. military, for one, will have to respond, expeditionary style, to a range of

crises: not just piracy but also terrorist attacks, ethnic conflicts, cyclones, and floods. For even as the United States' armed forces, and particularly its navy, are in relative decline, they remain the most powerful conventional military on earth, and they will be expected to lead such emergency responses. With population growth in climatically and seismically fragile zones today placing more human beings in danger's way than at almost any other time in history, one deployment will quickly follow another.

It is the variety and recurrence of these challenges that make the map of the Indian Ocean in the twenty-first century vastly different from the map of the North Atlantic in the twentieth century. The latter illustrated both a singular threat and a singular concept: the Soviet Union. And it gave the United States a simple focus: to defend Western Europe against the Red Army and keep the Soviet navy bottled up near the polar icecap. Because the threat was straightforward, and the United States' power was paramount, the U.S.-led North Atlantic Treaty Organization arguably became history's most successful alliance.

One might envision a "NATO of the seas" for the Indian Ocean, composed of South Africa, Oman, Pakistan, India, Singapore, and Australia, with Pakistan and India bickering inside the alliance much as Greece and Turkey have inside NATO. But that idea fails to capture what the Indian Ocean is all about. Owing to the peripatetic movements of medieval Arab and Persian sailors and the legacies of Portuguese, Dutch, and British imperialists, the Indian Ocean forms a historical and cultural unit. Yet in strategic terms, it, like the world at large today, has no single focal point. The Gulf of Aden, the Persian Gulf, the Bay of Bengal—all these areas are burdened by different threats with different players. Just as today NATO is a looser alliance, less singularly focused than it was during the Cold War, any coalition centered on the Indian Ocean should be adapted to the times. Given the ocean's size—it stretches across seven time zones and almost half of the world's latitudes—and the comparative slowness at which ships move, it would be a challenge for any one multinational navy to get to a crisis zone in time. The United States was able to lead the relief effort off the coast of Indonesia after the 2004 tsunami only because the carrier strike group the

USS Abraham Lincoln happened to be in the vicinity and not in the Korean Peninsula, where it was headed.

A better approach would be to rely on multiple regional and ideological alliances in different parts of the Indian Ocean. Some such efforts have already begun. The navies of Thailand, Singapore, and Indonesia have banded together to deter piracy in the Strait of Malacca; those of the United States, India, Singapore, and Australia have exercised together off India's southwestern coast—an implicit rebuke to China's designs in the region. According to Vice Admiral John Morgan, former deputy chief of U.S. naval operations, the Indian Ocean strategic system should be like the New York City taxi system: driven by market forces and with no central dispatcher. Coalitions will naturally form in areas where shipping lanes need to be protected, much as taxis gather in the theater district before and after performances. For one Australian commodore, the model should be a network of artificial sea bases supplied by the U.S. Navy, which would allow for different permutations of alliances: frigates and destroyers from various states could "plug and play" into these sea bases as necessary and spread out from East Africa to the Indonesian archipelago.

Like a microcosm of the world at large, the greater Indian Ocean region is developing into an area of both ferociously guarded sovereignty (with fast-growing economies and militaries) and astonishing interdependence (with its pipelines and land and sea routes). And for the first time since the Portuguese onslaught in the region in the early sixteenth century, the West's power there is in decline, however subtly and relatively. The Indians and the Chinese will enter into a dynamic great-power rivalry in these waters, with their shared economic interests as major trading partners locking them in an uncomfortable embrace. The United States, meanwhile, will serve as a stabilizing power in this newly complex area. Indispensability, rather than dominance, must be its goal.

How Development Leads to Democracy

What We Know About Modernization

Ronald Inglehart and Christian Welzel

In the last several years, a democratic boom has given way to a democratic recession. Between 1985 and 1995, scores of countries made the transition to democracy, bringing widespread euphoria about democracy's future. But more recently, democracy has retreated in Bangladesh, Nigeria, the Philippines, Russia, Thailand, and Venezuela, and the Bush administration's attempts to establish democracy in Afghanistan and Iraq seem to have left both countries in chaos. These developments, along with the growing power of China and Russia, have led many observers to argue that democracy has reached its high-water mark and is no longer on the rise.

That conclusion is mistaken. The underlying conditions of societies around the world point to a more complicated reality. The bad news is that it is unrealistic to assume that democratic institutions can be set up easily, almost anywhere, at any time. Although the outlook is never hopeless, democracy is most likely to emerge and survive when certain social and cultural conditions are in place. The Bush administration ignored this reality when it attempted to implant democracy in Iraq without first establishing internal security and overlooked cultural conditions that endangered the effort.

Ronald Inglehart is Professor of Political Science at the University of Michigan and Director of the World Values Survey. Christian Welzel is Professor of Political Science at Jacobs University Bremen, in Germany. They are the co-authors of *Modernization, Cultural Change, and Democracy*.

The good news, however, is that the conditions conducive to democracy can and do emerge—and the process of "modernization," according to abundant empirical evidence, advances them. Modernization is a syndrome of social changes linked to industrialization. Once set in motion, it tends to penetrate all aspects of life, bringing occupational specialization, urbanization, rising educational levels, rising life expectancy, and rapid economic growth. These create a self-reinforcing process that transforms social life and political institutions, bringing rising mass participation in politics and—in the long run—making the establishment of democratic political institutions increasingly likely. Today, we have a clearer idea than ever before of why and how this process of democratization happens.

The long-term trend toward democracy has always come in surges and declines. At the start of the twentieth century, only a handful of democracies existed, and even they fell short of being full democracies by today's standards. There was a major increase in the number of democracies following World War I, another surge following World War II, and a third surge at the end of the Cold War. Each of these surges was followed by a decline, although the number of democracies never fell back to the original base line. By the start of the twenty-first century, about 90 states could be considered democratic.

Although many of these democracies are flawed, the overall trend is striking: in the long run, modernization brings democracy. This means that the economic resurgence of China and Russia has a positive aspect: underlying changes are occurring that make the emergence of increasingly liberal and democratic political systems likely in the coming years. It also means that there is no reason to panic about the fact that democracy currently appears to be on the defensive. The dynamics of modernization and democratization are becoming increasingly clear, and it is likely that they will continue to function.

THE GREAT DEBATE

The concept of modernization has a long history. During the nineteenth and twentieth centuries, a Marxist theory of modernization proclaimed that the abolition of private property would put an end to exploitation, inequality, and conflict. A competing capitalist version

held that economic development would lead to rising living standards and democracy. These two visions of modernization competed fiercely throughout much of the Cold War. By the 1970s, however, communism began to stagnate, and neither economic development nor democratization was apparent in many poor countries. Neither version of utopia seemed to be unfolding, and critics pronounced modernization theory dead.

Since the end of the Cold War, however, the concept of modernization has taken on new life, and a new version of modernization theory has emerged, with clear implications for our understanding of where global economic development is likely to lead. Stripped of the oversimplifications of its early versions, the new concept of modernization sheds light on ongoing cultural changes, such as the rise of gender equality; the recent wave of democratization; and the democratic peace theory.

For most of human history, technological progress was extremely slow and new developments in food production were offset by population increases—trapping agrarian economies in a steady-state equilibrium with no growth in living standards. History was seen as either cyclic or in long-term decline from a past golden age. The situation began to change with the Industrial Revolution and the advent of sustained economic growth—which led to both the capitalist and the communist visions of modernization. Although the ideologies competed fiercely, they were both committed to economic growth and social progress and brought mass participation in politics. And each side believed that the developing nations of the Third World would follow its path to modernization.

At the height of the Cold War, a version of modernization theory emerged in the United States that portrayed underdevelopment as a direct consequence of a country's psychological and cultural traits. Underdevelopment was said to reflect irrational traditional religious and communal values that discouraged achievement. The rich Western democracies, the theory went, could instill modern values and bring progress to "backward" nations through economic, cultural, and military assistance. By the 1970s, however, it had become clear that assistance had not brought much progress toward prosperity or democracy—eroding confidence in this version of modernization theory, which

was increasingly criticized as ethnocentric and patronizing. It came under heavy criticism from "dependency theorists," who argued that trade with rich countries exploits poor ones, locking them into positions of structural dependence. The elites in developing countries welcomed such thinking, since it implied that poverty had nothing to do with internal problems or the corruption of local leaders; it was the fault of global capitalism. By the 1980s, dependency theory was in vogue. Third World nations, the thinking went, could escape from global exploitation only by withdrawing from global markets and adopting import-substitution policies.

More recently, it has become apparent that import-substitution strategies have failed: the countries least involved in global trade, such as Cuba, Myanmar (also called Burma), and North Korea, have not been the most successful—they have actually grown the least. Export-oriented strategies have been far more effective in promoting sustained economic growth and, eventually, democratization. The pendulum, accordingly, has swung back, and a new version of modernization theory has gained credibility. The rapid economic development of East Asia, and the subsequent democratization of South Korea and Taiwan, seem to confirm its basic claims: producing for the world market enables economic growth; investing the returns in human capital and upgrading the work force to produce high-tech goods brings higher returns and enlarges the educated middle class; once the middle class becomes large and articulate enough, it presses for liberal democracy—the most effective political system for advanced industrial societies. Nevertheless, even today, if one mentions modernization at a conference on economic development, one is likely to hear a reiteration of dependency theory's critique of the "backward nations" version of modernization theory, as if that were all there is to modernization theory—and as if no new evidence had emerged since the 1970s.

THE NEW MODERNIZATION

In retrospect, it is obvious that the early versions of modernization theory were wrong on several points. Today, virtually nobody expects a revolution of the proletariat that will abolish private property, ushering in a new era free from exploitation and conflict. Nor does anyone expect

Return to Table of Contents

GLOBAL FOOD SECURITY STARTS WITH SECURE LAND RIGHTS.

Consider China.

Chinese farmers earn an average of $1.30 a day—barely enough to feed their children.

Without secure rights to the land they till, farmers have little incentive to invest in the land, keeping them reliant on short-term cash crops and leading many to migrate to cities for better wages.

As history has shown, secure, long-term land rights can be key to the foundation of sustainable economic growth and social stability. One need look no further than to neighboring Taiwan Province for proof. When farmers in Taiwan obtained secure land rights after WWII, they produced a lot more than just food—rural household incomes increased by 150%.

If China's new property law is supported by education and careful implementation at the local level, it can benefit 800 million poor farmers with stronger, more secure rights, giving them incentive to invest in the land, increasing agricultural production and helping to alleviate food shortages.

For 20 years, RDI and its partners have worked in rural China to ensure that the country's poorest citizens receive secure, long-term land rights—the power to change their lives and, ultimately, our world.

Support RDI, and help us continue this important work.

RDI
Rural Development Institute

SECURING LAND RIGHTS FOR THE WORLD'S POOREST

www.rdiland.org

1411 Fourth Ave., Suite 910 Seattle, WA 98101 USA 206.528.5880

that industrialization will automatically lead to democratic institutions; communism and fascism also emerged from industrialization. Nonetheless, a massive body of evidence suggests that modernization theory's central premise was correct: economic development does tend to bring about important, roughly predictable changes in society, culture, and politics. But the earlier versions of modernization theory need to be corrected in several respects.

First, modernization is not linear. It does not move indefinitely in the same direction; instead, the process reaches inflection points. Empirical evidence indicates that each phase of modernization is associated with distinctive changes in people's worldviews. Industrialization leads to one major process of change, resulting in bureaucratization, hierarchy, centralization of authority, secularization, and a shift from traditional to secular-rational values. The rise of postindustrial society brings another set of cultural changes that move in a different direction: instead of bureaucratization and centralization, the new trend is toward an increasing emphasis on individual autonomy and self-expression values, which lead to a growing emancipation from authority.

Thus, other things being equal, high levels of economic development tend to make people more tolerant and trusting, bringing more emphasis on self-expression and more participation in decision-making. This process is not deterministic, and any forecasts can only be probabilistic, since economic factors are not the only influence; a given country's leaders and nation-specific events also shape what happens. Moreover, modernization is not irreversible. Severe economic collapse can reverse it, as happened during the Great Depression in Germany, Italy, Japan, and Spain and during the 1990s in most of the Soviet successor states. Similarly, if the current economic crisis becomes a twenty-first-century Great Depression, the world could face a new struggle against renewed xenophobia and authoritarianism.

Second, social and cultural change is path dependent: history matters. Although economic development tends to bring predictable changes in people's worldviews, a society's heritage—whether shaped by Protestantism, Catholicism, Islam, Confucianism, or communism—leaves a lasting imprint on its worldview. A society's value system reflects an interaction between the driving forces of modernization

and the persisting influence of tradition. Although the classic modernization theorists in both the East and the West thought that religion and ethnic traditions would die out, they have proved to be highly resilient. Although the publics of industrializing societies are becoming richer and more educated, that is hardly creating a uniform global culture. Cultural heritages are remarkably enduring.

Third, modernization is not westernization, contrary to the earlier, ethnocentric version of the theory. The process of industrialization began in the West, but during the past few decades, East Asia has had the world's highest economic growth rates, and Japan leads the world in life expectancy and some other aspects of modernization. The United States is not the model for global cultural change, and industrializing societies in general are not becoming like the United States, as a popular version of modernization theory assumes. In fact, American society retains more traditional values than do most other high-income societies.

Fourth, modernization does not automatically lead to democracy. Rather, it, in the long run, brings social and cultural changes that make democratization increasingly probable. Simply attaining a high level of per capita GDP does not produce democracy: if it did, Kuwait and the United Arab Emirates would have become model democracies. (These countries have not gone through the modernization process described above.) But the emergence of postindustrial society brings certain social and cultural changes that are specifically conducive to democratization. Knowledge societies cannot function effectively without highly educated publics that have become increasingly accustomed to thinking for themselves. Furthermore, rising levels of economic security bring a growing emphasis on a syndrome of self-expression values—one that gives high priority to free choice and motivates political action. Beyond a certain point, accordingly, it becomes difficult to avoid democratization, because repressing mass demands for more open societies becomes increasingly costly and detrimental to economic effectiveness. Thus, in its advanced stages, modernization brings social and cultural changes that make the emergence and flourishing of democratic institutions increasingly likely.

Beyond a certain point, economic development makes it difficult to avoid democratization.

The core idea of modernization theory is that economic and technological development bring a coherent set of social, cultural, and political changes. A large body of empirical evidence supports this idea. Economic development is, indeed, strongly linked to pervasive shifts in people's beliefs and motivations, and these shifts in turn change the role of religion, job motivations, human fertility rates, gender roles, and sexual norms. And they also bring growing mass demands for democratic institutions and for more responsive behavior on the part of elites. These changes together make democracy increasingly likely to emerge, while also making war less acceptable to publics.

EVALUATING VALUES

New sources of empirical evidence provide valuable insights into how modernization changes worldviews and motivations. One important source is global surveys of mass values and attitudes. Between 1981 and 2007, the World Values Survey and the European Values Study carried out five waves of representative national surveys in scores of countries, covering almost 90 percent of the world's population. (For the data from the surveys, visit www.worldvaluessurvey.org.) The results show large cross-national differences in what people believe and value. In some countries, 95 percent of the people surveyed said that God was very important in their lives; in others, only 3 percent did. In some societies, 90 percent of the people surveyed said they believed that men have more of a right to a job than women do; in others, only 8 percent said they thought so. These cross-national differences are robust and enduring, and they are closely correlated with a society's level of economic development: people in low-income societies are much likelier to emphasize religion and traditional gender roles than are people in rich countries.

These values surveys demonstrate that the worldviews of people living in rich societies differ systematically from those of people living in low-income societies across a wide range of political, social, and religious norms. The differences run along two basic dimensions: traditional versus secular-rational values and survival versus self-expression values. (Each dimension reflects responses to scores of questions asked as part of the values surveys.) The shift from traditional

to secular-rational values is linked to the shift from agrarian to industrial societies. Traditional societies emphasize religion, respect for and obedience to authority, and national pride. These characteristics change as societies become more secular and rational.

The shift from survival to self-expression values is linked to the rise of postindustrial societies. It reflects a cultural shift that occurs when younger generations emerge that have grown up taking survival for granted. Survival values give top priority to economic and physical security and conformist social norms. Self-expression values give high priority to freedom of expression, participation in decision-making, political activism, environmental protection, gender equality, and tolerance of ethnic minorities, foreigners, and gays and lesbians. A growing emphasis on these latter values engenders a culture of trust and tolerance in which people cherish individual freedom and self-expression and have activist political orientations. These attributes are crucial to democracy—and thus explain how economic growth, which takes societies from agrarian to industrial and then from industrial to postindustrial, leads to democratization. The unprecedented economic growth of the past 50 years has meant that an increasing share of the world's population has grown up taking survival for granted. Time-series data from the values surveys indicate that mass priorities have shifted from an overwhelming emphasis on economic and physical security to an emphasis on subjective well-being, self-expression, participation in decision-making, and a relatively trusting and tolerant outlook.

Both dimensions are closely linked to economic development: the value systems of high-income countries differ dramatically from those of low-income countries. Every nation that the World Bank defines as having a high income ranks relatively high on both dimensions—with a strong emphasis on both secular-rational and self-expression values. All the low-income and lower-middle-income countries rank relatively low on both dimensions. The upper-middle-income countries fall somewhere in between. To a remarkable degree, the values and beliefs of a given society reflect its level of economic development—just as modernization theory predicts.

This strong connection between a society's value system and its per capita GDP suggests that economic development tends to produce roughly

AP/WIDE WORLD PHOTOS

Pakistani lawyers protesting to reinstate dozens of fired judges, Islamabad, 2008

predictable changes in a society's beliefs and values, and time-series evidence supports this hypothesis. When one compares the positions of given countries in successive waves of the values surveys, one finds that almost all the countries that experienced rising per capita GDPs also experienced predictable shifts in their values.

The values survey evidence also shows, however, that cultural change is path dependent; a society's cultural heritage also shapes where it falls on the global cultural map. This map shows distinctive clusters of countries: Protestant Europe, Catholic Europe, ex-communist Europe, the English-speaking countries, Latin America, South Asia, the Islamic world, and Africa. The values emphasized by different societies fall into a remarkably coherent pattern that reflects both those societies' economic development and their religious and colonial heritage. Still, even if a society's cultural heritage continues to shape its prevailing values, economic development brings changes that have important consequences. Over time, it reshapes beliefs and values of all kinds—and it brings a growing mass demand for democratic institutions and for more responsive elite behavior. And over the quarter century covered by the values surveys, the people of most countries

placed increasing emphasis on self-expression values. This cultural shift makes democracy increasingly likely to emerge where it does not yet exist and increasingly likely to become more effective and more direct where it does.

DEVELOPMENT AND DEMOCRACY

FIFTY YEARS ago, the sociologist Seymour Martin Lipset pointed out that rich countries are much more likely than poor countries to be democracies. Although this claim was contested for many years, it has held up against repeated tests. The causal direction of the relationship has also been questioned: Are rich countries more likely to be democratic because democracy makes countries rich, or is development conducive to democracy? Today, it seems clear that the causality runs mainly from economic development to democratization. During early industrialization, authoritarian states are just as likely to attain high rates of growth as are democracies. But beyond a certain level of economic development, democracy becomes increasingly likely to emerge and survive. Thus, among the scores of countries that democratized around 1990, most were middle-income countries: almost all the high-income countries already were democracies, and few low-income countries made the transition. Moreover, among the countries that democratized between 1970 and 1990, democracy has survived in every country that made the transition when it was at the economic level of Argentina today or higher; among the countries that made the transition when they were below this level, democracy had an average life expectancy of only eight years.

The strong correlation between development and democracy reflects the fact that economic development is conducive to democracy. The question of why, exactly, development leads to democracy has been debated intensely, but the answer is beginning to emerge. It does not result from some disembodied force that causes democratic institutions to emerge automatically when a country attains a certain level of GDP. Rather, economic development brings social and political changes only when it changes people's behavior. Consequently, economic development is conducive to democracy to the extent

that it, first, creates a large, educated, and articulate middle class of people who are accustomed to thinking for themselves and, second, transforms people's values and motivations.

Today, it is more possible than ever before to measure what the key changes are and how far they have progressed in given countries. Multivariate analysis of the data from the values surveys makes it possible to sort out the relative impact of economic, social, and cultural changes, and the results point to the conclusion that economic development is conducive to democracy insofar as it brings specific structural changes (particularly the rise of a knowledge sector) and certain cultural changes (particularly the rise of self-expression values). Wars, depressions, institutional changes, elite decisions, and specific leaders also influence what happens, but structural and cultural change are major factors in the emergence and survival of democracy.

Modernization brings rising educational levels, moving the work force into occupations that require independent thinking and making people more articulate and better equipped to intervene in politics. As knowledge societies emerge, people become accustomed to using their own initiative and judgment on the job and are also increasingly likely to question rigid and hierarchical authority.

Modernization also makes people economically more secure, and self-expression values become increasingly widespread when a large share of the population grows up taking survival for granted. The desire for freedom and autonomy are universal aspirations. They may be subordinated to the need for subsistence and order when survival is precarious, but they take increasingly high priority as survival becomes more secure. The basic motivation for democracy—the human desire for free choice—starts to play an increasingly important role. People begin to place a growing emphasis on free choice in politics and begin to demand civil and political liberties and democratic institutions.

EFFECTIVE DEMOCRACY

DURING THE explosion of democracy that took place between 1985 and 1995, electoral democracy spread rapidly throughout the world. Strategic elite agreements played an important role in this process,

facilitated by an international environment in which the end of the Cold War opened the way for democratization. Initially, there was a tendency to view any regime that held free and fair elections as a democracy. But many of the new democracies suffered from massive corruption and failed to apply the rule of law, which is what makes democracy effective. A growing number of observers today thus emphasize the inadequacy of "electoral democracy," "hybrid democracy," "authoritarian democracy," and other forms of sham democracy in which mass preferences are something that political elites can largely ignore and in which they do not decisively influence government decisions. It is important, accordingly, to distinguish between effective and ineffective democracies.

The essence of democracy is that it empowers ordinary citizens. Whether a democracy is effective or not is based on not only the extent to which civil and political rights exist on paper but also the degree to which officials actually respect these rights. The first of these two components—the existence of rights on paper—is measured by Freedom House's annual rankings: if a country holds free elections, Freedom House tends to rate it as "free," giving it a score at or near the top of its scale. Thus, the new democracies of eastern Europe receive scores as high as those of the established democracies of western Europe, although in-depth analyses show that widespread corruption makes these new democracies far less effective in responding to their citizens' choices. Fortunately, the World Bank's governance scores measure the extent to which a country's democratic institutions are actually effective. Consequently, a rough index of effective democracy can be obtained by multiplying these two scores: formal democracy, as measured by Freedom House, and elite and institutional integrity, as measured by the World Bank.

Effective democracy is a considerably more demanding standard than electoral democracy. One can establish electoral democracy almost anywhere, but it will probably not last long if it does not transfer power from the elites to the people. Effective democracy is most likely to exist alongside a relatively developed infrastructure that includes not only economic resources but also widespread participatory habits and an emphasis on autonomy. Accordingly, it is closely linked to the degree to which a given public emphasizes

self-expression values. Indeed, the correlation between a society's values and the nature of the country's political institutions is remarkably strong.

Virtually all the stable democracies show strong self-expression values. Most Latin American countries are underachievers, showing lower levels of effective democracy than their publics' values would predict. This suggests that these societies could support higher levels of democracy if the rule of law were strengthened there. Iran is also an underachiever—a theocratic regime that allows a much lower level of democracy than that to which its people aspire. Surprising as it may seem to those who focus only on elite-level politics, the Iranian public shows relatively strong support for democracy. Conversely, Cyprus, Estonia, Hungary, Poland, Latvia, and Lithuania are overachievers, showing higher levels of democracy than their publics' values would predict—perhaps reflecting the incentives to democratize provided by membership in the European Union.

Authoritarian regimes are undermined by growing security and a growing emphasis on self-expression.

But do self-expression values lead to democracy, or does democracy cause self-expression values to emerge? The evidence indicates that these values lead to democracy. (For the full evidence for this claim, see our book *Modernization, Cultural Change, and Democracy*.) Democratic institutions do not need to be in place for self-expression values to emerge. Time-series evidence from the values surveys indicates that in the years preceding the wave of democratization in the late 1980s and early 1990s, self-expression values had already emerged through a process of an intergenerational change in values—not only in the Western democracies but also within many authoritarian societies. By 1990, the publics of East Germany and Czechoslovakia—which had been living under two of the most authoritarian regimes in the world—had developed high levels of self-expression values. The crucial factor was not the political system but the fact that these countries were among the most economically advanced countries in the communist world, with high levels of education and advanced social welfare systems. Thus, when the Soviet leader Mikhail Gorbachev

renounced the Brezhnev Doctrine, removing the threat of Soviet military intervention, they moved swiftly toward democracy.

In recent decades, self-expression values have been spreading and getting stronger, making people more likely to directly intervene in politics. (Indeed, unprecedented numbers of people took part in the demonstrations that helped bring about the most recent wave of democratization.) Does this mean that authoritarian systems will inevitably crumble? No. A rising emphasis on self-expression values tends to erode the legitimacy of authoritarian systems, but as long as determined authoritarian elites control the army and the secret police, they can repress pro-democratic forces. Still, even repressive regimes find it costly to check these tendencies, for doing so tends to block the emergence of effective knowledge sectors.

MODERN STRATEGY

THIS NEW understanding of modernization has broad implications for international relations. For one thing, it helps explain why advanced democracies do not fight one another. Recent research provides strong empirical support for the claim that they do not, which goes back to Adam Smith and Immanuel Kant. Since they emerged in the early nineteenth century, liberal democracies have fought a number of wars, but almost never against one another. This new version of modernization theory indicates that the democratic peace phenomenon is due more to cultural changes linked to modernization than to democracy per se.

In earlier periods of history, democracies fought one another frequently. But the prevailing norms among them have evolved over time, as is illustrated by the abolition of slavery, the gradual expansion of the franchise, and the movement toward gender equality in virtually all modern societies. Another cultural change that has occurred in modern societies—which tend to be democracies—is that war has become progressively less acceptable and people have become more likely to express this preference and try to affect policy accordingly. Evidence from the World Values Survey indicates that the publics of high-income countries have much lower levels of xenophobia than do the publics of low-income countries, and

they are much less willing to fight for their country than are the publics of low-income countries. Moreover, economically developed democracies behave far more peacefully toward one another than do poor democracies, and economically developed democracies are far less prone to civil war than are poor democracies.

Modernization theory has both cautionary and encouraging implications for U.S. foreign policy. Iraq, of course, provides a cautionary lesson. Contrary to the appealing view that democracy can be readily established almost anywhere, modernization theory holds that democracy is much more likely to flourish under certain conditions than others. A number of factors made it unrealistic to expect that democracy would be easy to establish in Iraq, including deep ethnic cleavages that had been exacerbated by Saddam Hussein's regime. And after Saddam's defeat, allowing physical security to deteriorate was a particularly serious mistake. Interpersonal trust and tolerance flourish when people feel secure. Democracy is unlikely to survive in a society torn by distrust and intolerance, and Iraq currently manifests the highest level of xenophobia of any society for which data are available. A good indicator of xenophobia is the extent to which people say they would not want to have foreigners as neighbors. Across 80 countries, the median percentage of those surveyed who said this was 15 percent. Among Iraqi Kurds, 51 percent of those polled said they would prefer not to have foreigners as neighbors. Among Iraqi Arabs, 90 percent of those polled said they would not want foreigners as neighbors. In keeping with these conditions, Iraq (along with Pakistan and Zimbabwe) shows very low levels of both self-expression values and effective democracy.

Modernization theory also has positive implications for U.S. foreign policy. Supported by a large body of evidence, it points to the conclusion that economic development is a basic driver of democratic change—meaning that Washington should do what it can to encourage development. If it wants to bring democratic change to Cuba, for example, isolating it is counterproductive. The United States should lift the embargo, promote economic development, and foster social engagement with, and other connections to, the world. Nothing is certain, but empirical evidence suggests that a growing sense of security and a growing emphasis on self-expression values there would undermine the authoritarian regime.

Similarly, although many observers have been alarmed by the economic resurgence of China, this growth has positive implications for the long term. Beneath China's seemingly monolithic political structure, the social infrastructure of democratization is emerging, and it has progressed further than most observers realize. China is now approaching the level of mass emphasis on self-expression values at which Chile, Poland, South Korea, and Taiwan made their transitions to democracy. And, surprising as it may seem to observers who focus only on elite-level politics, Iran is also near this threshold. As long as the Chinese Communist Party and Iran's theocratic leaders control their countries' military and security forces, democratic institutions will not emerge at the national level. But growing mass pressures for liberalization are beginning to appear, and repressing them will bring growing costs in terms of economic inefficiency and low public morale. On the whole, increasing prosperity for China and Iran is in the United States' national interest.

More broadly, modernization theory implies that the United States should welcome and encourage economic development around the world. Although economic development requires difficult adjustments, its long-term effects encourage the emergence of more tolerant, less xenophobic, and ultimately more democratic societies.

Reshaping the World Order

How Washington Should Reform International Institutions

Stephen G. Brooks and William C. Wohlforth

Creating a league of democracies, revamping the un Security Council, revitalizing the nuclear nonproliferation regime—proposals for revising international institutions are all the rage these days. And for good reason: no one sitting down to design the perfect global framework for the twenty-first century would come up with anything like the current one. The existing architecture is a relic of the preoccupations and power relationships of the middle of the last century—out of sync with today's world of rising powers and new challenges, from terrorism and nuclear proliferation to financial instability and global warming.

It is one thing to agree that change is needed, but quite another to settle on its specifics. As soon as the conversation shifts to brass tacks, competing visions begin to clash. In an anarchic world of self-interested states—that is to say, in the real world—the chances that those states will cooperate are best when a hegemon takes the lead. There are, of course, good reasons to question whether the United States, the only contender for such a role today, is up to the task. Under the George W. Bush administration, consideration of global institutional change fell

---

Stephen G. Brooks is Associate Professor of Government at Dartmouth College. William C. Wohlforth is Daniel Webster Professor of Government and Chair of the Department of Government at Dartmouth College. This article is adapted from their book *World Out of Balance: International Relations and the Challenge of American Primacy* (Princeton University Press, 2008).

through the cracks. The administration did not invest much in international institutions and tended to denigrate them for hindering, rather than enabling, the realization of U.S. interests. But with the election of President Barack Obama, the United States' reluctance to push for institutional change now appears to have ended. In a 2007 address to the Chicago Council on Global Affairs, Obama stressed that "it was America that largely built a system of international institutions that carried us through the Cold War. . . . Instead of constraining our power, these institutions magnified it." "Today it's become fashionable to disparage the United Nations, the World Bank, and other international organizations," he continued. "In fact, reform of these bodies is urgently needed if they are to keep pace with the fast-moving threats we face."

Some would argue that the United States' window of opportunity for fostering institutional change has closed. In today's "post-American world," the thinking goes, surely only an idealist would suggest that Washington retains the power to lead the way out of the current institutional impasse. And even if the United States were somehow able to come up with enough hard power to spearhead reform, skeptics question whether a hegemon that has squandered so much goodwill in eight years of unilateralism and rule breaking would have many followers.

Nonetheless, there are hardheaded reasons to believe that the United States has the means and the motive to spearhead the foundation of a new institutional order. It still has the power and legitimacy such an effort would require, as well as a strong incentive to mount it, because overall, international institutions channel the United States' power and enhance its security. If Washington wants to succeed, it should follow a strategy that highlights the benefits of the institutional revisions, links the proposed order to the current one, and uses the United States' power position to persuade other governments to sign on to reform. This approach to pursuing institutional change presents a challenge for diplomacy, but one that many of history's hegemons have met in order to smooth the path to reform. And it is a challenge worth taking up if the United States wants to maximize the prospects for a peaceful, prosperous twenty-first century.

WHERE THERE'S A WILL

EVEN A RUTHLESSLY self-interested United States should want a robust framework of international institutions, which include not just formal organizations and treaties but also informal rules and standards of legitimacy. Why? Because institutions facilitate the United States' own global leadership. Clearly, it is far easier to manage the world economy with an effective World Trade Organization (WTO). Less obvious but just as significant are the manifold ways that international institutions help the United States advance its security interests. Marshaling "coalitions of the willing" is an inefficient approach. Each new coalition requires striking a new set of bargains with different partners and offering them new carrots and sticks. Within an established institution, in contrast, states develop habits for working together. Having an institution in place to facilitate cooperation on one issue also makes it easier for the participating states to rapidly achieve cooperation on a related issue. NATO's intelligence-sharing network was designed in the Cold War to gather information on the Soviet Union, for example, but later was quickly adapted to deal with the unforeseen issue of global Islamist terrorism.

Institutions are no panacea. They do not obviate the need for tough negotiating between states. But they do tend to center the bargaining on how the burden of cooperation should be shared rather than on whether cooperation should occur at all—a focus that is preferable for the United States. The United States may be frustrated that other members of NATO are not contributing more to the mission in Afghanistan, but it is far better to have this particular conversation than to debate whether countries such as France and Germany should make any contribution at all.

As interdependence among countries intensifies and the list of global problems that the United States cannot resolve on its own grows, the benefits of international institutions will increase. Many current problems require continuous attention rather than one-shot solutions. To prevent terrorism, for example, the world will need to establish a reliable and efficient set of controls for monitoring borders. Such an effort will work only if appropriate standards are widely adopted and cooperation in implementing them becomes routine. Even if it turns out that the

United States is less vulnerable than other states to new global problems—such as the augmented threat of infectious diseases and greater flows of refugees from conflicts in Africa—it is clearly better off in a world with institutional structures that establish standards to address them.

The world's growing complexity means that governments place a premium on accumulating information in order to meet today's challenges. Although the United States is able to gather a great deal of information on its own, it sometimes wastes resources by unknowingly duplicating the efforts of its allies. And when it possesses only partial information, its work must be combined with that of other countries. Routinizing the sharing of data within global institutions can help with both problems. Moreover, information about topics such as nuclear programs, which are sensitive, may only be available via international organizations, whose perceived impartiality and wider inspection access often put them in a better position to secure it.

Institutions can also reduce the need for states to actively manage the international system, thereby lessening the sometimes irksome perception that U.S. power is being exercised. The U.S. government has a strong interest in gaining as much information as possible about Iran's nuclear program, for example. Conveniently for Washington, the International Atomic Energy Agency is directing the effort; absent the IAEA, the United States would be forced to burn up resources and political capital to procure such information and would likely be much less successful. In short, the more the network of global institutions protects the interests of the United States, the less Washington needs to employ its power in ways that provoke resentment among other governments.

It will be harder for the United States to advance its interests if it does not invest in international institutions.

The Bush administration largely failed to recognize the benefits of international security institutions. It consistently emphasized that working through them could be inefficient for the United States (claiming that they impose coordination costs and make it harder to conduct military operations) and might allow other states to tie down the American Gulliver in a web of constraints. Although it would be a mistake to ignore these downsides, of course, it is an even greater

Return to Table of Contents

Return to Table of Contents

one to fail to recognize that leading powers benefit from setting up and working within international institutions.

Realist statesmen such as George Kennan and realist scholars such as Robert Gilpin have shown that institutions generally enable leading states more than they constrain them. Although admittedly lonely voices in the realist camp, they have argued that institutions are effective tools of the powerful. From this perspective, the extensive discussion of institutions as constraints during the Bush administration undoubtedly stuck most observers outside the United States as being overwrought. Given the United States' power and potential for going it alone, its partners within institutions recognize that Washington generally stands to lose the least when cooperation fails—and this awareness often pushes them toward the United States' position. When the constraints become excessive in a particular institution, the United States is sufficiently powerful that it can pull back from cooperating without prejudicing its general ability to sustain cooperation within other institutions in other areas. Even when the dispute in the UN over Iraq reached its greatest intensity in 2003, French and German diplomats did not alter their approach to negotiations with the United States over the WTO. States are well aware that the United States has a strong interest in furthering the WTO and that this interest exists independently from its interests in, and approach to, the UN. It is also well understood that, more than any other state, the United States has a greater ability to retaliate when others withdraw cooperation in an attempt to punish the United States for its behavior in a given institution.

Realists tend to appreciate the use of power but are skeptical of the importance of institutions. (Liberals, for their part, appreciate the importance of institutions but are frequently skeptical of using power to reshape them.) But the benefits of international institutions are grounded in realism: it will be harder for the United States to advance its national interests if it does not invest in them.

THE 1 + X WORLD

IT WAS only by ignoring the benefits of institutions and overestimating their costs that neoconservatives in the Bush administration were able to dismiss the role that they can play in fostering U.S. global leadership.

Unencumbered by these doubts about the usefulness of institutions, the United States is likely now to push for reform. And that is no small matter. Institutional change is much more likely when there is a dominant state with the legitimacy to lead and the capabilities necessary to help overcome problems of collective action. The question is, Does the United States have the power and the legitimacy today to succeed?

Only a few years ago, pundits were absorbed in debates about American "empire." Now, the conventional wisdom is that the world is rapidly approaching the end of the unipolar system with the United States as the sole superpower. A dispassionate look at the facts shows that this view understates U.S. power as much as recent talk of empire exaggerated it. That the United States weighs more on the traditional scales of world power than has any other state in modern history is as true now as it was when the commentator Charles Krauthammer proclaimed the advent of a "unipolar moment" in these pages nearly two decades ago. The United States continues to account for about half the world's defense spending and one-quarter of its economic output. Some of the reasons for bearishness concern public policy problems that can be fixed (expensive health care in the United States, for example), whereas many of the reasons for bullishness are more fundamental (such as the greater demographic challenges faced by the United States' potential rivals).

So why has opinion shifted so quickly from visions of empire to gloomy declinism? One reason is that the United States' successes at the turn of the century led to irrational exuberance, thereby setting unreasonably high standards for measuring the superpower's performance. From 1999 to 2003, seemingly easy U.S. victories in Kosovo, Afghanistan, and Iraq led some to conclude that the United States could do what no great power in history had managed before: effortlessly defeat its adversaries. It was only a matter of time before such pie-in-the-sky benchmarks proved unattainable. Subsequent difficulties in Afghanistan and Iraq dashed illusions of omnipotence, but these upsets hardly displaced the United States as the world's leading state, and there is no reason to believe that the militaries of its putative rivals would have performed any better. The United States did not cease to be a superpower when its policies in Cuba and Vietnam failed in the 1960s; bipolarity lived on for three decades. Likewise, the United States remains the sole superpower today.

Another key reason for the multipolar mania is "the rise of the rest." Impressed by the rapid economic growth of China and India, many write as if multipolarity has already returned. But such pronouncements mistake current trajectories for final outcomes—a common strategic error with deep psychological roots. The greatest concern in the Cold War, for example, came not from the Soviet Union's actually attaining parity with the United States but from the expectation that it would do so in the future. Veterans of that era recall how the launch of Sputnik in 1957 fed the perception that Soviet power was growing rapidly, leading some policymakers and analysts to start acting as if the Soviet Union were already as powerful as the United States. A state that is rising should not be confused with one that has risen, just as a state that is declining should not be written off as having already declined. China is generally seen as the country best positioned to emerge as a superpower challenger to the United States. Yet depending on how one measures GDP, China's economy is between 20 percent and 43 percent the size of the United States'. More dramatic is the difference in GDP per capita, for which all measures show China's as being less than 10 percent of the United States'. Absent a 1930s-style depression that spares potential U.S. rivals, the United States will not be replaced as the sole superpower for a very long time. Real multipolarity—an international system of three or more evenly matched powers—is nowhere on the horizon. Relative power between states shifts slowly.

A state that is rising should not be confused with one that has risen, just as a state that is declining should not be written off as having already declined.

This tendency to conflate trends with outcomes is often driven by the examination in isolation of certain components of state power. If the habit during the Cold War was to focus on military power, the recent trend has been to single out economic output. No declinist tract is complete without a passage noting that although the United States may remain a military superpower, economic multipolarity is, or soon will be, the order of the day. Much as highlighting the Soviet Union's military power meant overlooking the country's economic and technological feet of clay, examining only economic output means

putting on blinders. In 1991, Japan's economy was two-thirds the size of the United States', which, according to the current popular metric, would mean that with the Soviet Union's demise, the world shifted from bipolarity to, well, bipolarity. Such a partial assessment of power will produce no more accurate an analysis today.

Nor will giving in to apprehension about the growing importance of nonstate actors. The National Intelligence Council's report *Global Trends 2025* grabbed headlines by forecasting the coming multipolarity, anticipating a power shift as much to nonstate actors as to fast-growing countries. But nonstate actors are nothing new—compare the scale and scope of today's pirates off the Somali coast with those of their eighteenth-century predecessors or the political power of today's multinational corporations with that of such behemoths as the British East India Company—and projections of their rise may well be as much hype as reflections of reality. And even if the power of nonstate actors is rising, this should only increase the incentives for interstate cooperation; nonstate threats do not affect just the United States. Most nonstate actors' behavior, moreover, still revolves around influencing the decisions of states. Nongovernmental organizations typically focus on trying to get states to change their policies, and the same is true of most terrorists.

When it comes to making, managing, and remaking international institutions, states remain the most important actors—and the United States is the most important of them. No other country will match the United States' combination of wealth, size, technological capacity, and productivity in the foreseeable future. The world is and will long remain a 1 + *x* world, with one superpower and *x* number of major powers. A shift from 1 + 3 to 1 + 4 or 5 or 6 would have many important consequences, but it would not change the fact that the United States will long be in a far stronger position to lead the world than any other state.

THE LEGITIMACY TO LEAD?

For analysts such as Zbigniew Brzezinski and Henry Kissinger, the key reason for skepticism about the United States' ability to spearhead global institutional change is not a lack of power but a lack of legitimacy.

Other states may simply refuse to follow a leader whose legitimacy has been squandered under the Bush administration; in this view, the legitimacy to lead is a fixed resource that can be obtained only under special circumstances. The political scientist G. John Ikenberry argues in *After Victory* that states have been well positioned to reshape the institutional order only after emerging victorious from some titanic struggle, such as the French Revolution, the Napoleonic Wars, or World War I or II. For the neoconservative Robert Kagan, the legitimacy to lead came naturally to the United States during the Cold War, when it was providing the signal service of balancing the Soviet Union. The implication is that today, in the absence of such salient sources of legitimacy, the wellsprings of support for U.S. leadership have dried up for good.

But this view is mistaken. For one thing, it overstates how accepted U.S. leadership was during the Cold War: anyone who recalls the Euromissile crisis of the 1980s, for example, will recognize that mass opposition to U.S. policy (in that case, over stationing intermediate-range nuclear missiles in Europe) is not a recent phenomenon. For another, it understates how dynamic and malleable legitimacy is. Legitimacy is based on the belief that an action, an actor, or a political order is proper, acceptable, or natural. An action—such as the Vietnam War or the invasion of Iraq—may come to be seen as illegitimate without sparking an irreversible crisis of legitimacy for the actor or the order. When the actor concerned has disproportionately more material resources than other states, the sources of its legitimacy can be refreshed repeatedly. After all, this is hardly the first time Americans have worried about a crisis of legitimacy. Tides of skepticism concerning U.S. leadership arguably rose as high or higher after the fall of Saigon in 1975 and during Ronald Reagan's first term, when he called the Soviet Union an "evil empire." Even George W. Bush, a globally unpopular U.S. president with deeply controversial policies, oversaw a marked improvement in relations with France, Germany, and India in recent years—even before the elections of Chancellor Angela Merkel in Germany and President Nicolas Sarkozy in France.

Of course, the ability of the United States to weather such crises of legitimacy in the past hardly guarantees that it can lead the system in the future. But there are reasons for optimism. Some of the apparent

damage to U.S. legitimacy might merely be the result of the Bush administration's approach to diplomacy and international institutions. Key underlying conditions remain particularly favorable for sustaining and even enhancing U.S. legitimacy in the years ahead. The United States continues to have a far larger share of the human and material resources for shaping global perceptions than any other state, as well as the unrivaled wherewithal to produce public goods that reinforce the benefits of its global role. No other state has any claim to leadership commensurate with Washington's. And largely because of the power position the United States still occupies, there is no prospect of a counterbalancing coalition emerging anytime soon to challenge it. In the end, the legitimacy of a system's leader hinges on whether the system's members see the leader as acceptable or at least preferable to realistic alternatives. Legitimacy is not necessarily about normative approval: one may dislike the United States but think its leadership is natural under the circumstances or the best that can be expected.

An action may come to be seen as illegitimate without sparking an irreversible crisis of legitimacy.

Moreover, history provides abundant evidence that past leading states—such as Spain, France, and the United Kingdom—were able to revise the international institutions of their day without the special circumstances Ikenberry and Kagan cite. Spain fashioned both normative and positive laws to legitimize its conquest of indigenous Americans in the early seventeenth century; France instituted modern concepts of state borders to meet its needs as Europe's preeminent land power in the eighteenth century; and the United Kingdom fostered rules on piracy, neutral shipping, and colonialism to suit its interests as a developing maritime empire in the nineteenth century. As Wilhelm Grewe documents in his magisterial *The Epochs of International Law*, these states accomplished such feats partly through the unsubtle use of power: bribes, coercion, and the allure of lucrative long-term cooperation. Less obvious but often more important, the bargaining hands of the leading states were often strengthened by the general perception that they could pursue their interests in even less palatable ways—notably, through the naked use of force. Invariably, too, leading states have had

the power to set the international agenda, indirectly affecting the development of new rules by defining the problems they were developed to address. Given its naval primacy and global trading interests, the United Kingdom was able to propel the slave trade to the forefront of the world's agenda for several decades after it had itself abolished slavery at home, in 1833. The bottom line is that the United States today has the necessary legitimacy to shepherd reform of the international system.

A STRATEGY FOR REFORM

Unfortunately, to acknowledge that revising the institutional order has happened frequently in the past and that the United States retains the power and legitimacy to lead this effort reveals nothing about how to do it. What is the best way for Washington to go about the job? From centuries of state practice and academic theorizing, five general precepts have emerged that are especially relevant to the United States today: play up the reciprocal benefits of the proposed reform, make sure the revised framework provides public goods, link the proposed order to the current order, strategically exploit inconsistent objections to the proposals, and persuade others that change is needed.

First, institutional reforms are more likely to be endorsed if their benefits for all participants are highlighted. Given that reciprocity is one of the basic principles underlying the current institutional order, the more states are convinced that they stand to benefit under a new or revised institution, the less they will be inclined to object to it. The Proliferation Security Initiative—a U.S.-sponsored multilateral framework for interdicting weapons of mass destruction at sea, in the air, and on land—is the most prominent recent example of this dynamic. Although the PSI was designed to give the U.S. Navy more operational latitude, the Bush administration regularly referred to it as a "global effort." The initiative explicitly created new de jure rights for other parties, even though de facto only the United States gained any new rights. For example, the PSI-related bilateral treaty between the United States and Liberia accords each country the right to board, search, and detain the cargo of any vessel on the high seas that is flying the other country's flag and is suspected of trafficking in weapons of

mass destruction—even though Liberia (which has the second-largest shipping registry in the world) has no navy. A related move is to create reciprocal rights for others to exercise in the future. A classic example is President Harry Truman's 1945 unilateral declaration extending the United States' jurisdiction over the resources of the continental shelf adjacent to its territorial waters. This assertion of a completely novel right was an unquestionable violation of international law, but other coastal states followed suit so swiftly that the new right assumed the status of customary law within a few years.

Any institutional change should also be sure to provide public goods, such as stifling terrorism or stabilizing the global economy, in order to remind other states of the benefits of U.S. leadership. What constitutes a public good is not always straightforward, so the United States needs to persuade others that what it is supplying is important. If the United States proposes an institutional shift that does not seem to provide a public good in one area, it can potentially overcome any resistance by providing public goods in other areas. In short, the less self-interested the United States seems in general, the more likely other states will be to support its proposed institutional revisions.

Linking proposed changes to widely accepted parts of the current order is another proven strategy for institutional reform. The probability that an institutional change will succeed depends in part on its consistency with the wider order, and so the United States should use its diplomatic and intellectual resources to persuade others of the reform's strong links to well-established precedents. U.S. actions under Bush did reflect some sensitivity to this precept. For example, then Undersecretary of State John Bolton, the U.S. official who spearheaded the PSI, made a point of stressing that it built on "existing nonproliferation treaties and regimes" and was "consistent with national and international legal authorities and international law."

Advocates of serious institutional change would be wise to make sure their proposals are consistent with their past positions and to strategically exploit the inconsistencies of their opponents' arguments. When proposing reform, the United States needs to think about possible objections from other states and then seek to minimize their legal force. The more the goals of the proposal seem to contradict the United States' other positions in other contexts, the more hypocritical and self-serving

Return to Table of Contents

the United States will appear. At the same time, the United States should frame the institutional change in ways that make objections from the most important states seem inconsistent with their past positions. The Bush administration executed this strategy with some success when it devised new rules to combat terrorism. UN Security Council Resolution 1373, for example, transformed a raft of U.S.-sponsored antiterrorism measures into formal and legally binding international commitments. To many observers, this represented an effort to revise accepted customary international law in a manner that advantaged the United States, which can send its military nearly anywhere, and potentially disadvantaged weaker states, which lack such a capacity and could find themselves accused of harboring terrorists. But Washington was able to portray these objections as inconsistent with many governments' previous pronouncements about the overarching need to combat terrorism, and these governments ultimately did not block Resolution 1373; the end result was an enhanced ability to respond to terrorist threats.

"We found out about the Bush doctrine by downloading it from the White House Web site," one French diplomat noted.

Finally, when seeking to revise existing institutions or create new ones, reformers must persuade other states that the changes are both necessary and wise. In its calls for reform, the United States should not limit itself to purely legal arguments. It should also convince other key states that changing global circumstances require the fixes it proposes. In this regard, the Bush administration performed remarkably poorly. A hallmark of U.S. foreign policy under Bush was a systematic devaluation of persuasion, argument, and diplomacy. When crafting its new preventive-war doctrine, for example, the Bush administration failed to consult other governments. One French defense official recalled that in the old days, high-level U.S. officials would travel to Paris for extensive consultations over any new NATO policy, even when the change had already been approved in Washington and further substantive alterations were impossible. "We found out about the Bush doctrine by downloading it from the White House Web site," he noted. "The doctrine has much to recommend it, but that is not the

way to communicate with allies." To effectively promote institutional change, the United States does not have to persuade every state, but it does need to win over those influential actors whose decisions will sway many others.

REGIME CHANGE

THE WORLD is awash in new challenges that the current international order is ill equipped to handle. Most observers have long recognized that international institutions need to be adapted to these new challenges. (If any doubts remained about this, they should have been quieted by the recent global financial crisis.) And it is this acknowledged need for revised or new institutions that opens up a great deal of space for the United States to remake international institutions.

Institutional change is never easy, and the United States is not omnipotent. But it is up to the task. Even the Bush administration, obviously disinclined to invest in the revision or creation of international institutions, was strikingly successful when it tried. This was true even when it came to institutional initiatives that were clearly shaped by U.S. negotiators to best align with U.S. interests, such as the PSI.

Institutions redesigned to meet today's challenges are clearly in the United States' long-term interest. Imagine, for example, a world in which a revised Nuclear Nonproliferation Treaty no longer granted all states an "inalienable right" to build nuclear enrichment and reprocessing facilities (which can be quickly converted for military use) but rather forbade such facilities in countries other than those where they already exist, while guaranteeing to all states access to low-level fissile material at a fair price. This would draw a clear line, sorely lacking today, between peaceful and warlike nuclear programs. It is an easy step from this hypothetical world to one in which there is a strong norm against any new nuclear fuel reprocessing. Any state that attempted to do this would be considered a pariah—lacking the respect and rights due to legitimate members of the international community. In such a world, states would be much less likely to pursue nuclear weapons, and if any did, the path to taking tough antiproliferation measures would be clear.

The ability to take such measures would also be enhanced if an alternative forum for coordinating economic sanctions were created. Reaching agreement in the UN on decisive sanctions against proliferating states remains difficult because of the UN's broad membership. It might be beneficial to have a mini multilateral institution (think of NATO in Kosovo or Afghanistan) that coordinates economic sanctions among key U.S. allies, not just NATO members but also countries such as Japan, South Korea, and Australia. The Nuclear Suppliers Group and the Wassenaar Arrangement have great value, but these existing multilateral regimes focus only on export controls. A mini multilateral institution could be used to rapidly implement broad-based economic sanctions against nuclear proliferators. Having such a sanctions institution in place might well create just the sort of competitive pressure that would spur UN action. Failing that, coordinated sanctions by the members of NATO plus Japan, South Korea, and Australia, which together account for two-thirds of global GDP, could place enormous economic pressure on a potential nuclear proliferator.

Updating the current architecture of international institutions, which are so out of sync with the modern world, is imperative if new global challenges are to be met and the national interests of the United States are to be best advanced. No other state is in such a favorable position to promote institutional shifts, and the United States will not always have this opportunity. The time to seize it is now.

The Geoengineering Option

A Last Resort Against Global Warming?

David G. Victor, M. Granger Morgan, Jay Apt, John Steinbruner, and Katharine Ricke

EACH YEAR, the effects of climate change are coming into sharper focus. Barely a month goes by without some fresh bad news: ice sheets and glaciers are melting faster than expected, sea levels are rising more rapidly than ever in recorded history, plants are blooming earlier in the spring, water supplies and habitats are in danger, birds are being forced to find new migratory patterns.

The odds that the global climate will reach a dangerous tipping point are increasing. Over the course of the twenty-first century, key ocean currents, such as the Gulf Stream, could shift radically, and thawing permafrost could release huge amounts of additional greenhouse gases into the atmosphere. Such scenarios, although still remote, would dramatically accelerate and compound the consequences of global warming. Scientists are taking these doomsday scenarios seriously because the steady accumulation of warming gases in the atmosphere

---

DAVID G. VICTOR is a Professor at Stanford Law School, Director of Stanford's Program on Energy and Sustainable Development, and an Adjunct Senior Fellow at the Council on Foreign Relations. M. GRANGER MORGAN is Head of Carnegie Mellon University's Department of Engineering and Public Policy and Director of the Climate Decision Making Center. JAY APT is Professor of Engineering and Public Policy at Carnegie Mellon University. JOHN STEINBRUNER is Professor of Public Policy and Director of the Center for International and Security Studies at the University of Maryland. KATHARINE RICKE is a doctoral student at Carnegie Mellon University. Additional materials are available online at www.cfr.org/geoengineering.

is forcing change in the climate system at rates so rapid that the outcomes are extremely difficult to predict.

Eliminating all the risks of climate change is impossible because carbon dioxide emissions, the chief human contribution to global warming, are unlike conventional air pollutants, which stay in the atmosphere for only hours or days. Once carbon dioxide enters the atmosphere, much of it remains for over a hundred years. Emissions from anywhere on the planet contribute to the global problem, and once headed in the wrong direction, the climate system is slow to respond to attempts at reversal. As with a bathtub that has a large faucet and a small drain, the only practical way to lower the level is by dramatically cutting the inflow. Holding global warming steady at its current rate would require a worldwide 60–80 percent cut in emissions, and it would still take decades for the atmospheric concentration of carbon dioxide to stabilize.

Most human emissions of carbon dioxide come from burning fossil fuels, and most governments have been reluctant to force the radical changes necessary to reduce those emissions. Economic growth tends to trump vague and elusive global aspirations. The United States has yet to impose even a cap on its emissions, let alone a reduction. The European Union has adopted an emissions-trading scheme that, although promising in theory, has not yet had much real effect because carbon prices are still too low to cause any significant change in behavior. Even Norway, which in 1991 became one of the first nations to impose a stiff tax on emissions, has seen a net increase in its carbon dioxide emissions. Japan, too, has professed its commitment to taming global warming. Nevertheless, Tokyo is struggling to square the need for economic growth with continued dependence on an energy system powered mainly by conventional fossil fuels. And China's emissions recently surpassed those of the United States, thanks to coal-fueled industrialization and a staggering pace of economic growth. The global economic crisis is stanching emissions a bit, but it will not come close to shutting off the faucet.

The world's slow progress in cutting carbon dioxide emissions and the looming danger that the climate could take a sudden turn for the worse require policymakers to take a closer look at emergency strategies for curbing the effects of global warming. These strategies, often called "geoengineering," envision deploying systems on a planetary scale, such

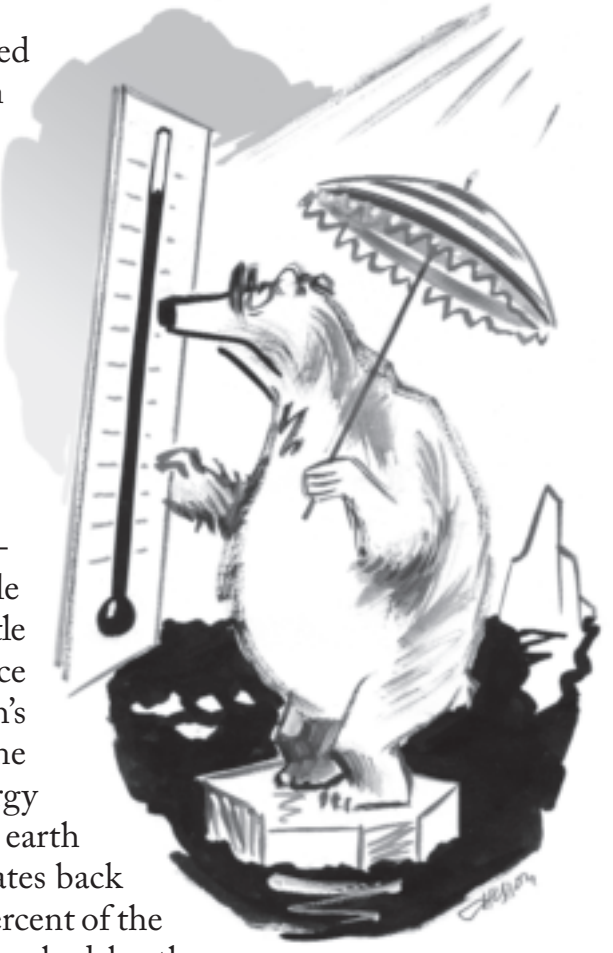
as launching reflective particles into the atmosphere or positioning sunshades to cool the earth. These strategies could cool the planet, but they would not stop the buildup of carbon dioxide or lessen all its harmful impacts. For this reason, geoengineering has been widely shunned by those committed to reducing emissions.

Serious research on geoengineering is still in its infancy, and it has not received the attention it deserves from politicians. The time has come to take it seriously. Geoengineering could provide a useful defense for the planet—an emergency shield that could be deployed if surprisingly nasty climatic shifts put vital ecosystems and billions of people at risk. Actually raising the shield, however, would be a political choice. One nation's emergency can be another's opportunity, and it is unlikely that all countries will have similar assessments of how to balance the ills of unchecked climate change with the risk that geoengineering could do more harm than good. Governments should immediately begin to undertake serious research on geoengineering and help create international norms governing its use.

THE RAINMAKERS

Geoengineering is not a new idea. In 1965, when President Lyndon Johnson received the first-ever U.S. presidential briefing on the dangers of climate change, the only remedy prescribed to counter the effects of global warming was geoengineering. That advice reflected the scientific culture of the time, which imagined that engineering could fix almost any problem.

By the late 1940s, both the United States and the Soviet Union had begun exploring strategies for modifying the weather to gain battlefield advantage. Many schemes focused on "seeding" clouds with substances that would coax them to drop more rain. Despite offering no clear advantage to the military, "weather makers" were routinely employed (rarely with much effect) to squeeze more rain from clouds for thirsty crops. Starting in 1962, U.S. government researchers for Project Stormfury tried to make tropical hurricanes less intense through cloud seeding, but with no clear success. Military experts also dreamed of using nuclear explosions and other interventions to create a more advantageous climate. These applications were frightening



enough that in 1976 the United Nations adopted the Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques to bar such projects. By the 1970s, after a string of failures, the idea of weather modification for war and farming had largely faded away.

Today's proposals for geoengineering are more likely to have an impact because the interventions needed for global-scale geoengineering are much less subtle than those that sought to influence local weather patterns. The earth's climate is largely driven by the fine balance between the light energy with which the sun bathes the earth and the heat that the earth radiates back to space. On average, about 70 percent of the earth's incoming sunlight is absorbed by the atmosphere and the planet's surface; the remainder is reflected back into space. Increasing the reflectivity of the planet (known as the albedo) by about one percentage point could have an effect on the climate system large enough to offset the gross increase in warming that is likely over the next century as a result of a doubling of the amount of carbon dioxide in the atmosphere. Making such tweaks is much more straightforward than causing rain or fog at a particular location in the ways that the weather makers of the late 1940s and 1950s dreamed of doing.

In fact, every few decades, volcanoes validate the theory that it is possible to engineer the climate. When Mount Pinatubo, in the Philippines, erupted in 1991, it ejected plumes of sulfate and other fine particles into the atmosphere, which reflected a bit more sunlight and cooled the planet by about 0.5 degrees Celsius over the course of a year. Larger

eruptions, such as the 1883 eruption of Krakatau, in Indonesia, have caused even greater cooling that lasted longer. Unlike efforts to control emissions of greenhouse gases, which will take many years to yield a noticeable effect, volcano-like strategies for cooling the planet would work relatively promptly.

Another lesson from volcanoes is that a geoengineering system would require frequent maintenance, since most particles lofted into the stratosphere would disappear after a year or two. Once a geoengineering project were under way, there would be strong incentives to continue it, since failure to keep the shield in place could allow particularly harmful changes in the earth's climate, such as warming so speedy that ecosystems would collapse because they had no time to adjust. By carefully measuring the climatic effects of the next major volcanic eruption with satellites and aircraft, geoengineers could design a number of climate-cooling technologies.

ALBEDO ENHANCERS

TODAY, THE term "geoengineering" refers to a variety of strategies designed to cool the climate. Some, for example, would slowly remove carbon dioxide from the atmosphere, either by manipulating the biosphere (such as by fertilizing the ocean with nutrients that would allow plankton to grow faster and thus absorb more carbon) or by directly scrubbing the air with devices that resemble big cooling towers. However, from what is known today, increasing the earth's albedo offers the most promising method for rapidly cooling the planet.

Most schemes that would alter the earth's albedo envision putting reflective particles into the upper atmosphere, much as volcanoes do already. Such schemes offer quick impacts with relatively little effort. For example, just one kilogram of sulfur well placed in the stratosphere would roughly offset the warming effect of several hundred thousand kilograms of carbon dioxide. Other schemes include seeding bright reflective clouds by blowing seawater or other substances into the lower atmosphere. Substantial reductions of global warming are also possible to achieve by converting dark places that absorb lots of sunlight to lighter shades—for example, by replacing dark forests with more reflective grasslands. (Engineered plants might be designed for the task.)

Return to Table of Contents

How Your Brain Works

Look Inside This Astonishingly Complex Organ with One of the Most Effective Teachers in America

Everything you hear, feel, see, and think is controlled by your brain. It allows you to cope masterfully with your everyday environment, and is capable of producing breathtaking athletic feats, sublime works of art, and profound scientific insights. But its most amazing achievement may be that it can understand itself.

Understanding the Brain takes you inside this astonishingly complex organ to show you how it works. Recent decades have seen unparalleled advances in understanding how the brain does what it does. Today we can pinpoint the specific regions where some of life's most mysterious processes take place.

You will share Professor Jeanette Norden's consuming passion in these 36 lively lectures, which Professor Norden has designed specifically for those without a background in science. "All you need to bring is your own brain and a desire to learn," she says.

Our endogenous reward system is considered responsible for the internal positive feelings we experience when engaging in activities as diverse as interacting with friends, reading a good book, or viewing a sunset. People who enjoy learning have these areas stimulated when they take a course such as this one—so reward yourself! Our brains are incredibly plastic, which means that we continue to learn from our experiences at any age in ways that enrich our lives.

About Your Professor

Dr. Jeanette Norden is a neuroscientist, Professor of Cell and Developmental Biology in the School of Medicine, and Professor of Neurosciences in the College of Arts and Sciences at Vanderbilt University. Dr. Norden has won numerous university and national teaching awards and was the first recipient of the Chair of Teaching Excellence at Vanderbilt.

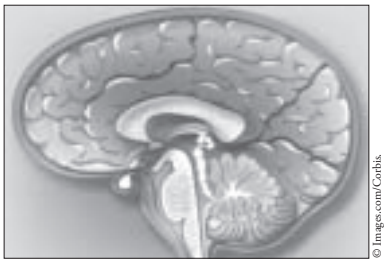
About The Teaching Company

We review hundreds of top-rated professors from America's best colleges and universities each year. From this extraordinary group, we choose only those rated highest by panels of our customers. Fewer than 10% of these world-class scholar teachers are selected to make The Great Courses®.

We've been doing this since 1990, producing more than 3,000 hours of material in modern and ancient history, philosophy, literature, fine arts, the sciences, and mathematics for intelligent, engaged, adult lifelong learners. If a course is ever less than completely satisfying, you may exchange it for another, or we will refund your money promptly.

About Our Sale Price Policy

Why is the sale price for this course so much lower than its standard price? Every course we make goes on sale at least once a year. Producing large quantities of only the sale courses keeps costs down and allows us to pass the savings on to you. This also enables us to fill your order immediately: 99% of all orders placed by 2 pm eastern time ship that same day. Order before June 1, 2009, to receive these savings.



© Images.com/Corbis.

Lecture Titles

1. Historical Underpinnings of Neuroscience
2. Central Nervous System—Gross Organization
3. Central Nervous System—Internal Organization
4. Central Nervous System—Subdivisions
5. Cortex—Lobes and Areas
6. Cortex—Sensory, Motor, and Association Areas
7. Central Nervous System—Development
8. Central Nervous System—Cellular Organization
9. Pathways and Synapses
10. Neurotransmitters
11. Stroke
12. The Visual System—The Eye
13. The Visual System—The Cortex
14. The Auditory System
15. The Somatosensory System
16. Agnosias
17. The Motor System—Voluntary Movement
18. The Motor System—Coordinated Movement
19. Parkinson's Disease
20. Language
21. The Limbic System—Anatomy
22. The Limbic System—Biochemistry
23. Depression
24. The Reward System—Anatomy
25. The Reward System—Drugs
26. Brain Plasticity
27. Emotion and Executive Function
28. Processing of Negative Emotions—Fear
29. Music and the Brain
30. Sexual Dimorphism of the Brain
31. Sleep and Dreaming
32. Consciousness and the Self
33. Alzheimer's Disease
34. Risk Factors for Alzheimer's Disease
35. Wellness and the Brain—Effects of Stress
36. Neuroscience—Looking Back and Looking Ahead

Please Note: These lectures are in no way designed to be used as medical references for the diagnosis or treatment of medical illnesses or trauma. Questions of diagnosis or treatment of medical conditions should be brought to the attention of qualified medical personnel.

THE TEACHING COMPANY®
The Joy of Lifelong Learning Every Day™
GREAT PROFESSORS, GREAT COURSES, GREAT VALUE GUARANTEED.™

SAVE $275!
OFFER GOOD UNTIL JUNE 1, 2009

1-800-TEACH-12 (1-800-832-2412)
Fax: 703-378-3819

Special offer is available online at
www.TEACH12.com/3fa

The Great Courses®
THE TEACHING COMPANY®
4151 Lafayette Center Drive, Suite 100
Chantilly, VA 20151-1232

Priority Code 33293

Please send me **Understanding the Brain**, which consists of thirty-six 30-minute lectures plus Course Guidebooks.

☐ **DVD $99.95** (std. price $374.95) **SAVE $275!**
plus $15 shipping, processing, and Lifetime Satisfaction Guarantee

☐ **Check or Money Order Enclosed**

* Non-U.S. Orders: Additional shipping charges apply. For more details, call us or visit the FAQ page on our website.

** Virginia residents please add 5% sales tax.

Charge my credit card:

☐ ☐ ☐ ☐

ACCOUNT NUMBER EXP. DATE

SIGNATURE

NAME (PLEASE PRINT)

MAILING ADDRESS

CITY/STATE/ZIP

PHONE *(If we have questions regarding your order—required for international orders)*

☐ **FREE CATALOG.** Please send me a free copy of your current catalog (no purchase necessary).

Special offer is available online at www.TEACH12.com/3fa
Offer Good Through: June 1, 2009

COUNCIL *on* FOREIGN RELATIONS

New Reports

Preparing for Sudden Change in North Korea

A Center for Preventive Action Council Special Report

North Korea—an exporter of ballistic missile systems and a state lacking any real civil society—has long been a serious concern to Washington. Now, with President Kim Jong-Il reportedly in bad health, the United States must consider possible outcomes should the situation deteriorate and the current North Korean government collapse. CFR Senior Fellow **Paul B. Stares** and former State Department official **Joel S. Wit** examine the challenges that these scenarios would pose—ranging from securing Pyongyang's nuclear arsenal to providing humanitarian assistance—in the context of the interests of the United States and others in their valuable recommendations.

CSR 42 · ISBN 978-0-87609-426-6 · 60 pages · $10.00
www.cfr.org/ north_korea_report

War About Terror: Civil Liberties and National Security After 9/11

A CFR Working Paper

Seven years after 9/11, there is still no durable framework for effectively securing the United States against terrorism while also upholding its values. CFR Adjunct Senior Fellow **Daniel B. Prieto** calls on President Obama and Congress to engage these issues in a bipartisan fashion and craft comprehensive long-term counterterrorism policies that reaffirm the U.S. commitment to core values. Only then, he argues, will the United States be able to develop the kind of foreign policy necessary to meet the modern terrorist threat.

Download for free at *www.cfr.org/ war_about_terror*.

To order printed copies of CSRs, please call our distributor, Brookings Institution Press, at 800.537.5487. Visit the Council on Foreign Relations online at *www.cfr.org*.

More ambitious projects could include launching a huge cloud of thin refracting discs into a special space orbit that parks the discs between the sun and the earth in order to bend just a bit of sunlight away before it hits the planet.

So far, launching reflective materials into the upper stratosphere seems to be the easiest and most cost-effective option. This could be accomplished by using high-flying aircraft, naval guns, or giant balloons. The appropriate materials could include sulfate aerosols (which would be created by releasing sulfur dioxide gas), aluminum oxide dust, or even self-levitating and self-orienting designer particles engineered to migrate to the Polar Regions and remain in place for long periods. If it can be done, concentrating sunshades over the poles would be a particularly interesting option, since those latitudes appear to be the most sensitive to global warming. Most cost estimates for such geoengineering strategies are preliminary and unreliable. However, there is general agreement that the strategies are cheap; the total expense of the most cost-effective options would amount to perhaps as little as a few billion dollars, just one percent (or less) of the cost of dramatically cutting emissions.

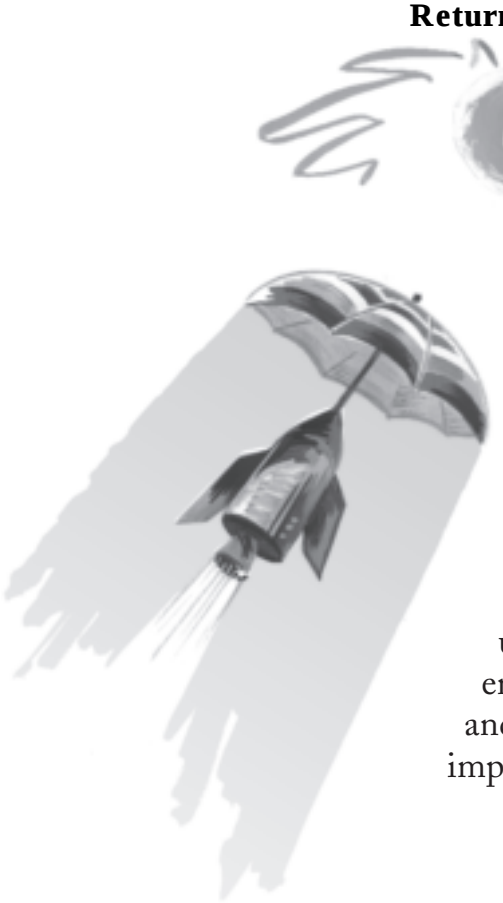
Every few decades, volcanoes validate the theory that it is possible to engineer the climate.

Cooling the planet through geoengineering will not, however, fix all of the problems related to climate change. Offsetting warming by reflecting more sunlight back into space will not stop the rising concentration of carbon dioxide in the atmosphere. Sooner or later, much of that carbon dioxide ends up in the oceans, where it forms carbonic acid. Ocean acidification is a catastrophe for marine ecosystems, for the 100 million people who depend on coral reefs for their livelihoods, and for the many more who depend on them for coastal protection from storms and for biological support of the greater ocean food web. Over the last century, the oceans have become markedly more acidic, and current projections suggest that without a serious effort to control emissions, the concentration of carbon dioxide will be so high by the end of the century that many organisms that make shells will disappear and most coral reef ecosystems will collapse, devastating the marine fishing industry. Recent studies have also

suggested that ocean acidification will increase the size and depth of "dead zones," areas of the sea that are so oxygen depleted that larger marine life, such as squid, are unable to breathe properly.

Altering the albedo of the earth would also affect atmospheric circulation, rainfall, and other aspects of the hydrologic cycle. In the six to 18 months following the eruption of Mount Pinatubo, rainfall and river flows dropped, particularly in the tropics. Understanding these dangers better would help convince government leaders in rainfall-sensitive regions, such as parts of China and India (along with North Africa, the Middle East, and the desert regions of the southwestern United States), not to prematurely deploy poorly designed geoengineering schemes that could wreak havoc on agricultural productivity. Indeed, some climate models already suggest that negative outcomes—decreased precipitation over land (especially in the tropics) and increased precipitation over the oceans—would accompany a geoengineering scheme that sought to lower average temperatures by raising the planet's albedo. Such changes could increase the risk of major droughts in some regions and have a major impact on agriculture and the supply of fresh water. Complementary policies—such as investing in better water-management schemes—may be needed.

The highly uncertain but possibly disastrous side effects of geoengineering interventions are difficult to compare to the dangers of unchecked global climate change. Chances are that if countries begin deploying geoengineering systems, it will be because calamitous climate change is near at hand. Yet the assignment



of blame after a geoengineering disaster would be very different from the current debates over who is responsible for climate change, which is the result of centuries of accumulated emissions from activities across the world. By contrast, the side effects of geoengineering projects could be readily pinned on the geoengineers themselves. That is one reason why nations must begin building useful international norms to govern geoengineering in order to assess its dangers and decide when to act in the event of an impending climatic disaster.

LONE RANGERS

An effective foreign policy strategy for managing geoengineering is difficult to formulate because the technology involved turns the normal debate over climate change on its head. The best way to reduce the danger of global warming is, of course, to cut emissions of carbon dioxide and other greenhouse gases. But success in that venture will require all the major emitting countries, with their divergent interests, to cooperate for several decades in a sustained effort to develop and deploy completely new energy systems with much lower emissions. Incentives to defect and avoid the high cost of emissions controls will be strong.

By contrast, geoengineering is an option at the disposal of any reasonably advanced nation. A single country could deploy geoengineering systems from its own territory without consulting the rest of the planet. Geoengineers keen to alter their own country's climate might not assess or even care about the dangers their actions could create for climates, ecosystems, and economies elsewhere. A unilateral geoengineering project could impose costs on other countries, such as changes in precipitation patterns and river flows or adverse

impacts on agriculture, marine fishing, and tourism. And merely knowing that geoengineering exists as an option may take the pressure off governments to implement the policies needed to cut emissions.

At some point in the near future, it is conceivable that a nation that has not done enough to confront climate change will conclude that global warming has become so harmful to its interests that it should unilaterally engage in geoengineering. Although it is hardly wise to mess with a poorly understood global climate system using instruments whose effects are also unknown, politicians must take geoengineering seriously because it is cheap, easy, and takes only one government with sufficient hubris or desperation to set it in motion. Except in the most dire climatic emergency, universal agreement on the best approach is highly unlikely. Unilateral action would create a crisis of legitimacy that could make it especially difficult to manage geoengineering schemes once they are under way.

Fiddling with the climate to fix the climate strikes most people as a shockingly bad idea.

Although governments are the most likely actors, some geoengineering options are cheap enough to be deployed by wealthy and capable individuals or corporations. Although it may sound like the stuff of a future James Bond movie, private-sector geoengineers might very well attempt to deploy affordable geoengineering schemes on their own. And even if governments manage to keep freelance geoengineers in check, the private sector could emerge as a potent force by becoming an interest group that pushes for deployment or drives the direction of geoengineering research and assessment. Already, private companies are running experiments on ocean fertilization in the hope of sequestering carbon dioxide and earning credits that they could trade in carbon markets. Private developers of technology for albedo modification could obstruct an open and transparent research environment as they jockey for position in the potentially lucrative market for testing and deploying geoengineering systems. To prevent such scenarios and to establish the rules that should govern the use of geoengineering technology for the good of the entire planet, a cooperative, international research agenda is vital.

FROM SCIENCE FICTION TO FACTS

DESPITE YEARS of speculation and vague talk, peer-reviewed research on geoengineering is remarkably scarce. Nearly the entire community of geoengineering scientists could fit comfortably in a single university seminar room, and the entire scientific literature on the subject could be read during the course of a transatlantic flight. Geoengineering continues to be considered a fringe topic.

Many scientists have been reluctant to raise the issue for fear that it might create a moral hazard: encouraging governments to deploy geoengineering rather than invest in cutting emissions. Indeed, geoengineering ventures will be viewed with particular suspicion if the nations funding geoengineering research are not also investing in dramatically reducing their emissions of carbon dioxide and other greenhouse gases. Many scientists also rightly fear that grants for geoengineering research would be subtracted from the existing funds for urgently needed climate-science research and carbon-abatement technologies. But there is a pressing need for a better understanding of geoengineering, rooted in theoretical studies and empirical field measurements. The subject also requires the talents of engineers, few of whom have joined the small group of scientists studying these techniques.

The scientific academies in the leading industrialized and emerging countries—which often control the purse strings for major research grants—must orchestrate a serious and transparent international research effort funded by their governments. Although some work is already under way, a more comprehensive understanding of geoengineering options and of risk-assessment procedures would make countries less trigger-happy and more inclined to consider deploying geoengineering systems in concert rather than on their own. (The International Council for Science, which has a long and successful history of coordinating scientific assessments of technical topics, could also lend a helping hand.) Eventually, a dedicated international entity overseen by the leading academies, provided with a large budget, and suffused with the norms of transparency and peer review will be necessary.

In time, international institutions such as the Intergovernmental Panel on Climate Change could be expected to synthesize the findings

from the published research. The IPCC, which shared the Nobel Peace Prize in 2007 for its pivotal role in building a consensus around climate science, has not considered geoengineering so far because the topic is politically radioactive and there is a dearth of peer-reviewed research on it. The IPCC's fifth assessment report on climate change, which is being planned right now, should promise to take a closer look at geoengineering. Attention from the IPCC and the world's major scientific academies would help encourage new research.

A broad and solid foundation of research would help on three fronts. First, it would transform the discussion about geoengineering from an abstract debate into one focused on real risk assessment. Second, a research program that was backed by the world's top scientific academies could secure funding and political cover for essential but controversial experiments. (Field trials of engineered aerosols, for example, could spark protests comparable to those that accompanied trials of genetically modified crops.) Such experiments will be seen as more acceptable if they are designed and overseen by the world's leading scientists and evaluated in a fully transparent fashion. Third, and what is crucial, a better understanding of the dangers of geoengineering would help nations craft the norms that should govern the testing and possible deployment of newly developed technologies. Scientists could be influential in creating these norms, just as nuclear scientists framed the options on nuclear testing and influenced pivotal governments during the Cold War.

The option of geoengineering exists. It would be dangerous for scientists and policymakers to ignore it.

If countries were actually to contemplate the deployment of geoengineering technologies, there would inevitably be questions raised about what triggers would compel the use of these systems. Today, nobody knows which climatic triggers are most important for geoengineering because research on the harmful effects of climate change has not been coupled tightly enough with research on whether and how geoengineering might offset those effects.

Although the international scientific community should take the lead in developing a research agenda, social scientists, international lawyers,

and foreign policy experts will also have to play a role. Eventually, there will have to be international laws to ensure that globally credible and legitimate rules govern the deployment of geoengineering systems. But effective legal norms cannot be imperiously declared. They must be carefully developed by informed consensus in order to avoid encouraging the rogue forms of geoengineering they are intended to prevent.

Those who worry that such research will cause governments to abandon their efforts to control emissions, including much of the environmental community, are prone to seek a categorical prohibition against geoengineering. But a taboo would interfere with much-needed scientific research on an option that might be better for humanity and the world's ecosystems than allowing unchecked climate change or reckless unilateral geoengineering. Formal prohibition is unlikely to stop determined rogues, but a smart and scientifically sanctioned research program could gather data essential to understanding the risks of geoengineering strategies and to establishing responsible criteria for their testing and deployment.

BRAVE NEW WORLD

FIDDLING WITH the climate to fix the climate strikes most people as a shockingly bad idea. Many worry that research on geoengineering will make governments less willing to regulate emissions. It is more likely, however, that serious study will reveal the many dangerous side effects of geoengineering, exposing it as a true option of last resort. But because the option exists, and might be used, it would be dangerous for scientists and policymakers to ignore it. Assessing and managing the risks of geoengineering may not require radically different approaches from those used for other seemingly risky endeavors, such as genetic engineering (research on which was paused in the 1970s as scientists worked out useful regulatory systems), the construction and use of high-energy particle accelerators (which a few physicists suggest could create black holes that might swallow the earth), and the development of nanotechnology (which some worry could unleash self-replicating nanomachines that could reduce the world to "gray goo"). The option of eliminating risk altogether does not exist. Countries have kept smallpox samples on hand, along with samples

of many other diseases, such as the Ebola and Marburg viruses, despite the danger of their inadvertent release. All of these are potentially dangerous endeavors that governments, with scientific support, have been able to manage for the greater good.

Humans have already engaged in a dangerous geophysical experiment by pumping massive amounts of carbon dioxide and other greenhouse gases into the atmosphere. The best and safest strategy for reversing climate change is to halt this buildup of greenhouse gases, but this solution will take time, and it involves myriad practical and political difficulties. Meanwhile, the dangers are mounting. In a few decades, the option of geoengineering could look less ugly for some countries than unchecked changes in the climate. Nor is it impossible that later in the century the planet will experience a climatic disaster that puts ecosystems and human prosperity at risk. It is time to take geoengineering out of the closet—to better control the risk of unilateral action and also to know the costs and consequences of its use so that the nations of the world can collectively decide whether to raise the shield if they think the planet needs it.

Free at Last?

The Arab World in the Twenty-first Century

Bernard Lewis

As the twentieth century drew to an end, it became clear that a major change was taking place in the countries of the Arab world. For almost 200 years, those lands had been ruled and dominated by European powers and before that by non-Arab Muslim regimes—chiefly the Ottoman Empire. After the departure of the last imperial rulers, the Arab world became a political battleground between the United States and the Soviet Union during the Cold War. That, too, ended with the collapse of the Soviet Union in 1991. Arab governments and Arab dynasties (royal or presidential) began taking over. Arab governments and, to a limited but growing extent, the Arab peoples were at last able to confront their own problems and compelled to accept responsibility for dealing with them.

Europe, long the primary source of interference and domination, no longer plays any significant role in the affairs of the Arab world. Given the enormous oil wealth enjoyed by some Arab rulers and the large and growing Arab and Muslim population in Europe, the key question today is, what role will Arabs play in European affairs? With the breakup of the Soviet Union, Russia ceased to be a major factor in the Arab world. But because of its proximity, its resources, and its large Muslim population, Russia cannot afford to disregard the Middle East. Nor can the Middle East afford to disregard Russia.

Bernard Lewis is Cleveland E. Dodge Professor of Near Eastern Studies Emeritus at Princeton University and the author, with Buntzie Ellis Churchill, of *Islam: The Religion and the People*.

The United States, unlike Europe, has continued to play a central role in the Arab world. During the Cold War, the United States' interest in the region lay chiefly in countering the growing Soviet influence, such as in Egypt and Syria. Since the end of the Cold War, U.S. troops have appeared occasionally in the region, either as part of joint peace missions (as in Lebanon in 1982–83) or to rescue or protect Arab governments from their neighboring enemies (as in Kuwait and Saudi Arabia in 1990–91). But many in the Arab world—and in the broader Islamic world—have seen these activities as blatant U.S. imperialism. According to this perception, the United States is simply the successor to the now-defunct French, British, and Soviet empires and their various Christian predecessors, carrying out yet another infidel effort to dominate the Islamic world.

Increasing U.S. involvement in the Middle East led to a series of attacks on U.S. government installations during the 1980s and 1990s. At first, Washington's response to the attacks was to withdraw. After the attacks on the U.S. marine barracks in Beirut in 1983 and on the U.S. component of a United Nations mission in Mogadishu in 1993, Washington pulled out its troops, made angry but vague declarations, and then launched missiles into remote and uninhabited places. Even the 1993 attack on the World Trade Center, in New York City, brought no serious rejoinder. These responses were seen by many as an expression of fear and weakness rather than moderation, and they encouraged hope among Islamist militants that they would eventually triumph. It was not until 9/11 that Washington felt compelled to respond with force, first in Afghanistan and then in Iraq, which were perceived as the sources of these attacks.

Other powers, both external and within the region, are playing increasingly active roles. Two neighboring non-Arab but predominantly Muslim countries, Iran and Turkey, have a long history of involvement in Arab affairs. Although the Turks, no doubt because of their past experience, have remained cautious and defensive, mainly concerned with a possible threat from Kurdish northern Iraq, the Iranians have become more active, especially since Iran's Islamic Revolution entered a new militant and expansionist phase. The broader Islamic world, free from outside control for the first time in centuries, is also naturally interested in events in the heartland of Islam. China and India, which

will share or compete for primacy in Asia and elsewhere in the twenty-first century are also taking an interest in the region.

THE CHALLENGE OF PEACE

THE POLITICAL landscape within the Arab world has also changed dramatically since the end of the Cold War. Pan-Arabism, which once played a central role in the region, has effectively come to an end. Of the many attempts to unite different Arab countries, all but one—the unification of North and South Yemen after they were briefly separated by an imperial intrusion—have failed. Since the death of Egyptian President Gamal Abdel Nasser, in 1970, no Arab leader has enjoyed much support outside his own country. Nor has any Arab head of state dared to submit his attainment or retention of power to the genuinely free choice of his own people.

At the same time, issues of national identity are becoming more significant. Non-Arab ethnic minorities—such as the Kurds in Iran, Iraq, and Turkey and the Berbers in North Africa—historically posed no major threat to central governments, and relations were generally good between Arabs and their non-Arab Muslim compatriots. But a new situation arose after the defeat of Saddam Hussein in the Persian Gulf War. The U.S. invasion of Iraq in 1991 had a strictly limited purpose: to liberate Kuwait. When this was accomplished, U.S. forces withdrew, leaving Saddam in control of his armed forces and free to massacre those of his subjects, notably Kurds and Shiites, who had responded to the United States' appeal for rebellion. Saddam was left in power, but his control did not extend to a significant part of northern Iraq, where a local Kurdish regime in effect became an autonomous government. This region was largely, although not entirely, Kurdish and included most of the Kurdish regions of Iraq. For the first time in modern history, there was a Kurdish country with a Kurdish government—at least in practice, if not in theory. This posed problems not only for the government of Iraq but also for those of some neighboring countries with significant Kurdish populations, notably Turkey. (Because of the strong opposition of these neighbors, the creation of an independent Kurdish state in the future seems unlikely. But a Kurdish component of a federal Iraq is a serious possibility.)

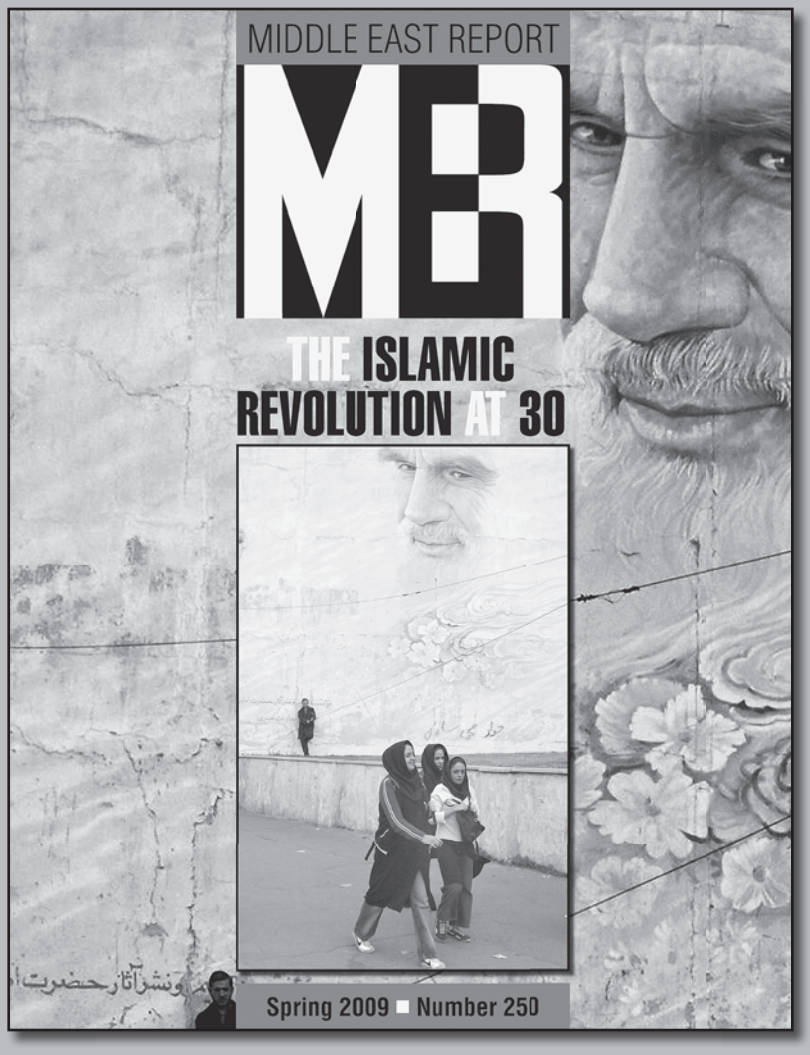
Another major problem for the region is the Palestinian issue. The current situation is the direct result of the policy, endorsed by the League of Nations and later by the United Nations, to create a Jewish national home in Palestine. With rare exceptions, the Arabs of Palestine and the leading Arab regimes resisted this policy from the start. A succession of offers for a Palestinian state in Palestine were made—by the British mandate government in 1937, by the United Nations in 1947—but each time Palestinian leaders and Arab regimes refused the offer because it would have meant recognizing the existence of a Jewish state next door. The struggle between the new state of Israel and the Palestinians has continued for over six decades, sometimes in the form of battles between armies (as in 1948, 1956, 1967, and 1973) and more recently between Israeli citizens and groups that are variously described as freedom fighters or terrorists.

The modern peace process began when President Anwar al-Sadat, of Egypt, fearing that the growing Soviet presence in the region was a greater threat to Arab independence than Israel could ever constitute, made peace with Israel in 1979. He was followed in 1994 by King Hussein of Jordan and, less formally, by other Arab states that developed some commercial and quasi-diplomatic contacts with Israel. Dialogue between Israel and the Palestine Liberation Organization led to some measure of formal mutual recognition and, more significant, to a withdrawal of Israeli forces from parts of the West Bank and the Gaza Strip and the establishment of more or less autonomous Palestinian authorities in these places.

But the conflict continues. Important sections of the Palestinian movement have refused to recognize the negotiations or any agreements and are continuing the armed struggle. Even some of those who have signed agreements—notably Yasir Arafat—have later shown a curious ambivalence toward their implementation. From the international discourse in English and other European languages, it would seem that most of the Arab states and some members of the Palestinian leadership have resigned themselves to accepting Israel as a state. But the discourse in Arabic—in broadcasts, sermons, speeches, and school textbooks—is far less conciliatory, portraying Israel as an illegitimate invader that must be destroyed. If the conflict is about the size of Israel, then long and difficult negotiations can eventually resolve the

Return to Table of Contents

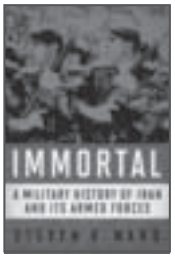
Middle East Report



Hard-hitting.
Clear-headed.

www.merip.org

INDISPENSABLE



A Military History of Iran and Its Armed Forces

Steven R. Ward

"*Immortal* is a superbly written and researched work. Steven Ward has delivered a critically important contribution to understanding the Persian military. This is a must read for those who want to understand Iranian military thinking, heritage, and capability."

—General Anthony C. Zinni, United States Marine Corps (Retired), and former commander, U.S. Central Command

978-1-58901-258-5, hardcover, $29.95

Islamic Radicalism and Global Jihad

Devin R. Springer, James L. Regens, and David N. Edger

"The definitive study on the global jihad movement. To understand the evolving global threat landscape, there is no better book. A must read for scholars and practitioners!"

—Rohan Gunaratna, author of Inside Al Qaeda: Global Network of Terror *and head of the International Centre for Political Violence and Terrorism Research, Singapore*

978-1-58901-253-0, paperback, $26.95

Vaults, Mirrors, and Masks

Rediscovering U.S. Counterintelligence

Jennifer E. Sims and Burton Gerber, Editors

"The most thorough, balanced, and sensible collection of essays now available on counterintelligence issues."

—Richard K. Betts, director, Saltzman Institute of War and Peace Studies, Columbia University

978-1-58901-267-7, paperback, $29.95

Ethics & International Affairs

A Reader

Third Edition

Joel H. Rosenthal and Christian Barry, Editors

"This extensively revised edition of a well-known collection of essays more than meets the already high standard of earlier versions. The seventeen essays collected here bring expert focus on the key ethical issues of the day, with contributions from most of the major authorities in the field. This is an essential teaching collection for courses on ethics and international affairs and international political theory more generally."

—Chris Brown, professor of international relations, London School of Economics

978-1-58901-272-1, paperback, $34.95

Strategic Advantage

Challengers, Competitors, and Threats to America's Future

Bruce Berkowitz

"Bruce Berkowitz has been among the most astute participants in the post-9/11 government and intellectual debates over strategic policy. His talent for clear and simple exposition of complex issues is on glittering display in *Strategic Advantage*. There will be dog-eared copies on this year's successful election campaign buses."

—John Lehman, former Secretary of the Navy and 9/11 Commissioner

978-1-58901-222-6, paperback , $26.95

problem. But if the conflict is about the existence of Israel, then serious negotiation is impossible. There is no compromise position between existence and nonexistence.

RUNNING ON EMPTY

The state of the region's economy, and the resulting social and political situation, is a source of increasing concern in the Arab world. For the time being, oil continues to provide enormous wealth, directly to some countries in the region and indirectly to others. But these vast sums of money are creating problems as well as benefits. For one thing, oil wealth has strengthened autocratic governments and inhibited democratic development. Oil-rich rulers have no need to levy taxes and therefore no need to satisfy elected representatives. (In the Arab world, the converse of a familiar dictum is true: No representation without taxation.)

In addition to strengthening autocracy, oil wealth has also inhibited economic development. Sooner or later, oil will be either exhausted or replaced as an energy source, and the wealth and power that it provides will come to an end. Some more farsighted Arab governments, aware of this eventuality, have begun to encourage and foster other kinds of economic development. Some of the Persian Gulf states are showing impressive expansion, especially in tourism and international finance. But the returns accruing from these sectors are still limited compared to the enormous wealth derived from oil.

Oil wealth has also led to the neglect or abandonment of other forms of gainful economic activity. From 2002 to 2006, a committee of Arab intellectuals, working under the auspices of the United Nations, produced a series of reports on human development in the Arab world. With devastating frankness, they reviewed the economic, social, and cultural conditions in the Arab world and compared them with those of other regions. Some of these comparisons—reinforced by data from other international sources—revealed an appalling pattern of neglect and underdevelopment.

Over the last quarter of a century, real GDP per capita has fallen throughout the Arab world. In 1999, the GDP of all the Arab countries combined stood at $531.2 billion, less than that of Spain. Today, the total

non-oil exports of the entire Arab world (which has a population of approximately 300 million people) amount to less than those of Finland (a country of only five million inhabitants). Throughout the 1990s, exports from the region, 70 percent of which are oil or oil-related products, grew at a rate of 1.5 percent, far below the average global rate of six percent. The number of books translated every year into Arabic in the entire Arab world is one-fifth the number translated into Greek in Greece. And the number of books, both those in their original language and those translated, published per million people in the Arab world is very low compared with the figures for other regions. (Sub-Saharan Africa has a lower figure, but just barely.)

The communications revolution is having an enormous impact on Arabs of all social classes.

The situation regarding science and technology is as bad or worse. A striking example is the number of patents registered in the United States between 1980 and 2000: from Saudi Arabia, there were 171; from Egypt, 77; from Kuwait, 52; from the United Arab Emirates, 32; from Syria, 20; and from Jordan, 15—compared with 16,328 from South Korea and 7,652 from Israel. Out of six world regions, that comprising the Middle East and North Africa received the lowest freedom rating from Freedom House. The Arab countries also have the highest illiteracy rates and one of the lowest numbers of active research scientists with frequently cited articles. Only sub-Saharan Africa has a lower average standard of living.

Another shock came with the 2003 publication in China of a list of the 500 best universities in the world. The list did not include a single one of the more than 200 universities in the Arab countries. Since then, new rankings have appeared every year. The Arab universities remain absent, even from the relatively short list for the Asia-Pacific region. In an era of total and untrammeled independence for the Arab world, these failings can no longer be attributed to imperial oppressors or other foreign malefactors.

One of the most important social problems in the Arab world, as elsewhere in the Islamic world, is the condition of women. Women constitute slightly more than half the population, but in most Arab

countries they have no political power. Some Muslim observers have seen in the depressed and downtrodden status of the female Arab population one of the main reasons for the underdevelopment of their society as compared with the advanced West and the rapidly developing East. Modern communications and travel are making these contrasts ever more visible. Some countries, such as Iraq and Tunisia, have made significant progress toward the emancipation of women by increasing opportunities for them. In Iraq, women have gained access to higher education and, consequently, to an ever-widening range of professions. In Tunisia, equal rights for women were guaranteed in the 1959 constitution. The results have been almost universal education for women and a significant number of women among the ranks of doctors, journalists, lawyers, magistrates, and teachers, as well as in the worlds of business and politics. This is perhaps the most hopeful single factor for the future of freedom and progress in these countries.

Another social problem is immigrant communities in the Arab world, which have received far less attention than Arab immigrant communities in Europe. These immigrants are attracted by oil wealth and the opportunities that it provides, and they undertake tasks that local people are either unwilling or unable to perform. This is giving rise to new and growing alien communities in several Arab countries, such as South Asians in the United Arab Emirates. The assimilation of immigrants from one Arab country into another has often proved difficult, and the acceptance of non-Arab and non-Muslim immigrants from remoter lands poses a more serious problem.

Today, most Arab regimes depend either on the people's loyalty or on their obedience.

All these problems are aggravated by the communications revolution, which is having an enormous impact on the Arab population across all social classes. Even in premodern times, government control of news and ideas in the Islamic countries was limited—the mosque, the pulpit, and, above all, the pilgrimage provided opportunities for the circulation of both information and ideas without parallel in the Western world. To some extent, modern Middle Eastern governments had learned how to manipulate information, but that control is rapidly diminishing as modern communications technology, such as

satellite television and the Internet, has made people in the Arab countries, as elsewhere, keenly aware of the contrasts between different groups in their own countries and, more important, of the striking differences between the situations in their countries and those in other parts of the world. This has led to a great deal of anger and resentment, often directed against the West, as well as a countercurrent striving for democratic reform.

THE RISE OF THE RADICALS

Most Westerners saw the defeat and collapse of the Soviet Union as a victory in the Cold War. For many Muslims, it was nothing of the sort. In some parts of the Islamic world, the collapse of the Soviet Union represented the devastating loss of a patron that was difficult or impossible to replace. In others, it symbolized the defeat of an enemy and a victory for the Muslim warriors who forced the Soviets to withdraw from Afghanistan. As this latter group saw it, the millennial struggle between the true believers and the unbelievers had gone through many phases, during which the Muslims were led by various lines of caliphs and the unbelievers by various infidel empires. During the Cold War, the leadership of the unbelievers was contested between two rival superpowers, the United States and the Soviet Union. Since they—the Muslim holy warriors in Afghanistan—had disposed of the larger, fiercer, and more dangerous of the two in the 1980s, dealing with the other, they believed, would be comparatively easy.

That task was given a new urgency by the two U.S. interventions in Iraq: that during the brief Persian Gulf War of 1990–91 and the 2003 invasion that resulted in the overthrow of Saddam and the attempt to create a new and more democratic political and social order. Opinions differ on the measure of the United States' achievements so far, but even its limited success has been sufficient to cause serious alarm, both to regimes with a vested interest in the survival of the existing order and, more important, to groups with their own radical plans for overthrowing it.

In the eyes of Islamist radicals, both of these wars have constituted humiliating defeats for Islam at the hands of the surviving infidel superpower. This point has been made with particular emphasis by

Return to Table of Contents

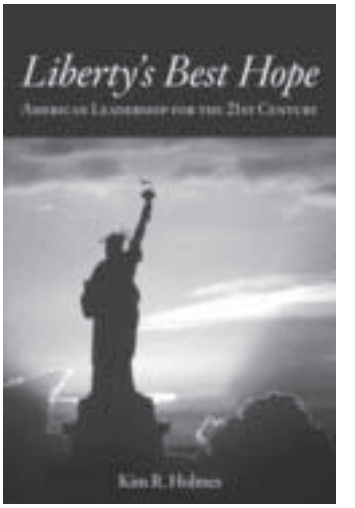
"IN THIS FASCINATING BOOK, Kim Holmes ... o.ers an insightful, and on some occasions an uncomfortable, analysis of American foreign policy..."
—Baroness Margaret Thatcher, former Prime Minister of Great Britain

Liberty's Best Hope

American Leadership for the 21st Century

By Kim R. Holmes

In an easy-to-read analysis, which former president of Spain José María Aznar calls "a brilliant tour de force," former Assistant Secretary of State Kim R. Holmes challenges all those who say that America's leadership star has crested. He makes an eloquent case that America remains "liberty's best hope" in the world and explains what the United States must do to reclaim the stature it held at the end of the Cold War.



Price: USD $12.95
Paperback: 192 pages
ISBN-13: 978-0891952787
Available at *heritage.org/bookstore*

Holmes first examines the range of threats to liberty in the world and challenges to American leadership. Topics range from the ideological disintegration of the historic "freedom alliances" to debates over international law, national identity, funding the U.S. military, energy security, nuclear proliferation, and economic policies.

Holmes, Vice President of Foreign and Defense Policy Studies at The Heritage Foundation, offers a blueprint for what America must do to advance its leadership in the world and freedom itself. First and foremost, he argues, America must remain a winner, especially in the war on terrorism, Iraq, and Afghanistan. It must strengthen its military and reinvigorate its alliances, doing a far better job of persuading and negotiating. It must take the lead in reforming international institutions to make them more favorable to freedom, and it must pursue domestic reforms such as in federal spending and education to ensure that it has the fiscal and human capital it will need to lead.

The Heritage Foundation
LEADERSHIP FOR AMERICA

214 Massachusetts Avenue, NE | Washington, DC 20002 | heritage.org | (202) 546-4400

Osama bin Laden, a Saudi who played a significant role in the war against the Soviets in Afghanistan and subsequently emerged as a very articulate leader in the Islamic world and as the head of al Qaeda, a new Islamist radical group. He has repeatedly made his case against the United States, most notably in his declaration of jihad of February 1998, in which he elaborated three grievances against the infidel enemies of Islam. The first was the presence of U.S. troops in Saudi Arabia, the holy land of Islam. The second was the use of Saudi bases for an attack on Iraq, the seat of the longest and most glorious period of classical Islamic history. The third was U.S. support for the seizure of Jerusalem by what he contemptuously called "the statelet" of the Jews.

Another claimant for the mantle of Islamic leadership is the Islamic Republic of Iran. The 1979 Iranian Revolution constituted a major shift in power, with a major ideological basis, and had a profound impact across the Muslim world. Its influence was by no means limited to Shiite communities. It was also very extensive and powerful in countries where there is little or no Shiite presence and where Sunni-Shiite differences therefore have little political or emotional significance. The impact of the Iranian Revolution in the Arab countries was somewhat delayed because of the long and bitter Iran-Iraq War (1980–88), but from the end of the war onward, Iran's influence began to grow, particularly among Shiites in neighboring Arab countries. These populations, even in those places where they are numerous, had for centuries lived under what might be described as a Sunni ascendancy. The Iranian Revolution, followed by the regime change in Iraq in 2003, gave them new hope; the Shiite struggle has once again, for the first time in centuries, become a major theme of Arab politics. This struggle is very important where Shiites constitute a majority of the population (as in Iraq) or a significant proportion of the population (as in Lebanon, Syria, and parts of the eastern and southern Arabian Peninsula). For some time now, the eastern Arab world has seen the odd spectacle of Sunni and Shiite extremists occasionally cooperating in the struggle against the infidels while continuing their internal struggle against one another. (One example of this is Iran's support for both the strongly Sunni Hamas in Gaza and the strongly Shiite Hezbollah in Lebanon.)

The increasing involvement of Iran in the affairs of the Arab world has brought about major changes. First, Iran has developed into a major regional power, its influence extending to Lebanon and the Palestinian territories. Second, although the rift between the Sunnis and the Shiites is significant, Iran's involvement has rendered it less important than the divide between both of them and their non-Arab, non-Muslim enemies. Third, just as the perceived Soviet threat induced Sadat to make peace with Israel in 1979, today some Arab leaders see the threat from Iran as more dangerous than that posed by Israel and therefore are quietly seeking accommodation with the Jewish state. During the 2006 war between Israeli forces and Hezbollah, the usual pan-Arab support for the Arab side was replaced by a cautious, even expectant, neutrality. This realignment may raise some hope for Arab-Israeli peace.

THE STRUGGLE FOR THE FUTURE

For much of the twentieth century, two imported Western ideologies dominated in the Arab world: socialism and nationalism. By the beginning of the twenty-first century, these worldviews had become discredited. Both had, in effect, accomplished the reverse of their declared aims. Socialist plans and projects were put in place, but they did not bring prosperity. National independence was achieved, but it did not bring freedom; rather, it allowed foreign overlords to be replaced with domestic tyrants, who were less inhibited and more intimate in their tyranny. Another imported European model, the one-party ideological dictatorship, brought neither prosperity nor dignity—only tyranny sustained by indoctrination and repression.

Today, most Arab regimes belong to one of two categories: those that depend on the people's loyalty and those that depend on their obedience. Loyalty may be ethnic, tribal, regional, or some combination of these; the most obvious examples of systems that rely on loyalty are the older monarchies, such as those of Morocco and the Arabian Peninsula. The regimes that depend on obedience are European-style dictatorships that use techniques of control and enforcement derived from the fascist and communist models. These regimes have little or no claim to the loyalty of their people and depend for survival on diversion and repression: directing the

anger of their people toward some external enemy—such as Israel, whose misdeeds are a universally sanctioned public grievance—and suppressing discontent with ruthless police methods. In those Arab countries where the government depends on force rather than loyalty, there is clear evidence of deep and widespread discontent, directed primarily against the regime and then inevitably against those who are seen to support it. This leads to a paradox—namely, that countries with pro-Western regimes usually have anti-Western populations, whereas the populations of countries with anti-Western regimes tend to look to the West for liberation.

Both of these models are becoming less effective; there are groups, increasing in number and importance, that seek a new form of government based not primarily on loyalty, and still less on repression, but on consent and participation. These groups are still small and, of necessity, quiet, but the fact that they have appeared at all is a remarkable development. Some Arab states have even begun to experiment, cautiously, with elected assemblies formed after authentically contested elections, notably Iraq after its 2005 election.

In some countries, democratic opposition forces are growing, but they are often vehemently anti-Western. The recent successes of Hamas and Hezbollah demonstrate that opposition parties can fare very well when their critiques are cast in religious, rather than political, terms. The religious opposition parties have several obvious advantages. They express both their critiques and their aspirations in terms that are culturally familiar and easily accepted, unlike those of Western-style democrats. In the mosques, they have access to a communications network—and therefore tools to disseminate propaganda—unparalleled in any other sector of the community. They are relatively free from corruption and have a record of helping the suffering urban masses. A further advantage, compared with secular democratic opposition groups, is that whereas the latter are required by their own ideologies to tolerate the propaganda of their opponents, the religious parties have no such obligation. Rather, it is their sacred duty to suppress and crush what they see as antireligious, anti-Islamic movements. Defenders of the existing regimes argue, not implausibly, that loosening the reins of authority would lead to a takeover by radical Islamist forces.

Bernard Lewis

Lebanon is the one country in the entire region with a significant experience of democratic political life. It has suffered not for its faults but for its merits—the freedom and openness that others have exploited with devastating effect. More recently, there have been some hopeful signs that the outside exploitation and manipulation of Lebanon might at last be diminishing. The Palestinian leadership has been gone for decades; Syria was finally induced to withdraw its forces in 2005, leaving the Lebanese, for the first time in decades, relatively free to conduct their own affairs. Indeed, the Cedar Revolution of 2005 was seen as the beginning of a new era for Lebanon. But Lebanese democracy is far from secure. Syria retains a strong interest in the country, and Hezbollah—trained, armed, and financed by Iran—has become increasingly powerful. There have been some signs of a restoration of Lebanese stability and democracy, but the battle is not yet over, nor will it be, until the struggle for democracy spreads beyond the borders of Lebanon.

Today, there are two competing diagnoses of the ills of the region, each with its own appropriate prescription. According to one, the trouble is all due to infidels and their local dupes and imitators. The remedy is to resume the millennial struggle against the infidels in the West and return to God-given laws and traditions. According to the other diagnosis, it is the old ways, now degenerate and corrupt, that are crippling the Arab world. The cure is openness and freedom in the economy, society, and the state—in a word, genuine democracy. But the road to democracy—and to freedom—is long and difficult, with many obstacles along the way. It is there, however, and there are some visionary leaders who are trying to follow it. At the moment, both Islamic theocracy and liberal democracy are represented in the region. The future place of the Arab world in history will depend, in no small measure, on the outcome of the struggle between them.

Germany's Russia Question

A New *Ostpolitik* for Europe

Constanze Stelzenmüller

Last July, more than 200,000 people flocked to a public park in Berlin to hear Barack Obama, then the Democratic candidate for president of the United States, deliver a speech calling for renewed transatlantic partnership and cooperation. The choice of Germany's long-divided capital as the backdrop for his only public speech in Europe was deliberate. To the Germans listening to him that summer evening in the Tiergarten, Obama made a special appeal, citing "a set of ideals that speak to aspirations shared by all people," the same "dream of freedom" that was the basis of the relationship between the United States and West Germany during the Cold War. Now that Obama is president, will Germany respond to the call and join the United States as a key European partner in addressing global challenges and threats?

There are many reasons for Germany to rise to the occasion. For one, there is a dearth of leadership elsewhere in Europe. The European Union remains embroiled in a debate about institutional reform. In the United Kingdom, Prime Minister Gordon Brown—despite his confidence during the current financial crisis—remains disengaged from both the EU and the transatlantic alliance. French President Nicolas Sarkozy, meanwhile, shows more Atlanticist inclinations than any of his predecessors, but he has yet to prove that he can build lasting coalitions in Europe or convince his country of the need for economic modernization.

Constanze Stelzenmüller is Director of the Berlin Office of the German Marshall Fund of the United States.

Likewise, there are many reasons why Obama should look to Germany for leadership: its 82 million inhabitants, its strategic location at the crossroads of the continent, and its strength as one of the world's foremost exporters, even in the current economic downturn. Germany has thoroughly examined its guilt for perpetrating the Holocaust and World War II—and in the process has become a robust democracy. Since regaining full sovereignty after unification in 1990, Germany has developed an increasingly active foreign policy, with more than 6,500 troops currently dispatched on operations outside the country, from the Balkans to Afghanistan. Last October, the German parliament approved an additional 1,000 troops for NATO's stabilization operations in Afghanistan. Berlin is also at the forefront of diplomatic efforts in countries it formerly ignored, such as Georgia and Iran, and has claimed a leadership role in dealing with the global challenge of climate change. Germany now has the chance to truly become a European "partner in leadership" with the United States, as suggested in 1989 by then U.S. President George H. W. Bush.

Germany now has the chance to truly become a "partner in leadership" with the United States.

But to grasp this opportunity—and to be recognized as a leader not just by the United States but also by fellow Europeans and her own voters—German Chancellor Angela Merkel will have to overcome some formidable obstacles. She must grapple with the ongoing economic crisis while steering her grand coalition government through more than a dozen local and regional elections, culminating in a federal election in September. At the same time, the German government will face a test of its willingness to use military force, as President Obama will expect greater involvement from Germany in international security missions, most notably in Afghanistan. The success of that mission is crucial to the credibility of the transatlantic alliance, but it is viewed with mounting skepticism by the German public.

The most important relationship Germany will have to navigate is that with Russia, with whom it has deep historical ties. Germany is Russia's largest trading partner and has become increasingly reliant on Russia's energy supplies, buying a third of its oil and gas from the country. There is a genuine military threat to Europe from Russia, as

became clear in the August 2008 war between Georgia and Russia and in Russian President Dmitry Medvedev's threats to counter U.S. missile defense plans by stationing Russian missiles in Kaliningrad. But the key challenge for the West—and in particular Germany—is political, not military. Fueled by revisionist nationalism, a newly resurgent Russia appears determined to keep Europe and the United States out of its "near abroad," all the while doing business with the West. At worst, Russia's regional and global ambitions could end up rolling back democratic reforms on Europe's eastern borders—splitting the transatlantic alliance in the process.

In Russia's effort to gain leverage in Europe, its close ties to Germany are its greatest strategic asset. At the same time, Berlin's pursuit of what German policymakers have insisted on labeling a "strategic partnership" with Moscow has put Germany in the middle of the evolving tensions between Russia and the West. It has also given Germany a unique responsibility. The old German question has long been solved, with Germany firmly positioned within Europe and the Western group of nations. But now, there is a new and similarly urgent German question for the twenty-first century: Is Germany able and willing to use its considerable political resources to change Russia's behavior and to stand up to Moscow when necessary?

BECOMING NORMAL

When Obama places his first phone call to Berlin, one of the top items on his agenda will be military support, particularly in Afghanistan. After reunification, it was widely understood that a fundamental test of the maturity of a newly sovereign Germany would be its willingness to use military force. This threshold was crossed in March 1999, when it joined the NATO air campaign against Serbia. As former Chancellor Gerhard Schröder said at the time, German foreign policy had finally "become normal."

Since then, Germany has sent thousands of troops to serve in NATO's stabilization mission in Afghanistan, and in 2006 it led an EU peacekeeping force in the Democratic Republic of the Congo. The German navy sent warships to the waters off the coast of Lebanon in 2006 and, more recently, to those off the coast of Somalia. The return

of the military option to Germany's foreign policy tool kit was a necessary—if long deferred and reluctantly undertaken—step toward normalizing the country's international profile. Adversaries such as the Bosnian Serb militias and the Taliban posed new and demanding challenges for the Bundeswehr. In the course of these missions, the German military has transformed itself more than perhaps any other army in Europe, moving from a bloated force focused on territorial defense to a streamlined military with sustained and varied operational experience.

However, Germany's military deployments have not heralded a new paradigm of military engagement. In each case, German policymakers framed the decision to use force as an exceptional measure required of the nation by exceptional circumstances, such as the prevention of genocide in the Balkans or the need for alliance solidarity in Afghanistan. Invoking absolute moral imperatives has proved effective and highly popular with the German public, which has a deep sensitivity to the guilt and shame of twentieth-century German history—and a resultant yearning for its country to act righteously in international affairs.

Whether Germany decides to use force in the future will be a question not of ability but rather of political will.

Yet by playing to this desire, and by repeatedly portraying decisions about military intervention as a binary choice between good and evil, Germany's policymakers have lost an important opportunity. They have missed the chance to challenge the German public to a serious and nuanced conversation about foreign policy that extends beyond the black-and-white landscape of moral imperatives. As a result, it has become difficult to rally popular support for military intervention without the specter of genocide or an existential threat.

The price for this strategy first became evident in the summer of 2001, when Macedonia, a tiny country in the Balkans, was on the brink of civil war. The conflict had the potential to destabilize the fragile peace in the region and push streams of refugees into western Europe—but there were no signs of an impending war crimes catastrophe. This left then Chancellor Schröder with little support for intervention, and he was ultimately forced to rely on opposition votes in parliament

for authorization to join a modest combined NATO-EU mission to Macedonia. Less than six months later, after the 9/11 attacks, Schröder had to threaten resignation to get the necessary votes in parliament to provide German support for the U.S.-led fight against the Taliban in Afghanistan.

Why has it been so difficult for Germany to transcend this self-imposed binary framework? The powerful postwar taboo against the use of force is one reason. Second, the 9/11 attacks and the subsequent war against terrorism were seismic shocks for a German political culture accustomed to developing foreign policy in cautious and incremental steps. And finally, the habit—honed during more than 40 years of partition and limited sovereignty—of formulating policy in terms of external constraints rather than choices has proved very difficult to break.

In recent years, the German government has made a sustained effort to convince the public that keeping troops in Afghanistan reflects the country's values as much as it serves its interests. Defense experts from all the major German political parties have echoed this argument. Nonetheless, the German public, although supportive of Germany's development efforts in Afghanistan, remains skeptical of the military component of the operation. With less than a year until Germany's next election, complying with additional troop requests from the United States or NATO would likely cost the Merkel government more political capital than it can afford.

Nonetheless, it is clear that Germany has developed the necessary capabilities to use military force effectively. It has crossed the threshold of hard power, and whether it decides to use force in the future will be a question not of ability but rather of political will. The latter, however, is a resource that German policymakers will continue to deploy sparingly.

A SOFT TOUCH

As Germany continues to increase its profile abroad, its most cherished foreign policy tool—*Zivilmacht*, or "soft power"—is being challenged by a resurgent Russia. After World War II, West Germany rebuilt its identity and legitimacy based on a commitment to multilateralism, international law, and human rights; proud of its achievements, it set out to export this model. This has led Germany to promote dialogues

and exchanges on culture, the rule of law, and regional issues—particularly with Russia. The goal in engaging Russia, as the German Foreign Ministry put it in a key strategy paper in 2006, has been "*Annäherung durch Verflechtung*," or "rapprochement through economic interlocking." It is a clunky, but wholly intentional, echo of "*Wandel durch Annäherung*," or "change through rapprochement," the legendary motto of West German Chancellor Willy Brandt's *Ostpolitik* of the 1970s. Berlin's current policy of engagement has been based on the assumption that successfully guiding Russia into the rule-based world of Europe would be the greatest triumph of Germany's soft power. Last summer's war between Georgia and Russia, therefore, came as a most unpleasant surprise.

German reactions to the conflict were predictable at first. Compelled by a sense of impending crisis, German policymakers and parliamentarians had rushed to visit Georgia in the months before the war. As the war unfolded, Georgian President Mikheil Saakashvili was widely condemned in Germany as a dangerous, irresponsible gambler and was blamed for his country's quick defeat. While the Russian military was swiftly routing Georgia's military forces, many German policymakers and commentators called for avoiding discussions about causes and responsibility and stressed the need to maintain a dialogue with Russia. Some German analysts even pushed for a stance of strict neutrality on the part of both Germany and the EU.

However, as Russian troops continued their march through the disputed territory of South Ossetia and into the Georgian heartland, the mood in Berlin shifted abruptly. A long-planned meeting between Merkel and Medvedev in Sochi, a Russian resort town on the Black Sea, turned into a frosty exchange. Immediately afterward, Merkel flew to Tbilisi, where she publicly reaffirmed Georgia's right to become a member of NATO. Back in Berlin, a spokesperson in Merkel's office said that the war marked a "caesura" in Germany's relations with Russia. Foreign Minister Frank-Walter Steinmeier called Russia's actions "illegal" and "disproportional." The German Chancellery and the German Foreign Ministry—not previously known for agreeing much on Russia policy—were at pains to demonstrate total unity on the subject.

The harsh tone emanating from Berlin clearly startled Moscow. Germany's response, combined with the strong stance of the EU and the brutal punishment meted out by the global financial markets, may

be what stopped Russia from pushing even deeper into Georgia. It also prompted a wave of temporarily constructive behavior on the part of Russia's top diplomats, who were suddenly willing to cooperate on a range of previously thorny issues, such as a U.S.-European proposal for imposing sanctions against Iran in the UN Security Council.

HUGGING THE BEAR

FOR THE WEST, the war in the Caucasus was a "defining moment," as the German weekly *Die Zeit* wrote last September. But was it the beginning of a new era in Germany's relationship with Russia? For now, the signals remain mixed. Germany did push, along with France and Italy, to resume EU-Russian talks on a new partnership agreement, and it also led European resistance to U.S. efforts to move Georgia and Ukraine closer to NATO membership. At the same time, Germany sternly rebuked Medvedev for threatening last fall to deploy missiles against Europe and began referring to its relationship with Russia as

a "modernization partnership" instead of a "strategic" one, which seemed to be a subtle downgrading of the relationship. Recent polls suggest that the German public is becoming increasingly concerned about Russia: although most Germans see little connection between the events in the southern Caucasus and the state of German-Russian relations, those surveyed nonetheless say they disapprove of Russia's belligerence and distrust its reliability as an energy supplier.

Conventional wisdom holds that the German political landscape is split between those who are suspicious of the Russian embrace and those who choose to walk into it deliberately—between bear haters and bear huggers. Merkel and her Christian Democratic Union are said to spearhead the former group, whereas Foreign Minister Steinmeier and the Social Democratic Party are thought to lead the latter. Although there is, of course, some truth to this cliché, the political reality is more complicated.

Merkel has recalibrated the German-Russian relationship coolly and deliberately, especially compared to her predecessor, Schröder, who called then Russian President Vladimir Putin a "flawless democrat" and signed plans with Moscow for a gas pipeline under the Baltic Sea just before leaving office. Merkel met with Russian human rights groups during her first state visit to Moscow, she has criticized top Russian policymakers in public, and she has forged closer relationships with countries in eastern Europe, especially Poland.

Yet at the same time, she has been adamant about the need for continued engagement with Russia. She has firmly resisted calls from some eastern European countries to cancel the Baltic pipeline project, as well as calls for a common European energy policy that would minimize the influence of large Russian and German energy companies. And Merkel has avoided defending U.S. missile defense plans or championing the cause of post-Soviet countries, such as Georgia or Ukraine, that are seeking to align themselves with the West. She has left the details of Russia policy to the diplomats and the business community. There has been much speculation about the chancellor's caution: Is Merkel afraid of offending Russia, her Social Democratic coalition partners, or the energy companies? Quite possibly. But there is another reason for her caution that is much closer to home: pro-Russian sentiment, aloofness toward eastern Europe, and a sense of alienation from the United States are all common in her own party.

Meanwhile, some foreign commentators have pointed to Steinmeier as the chief embodiment of the pro-Russian faction in Berlin. Indeed, he has insisted on the importance of a "strategic partnership" with Moscow, even at times when to do so was to come across as tone-deaf with regard to Russia's faults, such as after last year's clearly flawed Russian presidential election ("One could have imagined more choice," he casually remarked in an aside during a speech in Berlin). But this is an equally simplistic characterization. Steinmeier has a detached rationalism that makes him disinclined to seek a personal relationship with his Russian counterpart, Foreign Minister Sergey Lavrov. Unlike some other top figures in his party, he has not described Germany's position as "equidistant" from Russia and the United States; in fact, he considers himself an Atlanticist. In an attempt to move Germany away from dependence on Russia, he has pushed harder than any of his predecessors for energy-supply diversification, looking to develop resources in the Black Sea, in Central Asia, and by pursuing renewable-energy technologies. Overall, it is perhaps most precise to describe Steinmeier's position as one of realist balancing in an increasingly multipolar world.

Unfortunately, the Foreign Ministry's policy of "rapprochement through economic interlocking" has turned out to have a fundamental flaw: it assumed a reciprocity of interests and intentions. Whatever economic interlocking there is appears to be happening strictly downstream, with Russian state-owned companies purchasing German assets while German companies struggle to get a foothold in the Russian market. Nor has there been any noticeable diversification in Germany's energy supplies. Finally, this strategy of rapprochement offered no guidance when Russia invaded and occupied parts of a neighboring sovereign country. Indeed, in the immediate aftermath of the war in the Caucasus, many of Germany's diplomats seemed to be in a collective state of shock.

A GENERATION APART

The divide between German policymakers over Russia is largely driven not by institutional or party affiliation but by age and experience. Many of those who set Russia policy in Germany spent time in Russia in the 1990s, when the memory of the Soviet threat had already begun to fade. Germany had just been reunified, thanks in no small measure

to the leadership of Mikhail Gorbachev and Boris Yeltsin. This German generation, now around 50, witnessed a Russia that embraced reform against all historical odds yet soon slid into chaos and rampant commercialism. They see the flaws of Russia's current leadership and are disturbed by its recent aggression, as well as by its willingness to use energy deliveries as a political weapon abroad—but are nonetheless grateful for stable energy supplies and a burgeoning market for trade.

The opposing generational cohort is a decade younger and is found mainly in parliament and the press. The Russia they know—and, in some cases, have studied in and lived in—is that of Putin and his self-proclaimed "power vertical." It is a state marked by vicious tribal rivalry and rampant corruption and where journalists, nongovernmental organizations, and opposition activists face constant persecution. It is no wonder, then, that they are appalled at talk of Germany's "equidistance" from Russia and the United States and that they accuse Germany's Russia policymakers of naively overestimating their influence on Moscow.

Differing views of the United States also feed into German attitudes about Russia. The generation running Germany today grew up in peace and prosperity under the benign protection of the U.S. nuclear umbrella, with little preparation for the leadership challenges thrust on them by the post–Cold War world. Habit and instinct made them side with the United States throughout the 1990s and, once more, in an outburst of sympathy and grief, after the 9/11 attacks. But as they see it, what they received for their solidarity was rejection, demands for allegiance, and little credit for their contributions. For many, the gradual unraveling of the web of falsehoods surrounding the Iraq war further undermined any sense of commonality with the United States. The depth of their disillusionment is a measure of the strength of the belief in the United States they felt growing up. For a generation of Germans with parents and grandparents tainted by the Third Reich, the United States—or at least the ideal of the United States—really had stood in loco parentis.

The "strategic partnership" with Russia has worked to soothe German insecurities.

One of Putin's more shrewd insights into the German mind was his treatment of German policymakers as equals at a time when they were chafing at U.S. condescension. (The Russians nurse a similar

resentment at being treated as strategically irrelevant by the United States.) The "strategic partnership" with Russia, therefore, has served to soothe German insecurities. But it has also inflated an unrealistic sense of influence over Russia that has produced notions such as "rapprochement through economic interlocking"—representing a misguided confidence comparable perhaps only to British hopes of being able to sway the United States during the run-up to the Iraq war.

MEASURED ENGAGEMENT

THE WAR in the Caucasus was a defining moment for German attitudes toward Russia—but there will be many more such moments in the months to come. Future challenges posed by Russia will thrust some hard choices on Germany's leadership. It is time for a new policy.

An *Ostpolitik* for the post–Caucasus war era would continue to hope for the eventual democratic transformation of Russia and be open to cooperation whenever it is possible. Yet its most immediate aim would be the stabilization and democratization of the nations along Europe's eastern boundary, from Belarus to Georgia. At present, membership in NATO or the EU is not a realistic or even useful prospect for any of these countries. Either accession process would create more problems than it solved: NATO asks too little of a candidate's internal affairs, whereas the EU demands too much.

Nonetheless, it is clear that the benefits of access to Western clubs such as NATO and the EU are a key force for pushing democratic and economic change—and that this change is in the self-interest of those countries' neighbors to the west. Germany should know this better than any country in Europe because it profited the most from the previous rounds of NATO and EU enlargement. The European Neighborhood Policy—a halfhearted method of engaging states on Europe's borders that has so far served as a poor substitute for full EU membership—was upgraded last December to the Eastern Partnership plan, which outlined a future free-trade zone and visa-free travel regime for the EU and six countries on Russia's periphery. But what is needed is a genuinely transformational scheme. This would require an across-the-board, rather than a bilateral, approach, ranging from high-level dialogue and capacity-building measures to substantial infusions of conditional

development and reconstruction aid, cultural and academic exchanges, and generous support for building civil society. At the same time, these measures should be flanked by common European policies on migration, organized crime, the movement of goods and people, and energy. Germany and the West should engage Russia broadly and imaginatively—rather than grudgingly and selectively, as the Bush administration did—and contain or counter it when necessary. As the conflict in Georgia showed, firmness and unity from Europe can go a long way, especially when backed up by the United States. EU members and the United States will all lose—to Russia, mostly—if they compete against one another in eastern Europe.

Such a comprehensive policy would by necessity be pan-European. But Germany should be its initiator and leader, not only because of its historical responsibility for eastern Europe but also because its special relationship with Russia gives it greater weight and authority with Moscow than any other country on the continent. The future of Germany's legitimacy as a leader in Europe and as a partner for the United States—not to mention the future of its soft power—depends on its success in this role.

However, to take up this challenge, Germany will have to overcome an array of entrenched reflexes. First, it will have to think of eastern Europe as a zone of first-order strategic interest rather than as a disparate jumble of faraway countries. Second, it will have to conceive of its foreign policy not in terms of constraints but in terms of choices. Third, it must overcome its fear of dependency on Russia, recognizing that Russia needs its Western customers as much as they need Russia. Finally, and perhaps most important, Germany will have to understand that this new approach is not just about interests and strategy but also about solidarity, namely, defending the rights of countries that seek safety, prosperity, and democratic values and freedoms: the aspirations Obama spoke of in Berlin last summer and that the United States once protected in West Germany. To the extent that Russia acts to deny these essential rights, Germany and all of Europe must comprehend that they are being confronted with an authoritarian challenge to liberal Western democracy. For reasons of moral self-preservation as much as solidarity, balancing is then no longer an option. That, in the end, is the answer to the new German question.

Bank Shots

How the Financial System Can Isolate Rogues

Rachel L. Loeffler

Over the last five years, U.S. national security policy and the international banking system have become inextricably intertwined. With terrorism and nuclear proliferation at the top of the United States' foreign policy agenda and few diplomatic or military levers left to pull, Washington has increasingly turned to the private sector for help in confronting some of its biggest international challenges. That has meant, above all, an effort to work with banks to put pressure on states and other international actors that the United States otherwise has little ability to influence.

This effort is defined by a careful dance between the U.S. government and the global banking industry. Through targeted financial measures, Washington has signaled to banks situations in which it sees dangerous actors intersecting with the international financial system. Banks, for the most part, have acted on these signals, and the two most recent chapters in this unfolding story—Iran and North Korea—suggest that using global finance to shape the behavior of international actors can be remarkably powerful.

But financial measures are only as effective as the banks that implement them. Given the role that banks, rather than governments, now play as agents of international isolation, policymakers must develop a

---

Rachel L. Loeffler, former Deputy Director of Global Affairs at the U.S. Treasury Department, was a 2007–8 Council on Foreign Relations International Affairs Fellow at the University of Virginia's Miller Center of Public Affairs.

more sophisticated and accurate understanding of what this new tool of statecraft can and cannot do. In its bid to curb Iran's and North Korea's destabilizing efforts to develop or expand their nuclear programs, the U.S. government has, in recent years, financially targeted not only Tehran and Pyongyang but also the individuals, companies, and associations that front their illicit activities. These measures have depended on a diplomatic campaign aimed at the world's financial centers.

In the immediate aftermath of 9/11, financial diplomacy meant lobbying foreign governments to freeze assets. Now, U.S. financial diplomacy increasingly involves global financial institutions in addition to governments. Traditionally, Washington has worked with compliance departments in global banks to combat terrorism, weapons proliferation, the narcotics trade, and corruption. Governments issue watch lists that banks use to block suspected assets and transactions, thereby cutting individuals and organizations off from the world's financial system. The benefit of compliance strategies is that banks do not have to make the difficult determination about whether to handle certain clients on their own. Surprisingly, these restrictions have reached beyond the boundaries of legal jurisdiction. Banks outside the United States often adhere to U.S. watch lists even when they are not required by domestic or international law to do so.

Aware of this response, the United States has begun to pursue high-level financial diplomacy with global banks directly to foster a shared sense of risk. For banks, this risk often comes down to questions of reputation. In the global financial marketplace, a brand name is a valued asset, one that takes time to build and virtually no time at all to destroy. The risk of an alarmist headline announcing that a bank has facilitated terrorism or nuclear weapons proliferation abroad, even unwittingly, is not worth any potential return for a major global bank. Accordingly, the underlying business imperative of banks—to understand and assess risk—has begun to encourage cooperation between the public and the private sector against threats posed to global security.

In 2007, the United States accounted for half of the global investment-banking and brokerage markets and half of the diversified-financial-services market, leading most global financial institutions to forgo potentially profitable opportunities in other regions before risking a

brand-name malfunction in the U.S. market. With the dollar in steep decline, the dispersion of financial activity away from one center to many, and the U.S. financial system in crisis, it is very possible that the United States' financial prowess will wane over time. That makes it all the more critical for the new financial statecraft to foster a shared sense of risk between U.S. policymakers and global bankers.

PULLING THE PLUG ON PYONGYANG

By the middle of 2005, the North Korean nuclear crisis had been going on, in its usual fits and starts, for over two years, since Pyongyang had kicked out inspectors and resumed its nuclear weapons program in late 2002. The six-party talks had been through four rounds, and North Korea had declared that it had produced nuclear weapons and had fired a short-range missile into the Sea of Japan.

Meanwhile, the U.S. Treasury Department had been conducting an investigation into North Korea's widespread illicit activities. In September 2005, the Treasury Department designated the Macao-based Banco Delta Asia (BDA) a "primary money laundering concern" under the U.S.A. Patriot Act. This measure had two elements. First, it publicly highlighted the misconduct of the bank, which included a host of questionable activities, such as accepting large deposits of cash from North Korean officials (some of it counterfeit U.S. currency) and agreeing to place that currency into circulation, drawing a fee from North Korea for access to the banking system with little oversight or control, and conducting business with a known North Korean front company involved in international drug trafficking. Second, the Treasury Department indicated that after 30 days of the designation, the United States could at any time cut BDA off completely from the U.S. financial system.

At this stage, all the United States had done with the designation was publicly highlight BDA's role in North Korea's illicit financial operations and warn U.S. financial institutions that stronger measures could follow. Still, even this had an effect. Although global banks were not required to take any particular action, many responded to the Treasury Department's move in important and far-reaching ways. In the year that followed this ruling, non-U.S. banks across

Asia voluntarily cut back or terminated their business with BDA—and, in some cases, with North Korea itself.

In short, the mere announcement of a possible regulatory measure that would apply only to U.S. institutions caused banks around the world to refrain from dealing with BDA and North Korea. By March 2007, when Washington actually made it illegal for U.S. banks to maintain relationships with BDA, many in the global financial community had already cut ties with BDA on their own. To be sure, the jury is still out on the degree to which North Korea will uphold its end of the bargain that emerged from the six-party talks. But the fact that financial measures have raised the costs for North Korea to engage in illicit activity is already evident.

The final stage of the BDA affair was especially revealing. In the spring of 2007, North Korea demanded that roughly $25 million—funds frozen by the Macanese authorities, not the United States—be transferred from BDA to another bank of their choosing. The funds were available for immediate physical withdrawal, but the issue was not the availability of the money. Pyongyang seemed to understand

that what was at stake was not just $25 million but also ongoing and unfettered access to the international financial system. Ultimately, thanks to the unwillingness of global banks to deal with BDA or the North Korean regime, the $25 million in frozen assets had to travel from Macao, through the U.S. Federal Reserve system and the Bank of Russia, and finally to a small bank in Russia's Far East. As a result of the U.S. regulatory action, North Korea could achieve this simple money transfer only through an unlikely route that involved two central banks working through days of negotiations. Washington's action had significantly increased the costs of being a rogue state.

UNENRICHING IRAN

THE CASE of Iran followed closely on the heels of the experience with North Korea. Iran's nuclear diplomacy escalated with the election of President Mahmoud Ahmadinejad in mid-June 2005. Three months after the election, Iran said that it had resumed uranium conversion at its Isfahan plant, and the International Atomic Energy Agency found Iran in violation of the Nuclear Nonproliferation Treaty. By midsummer 2006, Iran had declared its successful enrichment of uranium. After several months of intensive diplomacy, China, France, Germany, Russia, the United Kingdom, and the United States offered a package of incentives to Iran to curb its nuclear program. But neither that package nor a UN Security Council resolution in July 2006 could forestall the progress of Iran's nuclear program.

For years, the United States had had in place an expansive sanctions program against Iran that barred all but the most minimal financial relations. In September 2006, Washington went further and targeted Bank Saderat—one of Iran's biggest state-owned banks—for supporting terrorism. To do so, U.S. policymakers did not resort to a dramatic expansion of the already broad sanctions program. Instead, they eliminated a small but significant exception to the program, the so-called U-turn authorization, for Bank Saderat. Few foreign-policy watchers noticed this barely perceptible development in world affairs, but bankers engaged in the day-to-day work of clearing international transactions knew exactly what it meant: Bank Saderat could no longer process dollar transactions through the United States. For a bank in a country

that still had at least 20 percent of its foreign reserves in dollars and for which the oil trade, also denominated in dollars, is its primary livelihood, being rejected by Wall Street was serious business.

Four months later, the United States targeted another of Iran's most important financial institutions, Bank Sepah, for its involvement in Iran's nuclear weapons development. This time, the U.S. government used its asset-freezing authority to deny Bank Sepah ongoing access to the U.S. financial system. Two months after that, the United Nations registered its agreement with the measure and listed Bank Sepah in Security Council Resolution 1747, which toughened sanctions against Iran.

International action did not stop there. In October 2007, the Financial Action Task Force (FATF)—a group of experts from the world's leading economies (including, notably, China, Russia, and states in the Gulf Cooperation Council)—issued a striking statement telling member countries to advise their banks about Iran's worrisome financial practices. The statement demanded that Iran address its deficient anti-money-laundering and anti-terrorist-financing structure "on an urgent basis." The U.S. Treasury Department also engaged in what Stuart Levey, the undersecretary for terrorism and financial intelligence, called "unprecedented, high-level outreach to the international private sector," meeting with more than 40 banks worldwide to discuss Iran. These talks involved U.S. Treasury Secretary Henry Paulson himself. In September 2006, Paulson even led a discussion with executives of major global banks at the annual meeting of the World Bank and the International Monetary Fund.

The private financial community responded to these signals by scaling back its business ties with Iran. The big Swiss banks UBS and Credit Suisse were among the first to draw down their business with Iran, in January 2006. By the summer of 2007, several large German banks, including Deutsche Bank, Dresdner Bank, and Commerzbank, had curtailed their business ties with Tehran. French banks, including Société Générale and Le Crédit Lyonnais, and the British banks HSBC and Barclays also pulled back. Even the National Bank of Fujairah, a Dubai-based institution, recently stated that it would no longer support commercial operations with Iran.

This public-private positive-feedback loop continued. In October 2007, the United States targeted 23 more Iranian entities, including

WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

World Economic Forum Global Leadership Fellows Programme

Developing the Next Generation of World Leaders



The three-year Master's Programme in Global Leadership couples leadership training with in-depth knowledge of industry, civil society and international governments. The curriculum provides Fellows with the practical experience of working with global leaders and experts on common solutions to some of the world's most pressing issues.

Since it began in 2005, the programme has attracted more than 6,000 applications. The 20-30 high-calibre individuals selected every year combine their experiences in a highly interactive learning environment.

Fellows leave the Forum equipped with a deeper understanding of the world and equipped with the leadership skills to continue pursuing careers in for-profit or not-for-profit sectors, as well as in the World Economic Forum.

For more information, visit www.weforum.org/glf

three banks. Bank Melli, Iran's oldest and largest bank, had provided financial services for Iran's nuclear and ballistic missile programs and had helped the Quds Force—the arm of Iran's Islamic Revolutionary Guard Corps that supports the Taliban and Hezbollah—obtain $100 million over a four-year period. Washington singled out Bank Melli not only for the fact of its support for the programs and the Quds Force but also for its efforts to disguise its involvement. Bank Mellat, another of Iran's state-owned financial institutions, was caught in the October 2007 financial strike for facilitating what the Treasury Department called "the movement of millions of dollars for Iran's nuclear program since at least 2003." And Bank Saderat, the original target of the small regulatory measure, had its assets frozen as well.

With a now familiar one-two punch, the United Nations bolstered the United States' and the FATF's gestures with a Security Council resolution in March 2008 calling for member states to "exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat." After that came a mid-March financial advisory issued by the U.S. government's financial intelligence unit stating that the Central Bank of Iran and other Iranian banks had specifically requested the removal of their names from global transactions so that counterparties could not detect the banks' involvement in proliferation and terrorist activities. This two-year sweep of financial diplomacy reached a high point in June 2008, when British Prime Minister Gordon Brown announced that the European Union would impose sanctions against Bank Melli. This was particularly powerful given London's preeminent role in global capital markets. Rejection from London and the rest of Europe would cripple the bank's global image and operating ability.

In the final days of the Bush administration, the United States made two last financial incursions. First, in October 2008, the United States froze the assets of the Export Development Bank of Iran for providing financial services that helped advance Iran's weapons of mass destruction program. And finally, the United States revoked the entire U-turn provision for Iran, which had previously been revoked only for Bank Saderat. This final action, according to the U.S. Treasury Department, essentially closed the "last general entry point for Iran to the U.S. financial system."

INSECURE TRANSACTIONS

In the case of Iran, the question of impact can be considered from two perspectives. From the vantage point of Iranian businesspeople seeking a friction-free financial relationship with the outside world, the costs of financial pressure have been high and unwelcome. Costs associated with Iranian trade have reportedly gone up by between 10 and 30 percent. The vice president of the Dubai-based Iranian Business Council has stated that no one is accepting Iranian letters of credit anymore, which is why Iranians are moving out of Iran in order to establish relationships with other foreign banks. In June, *The Washington Post* reported that the honorary president of the private German-Iranian Chamber of Commerce said that the financial sanctions against Iran's international banking network have made it nearly impossible to pay for goods.

The banking squeeze has also put a hold on foreign investment. Chinese banks reportedly have scaled back ties with Iranian companies at a time when Iran is looking to China as part of its great reorientation eastward. This is to say nothing of the numerous oil and gas deals that have hobbled along erratically as companies and their banks retreat from doing business with Iran. According to the UN Conference on Trade and Development's 2007 *World Investment Report*, Iran kept company with Iraq, Kuwait, the Palestinian territories, Syria, and Yemen in attracting the lowest levels of foreign investment in the Middle East.

The trade picture also has shifted notably. Whereas Japan, the United Kingdom, and the United States were Iran's top export markets 14 years ago, China and Turkey had taken second and third place by 2006. Even Germany, which was Iran's top import supplier from 1994 to 2006, has seen its exports to Iran drop by roughly a quarter in just the last two years. This shift reflects not just the inevitable "rise of the rest" that is affecting the trade portfolios of many countries but also the pressure many European governments have put on their domestic industries to reconsider pursuing contracts with Iran.

The rising costs of letters of credit and trade realignment will not cripple the Iranian economy; anyway, President Ahmadinejad is managing to do that by himself. But they do make life more cumbersome and expensive for Iranian importers. Rising costs create pressures that may be felt in Iran's business and political power structures.

Still, the risk of evasion continues to be an issue. Just as the United States and its partners have found a new and targeted way to hurt Iran financially, Iranian institutions have learned and will continue to learn how to innovate and evade the resulting restrictions. And in some cases, large global banks have been willing to help. On January 9, Robert Morgenthau, the Manhattan district attorney, announced that the British bank Lloyds TSB would be fined $350 million for its "systematic process of altering wire-transfer information to hide the identity of its clients." Although Lloyds voluntarily curtailed this practice, the Iranian banks Sepah, Melli, and Saderat had managed to push more than $300 million through the financial system before it was all over. Ultimately, the question is not whether Iran's businesspeople will find a way around financial restrictions but how much they will, how quickly, and at what cost? The United Arab Emirates has long been a central reexport point for Western-origin goods going to Iran. Although UAE officials have begun to crack down more seriously on suspect trade, this multibillion-dollar trade relationship allows Iran to blunt the impact of financial restrictions.

The ultimate policy impact of these measures remains an open question. There is no sign that Iran has suspended or given up its efforts to develop a nuclear weapons program. Tehran has rebuffed or ignored multilateral overtures and incentive packages multiple times. But in this context, financial gamesmanship is but one of the many tools in the arsenal of policy tactics. The moment has not yet come for a final assessment of the new financial statecraft, but it clearly provides a lever of influence where fewer and fewer seem to exist.

RISKS OF BUSINESS

To BETTER foster a shared sense of risk among the public and private sectors, the United States should use financial tools in select cases when doing so could provide a reasonable chance of compelling others in the international community to take similar measures. The case of the Iranian banks has been a noteworthy success. Patient, graduated U.S. actions motivated international commitment, creating over time the kind of pressure and legitimacy necessary to have a lasting impact. The scope of those actions raised awareness and affected risk assessments in the global banking industry. But all targeted financial actions

are not created equal. Although some deliver surprisingly powerful effects, every targeted financial action may not produce the same response. The potential risk is that if they are used routinely or seemingly indiscriminately, financial measures could eventually lose their effectiveness. Financial tools have the capacity to isolate world actors, but they also have the capacity to discredit the user.

The financial system's relevance to a reported threat must also be clearly demonstrated. Global financial institutions are much more likely to share the U.S. government's perspective if a risky country, person, or set of circumstances clearly intersects at some identifiable point with the global financial system. Highlighting the Central Bank of Iran's role in the deceptive financial practices of that country is a perfect example of this relationship. If governments use financial measures when the connection is less obvious, they will risk alienating the very banks that must implement them.

Finally, the geography of global banking must be well understood. Iran and North Korea make up only a fraction of a percent in the overall earnings for most global banking institutions, whereas Europe, North America, and other countries in Asia contribute the vast majority of those earnings. Those banks that publish geographic breakdowns rarely even show a category for the Middle East, let alone Iran. But what would happen if the target in question made up five percent of a bank's income? In such a case, the interests of the public and private sectors could potentially diverge.

Although the risk that financial tools could lose their effectiveness is real, the success of the interaction between the public and the private sector to date gives a sense of the powerful possibilities that lie ahead. It is hard to imagine any serious foreign policy issue down the line in which financial tools would not be or should not be considered a part of a comprehensive strategy. The management of this dynamic remains the crucial challenge. So far, Washington has maintained a balance between issuing compliance mandates and engaging in high-level financial diplomacy that respects the autonomy of banks and their decision-making processes. If the United States can continue to nurture this public-private relationship and take action in disciplined and selective ways, the tools of U.S. foreign policy will at once be significantly augmented and usefully refined.

Cambodia's Curse

Struggling to Shed the Khmer Rouge's Legacy

Joel Brinkley

Theary Seng often thinks of that April morning in 1975 when she watched her parents cheering on the Khmer Rouge as its soldiers marched into Phnom Penh. She was four years old. Within days, Pol Pot's foot soldiers had killed her father; three years after that, her mother died in a prison compound. Today, Theary Seng runs a nonprofit legal-advocacy group in Phnom Penh. She is eager to move on. But the rest of Cambodia, and much of the world, remains mired in the nation's sorrowful past. During its four-year reign, the Khmer Rouge killed as many as two million people. Nowadays, the venal government of Prime Minister Hun Sen may take "ten lives or even a hundred lives," she told me in August, "but what's that compared to two million? That's still the Cambodian standard, and that's the international standard."

The devastation Pol Pot wreaked on his country remains hard to comprehend, even three decades later. His goal, as he put it, was to return Cambodia to "year zero" and transform it into an agrarian utopia. To that end, he purged his nation of educated city dwellers, monks, and minorities, while imposing a draconian resettlement program that uprooted almost everyone else. These measures led to the deaths of one-quarter of the country's population.

Joel Brinkley, former Foreign Affairs Correspondent for *The New York Times*, is Professor of Journalism at Stanford University. Research for this article was carried out in Cambodia last August thanks to funding from the Pulitzer Center on Crisis Reporting.

Joel Brinkley

The Khmer Rouge fell in 1979, when Vietnam invaded Cambodia and replaced the regime with a puppet government, in which Hun Sen became the foreign minister. When Vietnamese forces pulled out ten years later, they left behind several Cambodian factions battling for control. Then, in 1991, these groups' leaders signed a UN-sponsored peace accord, giving Cambodia the extraordinary opportunity to start over. Before Iraq, Afghanistan, Somalia, and even the Balkans, Cambodia was the international community's grand nation-building project. The country's new constitution awarded Cambodians the human rights, personal freedoms, and other protections of a modern democratic state. And in 1993, the United Nations staged a national election to select a democratic government. After the horrors of the Khmer Rouge, Cambodia would remake itself at last, and its people would have a chance to thrive.

But in the 16 years since that election, the government has squandered that opportunity. Hun Sen came in second in the 1993 election but muscled his way into the government nonetheless. Four years later, he staged a coup. Since then, his government has been looting Cambodia's natural resources, jailing political opponents, kicking thousands of the weakest out of their homes, and fostering an expansive system of corruption, all the while ignoring any challenges or complaints from organizations and governments around the world.

"People in America, all they know of Cambodia is the Khmer Rouge," Joseph Mussomeli, then U.S. ambassador to Cambodia, told me in August. "Cambodia is trying to make it in the twenty-first century, but Washington is still stuck in the 1970s." Its perception skewed by this outdated vision, most of the world barely seems to notice that the Hun Sen government is destroying the nation.

GETTING AWAY WITH MURDER

ONE WORD comes up over and over again in conversations with Cambodians: "impunity." Prime Minister Hun Sen and his family, aides, and friends do more or less whatever they want and face few consequences. In August, the prime minister's nephew, Hun Chea, ran over a motorcyclist while speeding in his Cadillac Escalade, ripping an arm and a leg off the victim. Hun Chea began to drive off, but he

had shredded a tire in the accident and was forced to pull over. *The Phnom Penh Post* described what happened next: "Numerous traffic police were seen avoiding the accident scene, but armed military police arrived. They removed the SUV's license plates and comforted Hun Chea." According to the newspaper, a military police officer was overheard telling him, "Don't worry. It wasn't your mistake. It was the motorbike driver's mistake." Meanwhile, the victim bled to death on the street. A few days later, Hun Chea gave the dead man's family $4,000, and the case was closed.

The continuing problem of contract killings is the signal example of impunity. Last summer, two men speeding by on a black motorcycle shot and killed Khim Sambor, a reporter for the opposition newspaper *Moneaksekar Khmer* (Khmer Conscience), and his 21-year-old son as they walked down the street. No suspect has been arrested. Nor have any suspects been arrested for the drive-by shootings, in broad daylight, of dozens, if not hundreds, of trade-union leaders, journalists, and political activists over the last decade or so. Although no one has proved that government officials were behind these murders, the police have made no effort to solve the crimes. Citing the deaths of union leaders in the last four years, the UN high commissioner for human rights said in a report last year that they were "emblematic" for what they revealed "about impunity for crimes which appear to possess a political dimension."

> Much of Cambodia, and the world, is still mired in the bloody legacy of the Khmer Rouge.

Perhaps even more revealing is the laxity with which Cambodians long treated Ieng Sary, Pol Pot's foreign minister and a key architect of the Khmer Rouge's ideology. After the Khmer Rouge was deposed, many of its members, including Ieng Sary, went into hiding in the jungle in the western part of the country, from where they waged guerrilla warfare for almost two decades. Ieng Sary moved back to Phnom Penh in the late 1990s, having defected to the government and having been pardoned by King Norodom Sihanouk. In time, he settled in a comfortable housing development for ruling-party officers, down the street from the Senate's golf course.

To most outsiders, permitting Ieng Sary to quietly return to the capital was akin to allowing Joseph Goebbels, Rudulf Hess, or other

MAGNUM/JOHN VINK

In the former torture center of Tuol Sleng, Phnom Penh, 2002

Nazi leaders to move back into their Berlin homes after World War II. But Cambodians find it utterly unremarkable that a Khmer Rouge leader lived openly among them for years. Ask anyone how that could be, and you get a puzzled look. And if Ieng Sary faced no retribution and no censure for years, why would the killing of a journalist here or of a trade-union official there raise concerns?

Ieng Sary was finally arrested in November 2007 to stand trial for war crimes and crimes against humanity, along with four other surviving

Khmer Rouge leaders. After years of tortured negotiations, the UN convinced the Cambodian government to try Ieng Sary and the others in a hybrid Cambodian-UN court. But delays and charges of corruption are now hobbling the proceedings. (The tribunal announced in January that the first trial would begin in March.) Several court employees have complained that their supervisors are forcing them to kick back 20 to 30 percent of their salaries. These claims have enraged UN officials but have evoked little surprise among Cambodians. After all, they learn about corruption firsthand—starting in the first grade.

BAD EDUCATION

EVERY DAY, just before Chhith Sam Ath's two young sons head out the door for elementary school in Phnom Penh, he gives them a small wad of cash. And every day, they hand it to their teacher as they enter the classroom. So do all the other students. Children who do not make the daily payments are likely to get bad grades. In the upper classes, teachers sell students the answers to final examinations—an expected practice, especially in urban schools. "You go to school and learn how to bribe people," said Chhith Sam Ath, who is executive director of the NGO Forum on Cambodia. As in many developing countries, school attendance is not compulsory. And education officials say that some Cambodian families do not send their children to school simply because they cannot afford the daily bribes.

Im Sethy, the education minister, told me in August that the ministry's policy is to "cut down on these irregularities." But he also expressed sympathy for the teachers, who are paid $40 a month. "We have to increase the salaries," he said. In the meantime, the ministry has given teachers permission to hold other jobs to supplement their incomes. Im Sethy said that his staff had sent a circular to the schools warning of suspensions and lost promotions if teachers were caught taking bribes. "We catch about a hundred of them a year."

By neglecting education, Cambodia's leaders are crippling the country's development. Only about 75 percent of Cambodian children even enter the first grade. The average class size is 53 students. In many rural areas, teachers have no more than a third-grade education. Cambodian students repeat grades so often that it takes them an average

of ten years to make it through the sixth grade. Only half the children who begin school get that far, and just 23 percent of those who get to the sixth grade make it to high school. And those who do graduate have diplomas that every employer and every university admissions officer will suspect were obtained through bribery rather than study.

Like many other Cambodian officials, Im Sethy blames the Khmer Rouge for today's educational problems. He notes that about 80 percent of Cambodia's teachers were killed under its rule and only ten percent of the schools were left standing. "We had to organize the education system from scratch," he said. Thirty years later, Im Sethy insisted, the school system is still recovering.

A ROLLS-ROYCE IN A TRAILER PARK

DRIVING AROUND Phnom Penh during the national election campaign last summer, one could see the same poster pasted to almost every fence and wall. "Hun Sen saved Cambodia from the Khmer Rouge," it said. Actually, it was the Vietnamese who "saved" Cambodia from the Khmer Rouge; nonetheless, Hun Sen's party, the Cambodian People's Party, won the July 27 election by a wide margin, taking 90 of 123 seats in parliament.

To help assure the party's victory, operatives handed out cash and gifts to voters all over the country in the weeks leading up to the election. In Samrithy, who works for the NGO coordinating organization the Cooperation Committee for Cambodia, said that his niece got two shawls and 20,000 riel (about $5). These payouts buy voters' loyalty—even though after 30 years of Hun Sen's party being in power, per capita income stands at about $590 a year and at least one-third of the country lives on less than $1 a day. About eight out of every 100 children in Cambodia die before they reach the age of five, according to UNICEF. Of those who survive, 37 percent are so malnourished that their growth is stunted physically or mentally. Seven percent of Cambodia's children are, in essence, starving to death. Life expectancy, according to UNICEF, is 59 years.

These problems—and the government's neglect of them—are most apparent in places such as Bon Skol, a village of 679 people about 100 miles west of Cambodia's border with Vietnam. Mou Neam is the

Cambodian People's Party chief in Bon Skol. He makes earthen cooking pots and earns about $1.20 a day selling them at the market. Mou Neam lives in a two-room shanty on stilts. Like everyone else in the village, he has no electricity, no running water, no telephone, no toilet. But he is relatively well-off and has a small black-and-white television. Once a week, he trudges to town carrying a car battery. With a fresh charge, which costs 50 cents, "I can watch TV for a week," he says with a grin.

Hun Sen's government has been looting natural resources, jailing political opponents, evicting thousands from their homes, and fostering corruption.

His neighbor, Cha Veun, is not so fortunate. Forty-six years old and toothless, she says she stopped attending school after the second grade. She earns less than 50 cents a day, also making earthen pots. Cha Veun and her family of four live on a ten-foot-by-ten-foot raised platform with no walls and a palm-frond roof that leaks during the rainy season. She has no television or toilet—or much else.

About 80 percent of Cambodia's 14 million people live in rural villages like Bon Skol, in conditions more or less like Mou Neam's and Cha Veun's. The government acknowledges that only 16 percent of the population has toilets, leaving the rest—some 12 million men, women, and children—to defecate outside, over the aquifers from which they draw water to drink, cook, and bathe.

Many people in Phnom Penh and other cities disdain Hun Sen and the members of his political party for living far beyond their official means. Although a minister's salary is about $300 a month, Hun Sen is building himself a four-story mansion the size of a suburban office building, with a heliport on the roof. While it is under construction, Hun Sen is staying at his country estate, which has a private golf course. But Cambodians in the countryside seldom see any evidence of this ill-gotten largess. The government controls all the television stations; newspapers, although relatively independent, do not circulate outside the cities; and, according to the government, only about three percent of the population has access to the Internet.

Most Cambodians in the provinces hear about Hun Sen only when he comes to visit, as he did Bon Skol three years ago. On that

occasion, the prime minister asked what the village needed. Someone suggested a Buddhist temple, and with a sweep of the hand, Hun Sen directed one of his ministers to build one. A gilded edifice now sits in the center of the village, like a Rolls-Royce in a trailer park.

CORRUPTION RULES

One afternoon last May, a few months before the election, a convoy of motorcycles and rickshaws pulled up in front of the National Assembly to deliver a petition. The documents, which had been signed by 1.1 million Cambodians—eight percent of the population—and filled dozens of boxes, urged the assembly to pass an anticorruption bill that has been languishing for more than a decade. The United States had paid for the initiative. "Our assessment was that there was not the political will to pass the anticorruption law," Erin Soto, who heads the Cambodian office of the U.S. Agency for International Development, told me. "When political will does not exist, it must be built."

The U.S. embassy in Cambodia has made anticorruption a priority in its relationship with the Hun Sen government. It funded two comprehensive studies that were published in 2004 and 2005. They showed in stunning detail that Cambodian government officials steal between $300 million and $500 million a year (most years, the state's annual budget is about $1 billion). In September, after working in Cambodia for several months on a World Bank project, Antonia Corinthia Naz returned home, disgusted by the graft. Naz, an environmental economist from the Philippines, complained that every step along the way, one Cambodian government official or another had demanded a kickback, sometimes asking for 20 percent of Naz's daily salary.

For Cambodians, this is to be expected. "Everyone is corrupt," said Ok Serei Sopheak, a prominent political consultant who became a senior adviser to the prime minister last fall. "It's a way of life here. Everything is done under the table." Thus, last spring, it came as no surprise to the motorcycle and rickshaw drivers delivering the boxes filled with the anticorruption petitions that the National Assembly official who greeted them refused to accept the documents.

TU CASA ES MI CASA

CORRUPTION AND impunity play directly into Cambodia's policy of evicting thousands of poor families from their homes. In 2001, the government enacted a land law that was supposed to establish rules for mediating property disputes. Eight years later, it has yet to write the regulations that would implement the law. In the meantime, the government and its favored developers have simply seized the land they wanted. Phnom Penh is booming, and when a developer spots a choice piece of land, he pays off the relevant official to get a newly minted title and rid the property of its residents, who are almost always poor, uneducated people. When residents resist, the government often charges them with trespassing and throws them in jail.

Three years ago, soldiers and police officers showed up in the middle of the night outside of Un Phea's crude home in central Phnom Penh. They threw her family and hundreds of her neighbors into the street and torched their homes. The residents were then herded onto buses, ferried 15 miles out of town, and dumped in a rice paddy without so much as a bottle of water or a tarp. This

also created a problem for the owner of that paddy. "He had not been told," Yeng Virak, executive director of the Community Legal Education Center, said, recalling that night. "Suddenly, there were 1,000 people on his land."

Chum Bon Rong, deputy director of the National Land Authority, which is supposed to arbitrate such disputes, told me last summer that his agency had received more than 3,000 land-seizure appeals in the previous two and a half years. Of those, only about 50 cases had been adjudicated in favor of the evicted residents. And some of those cases had subsequently "disappeared," Chum Bon Rong said, after they were referred to another agency tasked with implementing the National Land Authority's findings.

After people like Un Phea are evicted, they are forgotten. Licadho, a local human rights group, noted in a report published last year that these people routinely suffer from malnutrition and various infectious diseases, as well as stress-related problems and depression. One day in August, Un Phea sat in the mud outside her shanty in what used to be the rice paddy, peeling bamboo shoots—and seething. "Before, I sold water and some eggs in front of the royal palace and made a good living. Here, it is hard to work," she explained. She is 25 but already looks decades older. "They dumped us here and gave us no money, no land title, nothing." The community has no water, not even a pump. "We have to buy water from the water seller," she said, nodding toward a cistern beside the house. Mosquito larvae roiled the water. Tacked to her shelter's front wall, a poster warned of dengue fever.

NO STRINGS ATTACHED

In 2006, the National Land Authority got $615,000 from Japan to buy a computer system—one of the many donations that are helping bankroll the Cambodian government today, with uncertain results. About 2,000 nongovernmental organizations (NGOs) and donor groups are registered to work in Cambodia—more per capita, some of them have said, than in any other country. Aid groups run projects in health, education, the environment, and governance. Every year, they hold a meeting to discuss priorities for the coming year. Invariably, some admonish their peers not to give any money until the government

ends the land seizures, puts a stop to the contract killings, and passes the anticorruption law. Year after year, Hun Sen and other senior officials exuberantly espouse the donors' goals—and then return to business as usual. The exercise is "little more than a studied attempt to tell donors what they want to hear," a 2007 UN report lamented. "The government has learned that they are not serious," said Chhith Sam Ath, of the NGO Forum on Cambodia, an umbrella group for about 85 donor organizations. "They do not stand behind what they say."

Once, just once, a major donor held back money because of government skimming. Charging "misprocurement on 42 contracts and declared non-eligible expenditures" of $12.2 million in 2006, the World Bank withheld funds until the government started returning what had been diverted. Stéphane Guimbert, the World Bank's senior economist in Phnom Penh, says that the bank has set up more stringent financial monitoring. In December, the bank also started a new program called Demand for Good Governance, a $20 million grant to help "NGOs, grass roots groups, independent media, trade unions, etc., to support transparency and accountability programs in Cambodia"—with the funds, however, to be disbursed to the government.

In Samrithy, of the Cooperation Committee for Cambodia, says donors rationalize giving money even though they know a share of it will be stolen. "Some money goes this way or that way, but it's useful if some of it reaches the poor. Not all of it does, but some does," he said. And so, as the Cambodian government continues to ask for funds, donors continue to disburse them. In 2007, they gave $550 million after the government promised to pass the anticorruption law, and in 2008 they pledged another $689 million. Although the law had still not been passed by the end of 2008, donors pledged almost $1 billion for 2009. On average, donors supply about half of Cambodia's annual budget.

THE VIRTUES OF DEPENDENCE

INTERNATIONAL DONORS, in other words, are effectively bankrolling the Cambodian state, and that despite economic growth rates that until recently exceeded ten percent. Former U.S. Ambassador Mussomeli said these figures were less impressive than they seemed because Cambodia's recent growth started "from a very low base." At the same

time, Cambodia's economy relies on three principal sources of income: textiles, tourism, and agriculture. Its reliance on textiles is so extreme, in fact, that Cambodia has become beholden to U.S. retailers. As Mussomeli put it, "Levi Strauss or the Gap could destroy this country on a whim."

Another outsider, Chevron, discovered oil offshore several years ago. The company is still trying to determine the size and marketability of the field, but the Cambodian government says it hopes to begin pumping oil in 2011. The International Monetary Fund estimated last year that the country could earn as much as $1.7 billion from oil within ten years of the date pumping begins.

This worries diplomats and donors: Will oil wealth not simply sluice down the corruption sewer? And with all that new money, will the government still need the NGOs? Without the involvement of international groups, "a lot of services would suffer, maybe collapse," said Suomi Sakai, who headed UNICEF's Cambodian office until last August. For the time being, the government officers who want to attract outside funds—the better to skim them—make sure that at least some things are done so that Cambodia shows a good face to international organizations. Kek Galabru, the head of Licadho, whose Web site regularly documents government abuses, says the government largely leaves her alone because it can point to her organization to secure money from the international community. As she put it, "The government can say, 'Look at Licadho. They are free.'"

If the government no longer needed donor money because of oil revenues, would it shut down Licadho's Web site, take over the newspapers, and crack down in other ways? "The little that has come out now suggests that the pockets of oil are more scattered and may be less commercially viable" than was once thought, said Guimbert, of the World Bank. "That could be a blessing in disguise. But I don't want to discount the black scenario. It could still happen." Hence the need, he said, to bring transparency to government spending. "There is a sense of urgency here."

Return to Table of Contents

Reviews & Responses

Because claims to sovereignty over Jerusalem's Old City are mutually exclusive and based on diametrically opposed historical narratives, shared governance simply will not work.

Review Essay

Adrift on the Nile

The Limits of the Opposition in Egypt

Steven A. Cook

Egypt After Mubarak: Liberalism, Islam, and Democracy in the Arab World. BY BRUCE K. RUTHERFORD. Princeton University Press, 2008, 292 pp. $35.00.

It is hard to believe today, but just four years ago, the Arab world seemed on the brink of dramatic change. During the so-called Arab Spring of early 2005, Iraqis went to the polls for the first time since the demise of Saddam Hussein, Syria withdrew from Lebanon after one million protesters descended on central Beirut, and Saudi Arabia staged municipal elections. In Cairo, activists from across the political spectrum, having grown more confident and savvy, forced the regime of President Hosni Mubarak to cast itself as reform-minded, which loosened the reins on the opposition. The editorial pages of Western newspapers were asking triumphantly if the Middle East had finally arrived at that mythic tipping point.

Within the Bush administration, however, there was detectable unease, particularly when it came to the developments in Egypt. U.S. officials were worrying about how to react, not because they questioned President George W. Bush's "forward strategy of freedom" but because political transformation in Egypt presented a policy puzzle with no simple solution. On the one hand, Mubarak and his associates were profoundly unpopular; on the other, the opposition was thin on democrats and liberals and heavy on leftists, Nasserists, and Islamists, all deeply opposed to the United States. More broadly, the opposition was divided along fault lines that had vexed Egyptian politics for six decades. It was difficult to believe that these groups, acting alone or in a coalition, could dislodge Mubarak.

Since the July 1952 coup in which Colonel Gamal Abdel Nasser and his

STEVEN A. COOK is Senior Fellow for Middle Eastern Studies at the Council on Foreign Relations.

Free Officers dislodged King Farouk I, the central question confronting Egyptians has been, what should the state's central ideology be? At first blush, the answer seems obvious. Soon after seizing power, the Free Officers abandoned their plans to reform Egypt's political system in favor of a new order based on nationalism and an ill-defined variant of socialism, and they quickly established unrivaled authority, which their descendants still exercise today. Yet contemporary Egyptian leaders have repeatedly had to fend off deeply attractive alternatives to the regime built by the Free Officers. With the Egyptians preparing for an inevitable transition—this year, Mubarak will celebrate his 81st birthday and the 28th anniversary of his rule—the competition is on the upsurge. The main contender, as ever, is the Islamist movement.

Although the stakes of a change in leadership in Cairo are considerably lower for U.S. policymakers and analysts than for the Egyptians, the prospect has sparked a lively debate in Washington. A recent addition to the conversation is Bruce Rutherford's *Egypt After Mubarak: Liberalism, Islam, and Democracy in the Arab World*. Readers looking for the inside story on who will succeed Mubarak will be disappointed; there is little gossip in these pages. (Speculation is that Mubarak's son Gamal is being groomed for the top job.) But they will nonetheless be rewarded by Rutherford's ambitious effort to explain how significant political actors, specifically, the Muslim Brotherhood, the judiciary, and the business sector, can work in parallel, if not exactly together, to influence the country's trajectory over time. This is a novel approach to analyzing Egyptian politics, the conventional view being that although Egypt's leaders confront myriad economic and political challenges, the state is rarely, if ever, constrained; it just has too much firepower at its disposal.

BROTHERS' KEEPER

A perennial target of this firepower, sometimes literally, has been the Muslim Brotherhood, the Islamist group founded by Hasan al-Banna in 1928 to save Egyptian society from what he thought was the West's depraving influence. The Brotherhood's mission was to re-Islamize Egypt from below through preaching, education, good works, and even (between the 1940s and the 1960s) violence. It hoped to foster among the Egyptian masses so much demand for a system based on Islam that Egypt's leaders would have to either submit or be swept away. When the Free Officers Movement began to crystallize in the late 1940s, it found allies in the Brotherhood. Not all of the movement's members shared the Brotherhood's desire to build a society closely hewing to Islamic law, but they endorsed its abiding opposition to the West's colonial project in Egypt and the greater Middle East. The Free Officers and the Islamists embraced the same nationalist project.

In the almost 60 years since the Free Officers' coup, much has been written about the Brotherhood and its relationship to the Egyptian political system. Nowadays, Western observers tend to be split in their interpretation of the organization. At one end of the spectrum is *The Wall Street Journal*, which editorialized in the spring of 2005 that the Brotherhood represents a genuine political movement that Washington cannot ignore without undermining its case for promoting democracy in the Middle East. At the other end are the skeptics, who consider the Muslim

Brothers to be extremists. Former Massachusetts Governor Mitt Romney summed up this sentiment during a Republican presidential primary debate in 2007 by jumbling together Hezbollah, Hamas, al Qaeda, and the Muslim Brotherhood into what he called "the worldwide jihadist effort to try and cause the collapse of all moderate Islamic governments and replace them with a caliphate." Between these two groups are scholars with a more nuanced view, who claim that the organization has evolved, with its younger leaders embracing accountability, transparency, tolerance, and the rule of law as part of their project for Egypt. Others, although also recognizing recent changes in the Brotherhood, are less sanguine about the group; after all, it has never repudiated its historic goal of establishing an Islamic state based on an inherently antidemocratic interpretation of sharia.

For Rutherford, the Muslim Brothers' evolution into liberal reformers is demonstrable, with the notable exception of their position on women's rights. Putting his Arabic to good use, Rutherford examines firsthand the statements of leading Muslim Brothers to present a thorough account of the organization's record over the past 30 years. Rutherford's narrative is compelling because, unlike many Western analyses of the movement, which tend to portray the Brotherhood as static, it conveys a sophisticated understanding of the Brotherhood's development. Rutherford demonstrates not only that the organization has not engaged in violence during this time but also that it has managed to participate in highly circumscribed elections despite being outlawed by making alliances with parties of various ideological inclinations and proffering electoral platforms that have been in many ways unmistakably liberal.

Still, if Rutherford shows that the Muslim Brothers have earned reformist credentials, he fails to explain why they have so transformed themselves. At first glance, he seems to be making a case comparable to that of the political scientist Stathis Kalyvas, who argued in *The Rise of Christian Democracy in Europe* that the religious parties of nineteenth-century Europe eventually became the largely secular Christian Democrats of today for reasons that had very little to do with an ideological commitment to democratic principles. Rather, a combination of self-interest and political constraints confronting both party and church leaders unintentionally spawned the contemporary parties. Rutherford's account suggests that various political pressures and incentives have forced the leaders of Egypt's Islamist movement to pursue the path of moderation. This is an interesting insight, as it implies that the Brotherhood, like Europe's religious parties over a century ago (or, more recently, Turkey's ruling Justice and Development Party), could evolve into a political group only notionally tied to religion.

Unfortunately, Rutherford does not fully explore these potentially rich historical comparisons. Instead, he extensively examines four Islamist intellectuals—Yusuf al-Qaradawi, Tariq al-Bishri, Ahmed Kamal Abu al-Magd, and Muhammad Salim al-Awwa—who he claims have influenced the Brotherhood's thinking. Although this discussion will be extraordinarily valuable for non-Arabic speakers, who would not otherwise have access to these thinkers' work, Rutherford overstates their impact. Of this group, Westerners

are most familiar with Qaradawi, the host of an extremely popular al Jazeera program called *Sharia and Life*. Qaradawi advocates treating all Israelis as legitimate targets of suicide bombers (since they all serve in the Israel Defense Forces) but holds progressive positions on family law, the status of women, and political reform (he recently told Egyptian government employees to pray less so as to improve their productivity). Central to the thinking of all four theorists, according to Rutherford, is a particularly flexible interpretation of sharia. Unlike the Taliban in Afghanistan or the Wahhabis in Saudi Arabia, Rutherford claims, the Muslim Brotherhood is interested in establishing a state based not on a strict reading of Islamic law but on principles inspired by it that are inclusive and compatible with modernity.

Rutherford is so confident in this interpretation that he overlooks an obvious red flag. The flexible understanding of sharia favored by Qaradawi and others is indeed alluring, especially to Western audiences, but this elasticity is inherently risky. It certainly makes good politics to paint contentious issues or concepts in broad strokes; doing so guarantees mass appeal and leaves room for political maneuvering. Rutherford seems blithely unaware that these theorists' protean notions can just as easily serve authoritarian policies as liberal ones. The leaders of the Egyptian regime, for example, speak openly about reform and democratization, but they do so with enough ambiguity to nonetheless pursue an inherently antidemocratic agenda. Perhaps the Brotherhood's embrace of liberal principles is more authentic than that of Mubarak and his associates; certainly, its delegates in the People's Assembly have distinguished themselves as serious legislators by holding the government's feet to the fire on a range of domestic and foreign policy issues. But whether the Muslim Brothers genuinely are liberals is an empirical question analysts will not be able to answer until they actually govern. In recent years, arguments such as Rutherford's have been used to make the case that the United States should engage the Brotherhood as a progressive force for modernization and political change. Yet so far, the Islamists' ostensible commitment to liberalism remains more assertion than fact.

LEGAL AID

Far more convincing is Rutherford's examination of the Egyptian judiciary's ongoing struggle to preserve its institutional prerogative; the judiciary's resistance, indeed, shows how groups armed with liberal principles can keep a regime in check. Although Egypt's Islamists have received the bulk of attention from policymakers, scholars, and journalists in recent years, the country's judiciary has for decades played a critical role in advancing the debate about power and legitimacy in Egypt's political system. In 1969, Nasser directly assaulted judges' independence and sought to establish a more politicized and pliant judiciary. He dissolved the board of the influential Judges Club and created the Supreme Judicial Council, granting the government control over the appointment and promotion of judges. The strategy was effective, but only to a point. The judges' continued resistance to being politicized forced the government to establish a parallel judicial system staffed with judges sympathetic to the regime: the state security courts and the supreme state security courts. Still, Egypt's regular courts have continued to constrain

the Egyptian state in various ways. Since the 1980s, the Supreme Constitutional Court has forced the government to rewrite the country's electoral laws several times, ruling repeatedly that they violated the constitution. In 2005, the Judges Club demanded that it, rather than the Interior Ministry, supervise parliamentary elections, and it forced the government to hold that year's elections in three rounds and reduce the number of polling places from 54,000 to 9,000 so that the country's 8,000 judges could monitor the voting.

As with most things in Egypt, however, there are limits to the judges' power. During the spring of 2006, in a shocking demonstration of official hubris, thugs from the Interior Ministry and troops from the paramilitary Central Security Forces beat supporters of the judiciary who were demonstrating in the streets of downtown Cairo. The proximate cause of the confrontation was the fate of the respected jurists Hisham Bastawisi and Mahmoud Mekki, who risked losing their seats on Egypt's highest appeals court after having accused the government of fraud during the 2005 parliamentary elections. But the roots of the dispute could be traced back to the government's ongoing attempts to politicize the judicial branch and the judges' efforts to stand up for judicial independence and the rule of law.

The crisis was eventually defused. Bastawisi was slapped on the wrist, Mekki was absolved, and the government made a few cosmetic overtures in response to the judiciary's demands. That outcome did not satisfy the judges or the opposition, but it hardly undermined the significance of their activism: Egypt's judges had proved that they could in many ways act

as the conscience of the Egyptian people, many of whom want a more open and democratic future. Without becoming partisan themselves or pouring into the streets as the lawyers of Pakistan regularly do, Egypt's judges can help shape Egypt's political future.

THE BUSINESS OF BUSINESS

The final, and perhaps least persuasive, part of Rutherford's examination of the opposition forces in Egypt concerns the country's business community. The conventional view holds that these movers and shakers ensure their wealth by operating at the nexus of business and politics; business leaders are not clients of the regime so much as integral components of it. The so-called economic dream team of Prime Minister Ahmed Nazif—Rasheed Mohamed Rasheed, the minister of trade and industry; Mahmoud Mohieddin, the minister of investment; and Youssef Boutros-Ghali, the minister of finance—which has been guiding Egypt's economic policy since 2004, is closely connected to Gamal Mubarak, who is one of the president's sons, his presumptive heir, and deputy chair of the ruling National Democratic Party. The NDP itself has very much become the party of big business, counting among its top ranks members of the business elite such as Ahmed Ezz, Egypt's steel magnate, and Taher Helmy, the president of the American Chamber of Commerce in Egypt. The blurring of lines between the private sector and the political class is not specifically Gamal's doing; the process began with former President Anwar al-Sadat's *infitah* (opening) and has continued under Hosni Mubarak. The close connection between the NDP and big business today is simply the logical conclusion of a process that began 30 years ago.

And yet Rutherford sees Egypt's big business differently, less as an essential part of the regime than as an increasingly effective lobby championing liberal reforms. As evidence, he points to the fact that Egypt's private sector has grown considerably since Sadat implemented *infitah*—according to some analysts, it now accounts for 70 percent of the country's domestic production—that the country has become investment-friendly, that it boasts a flat tax, and that the privatization of state-owned industries has picked up in recent years. This is unpersuasive, not least because Rutherford overlooks the role of the International Monetary Fund, which in the late 1980s and early 1990s prodded Cairo to pursue liberal economic reforms. More than any domestic player, it is the IMF that has constrained the Egyptian government's economic policymaking. The interests of Egypt's industrial titans may be served by the reforms the Egyptian government has been forced to undertake, but that hardly makes them reformers or liberals. They welcome the modernization of the state's economic and administrative apparatus only because it allows them to use their privileged positions to make the most of the benefits of globalization.

FOREVER MORE

For Rutherford, Western analysts tend to be skeptical of the intentions of Egypt's business community because they are unable to think of "liberal" and "democratic" as discrete concepts. If one separates the two, Rutherford would say, it should become clear that the Muslim Brotherhood, the judiciary, and the business community are, indeed, liberal actors in Egypt.

Egypt After Mubarak makes abundantly clear that none of these groups is much interested in democracy, but it suggests that a kind of collective liberalism emerges from their separate efforts to limit the Egyptian state's predatory policies. And if they continue to exert such influence, Rutherford argues, one day they could become catalysts for Egypt's present authoritarian system to become a liberal, if not a democratic, political order.

Given the current state of politics in Egypt, Rutherford's vision of a liberal nondemocratic system would be a vast improvement. Appealing as it is, however, the underlying patterns and processes of Egyptian politics will not allow it to be realized. As Rutherford acknowledges, after a short period of relative political openness between 2003 and early 2005, the political space available to Egypt's opposition has closed considerably. Bloggers, journalists, editors, democracy activists, and judges have been harassed, arrested, beaten, raped, and, in one high-profile case, driven out of the country. Egypt watchers have seen such openings and closings of the public sphere many times before, under Nasser, Sadat, and Mubarak. But the latest round of repression is different; as the opening act of the post–Hosni Mubarak drama, it suggests that the next order will look quite a lot like today's. This is especially likely since Egypt's new leader, be he Gamal or not, can be expected to launch his term by taking steps to consolidate his power. Just as Sadat and Mubarak first promised a more open political environment to garner the goodwill of the people but then quickly reneged, Egypt's next president will crack down as soon as openness threatens to morph into political challenge—a threshold that is easily met in Egypt.

Like advocates of change in earlier periods, the Muslim Brotherhood, the judiciary, the private sector, and other reform-minded groups in Egypt today probably will not be able to constrain the state in the way that Rutherford suggests. The Egyptian government is different from the communist regimes of central and Eastern Europe in 1989, which were buckling under the weight of their internal contradictions; it is both stronger and more flexible than Rutherford believes. Authoritarianism will not rule Egypt forever. But with a track record of some 7,000 years already, it could remain the law of the land for a very long time to come.

Responses

The Missing Peaces

How to Govern Jerusalem and Strike an Israeli-Syrian Deal

Old City, New Regime

MICHAEL D. BELL AND
DANIEL C. KURTZER

Jerusalem's Old City covers only one square kilometer, but it embodies every aspect of the Israeli-Palestinian conflict. Within its walls, overlapping demographic, economic, political, religious, security, and symbolic issues pose substantial challenges to even the most experienced negotiators. It is widely believed that the impasse over Jerusalem—especially sovereignty over the walled Old City and its holy places—will prevent a final-status Israeli-Palestinian peace agreement. For such a crucial issue, the Old City does not receive the serious attention it deserves; commentators proposing plans for Israeli-Palestinian peace often simply sidestep the Old City entirely.

The January/February 2009 issue of *Foreign Affairs* is a case in point. Although Richard Haass and Martin Indyk identify the difficulties in agreeing on a formula for Jerusalem in their article, "Beyond Iraq," they stop short of proposing ways to overcome the seemingly irreconcilable differences. Writing in the same issue, Walter Russell Mead ("Change They Can Believe In") focuses on the Palestinian refugee issue as the key to a peace deal and pays little attention to Jerusalem.

Many peace proposals tend to focus exclusively on sovereignty when it comes to Jerusalem. There has been no shortage of plans for the future of this troubled city, but attempts to resolve the Jerusalem issue since 1948 have always failed because they have invariably hinged on the question of sovereignty—reducing the issue to a dispute over territory and political control. The two parties' sovereignty claims should not be devalued, but because these claims are mutually exclusive and based on such diametrically opposed historical narratives, the standard compromise solution—shared governance—simply will not work.

Jerusalem cannot be approached as a traditional case of conflict resolution, and the exercise of sovereignty cannot become a sine qua non for either side. Quite simply, the Old City cannot be divided between the Israelis and the Palestinians. It is too small, too densely populated, too architecturally linked, and the Israelis and the Palestinians are too riven by systemic distrust for them to govern the Old City on their own. There

is no evidence that the ingrained biases, resentments, and prejudices would subside quickly if leaders in both camps signed a peace agreement. The parties would not be capable of resolving their differences on their own for at least a generation, particularly when a small but significant minority of provocateurs on each side would likely seek to undermine any peace treaty. A long-term study, undertaken by the University of Windsor, in Canada, revealed that approaches such as the Geneva Initiative (the peace proposal drawn up by a senior-level Israeli-Palestinian nongovernmental group in 2003) and the Clinton Parameters of December 2000 (former U.S. President Bill Clinton's outline of the essential elements needed to end the conflict) have perpetuated exclusivism by focusing excessively on questions of sovereignty in the Old City. A different perspective is required.

BEYOND SOVEREIGNTY

The most promising alternative to a street-by-street, site-by-site division of the Old City is to construct a special regime that defers the issue of sovereignty and instead focuses on how to administer and manage the Old City with strong third-party participation. The Jerusalem question can only be resolved as part of a grand bargain. In the context of a two-state solution, fair, equitable, and sustainable governance arrangements for the Old City can be designed if both the Israelis and the Palestinians are ready to treat it as a single entity.

The key is addressing the needs of all the Old City's stakeholders: residents, decision-makers on both sides, Israelis and Palestinians outside Jerusalem, international actors with an interest in the Middle East's stability, and the many Christians, Jews, and Muslims around the world who revere the Old City's religious sites. Understanding and addressing all of the stakeholders' deeply rooted spiritual and practical needs is the only way to find a viable solution.

At its core, the conflict is about control over Jerusalem's holy sites, especially the Haram al-Sharif, or Temple Mount; the Western Wall; and the Church of the Holy Sepulchre—all of which are located within the stone walls of the Old City. Most important, the Islamic and the Jewish sacred spaces of the Haram al-Sharif/Temple Mount pose a particular problem because they overlap physically and are historically interconnected and indivisible. Given these sites' immense religious, cultural, and emotional power, they must be administered fairly and equitably. The involvement of an impartial third-party administrator—chosen by the Israelis and the Palestinians together—is essential, as it would build confidence between the two sides and reinforce it over time. In the meantime, sovereignty claims would not be relinquished but be deferred. This would not constitute internationalization—an idea that both parties oppose—as there would be no international jurisdiction. Rather, this new regime would be created by the Israeli and Palestinian governments and would be accountable to them. Such a special autonomous governance regime with a strong third-party presence would be the optimal system for the interim management of the Old City.

This Old City Special Regime (OCSR) would operate within the framework of a two-state solution and allow both states to claim Jerusalem as their capital. It would ensure fair and appropriate access to the holy sites and security for Christian, Jewish,

and Muslim worshipers. The two parties would create an Old City board, consisting of senior Israeli and Palestinian representatives and a limited number of international participants selected by both sides. This board would appoint a chief administrator, for a fixed renewable term, with independent executive authority to implement the OCSR's mandate. The chief administrator would establish and oversee a lean bureaucracy responsible for issues such as the protection of the holy sites, the preservation of heritage structures, archaeological excavation, the allotment of residency and construction permits, and the provision of utilities and infrastructure. The chief administrator would also establish and oversee an internationally staffed police force, which would function under a unified command structure, with the assistance of Israeli and Palestinian liaison officers. This force would be responsible for community policing, maintaining public order, counterterrorism, controlling access to the Old City, and enforcing civil and criminal laws. Finally, the chief administrator would establish a close working relationship with an advisory religious council and the existing custodians of the holy sites; there would be an independent legal system and a dispute-resolution mechanism; and the OCSR would cooperate with national and municipal governments at both the operational and the political levels.

Given the mutual distrust between the parties and the inevitability of spoilers, any successful third-party administrator would also require the ongoing and active support of the Israelis, the Palestinians, and key members of the international community. Moreover, the OCSR administrator would require clear and unimpeded lines of authority and management, coupled with the capacity to maintain public order and react rapidly in moments of crisis.

THE PEACE DIVIDEND

The OCSR's legitimacy would be rooted in an Israeli-Palestinian peace agreement and in the fact that the Israelis and the Palestinians would determine the rules that guide the regime. Support from the international community, including a strong UN Security Council resolution, would strengthen that legitimacy. To work, the OCSR must focus more on place—and critical issues of friction related to specific sites—than people. When handling quintessential Old City problems that are politically contentious and could jeopardize peace and security—such as maintaining the security and sanctity of the holy sites, ensuring fair enforcement of the rules that govern the holy sites today, and protecting access for worshipers of all faiths—the OCSR must recognize that Old City inhabitants belong to larger communities extending beyond the Old City's walls and that these communities already have cultural, legal, and social structures to address many aspects of their daily lives. Most residents of the Old City would be citizens of Israel or the new Palestinian state. (Special arrangements already exist for foreign residents; responsibility for these foreigners would be transferred to the OCSR.) Israeli residents would be subject to Israeli law and Palestinian residents to Palestinian law on issues affecting individuals. Israeli residents would vote in the national and municipal elections of Israel and its capital, Yerushalayim; Palestinian residents would participate in the elections of Palestine and its capital, Al Quds. Education, family policy, health care, social programs, and religious practice would, under most cir-

cumstances, fall under the authority and jurisdiction of the national governments. Cases involving interethnic crimes would normally be subject to the jurisdiction of the OCSR criminal court.

The OCSR would generate some independent revenue through taxation, fees, and bonds. But it could not fulfill its mandate using the Old City's resources alone and so would require substantial support from Israel and Palestine, as well as from the international community. Such international support is all the more imperative given the Old City's meaning and symbolism worldwide and the threat to the Israeli-Palestinian treaty that would arise were the OCSR to fail in discharging its mandate.

The benefits of peace for Jerusalem would be enormous. A peace agreement would bring recognition of Jerusalem as the capital of both Israel and the new Palestinian state: embassies would relocate there, new institutions would appear, and tourism would surge. The influx of international specialists knowledgeable about the OCSR's areas of responsibility would directly and indirectly create a significant number of new jobs. Approximately two-thirds of these would likely go to local Jerusalem residents according to research commissioned by the University of Windsor, and each new job would, in turn, fuel the local economy by increasing the consumption of goods and services.

Each national and religious community sees the Old City as the center of its identity. The sensitivity of issues pertaining to the Old City of Jerusalem, especially its holy sites, became a major obstacle in negotiations between the Israelis and the Palestinians both at Camp David in 2000 and at Taba in 2001. Creating a special regime with significant outside participation to govern the Old City is one way to clear that hurdle. This would require great trust and flexibility on the part of both sides, but having served as the Canadian ambassador to Jordan, Egypt, and Israel and the U.S. ambassador to Egypt and Israel for a combined total of 20 years, we believe that it is the most promising approach to meeting the basic needs of all of Jerusalem's stakeholders. It may also represent the best and most realistic hope for achieving peace in the Holy Land.

MICHAEL D. BELL *is Paul Martin, Sr., Senior Scholar on International Diplomacy at the University of Windsor. He has served as Canadian Ambassador to Jordan, Egypt, and Israel.* DANIEL C. KURTZER *is S. Daniel Abraham Visiting Professor in Middle East Policy Studies at Princeton University's Woodrow Wilson School of Public and International Affairs. He has served as U.S. Ambassador to Egypt and Israel.*

Realigning Syria

PREM G. KUMAR

In their recent essay, Richard Haass and Martin Indyk urge the Obama administration to promote an Israeli-Syrian peace deal, arguing that it could break the Iranian-Syrian alliance and help isolate Iran in its nuclear standoff with the West. Given the recent violence in Gaza, which has highlighted the obstacles to an Israeli-Palestinian peace agreement, such calls to focus on the Syrian track may increase. The land-for-strategic-realignment deal that Haass and Indyk envision would involve an Israeli withdrawal from the

Golan Heights—most likely to the lines of June 4, 1967—in exchange for a Syrian pledge to end support for Hamas and Hezbollah and significantly downgrade ties with Iran.

But there is little evidence that the Syrian government is prepared to make such a strategic shift. Actively courting Syria with many carrots but few sticks, as during the peace process of the 1990s, is not likely to change attitudes in Damascus. Syria could improve its relations with the West while simply maintaining its current strategic orientation—an outcome that would put no additional pressure on Iran. Instead, Washington should adopt a newly positive tone toward Damascus but combine that with the diplomatic, legal, and financial pressure needed to induce Syria's realignment.

Haass and Indyk are right to point out that most of the substantive issues between Israel and Syria were resolved by early 2000, but public support for peacemaking in Israel has declined significantly since then, which means that the bar for a successful agreement is now higher. During the 1990s, a small majority of Israelis opposed full withdrawal from the Golan Heights in exchange for the normalization of relations with Syria; today, according to polls conducted by the Dahaf Institute, the figure is closer to two-thirds. These numbers are likely to improve only if the next Israeli prime minister can point to specific and credible Syrian commitments to strategic realignment that go beyond the now-devalued peace dividend of the 1990s. But the Syrian regime and many of its subjects believe that President Bashar al-Assad's hard-line policies in the face of U.S. pressure since 2004 have worked and that the West should now engage with Syria on

Syria's terms. They envisage a peace deal in which Damascus would act as an intermediary between the United States and Israel on one side and Hamas, Hezbollah, and Iran on the other. Needless to say, this is not the strategic realignment that most Israelis seek.

AN ENDURING BOND

Syria has long-standing reasons for rejecting peace on Israel's terms. Contrary to the conventional wisdom, the Iranian-Syrian relationship is not a tactical marriage of convenience; it is one of the most enduring strategic partnerships in the Middle East. The ties between Tehran and Damascus were forged in the early 1980s due to a shared hatred of the Iraqi dictator Saddam Hussein, were strengthened over the next two decades as Iranian and Syrian interests converged in Lebanon, and have further solidified since 2002 because the two countries have supported each other in the face of U.S. pressure. The Iranian-Syrian partnership was formalized in 2006 with the signing of a mutual defense pact and has since been reinforced by enhanced economic and cultural links. Although there have been occasional strains in the relationship, notably over Syria's support for a strong central government in Iraq and its participation in the 2007 U.S.-sponsored Annapolis peace conference, Tehran and Damascus have minimized their public disagreements. In fact, Syrian officials went out of their way to emphasize that a break with Iran was not on the table in the indirect talks with Israel and that it never will be. Tehran is a reliable and important ally for Damascus, not one to be traded overnight to meet Israeli or U.S. demands.

Similarly, the relationship between Syria and Hezbollah has grown more intimate over the past five years. Former Syrian President Hafez al-Assad viewed Hezbollah as a client to be manipulated in order to pursue Syria's interests in Lebanon and put pressure on Israel. By contrast, Syria's current president, Bashar al-Assad, treats Hezbollah as a strategic partner, meets with the group's leaders often, and publicly praises them in ways that his father would have found beneath him. The younger Assad exulted in Hezbollah's "victory" over Israel in the summer 2006 war, famously ridiculing moderate Arab leaders as "half-men" for their criticism of Hezbollah. Since its withdrawal from Lebanon in 2005, Syria has become more dependent than ever on Hezbollah, because Hezbollah is the only force that can reliably ensure there is a Syria-friendly government in Beirut. It would be a tall order for Damascus to alienate the most powerful group in Lebanon by cutting off material support to it or otherwise undermining Hezbollah's struggle against Israel.

INCENTIVES FOR PEACE

Even so, Assad does have reasons to pursue peace with Israel. Winning back the entire Golan, a goal his father never achieved, would be a major feather in Assad's cap and could be sold to the public as a vindication of Syria's hard-line policies since 1979. Damascus also has economic reasons to seek a deal with Israel. Given Syria's declining oil production and moribund state-run industries, a peace treaty with Israel could be a path to the new economic relationship with the West that the country needs. But these economic challenges are not grave enough to induce Damascus to compromise at the moment because the

Syrian economy is still doing reasonably well. The International Monetary Fund predicted in 2008 that economic growth in Syria would increase and that Damascus would be able to continue diversifying its economy away from oil.

The withdrawal of Syria's troops from Lebanon has, surprisingly, also had a salutary effect on some sectors of the Syrian economy. The repatriation of assets from Lebanon and the need to offer wealthy Syrians the services they once sought in Beirut led Damascus to introduce reforms in the country's banking, construction, and telecommunications sectors, which have attracted investment from the Persian Gulf states. These changes have also kept the Sunni merchant class of Damascus—long a potential political threat to the regime—quiescent. Down the road, the economic benefits of peace will matter, but at the moment there are more important considerations.

Assad's main reason to seek peace with Israel is the prospect that it would bring rapprochement with the West and with moderate Arab states, which would protect his regime from external threats. Some Syrians, for example, have accused other Arab states of secretly backing the jihadists suspected of carrying out a string of bombings in Damascus over the past year. Reaching an accommodation with the United States, and by extension its Arab allies, would presumably help Assad deal with this jihadist threat.

But two questions remain in most Syrian minds: Which regional relationships would they have to downgrade to achieve this rapprochement? And how certain are the benefits of an improved relationship with the West? Given the widespread popularity of Hamas and Hezbollah among the Syrian public and Assad's frequent expressions of solidarity with these groups, it would be very difficult for the Syrian government to strategically realign itself as visibly or as quickly as most Israelis would like without risking a backlash at home.

A LITTLE RESPECT

Faced with these unfavorable circumstances, one might be tempted to conclude that Washington should wait for a more propitious time to invest significant political capital in pursuing an Israeli-Syrian deal. But as Haass and Indyk argue, the Middle East has a way of forcing itself onto the U.S. president's agenda regardless of his other plans. Moreover, the costs of a renewed proxy war between Israel and Syria would be high. To improve the prospects for peace, Washington should begin by raising Syrian confidence in the benefits of improved relations with the West.

The United States should return its ambassador to Damascus and increase cooperation on issues relating to Iraq—widely expected steps that would serve both countries' interests. Washington should also adopt more respectful rhetoric toward Syria, while continuing to press Damascus to loosen its ties with Hamas and Hezbollah. However, the United States should realize that this may occur only as the result of a peace agreement with Israel.

Then, President Barack Obama should publicly declare his strong support for Israeli-Syrian negotiations and for Lebanon's territorial integrity and political independence. Obama should affirm that in the event of a Syrian peace agreement with Israel, his administration would work with Congress to repeal the 2003

Syria Accountability and Lebanese Sovereignty Restoration Act—which imposed a range of sanctions on Damascus for its destabilizing behavior in the region—and remove Syria from the list of state sponsors of terrorism. Obama should also make clear that the United States is ready to deploy troops at an early warning station on the Golan Heights (to warn Israel of a surprise Syrian attack), secure accession to the World Trade Organization and other trade benefits for Syria, and work with allies in Europe and the Middle East on substantial military and economic aid packages for both Israel and Syria.

Meanwhile, Washington should quietly build leverage over Damascus on other key issues and be prepared to use it to clinch a peace agreement between Israel and Syria. First, it should continue to generously support the United Nations' Special Tribunal for Lebanon, which is investigating the murder of former Lebanese Prime Minister Rafiq Hariri. Although Syria has grown confident in recent years that the tribunal will not charge high-ranking Syrian officials, the indictment of even low-ranking ones or their proxies in Lebanon would strengthen Washington's negotiating position. If Syria agrees to make peace with Israel and permits these indictees to be transferred to the tribunal, Washington should work with its allies and the UN to effectively offer immunity from prosecution to the rest of the regime, as it did with Libya in 1999 in an effort to resolve the Lockerbie affair.

Second, the United States should aggressively push for a broader probe by the International Atomic Energy Agency into the suspected Syrian nuclear plant in Al Kibar, which Israel attacked in September 2007, and for multilateral sanctions if Syria refuses to cooperate. Although securing Chinese and Russian support for this effort will be difficult, Obama will be in a better position to try if he signals that the United States no longer seeks to isolate or overthrow Assad's regime. If Syria agrees to realign itself, Washington should then help lift the sanctions against Damascus for past violations of the Nuclear Nonproliferation Treaty, so long as it agrees to comply with the NPT in the future.

Third, the Obama administration should attempt to broaden its proposed dialogue with Tehran to address Iran's support for Hamas and Hezbollah. If it seems that Tehran is ready to cut off support for these groups, Syrian leverage over Israel would quickly decline, as Iranian aid is far more important to Hamas and Hezbollah than the support they receive from Damascus.

Fourth, Washington should work with its allies to quietly pressure Western and Japanese banks to turn away Syrian individuals and entities suspected of financially supporting terrorism.

Finally, instead of acceding to Syria's request to sponsor negotiations with Israel, Washington should urge the two countries to first engage in direct talks hosted by Turkey and only get involved when they are close to a deal. This approach would help avoid the pitfalls of the 1990s, when Israel and Syria often negotiated with the United States rather than with each other and premature summits derailed the entire process. The Obama administration should also consider establishing a contact group of countries similar to the six-party framework for North Korea, including France, Russia, Turkey, and members of the Arab League, to coordinate international support for the talks and prevent the

parties from playing off their patrons against one another.

As it pushes for peace, the United States must ensure that Israel's demands in the negotiations are based on a specific and realistic definition of Syrian strategic realignment. Instead of demanding a complete Syrian break with Tehran, Israel may need to accept a peace agreement that effectively nullifies the Iranian-Syrian mutual defense pact without requiring Damascus to formally withdraw from it. This could be combined with an end to Damascus' intelligence and military collaboration with Tehran and agreement on the deployment of an international force in Lebanon to verify Syria's pledge to cut off arms shipments to Hezbollah.

Before agreeing to sponsor the Israeli-Syrian talks, Washington should seek concrete signals from Damascus that Lebanon would not pay the price of any Israeli-Syrian rapprochement. These signals could include delineating the Lebanese-Syrian border in the Shebaa Farms region (which would help negate Hezbollah's claim that Israel still occupies Lebanese territory), supporting a renewal of the 1949 armistice agreement between Israel and Lebanon as a step toward a full peace agreement, or accepting the Lebanese government's efforts to disarm Palestinian militants.

Getting Syria to make peace with Israel and to distance itself from Iran will be an extremely complicated task. The U.S. approach must be designed to succeed, and not just to sustain a peace process, because Iran will be meaningfully affected only by an actual peace agreement between Israel and Syria—not simply progress toward one. But with the right combination of incentives and pressure, the Obama administration could help redraw the strategic map of the Middle East.

PREM G. KUMAR, *a U.S. Foreign Service Officer who has served in Jerusalem, in Washington, D.C., and at the U.S. Mission to the United Nations, is an International Affairs Fellow at the Council on Foreign Relations. The views expressed here are his own and do not necessarily reflect the views of the U.S. government.*

Recent Books on International Relations

Political and Legal

G. JOHN IKENBERRY

Climatic Cataclysm: The Foreign Policy and National Security Implications of Climate Change. EDITED BY KURT M. CAMPBELL. Brookings Institution Press, 2008, 237 pp. $28.95.

Over the last two decades, many experts have made urgent calls to take the global environment seriously as a national security problem. But the diffuse and remote nature of the threat has made it difficult to integrate planetary peril into traditional security thinking. This important volume, edited by a leading figure in the foreign policy establishment, makes an eloquent argument for why today's decision-makers have no choice but to act on the coming dangers of global climate change. According to Campbell, climate change is not just another problem to worry about: left unchecked, it will come to represent "perhaps the single greatest risk to our national security, even greater than terrorism, rogue states, the rise of China, or the proliferation of weapons of mass destruction." The historian J. R. McNeill offers a fascinating survey of past centuries of environmental upheaval. In other chapters, experts chart three alternative scenarios based on different projections of climate change and their implications for peace and stability. A cascade of unwelcome effects are identified: large-scale migrations, conflict over scarce resources, and the geopolitical reordering of states as they struggle to cope with coastal flooding, food shortages, and disease. In the most catastrophic scenario, political order in large parts of the developing world will collapse and hundreds of millions of people will perish or emigrate.

What's Wrong With the United Nations and How to Fix It. BY THOMAS G. WEISS. Polity Books, 2008, 292 pp. $64.95 (paper, $19.95).

In this engaging and sweeping critique of the United Nations, Weiss argues that the

We mourn the death of LUCIAN W. PYE, who passed away last year after a long career as an eminent political scientist and nearly a decade as the reviewer for the Asia and Pacific section. We are fortunate to have as his successor ANDREW J. NATHAN, Professor of Political Science at Columbia University, whom we welcome as a regular book reviewer with this issue.

global body has never been more troubled—nor more needed. The problems are many, and Weiss chronicles them all in a journey through the far-flung, multilayered UN system: the deep divide between developed and developing countries over human rights, economic development, and security; the decentralized, overlapping, and incoherent array of councils and agencies; and the dysfunctions of its bureaucracy and weak leadership. Beyond this, there is the problem of the United States' deep ambivalence toward UN-style multilateralism. The failure of efforts in 2005 to reform the Security Council and forge a new consensus on norms for the use of force are further signs of an ailing UN. But Weiss thinks the crisis is deeper still, rooted in a mismatch between an organization founded to serve and protect sovereign states and the accumulation of global problems that require the functional equivalent of a world government. Yet Weiss recognizes the grand dilemma: the UN would not have emerged at all or taken on its many duties if it were not configured as an instrument of state interests. The book offers a variety of proposals for strengthening the UN's capacity and ends provocatively by noting that whereas earlier generations of internationalists, most prominently those of the 1940s, spoke seriously of the need for world government, today's internationalists hide behind vague notions of "global governance."

The Fate of Young Democracies. BY ETHAN B. KAPSTEIN AND NATHAN CONVERSE. Cambridge University Press, 2008, 216 pp. $90.00 (paper, $29.99).

The wave of democratization that occurred throughout the world beginning in the 1980s seems to have crested, and many young and fragile democracies in Latin America and Asia are in trouble. This tightly argued book asks the question, What determines when democratic transitions succeed or fail? The most widely accepted answer is that the fate of new democracies hinges on economic performance. But Kapstein and Converse argue that the design of political institutions is actually more important. Democratic transitions are more likely to last if the government provides institutional checks on the power of the executive, creating credible and legitimate public authority. The book is rich in statistical data derived from the tracking of new democracies since the 1960s, data finding that democratic transitions have been more durable in eastern Europe and Latin America than in East Asia and Africa. In the end, Kapstein and Converse do not disagree that the flow of material benefits to society is critical to the viability of democracy and that the persistence of poverty, inequality, and ethnic fragmentation increases the likelihood that democracies will fail. Their point is that accountable and limited government is a necessary condition for everything else. If politicians cannot establish themselves as legitimate leaders of the whole society, they will eventually fall back on clientelistic policies or engage in shortsighted economic policies that ruin the possibilities for sustained growth and development. The message to international aid groups and democracy promoters, then, is clear: focus on helping these fragile countries build strong parties and rule-based government.

The Responsibility to Protect: Ending Mass Atrocity Crimes Once and For All. BY GARETH EVANS. Brookings Institution Press, 2008, 348 pp. $29.95.

How should the international community

act in the face of genocide and humanitarian atrocities? Evans, a former Australian foreign minister, is one of the leading intellectual forces behind the doctrine of "the responsibility to protect," a landmark effort to redefine the norms of sovereignty and interventionism, endorsed by the UN World Summit of 2005. This book provides a grand statement of the idea and describes the troubled world setting in which it emerged and its far-ranging implications. The innovation of the doctrine was to shift the debate from the international community's "right to intervene" to the obligations of states to protect their own people. The norm of state sovereignty is not absolute; when states fail in their duty to safeguard the lives and well-being of their own people, the outside world has a legal and ethical standing to act. The notion of a responsibility to protect is still widely debated, and Evans is at pains to point out the misconceptions of its opponents. He stresses that the doctrine is aimed primarily at establishing not a normative foundation for coercive military intervention but rather a sustained commitment by the international community to work with weak states to prevent the outbreak of mass atrocities. Much of the book is an elaboration of the tools and strategies that are available to intervening states before, during, and after crises break out. The debate on when and how the world should act in humanitarian crises will continue—and this inspired manifesto will be its essential guidebook.

Just Politics: Human Rights and the Foreign Policy of Great Powers. BY C. WILLIAM WALLDORF, JR. Cornell University Press, 2008, 248 pp. $39.95.

Democratic great powers have, on occasion, terminated strategic partnerships with illiberal states that were judged to be violating human rights norms. The United Kingdom ended its protection of the Ottoman Empire and Portugal in the late nineteenth century, and the United States canceled its military and economic assistance pledges during the height of the Cold War to partners such as Argentina, Chile, South Africa, and Turkey. In each case, realpolitik incentives for security ties seem to have been trumped by wider public worries about humanitarian abuses. These episodes provide the backdrop for this fascinating account of how leading democratic states struggle over conflicts between hard-nosed strategic calculations and liberal democratic and humanitarian norms. Walldorf argues that it is in the legislative bodies of democratic states that ferment over human rights is concentrated; executive officials, even those sympathetic to idealistic liberal aspirations, tend to embrace a traditional realist orientation. Walldorf also finds that strategic termination is most likely when nongovernmental activist groups and assertive congressional coalitions rally together in the face of particularly offensive illiberal behavior by an allied partner and is accomplished by ending or restricting foreign and military assistance. This book joins a growing body of work that illuminates the role of human rights in foreign policy.

Economic, Social, and Environmental

RICHARD N. COOPER

Reforming Pensions: Principles and Policy Choices. BY NICHOLAS BARR AND PETER DIAMOND. Oxford University Press, 2008, 368 pp. $49.95.

The creation or reform of pensions is under

discussion almost everywhere. Growing urbanization and rising incomes in poor countries, along with increasing longevity, have raised concerns about sustenance in old age. In the developed world, increasing longevity and declining birthrates have made most existing pension systems financially unsustainable. This book, a transatlantic collaboration between two leading economists, offers a comprehensive analysis of the objectives of pensions and of their influence on family choices, particularly regarding work, leisure, and retirement. It also includes an examination of many existing pension systems, illustrating both the wide variety among them and their differing degrees of effectiveness. The authors conclude that the diversity of pension schemes properly reflects both the differences in their objectives and the differences in their administrative capabilities; no one scheme fits all countries. At the same time, pension systems can perform well or badly, given their objectives and capabilities. Useful, although only general, guidance is given to all, with a more detailed discussion of the pension systems in Chile and China. The book offers an excellent overview of the complexities of designing effective pension systems. It fails to discuss, however, the implications for national pensions of immigration, which is already high and likely to rise in the future.

The Subprime Solution: How Today's Global Financial Crisis Happened, and What to Do About It. BY ROBERT J. SHILLER. Princeton University Press, 2008, 208 pp. $16.95.

This book provides a more popularized version of the Yale economist Shiller's earlier analyses of the U.S. housing market and his proposals for improvement, which involve not less but more financial innovation. The book is not so much an analysis of the subprime crisis as an essay that ruminates on the genesis and evolution of financial bubbles in general and housing bubbles in particular. Shiller believes correctly that economists, in their emphasis on rational decision-making, have confused desired outcomes with actual outcomes—and have paid far too little attention to the reality of swings in social sentiments that can move market prices far from sustainable levels. He reluctantly agrees that government support of financial institutions, misleadingly called "bailouts," is necessary in the current circumstances. He also proposes a series of financial innovations that would enable people to sell short an index of U.S. residential housing prices, in order to introduce some discipline into future housing booms with a view to making the subsequent corrections less severe.

Carbonomics: How to Fix the Climate and Charge It to OPEC. BY STEVEN STOFT. Diamond Publishing, 2008, 297 pp. $15.00.

How best to deal with climate change will be high on the international and national agendas in the coming years. The favored approach in Europe and in some proposed U.S. legislation is to allocate target greenhouse gas reductions country by country, to create a market for emissions rights, and to allow trade in such rights—a so-called cap-and-trade system. This interesting book explains in layman's terms why a global system is needed, why a global cap-and-trade system is unattainable, and why a partial system cannot accomplish the desired objective of limiting a rise in the atmospheric

concentration of greenhouse gases. Stoft proposes instead, and argues persuasively for, a harmonized global carbon tax (meaning a tax on carbon dioxide emissions)—or, as he prefers to call it, a carbon untax, since he proposes to redistribute to American households all the U.S. proceeds from the tax, in order to offset the higher prices of electricity, fuel oil, and gasoline that any effective policy to deal with climate change will inevitably entail. The book has some idiosyncratic features, such as its discussion of fairness, but it offers a clear and cogent argument for why a carbon tax—or, rather, a carbon untax—is likely to be greatly superior to a cap-and-trade system.

Banking on Basel: The Future of International Financial Regulation. BY DANIEL K. TARULLO. Peterson Institute for International Economics, 2008, 324 pp. $26.95.

The financial crisis of 2007–8 has led many to the conclusion that financial regulation was inadequate, especially but not only in the United States. It may therefore come as a surprise to many (although not to bankers) that regulators from many countries have been working intensely for the past decade on appropriate regulations—in particular, capital requirements—for leading banks around the world. Tarullo here reviews in detail the controversies and compromises that led to agreement on Basel II (named after the Swiss city where most of the discussions and negotiations took place). Differing concepts of what bank regulation should entail, differing judgments about risk, and differing national interests had to be bridged to reach agreement on the rules, which for the largest banks leave risk assessment to each bank itself, albeit subject to enhanced supervision. Alas, recent events raise serious questions about these banks' ability to assess risk—at least for possible events outside their experience. Tarullo provides a detailed account and evaluation of both the process and the final product, and it is sobering reading for anyone interested in the international coordination of financial regulations.

The Ascent of Money: A Financial History of the World. BY NIALL FERGUSON. Penguin Press, 2008, 432 pp. $29.95.

The outgrowth of a television series, this breezy, fun-to-read book takes its readers from the earliest beginnings of money in ancient Babylon through the recent subprime mortgage crisis (up to May 2008). It explores the origins and subsequent evolution of bonds, stocks, and insurance, correctly taking the view that modern economic performance—and the fabulously high standards of living it has engendered—rests on sophisticated financial institutions and practices. Although necessary, however, they do not always perform well, as they are influenced not only by external events, such as wars, but also by alterations in the public mood, from euphoria to despondency and back again. True to his trade, and like a good journalist, the Harvard historian Ferguson captures well, and often with irony, conjunctions of events and recurring patterns of behavior that are often missed or ignored by economists. The book went to press too early to include the denouement of the crisis, but it provides a fine, informative, and occasionally lighthearted introduction to the otherwise arcane subject of finance.

Recent Books

Military, Scientific, and Technological

LAWRENCE D. FREEDMAN

Peace: A History of Movements and Ideas. BY DAVID CORTRIGHT. Cambridge University Press, 2008, 392 pp. $90.00 (paper, $29.99).

Cortright's thorough and thoughtful discussion of the ideas and movements that have associated themselves with the word "peace" deserves a wide audience. It covers a lot of ground without appearing rushed and covers some interesting detail along the way on the origins of key concepts, the roles of religion and international law, and the continuing struggle against charges of cowardice and a lack of patriotism. Cortright writes with a commitment to the cause but also sufficient detachment to allow readers to make up their own minds about the issues being addressed. Peace movements have suffered from, he acknowledges, "a persistent naïveté, a tendency toward utopianism . . ., an inadequate grasp of the unavoidable dilemmas of security, [and] an unwillingness to accept the inherent egoism of human communities." Yet when "pacifism" is taken broadly to refer to all those working on the problem of how to prevent war and build peace, rather than just a pure moral stance, he notes broad achievements. Many of the commonplace ideas of international security originated with groups that were considered in their time to be either unpatriotic or hopelessly idealistic.

The Steps to War: An Empirical Study. BY PAUL D. SENESE AND JOHN A. VASQUEZ. Princeton University Press, 2008, 334 pp. $60.00 (paper, $26.95).

This book opens poignantly with a preface written by Vasquez following the funeral of his co-author, Senese. This joint work was the culmination of a decade's worth of collaboration exploring the value of the "scientific" approach to international affairs, of which they have both been leading exponents. The strengths of that approach, including its sharp focus, rigor, and sophistication, are fully on display. So, unfortunately, are its weaknesses: it is forbidding to anybody outside its methodological mindset, and although it may be systematic and statistical, it is not science. No reliable laws emerge from the work, just interesting propositions, few of which will appear to be strikingly original to those who are not dogmatic realists (the other intellectual tradition with which Vasquez and Senese most engage). The authors argue that wars are most likely to occur because of territorial claims; that if these claims lead to regular disputes over a period of time, the states involved are apt to end up in war; and that alliances make this more likely. They also note that these patterns were mostly in evidence between 1816 and 1945, after which things changed because of the Cold War and nuclear weapons—although things may have reverted back to the previous pattern after 1990. Within these broad periods, individual cases are stripped of their context and nuance, and so much of the richness of international history, from the impact of ideology to domestic politics, is lost.

Recent Books

Lessons in Disaster: McGeorge Bundy and the Path to War in Vietnam. BY GORDON M. GOLDSTEIN. Times Books, 2008, 320 pp. $25.00.

After former U.S. Secretary of Defense Robert McNamara addressed the grave mistakes that were made in the run-up to and during the Vietnam War, McGeorge Bundy, who served as national security adviser to both John F. Kennedy and Lyndon Johnson, wished to do so as well. He hired Goldstein to help him. He died before the project was completed, but Goldstein has used Bundy's notes and a number of detailed interviews to provide a compelling and sympathetic, although hardly uncritical, account of the slide into the morass. Bundy's role is fascinating simply because he was so smart, the man for whom the term "the best and the brightest" was coined. The whole period, and Bundy's role, has already been scrutinized by historians, and so inevitably much of the material is familiar. Bundy was driven by his determination not to have the United States be seen as having lost in Vietnam, which is a poor basis for a military commitment, as much as by any conviction that the United States would win. But the most important conclusion from Goldstein's book is that when it comes to these big decisions, the key is the attitude of the president. Both Kennedy and Johnson are faulted for having failed to explain to the American people what they were up to in Vietnam. The big difference between the two, in Bundy's vivid phrase, was that "Kennedy didn't want to be dumb, but Johnson didn't want to be a coward." That is why Bundy concluded, and Goldstein concurs, that Kennedy would not have ended up with ground troops in Vietnam.

The Mother of All Battles: Saddam Hussein's Strategic Plan for the Persian Gulf War. BY KEVIN M. WOODS. Naval Institute Press, 2008, 336 pp. $25.20.

For students of the Persian Gulf War, this account of what Saddam Hussein thought he was up to fills in a lot of gaps. Based on materials acquired when coalition forces entered Iraq in 2003, it provides a unique insight into Iraqi strategic concepts and plans. It shows the developing sense of threats and opportunities during the 1980s and the war with Iran, including the continuing preoccupation with Israel, the underestimation of U.S. strength, and a growing interest in taking on Kuwait. The delusional quality of Saddam's own thoughts, the sycophancy around the leader, and the lack of hard debate once he had spoken still make it hard to discern what the Iraqis truly believed and whether they really understood what was happening in the field during the Gulf War. In the end, Saddam took comfort from the fact that he outlasted in office George H. W. Bush and that although he might have had to leave Kuwait, he survived the most dire threat to his regime—the Kurdish and Shiite insurrection of March 1991.

Treading on Hallowed Ground: Counterinsurgency Operations in Sacred Spaces. EDITED BY C. CHRISTINE FAIR AND SUMIT GANGULY. Oxford University Press, 2008, 240 pp. $99.00 (paper, $24.95).

This is a fascinating collection of case studies of instances in which regular forces have found themselves trying to cope with armed groups that have occupied holy places, mainly mosques (in Iraq, Islamabad, Kashmir, Mecca, and Thailand) but also one church (in Bethlehem) and a

temple (in Amritsar, India). Because these sites are special to the local communities, putting them under siege, let alone forcing entry, is problematic. But so is allowing them to be used as sanctuaries and symbols of hostility to the regime. The case studies confirm that the authorities are obliged to show restraint, but in the end, what makes the real difference are those same basic factors of popular support and tactical acuity on which successful counterinsurgency more generally depends.

The United States

WALTER RUSSELL MEAD

America and the World: Conversations on the Future of American Foreign Policy. BY ZBIGNIEW BRZEZINSKI AND BRENT SCOWCROFT WITH DAVID IGNATIUS. Basic Books, 2008, 304 pp. $27.50.

Both Brzezinski and Scowcroft are too subtle for easy pigeonholing, but both argued strongly and often effectively against the policies of the George W. Bush administration, particularly those of its first term. Both have served at the highest levels of the U.S. foreign policy establishment. Both represent that establishment at its wisest and best. Like virtually everyone in public life, both men have been wrong, sometimes spectacularly so. But more important, both have frequently been usefully right, and at all times both bring extraordinary insights to the U.S. foreign policy discussion. *America and the World* is in the form of a conversation between these two statesmen, moderated by the *Washington Post* columnist Ignatius. Some readers will find the conversational format frustrating; these thinkers have complex worldviews, and the relatively short statements here do not always allow for their full expression. Nevertheless, readers looking for clues as to how the Obama administration might seek to reposition U.S. foreign policy could do much worse than to consult this book; this is a wide-ranging and candid presentation of some of the principal themes in American political thought at this critical moment.

Prophesies of Godlessness: Predictions of America's Imminent Secularization From the Puritans to the Present Day. EDITED BY CHARLES MATHEWES AND CHRISTOPHER McKNIGHT NICHOLS. Oxford University Press, 2008, 264 pp. $74.00 (paper, $25.00).

Sometimes hopefully, sometimes in despair, Americans have been predicting the imminent disappearance of religion in the United States since colonial times. Jonathan Edwards worried that orthodox Protestantism was about to disappear from the United States; Thomas Jefferson and Ralph Waldo Emerson hoped he was right. From generation to generation, the prophecies have been wrong; from generation to generation, they have been renewed. Under the brilliant editorship of Mathewes and Nichols, this chronologically arranged and thematically linked collection of essays looks at a tradition that extends from Puritan jeremiads to modern-day prophecies of doom. The result is an illuminating tour of American intellectual history that startles, provokes, and engages. It does not, however, tell us whether American religion is doomed—whether the Puritans or the secularists will triumph in the end. It does suggest that the interplay among the Puritan heritage of Calvinist New England,

Enlightenment rationalism, the individualism of American culture, and the spiritual seeking that has characterized both evangelical revivals and the more heterodox odysseys of figures such as Walt Whitman will continue to keep the pot of American spiritual striving on the boil—and keep prophets of godlessness gainfully employed.

The Crisis of American Foreign Policy: Wilsonianism in the Twenty-first Century. BY G. JOHN IKENBERRY, THOMAS J. KNOCK, ANNE-MARIE SLAUGHTER, AND TONY SMITH. Princeton University Press, 2008, 168 pp. $24.95.

Was George W. Bush the heir of Woodrow Wilson? That is the important question addressed by the four authors who created this short but lucid contribution to the U.S. foreign policy debate. The liberal Wilsonians Ikenberry and Slaughter want to answer with a resounding no but are serious and fair-minded enough to give a full airing to the contrary view. The resulting debate does not settle the issue, but it clarifies some of the conflicting and contradictory elements in the legacy that Wilson left. Slaughter's riposte to Smith's contention that contemporary liberal internationalists share key assumptions and priorities with neoconservatives is a strong one, but realists, long skeptical of Wilsonianism in all its forms, will continue—gleefully—to insist that neoconservatism is the natural result of Wilsonian errors. As Smith reminds us, former President Gerald Ford said in July 2004, "I just don't think we should go hellfire damnation around the globe freeing people, unless it is directly related to our own national security." For Wilsonians, whether liberal or neoconservative, whatever the difficulties that may arise in particular cases, freeing people around the world is in the U.S. national interest. Whatever their internecine differences, both neoconservative and liberal Wilsonians will continue to argue this core position; realists will quietly continue to hope for a plague on both their houses.

Southern Storm: Sherman's March to the Sea. BY NOAH ANDRE TRUDEAU. HarperCollins, 2008, 668 pp. $35.00.

Union General William Tecumseh Sherman's march through Georgia from Atlanta to Savannah was perhaps the most dramatic military episode of the American Civil War, and it left an indelible mark on the American historical memory. Trudeau brings an encyclopedic knowledge of the copious controversial literature on this subject to this book and takes readers in Sherman's footsteps on a day-by-day account of the march, using journals, newspapers, and other sources to re-create everything from the weather to the conflicting guesses among the Confederates and the Yankees about where, exactly, Sherman was headed. At times, the day-by-day approach is frustrating, as a thicket of details seems to obscure the overall narrative line. However, over time, Trudeau's painstaking technique succeeds in creating an unforgettable picture of the march. By the fall of 1864, the South was in a state of political and strategic collapse. Fire-eating Confederate newspaper editors issued calls for the population to rise up and resist, and Jefferson Davis, the Confederate president, dispatched a bevy of generals to face the invader, but the South was losing its will and its

ability to fight on. Sherman's march exposed the futility of the Confederate cause while sharply reminding Southerners that the cost of continued resistance was likely to grow. Although the March to the Sea increased the bitterness of the war, and contributed significantly to Southern resentment in generations to come, it had decisive consequences in bringing the conflict to a close. This unconventional narrative is ultimately a very satisfying read.

White Heat: The Friendship of Emily Dickinson and Thomas Wentworth Higginson. BY BRENDA WINEAPPLE. Knopf, 2008, 432 pp. $27.95.

In a brilliant account of one of the oddest literary friendships in American history, Wineapple recounts the extraordinary story of two very different American writers: the reclusive poet Emily Dickinson and the fiery abolitionist Thomas Wentworth Higginson. Higginson, an unrepentant backer of John Brown and commander of the first African American regiment raised from freed slaves during the American Civil War, was a lifelong champion of women's rights. Dickinson called Higginson her "master" and repeatedly turned to him for literary advice; after her death, Higginson helped shepherd her fugitive, haunting verses into print. In a bizarre twist of fate, Higginson was pilloried by the next literary generation as the stuffy voice of the genteel American tradition, whereas the Maid of Amherst became a celebrity. This is a wise and engaging book offering useful insights into the minds of New Englanders and the politics of American culture. Wineapple's deep appreciation of Dickinson and support for Higginson's causes allow her to see this friendship whole, to appreciate both protagonists, and to show what these two representatives of the New England tradition saw in each other.

Vera and the Ambassador: Escape and Return. BY VERA BLINKEN AND DONALD BLINKEN. State University of New York Press, 2008, 350 pp. $24.95.

After the collapse of the Soviet empire, Hungary went through a painful, at times disruptive, transition from communism to democracy. Tensions peaked in the mid-1990s as it struggled to shed socialism and a command economy for a parliamentary market economy. Although there is still some unfinished business, the transition is largely over. Hungary is beyond the point of no return; today, it is a member of the European Union and NATO. Donald Blinken, U.S. ambassador to Hungary from 1994 to 1998, was a valued contributor to Hungary's journey to freedom and a keen defender of U.S. interests in eastern Europe. Vera Blinken, his wife and co-author, is a native Hungarian who escaped in 1950 from the country's communist regime. Once safely in the United States, she built a successful business and established projects to benefit Hungarians. By the time the Blinkens arrived in Budapest, she was a dedicated and knowledgeable partner to the ambassador. Their memoir provides an illuminating picture of how embassies work to manage demanding and tense negotiations at pivotal points in history. It is also a gripping account of a refugee's escape and an engaging peek at the social and cultural aspects of ambassadorial life.

JAMES HOGE

Western Europe

PHILIP H. GORDON

The Decline and Fall of the British Empire, 1781–1997. BY PIERS BRENDON. Knopf, 2008, 816 pp. $37.50.

Only a very confident historian with a massive, comprehensive, and thoroughly researched manuscript would willingly invite comparisons with the British historian Edward Gibbon. Brendon, a Cambridge historian, fits that bill—and has no reason to apologize for giving his study the only title that would suffice. Starting his tale in 1781, with General Charles Cornwallis' surrender to George Washington, and ending it with the British transfer of Hong Kong to Chinese sovereignty in 1997, he shows how the British Empire "ended as haphazardly as it began." Some territories fought their way to freedom, others mixed limited violence with negotiation, and still others cooperated with colonial authorities to arrange smooth transfers of power. Unlike Rome, of course, the United Kingdom did not end in domestic collapse, but the British Empire's decline and fall surpasses Rome's in terms of its scope and speed: between 1945 and 1965 alone, the number of British colonial subjects fell from over 700 million to five million. Although noting the differences between the two empires, Brendon does point out that the British colonialists were very familiar with the Roman precedent. Indeed, the first volume of Gibbon's *History of the Decline and Fall of the Roman Empire* was published in 1776, just as the British Empire was starting to erode, and thus it "became the essential guide for Britons anxious to plot their own imperial trajectory." With the United States in the midst of the worst economic news since the Great Depression, and fighting global insurgents and costly wars in Afghanistan and Iraq, some American readers may be tempted to read this book in a similar fashion.

The Bitter Road to Freedom: A New History of the Liberation of Europe. BY WILLIAM I. HITCHCOCK. Free Press, 2008, 464 pp. $28.00.

For most Americans, the liberation of Europe is the story of victorious Allied armies, heroic U.S. soldiers, and European civilians freed from Nazi tyranny by American grit and sacrifice. Hitchcock does not challenge the reality of this narrative but reminds readers that the road to freedom Americans rightly celebrate was—in the experience of the liberated—long, destructive, and bloody. By telling the story from the perspective of Norman farmers, German children, incarcerated Jews, and war refugees across Eastern Europe, he makes clear why for many Europeans liberation was tinged with ambiguity: they were delighted about their freedom but resented the price they had had to pay to get it. In the hands of a less deft historian, this project could have come across as a revisionist attempt to question the necessity, or at least the manner, of the liberation, but Hitchcock avoids that trap. The stories he tells of the Normandy invasion, the Battle of Stalingrad, and the occupation of Germany may be familiar, but the prose is gripping

and the perspective of the liberated a fresh twist. This is a remarkable work of history that also sheds light on present-day debates about the merits and the costs of liberating people by force.

European Military Crisis Management: Connecting Ambition and Reality. BY BASTIAN GIEGERICH. Routledge, 2008, 95 pp. $37.50.

In December 1999, the European Union endorsed a "headline goal" of being able by 2003 to deploy 50,000–60,000 military forces within 60 days and sustain them for at least a year. A few years later, it added a qualitative dimension to that goal, committing to be able by 2010 "to respond with rapid and decisive action" to the full spectrum of crisis-management situations. As that latter deadline approaches, Giegerich argues in this informative monograph, the EU's achievements are "nowhere near commensurate with [its] stated ambition to be a major global-security actor." He reaches this depressing conclusion by looking at a range of variables, including the EU's procurement practices, military reforms, and mission accomplishments so far—none of which suggests rapid progress toward the stated goals. Nor, Giegerich argues, are the prospects of success likely to improve significantly anytime soon: according to recent public opinion polls, only tiny minorities of Europeans consider defense and foreign affairs to be the most important issues facing their countries (one percent of the Germans surveyed and two percent of the British surveyed gave that answer)—which means that, especially in the current economic climate, the EU countries' military budgets are likely to remain stagnant at best. The EU's military capabilities are far from keeping pace with its ambitions.

How to Be French: Nationality in the Making Since 1789. BY PATRICK WEIL. TRANSLATED BY CATHERINE PORTER. Duke University Press, 2008, 456 pp. $89.95 (paper, $24.95).

Weil, a senior research fellow at the Centre National de la Recherche Scientifique, in Paris, has produced a remarkably comprehensive study of the controversial issue of nationality in France. He takes issue with the common but overly simplified notion that French immigration laws—based on the principle of *jus soli* (citizenship based on place of birth)—reflect the country's open concept of the nation in contrast to other, more closed or even racist societies. By putting the issue in a historical context and examining the evolution of French laws and practices, he demonstrates that French nationality is more legally and politically complicated than most observers realize. Drawing on years of archival research and service on high-level French commissions on integration and secularism, Weil shows how immigration and emigration patterns, as well as the degree to which a state's borders are secure and permanent, have affected approaches to nationality in France and elsewhere. *How to Be French* will by no means end the debate between those who seek to link nationality to ethnicity and parentage and those who emphasize birthplace, residence, and choice. But it does inform that debate as no previous work has.

Western Hemisphere

RICHARD FEINBERG

Latin America's Struggle for Democracy. EDITED BY LARRY DIAMOND, MARC F. PLATTNER, AND DIEGO ABENTE BRUN. Johns Hopkins University Press, 2008, 328 pp. $45.00 (paper, $19.95).

Constructing Democratic Governance in Latin America. EDITED BY JORGE I. DOMÍNGUEZ AND MICHAEL SHIFTER. Johns Hopkins University Press, 2008, 432 pp. $60.00 (paper, $25.00).

Radical Democracy in the Andes. BY DONNA LEE VAN COTT. Cambridge University Press, 2008, 278 pp. $85.00 (paper, $24.99).

The triumph of democracy was arguably the most important development of the twentieth century, in Latin America as elsewhere. But will Latin America now consolidate its representative democracies and build strong, independent institutions and vibrant, watchful civil societies? And can liberal democracy overcome the pressures, recognized long ago by Samuel Huntington, arising from the legitimate economic aspirations of a mobilized, frustrated citizenry swollen by an overwhelming demographic explosion? These acute tensions are intelligently explored in *Latin America's Struggle for Democracy*, a collection of recent articles from the *Journal of Democracy*. This primer, which includes seven thematic essays and a dozen country studies, conveniently summarizes important arguments by leading scholars. Overall, the contributors recognize the region's substantial progress while expressing their preoccupations with the resurgence of authoritarian populism. In the turbulent Andes, Scott Mainwaring observes, political tensions cannot be attributed to the exclusion of the indigenous and poor; on the contrary, the very opening of democratic opportunities is shaking the region, as weak, resource-poor states are unable to satisfy popular demands. Mitchell Seligson worries that young people, less aware of past authoritarian excesses, are particularly susceptible to antidemocratic appeals. Hector Schamis neatly sums up the challenge: to reconcile the goals of inclusion and equality with the goals of robust procedures and institutions. Fortunately, there are countries in Latin America where this twin challenge is being met—good neighbors to be emulated.

Constructing Democratic Governance in Latin America is the third in a series of milestone studies overseen by the Inter-American Dialogue. The eight fresh country studies included suggest that the widening political heterogeneity in the region makes generalization increasingly difficult and that experimental governing coalitions defy easy political labeling. Not surprisingly, the contributors' evaluations of trends and leaders tend to reflect their own political persuasions and personal temperaments even as each and every chapter offers insightful, rewarding commentaries. Javier Corrales masterfully disentangles the rich diversity of the social discontent with "neoliberalism," identifying newly mobilized voters, frustrated middle-class achievers, and more traditional angry antimarket romantics. Domínguez finds that targeting constitutional reforms, rather than rewriting

whole constitutions via constituent assemblies, better promotes state capacity and constitutional democracy. Among the detailed country studies, Denise Dresser's enters an eloquent plea for more forward-looking reforms by Mexican political and economic elites. Fernando Cepeda, Colombia's ambassador to France, makes the credible case that Colombian President Álvaro Uribe, under extraordinarily stressful conditions, has significantly strengthened his country's democratic governance. In a less hopeful essay, Domínguez concurs with the country specialist David Myers that liberal constitutional democracy is all but dead in Hugo Chávez's Venezuela. Impatient readers can rely on the editors, Domínguez and Shifter, for their clear-headed summary chapter.

In *Radical Democracy in the Andes*, the prolific political scientist Van Cott (also represented in *Latin America's Struggle for Democracy*) closely examines ten impoverished municipalities in Bolivia and Ecuador that are controlled by indigenous parties. A passionate advocate for indigenous rights and participatory democracy, Van Cott sees hope in contemporary applications of indigenous practices such as reciprocity, trust, equality, and consensus seeking. But her uncompromising research also uncovers disturbing tendencies toward authoritarianism, sexism, and violence against outsiders: "After centuries of exploitation, indigenous organizations often seek to monopolize governing power and to disenfranchise the non-indigenous." To bolster and diffuse worthy democratic practices, Van Cott urges international donors to support innovative local institutions and capable mayors—and to spread awareness of inspirational success stories.

U.S.–Latin America Relations: A New Direction for a New Reality. EDITED BY CHARLENE BARSHEFSKY AND JAMES T. HILL. Council on Foreign Relations Press, 2008, 108 pp. $15.00.

Re-thinking U.S.–Latin American Relations: A Hemispheric Partnership for a Turbulent World. EDITED BY ERNESTO ZEDILLO AND THOMAS R. PICKERING. Brookings Institution Press, 2008, 30 pp. Free online.

"Memos to the President-Elect." Special issue, *Americas Quarterly.* EDITED BY CHRISTOPHER SABATINI. Americas Society and Council of the Americas, Fall 2008, 132 pp. $9.95.

These three compilations of recommendations for the incoming Obama administration suggest broad, although not unanimous, agreement among policy elites in the United States and Latin America on specific steps to repair inter-American relations and to help Latin America better manage and safeguard its democracies. Nearly all the voices urge a more humble, multilateral-minded Washington that listens respectfully to its neighbors, even as many convey a deep yearning for renewed U.S. leadership. Common recommendations for U.S. policy include intensifying energy cooperation, especially in biofuels and other alternative technologies; passing comprehensive immigration legislation and linking visa quotas and temporary-worker programs to U.S. labor-market needs; approving the pending free-trade agreements with Colombia and Panama and exploring other instruments for

hemispheric economic integration; and seriously reviewing failed counternarcotics policies. Significantly, virtually all agree that Washington should gradually lift the embargo against Cuba, beginning with allowing more travel and remittances, while working multilaterally to promote civil society and democratic reforms on the beleaguered island. (The three publications generally skirt two politically sensitive matters: the price tag for U.S. reengagement and Brazil's drive for hegemony in South America and preference for less, rather than more, U.S. activism.)

The Council on Foreign Relations report is distinguished by its emphasis on the need to address chronic poverty and inequality. To this end, Washington is advised to significantly expand its development assistance, including targeting microenterprises and small businesses, and to encourage countries to institute more progressive tax systems. The report also urges the United States to promote law enforcement through judicial reform and police training. Most of this would build on existing U.S. and multilateral programs.

The 20 signatories to the Brookings report include ten Latin American leaders, among them three former presidents. It strikes a distinctly realist tone, focusing more on interstate issues than on (what is perhaps more controversial) domestic reforms, and is purposefully modest in its proposals. It seeks concrete progress through smaller groupings of major or interested nations, although it does not adequately explain how reducing the number of participants—from the 34 countries in the Organization of American States to the proposed "Americas Eight"—would overcome the obstacles raised by Brazilian resistance or Venezuelan obstructionism. The Brookings report is refreshingly bold in one regard: it goes beyond merely criticizing current antidrug policies and calls for pilot projects based on promising harm-reduction approaches and for more funding for domestic drug courts. The report also calls for a study of law enforcement and interdiction policies that minimize violence and corruption.

In contrast to the two consensual commission reports, the postelection edition of *Americas Quarterly*, a publication of the Americas Society and the Council of the Americas, offers unfiltered memos by 31 Latin American, Caribbean, and Canadian leaders. Paradoxically, many of these foreign voices plead for greatly enhanced U.S. leadership. Others, less surprisingly, call for much more U.S. technical and financial support. Country differences emerge: the Mexican diplomat Arturo Sarukhan advocates building a bilateral strategic partnership, whereas the Brazilian foreign minister, Celso Amorim, warns of perceptions of undue U.S. interference; the Chilean president, Michelle Bachelet, strikes a decidedly self-confident, optimistic tone, whereas the Nicaraguan Cristiana Chamorro and the Peruvian Pedro Pablo Kuczynski are alarmed by the thrusts coming from Hugo Chávez. Ultimately, the trick will be to creatively fit U.S.–Latin American initiatives into the broader context of the Obama administration's domestic and global priorities. In fact, there may be significant overlap between the many reasonable recommendations in these three publications and the emerging new characterization of the U.S. national interest.

Eastern Europe and Former Soviet Republics

ROBERT LEGVOLD

Russian Orthodoxy Resurgent: Faith and Power in the New Russia. BY JOHN GARRARD AND CAROL GARRARD. Princeton University Press, 2008, 348 pp. $29.95.

A recrudescent Russian Orthodox Church has reoccupied much of the social space that had been its domain throughout Russian history, giving it a privileged place among religions—putting it in a league with political leaders and making it a partner of the state and a powerful presence in schools and the army. The Garrards credit the recently deceased patriarch, Aleksy II, with much of the church's recent success, pointing out the skilled way he parlayed his 30-year association with the KGB into a restoration of vital church relics and sanctuaries, his subtle ability to marry restored church tradition with a rebirth of Russian nationhood, and the progress he achieved toward a reconciliation with the Russian Orthodox diaspora. Whether he deserves the praise they award him for blunting the truly ugly anti-Semitic strains within the church's membership, particularly among the National Orthodox Movement, and the pass they give him for his own intolerance toward Western Christianity, particularly the Catholic Church, can be debated. After the long dark eclipse of the Soviet period, the Russian Orthodox Church is again central to an understanding of contemporary Russia, and this book provides a fine starting point.

Kosovo: What Everyone Needs to Know. BY TIM JUDAH. Oxford University Press, 2008, 208 pp. $70.00 (paper, $16.95).

Kosovo, for all the recent stir, is one of those headline issues whose complex underpinnings escape most people. Judah, the Balkan correspondent for *The Economist*, makes it easy for the reader to fill in the blanks. In sharp, compact chapters, he travels from the founding myths, through the nineteenth and twentieth centuries, to the Milosevic era, the wars, the postwar UN stewardship, and, finally, the contentious passage to independence. One comes away with not only a clear comprehension of what happened and why in recent years but also a larger perspective on the long road to the anguished denouement. Judah makes a good case that the turmoil in and over Kosovo was not simply the final stage in the Yugoslav agony but an integral part of the stages that came before. He also takes a healthy stab at explaining why the fate of this small enclave matters in the larger scheme of things. As for who is to blame, he, for the most part, leaves that to the reader to decide.

The Foundations of Ethnic Politics: Separatism of States and Nations in Eurasia and the World. BY HENRY E. HALE. Cambridge University Press, 2008, 304 pp. $85.00 (paper, $27.99).

Hale disputes the notion that ethnicity generates conflict or, in fact, causes anything. He also questions the value of defining ethnicity as the two dominant schools do—as either primordial or socially constructed. Instead, he proposes, based on recent psychological research, that

ethnicity is better understood as a prism through which people make sense of their social world. When ethnicity is activated—say, in pursuit of separatism—it is interest-driven, not identity-driven. Taking this view makes some puzzles disappear: Why, for example, did Ukraine, where ethnic factors predicted less inclination toward secession from the Soviet Union, and Uzbekistan, where they predicted more, each do the opposite of what was expected? Ethnicity matters mostly as a fillip to more direct impulses, an argument Hale pursues in an ambitious, painstaking quantitative and qualitative historical comparison of 45 ethnic regions in the Soviet Union. He finds that the relative strength of the economic stakes an ethnic region had in the union (poorer regions had greater stakes) explains better than other factors, including national consciousness, the push toward separatism. This simple proposition emerges from a complex, multilevel analytic framework.

In Pursuit of Liberalism: International Institutions in Postcommunist Europe. BY RACHEL A. EPSTEIN. Johns Hopkins University Press, 2008, 288 pp. $55.00.

Theorists and politicians like to think that international institutions, such as the International Monetary Fund, the European Union, and NATO, can have a decisive impact on the domestic institutional choices of aspiring member states, prodding them toward democracy and free-market capitalism. Epstein agrees with this perspective but argues that it is borne out only in the right circumstances. Before the conditions of membership set by these institutions can shape the behavior of supplicant states, the circumstances have to be favorable, and Epstein emphasizes three: the disorienting effects of change in the postsocialist state must leave the local elites ready for outside guidance; the international institutions must be seen as knowing better than they do what to do; and, to be convincing, the international institutions must convey a coherent and consistent message. She draws this conclusion by comparing the effects of international institutions on four countries (Hungary, Poland, Romania, and Ukraine) in four areas: achieving an independent central bank, internationalizing the banking system, promoting civilian control over the military, and broadening defense planning beyond narrow national concerns. Combining some aspects of materialist and ideational theories while rejecting others, her theoretical framework produces an interesting fusion.

Inside the Soviet Alternate Universe: The Cold War's End and the Soviet Union's Fall Reappraised. BY DICK COMBS. Penn State University Press, 2008, 384 pp. $29.95.

Analysts and actors will long disagree over the reasons the Cold War ended and even when it ended—before the Soviet Union collapsed or only with its collapse? Combs weighs in on the side of before and argues that it ended because Mikhail Gorbachev ended it. This puts him very much with those who believe that ideas matter, and when those of Gorbachev and key members of the supporting cast no longer fit the realities they saw within either the Soviet Union or the world outside, not merely their mindsets but their whole political universe began to crumble. Combs argues, based on a long firsthand encounter with Soviet reality as a diplomat, U.S. Senate staffer, and later

scholar, that Soviet leaders from Lenin on lived in an "alternate universe" whose character and content took form from the ideology they professed. He compares this "frame of meaning" to Thomas Kuhn's notion of a "scientific paradigm" governing thought in the hard sciences and suggests that, like a paradigm shift, its undoing occurred as a result of the cumulative weight of disconfirming evidence—not, he stresses, because the pressure imposed by the Reagan administration forced the Soviet leadership to change course.

Russia and the Balkans: Foreign Policy From Yeltsin to Putin. BY JAMES HEADLEY. Columbia University Press, 2008, 544 pp. $105.00.

If one wants to know why it pays to dig deeply into the details of a country's foreign policy and not settle for capturing its essence with sweeping theoretical generalizations, here is a model answer. By reconstructing in detail the curve of Russian foreign policy across the Yugoslav wars and the domestic debates surrounding policy choices, while being mindful of the way Russian behavior flowed from and fed back into the evolution of the the general policy trends, Headley both illuminates an important dimension of Russian foreign policy and, more important, gives telling depth to the larger picture. Deftly and with carefully cast insight, he layers the kaleidoscope of divergent Russian views on policy in the Balkans onto the factors pushing Russian foreign policy from the "liberal-internationalism" of Boris Yeltsin's first years in power toward a harder, more assertive notion of Russian national interest, a progression that only intensified in the Putin years.

Middle East

L. CARL BROWN

Restoring the Balance: A Middle East Strategy for the Next President. EDITED BY RICHARD N. HAASS AND MARTIN INDYK. Brookings Institution Press, 2008, 288 pp. $24.95.

The Brookings Institution and the Council on Foreign Relations have teamed up to propose a Middle East policy for the new administration. An introduction by the editors outlining an overall policy is followed by chapters setting out suggested U.S. approaches to Iraq, Iran, nuclear proliferation, the Arab-Israeli conflict, Middle East economic and political development (largely democracy promotion), and counterterrorism. The work of some 18 months and 15 specialists (eight from Brookings, seven from the Council on Foreign Relations), this book should, and almost certainly will, gain the attention of the incoming foreign policy elite. It is also a first-rate primer for engaging the larger public. The overall tone is judicious, stressing diplomacy and coalition building while minimizing any resort to force. At the same time, the proposals that would restore the balance disturbed by the missteps of the previous administration hardly add up to a downsizing of diplomatic capital. Is such policy activism for the Middle East doable given the global and domestic context the Obama administration faces? A very different question is whether defining a Middle East that largely excludes Afghanistan and Pakistan is appropriate in today's world.

The King's Messenger: Prince Bandar bin Sultan and America's Tangled Relationship With Saudi Arabia. BY DAVID B. OTTAWAY. Walker and Company, 2008, 352 pp. $27.00.

Prince Bandar bin Sultan was the Saudi ambassador to the United States from 1983 to 2005 and a major player in U.S.-Saudi diplomacy both before and after that 22-year span. His career as a diplomatic power broker began in 1978, when the then 29-year-old fighter pilot was recruited by his royal kinsman and then Saudi intelligence chief Prince Turki al-Faisal to help obtain U.S. congressional approval of the sale of F-15 fighter planes to Saudi Arabia. Bandar moved on to enjoy perhaps unrivaled access to Washington's political elite and became an intimate of U.S. presidents (especially President George H. W. Bush). He was involved in yet another major arms sale (of AWAC surveillance planes, in 1981) and in the diplomacy surrounding both the 1991 and the 2003 U.S.-led military actions against Iraq. His fingerprints can also be found on other Middle Eastern issues, from Libya to Lebanon to Iran. Bandar was seemingly more than just the "messenger" of the three Saudi kings who have ruled since the late 1970s. There is good reason to believe that he often shaped the message. The veteran *Washington Post* journalist Ottaway uses Bandar's flamboyant diplomatic career to provide an informative history of U.S.-Saudi relations over the past three decades.

Beyond Terror and Martyrdom: The Future of the Middle East. BY GILLES KEPEL. Harvard University Press, 2008, 336 pp. $27.95.

Kepel frames his account in terms of two concurrent, contending "grand narratives"—the Bush administration's "global war on terror" and al Qaeda's global jihad. Both professed a utopian aspiration. The former was supposed to bring democracy to the Middle East; the latter was supposed to rid the Muslim world of infidel domination and internal tyranny. Both failed. Both deserved to fail. Squeezing history into such a dramatic framework risks distortion. (Think of Shakespeare's historical plays set alongside the historical record.) But no such problem exists here. Kepel knows his Middle East, and he is arguably the foremost expert on political Islam. He also reaches beyond his contending grand narratives. Illustrative of his ability to capture the complexity of these years is the fact that he treats not just the Bush administration and al Qaeda but also such diverse people and places as Iran's president, Mahmoud Ahmadinejad; the Maronite Lebanese leader General Michel Aoun; the Danish cartoon affair; Pope Benedict XVI; and the situations of Muslims in different European countries. As for the U.S. role in this ongoing tragedy, think of Kepel's account as a harsh but deserved rebuke from "old Europe."

Transnational Shia Politics: Religious and Political Networks in the Gulf. BY LAURENCE LOUËR. Columbia University Press, 2008, 256 pp. $34.50.

What better way to test the proposition that there is a politically powerful "Shiite crescent," orchestrated by Iran, than to examine the Shiite populations of Bahrain, Iraq, Kuwait, and Saudi Arabia (with more than a few interesting asides concerning Shiites elsewhere). After setting out the main lines of Shiite history and the structure of the Shiite religious establishment,

Louër presents the quite different histories of her chosen countries and the Shiite ideologies and political movements found in each. She traces a move away from a more transnational orientation, sparked by the Islamic Revolution in Iran, to one accepting national identity ("Politics is domestic," as one chapter puts it). The fruit of field research fleshed out by a thorough use of the theoretical and empirical literature, this is an especially coherent and informative book. Although it is not an easy read—too many countries and clerics for that—the introduction, the prefaces to each of the four parts dividing the book, and a brisk conclusion provide the framework needed.

Dubai: The Vulnerability of Success. BY CHRISTOPHER DAVIDSON. Columbia University Press, 2008, 320 pp. $32.50.

The emirate of Dubai is the size of Rhode Island but has twice the number of people, who live in a sandy stretch of desert abutting the Persian Gulf. Of this number, only 17 percent at most, and possibly as little as four percent, are nationals. The overwhelming majority of those living in Dubai are Filipinos, Iranians, and South Asians, with some Westerners, too. They are the work force, from laborers to technicians and traders, and are expected in time to return to their home countries. Per capita GDP is probably around $50,000, but for those few actual Dubai nationals, the figure might well be double that or more. Is all this the result of the fabulous fossil-fuel wealth nature has bestowed on the Arabs of the Gulf? Not quite. Dubai's oil and gas reserves were always modest by Persian Gulf standards and are declining. Rather, the creation of this fabulous entrepôt state stems from a trading mentality rooted in history, plus a number of bold entrepreneurial steps taken by Dubai's rulers (and this although Dubai is not even sovereign, being only the second most important emirate, after Abu Dhabi, in the federal system that is the United Arab Emirates). Davidson offers a detailed historical and topical study of the Dubai phenomenon, including due attention given to "the vulnerability of success."

Asia and Pacific

ANDREW J. NATHAN

The China Diary of George H. W. Bush: The Making of a Global President. EDITED BY JEFFREY A. ENGEL. Princeton University Press, 2008, 576 pp. $29.95.

In 1974 and 1975, between his tenure as chair of the Republican National Committee and his assignment as director of central intelligence, George H. W. Bush spent a little over a year as head of the U.S. liaison office in Beijing (this was before China and the United States normalized relations and exchanged embassies). It was a time, like the present, when people worried about the possibility that the rest of Asia would align itself with China. The United States was in the last stages of losing the war in Vietnam, and Bush, a believer in the domino theory, worried that Beijing's influence was growing as Washington's was declining. On bicycle rides and courtesy calls around Beijing, he gained few insights into either Chinese politics or the China policy of his boss, Henry Kissinger, since neither the Chinese nor Kissinger told him anything. Yet these diary entries—describing a cheerful round of visits, meals, tennis games, and efforts to strike

up personal relationships with Chinese officials and the Beijing diplomatic corps—are nonetheless compulsive reading. They convey the local color of a quaint Beijing that is now lost to history, as well as reveal much about the gregarious character and social skills of the man who became the 41st U.S. president. Engel's exemplary notes and interpretative essay add to the volume's readability and scholarly value.

Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes. BY M. TAYLOR FRAVEL. Princeton University Press, 2008, 408 pp. $70.00 (paper, $27.95).

China's communist government inherited territorial disputes with all of China's 14 land neighbors and six sea neighbors. It has also had to manage what Fravel calls three "homeland disputes," involving Hong Kong, Macao, and Taiwan. Piecing together much hard-to-find information, he shows that in 17 of these 23 conflicts, Beijing has offered concessions, abandoning claims to over 1.3 million square miles of land. In the other six disputes, Beijing has used force. Fravel argues that both types of behavior can be explained by security concerns. Provided the land at stake was not essential for defensive purposes, China offered concessions at times when it needed to break out of diplomatic isolation or gain recognition of its control over domestic ethnic minorities. In the 1990s, for example, Beijing pursued talks and sometimes reached final settlements with Russia (in order to consolidate a strategic partnership), Vietnam (to improve relations with Southeast Asia), India (to gain its acceptance of Chinese control of Tibet), and some Central Asian states (to get their cooperation against separatists in Xinjiang). But if the disputed land was valuable, Beijing was liable to put troops in motion when it saw the security environment growing more threatening: this logic explains the border conflicts with India in 1962 and the Soviet Union in the late 1960s and early 1970s, among others. Fravel's is an elegant argument that works well to explain Chinese behavior and holds promise for application elsewhere. Although six territorial disputes remain unresolved, including the dangerous Taiwan situation, on the whole, China emerges from this account as a stability-seeking, rather than an expansionist, power.

Reluctant Restraint: The Evolution of China's Nonproliferation Policies and Practices, 1980–2004. BY EVAN S. MEDEIROS. Stanford University Press, 2007, 376 pp. $65.00.

Specialists agree that China has largely come into compliance with the international nonproliferation regime, but they disagree about why. Once a proliferator, China signed the Nuclear Nonproliferation Treaty in 1992 and the Comprehensive Nuclear Test Ban Treaty in 1996; today, it is promoting North Korean denuclearization in the six-party talks. Medeiros argues that the driving force in the evolution of Chinese policy was persistent, and often coercive, U.S. diplomacy that, over the course of a quarter century, counterbalanced China's financial and political incentives for proliferation, changed China's view of its own strategic interest, and (with nongovernmental involvement) helped China build the specialist community needed to implement its commitments. China's changing strategic situation was also a factor, as growing involvement around the world gave Beijing a stake in the stability

of distant regions. Also important were changes in the normative views of Chinese policymakers, who formerly viewed proliferation as a natural right of states. One lesson of Medeiros' analysis is that the United States can get China to change its behavior if it works hard enough but that it is easier to do so if the new behavior serves China's interests better than the old. China's policies changed more completely on nuclear weapons than on missiles and missile technology, which until recently, at least, China has continued to supply to its core partners Iran and Pakistan. (The book does not cover chemical or biological weapons, although China has acceded to the treaties banning each.) On the whole, Medeiros sees a rising China as increasingly aware of its stake in international stability.

Social States: China in International Institutions, 1980–2000. BY ALASTAIR IAIN JOHNSTON. Princeton University Press, 2007, 273 pp. $60.00 (paper, $24.95).

What is the process by which norms in the international system change the behavior of states? Johnston wants to identify the working parts of the causal mechanism. But rather than emphasizing pressure from other states or changing strategic interests to explain decisions to join security regimes, Johnston focuses on the social learning that takes place when policymakers interact with representatives of other states. As hard cases to test his theory, he takes several instances of the involvement by traditionally realpolitik-oriented China in security institutions in which it gave up some military advantage. He identifies three processes of socialization—which he dubs "mimicking," "social influence," and "persuasion"—and tries to show how one or another of them explains Chinese participation in the UN Conference on Disarmament, the ASEAN Regional Forum, the Comprehensive Nuclear Test Ban Treaty negotiations, and negotiations on a protocol to restrict the use and transfer of land mines. Given the secretiveness of China's foreign policy decision-making, Johnston can produce little direct evidence of what motivated the decision-makers, and so he uses circumstantial evidence to rule out "materialist" (hard power) explanations for China's actions. Yet in the end, the distinction between social and material motivations seems forced, since power in the international system is multifaceted. China in the 1990s (or even now) could not solve all its security problems with military power. To be sure, working diplomats make tradeoffs between weapons systems and other forms of influence, but that does not make their calculations any less power-driven.

Decentralized Authoritarianism in China: The Communist Party's Control of Local Elites in the Post-Mao Era. BY PIERRE F. LANDRY. Cambridge University Press, 2008, 320 pp. $85.00.

Authoritarian regimes are typically thought of as centralized. In some ways, however, China's is not. Landry's analysis provides a new key to understanding some of the Chinese regime's main achievements and failures. The ruling Chinese Communist Party assigns extensive power to mayors and party secretaries in 700-odd municipalities, the level at which most of the functions of local government are performed. Landry's rigorous research and ingenious data analysis (which make for heavy reading) show for the first time how much budgetary and political authority these local lords

command, even as the system of promotion incentives under which they work keeps them responsive to central priorities. When Beijing signals that economic growth and social stability are the keys to advancement, that is what Beijing gets, no matter the cost to the environment or human rights. This book focuses on the distribution of power and gives less attention to how local officials are tasked and evaluated. This latter piece of the puzzle will be necessary in order to understand why there is so much variation in local officials' governing behavior and career strategies.

Welfare and Capitalism in Postwar Japan: Party, Bureaucracy, and Business. BY MARGARITA ESTÉVEZ-ABE. Cambridge University Press, 2008, 360 pp. $80.00 (paper, $27.99).

If Japan is a thin welfare state, as is generally thought, why is its income distribution one of the most egalitarian of any advanced industrial society? This book marries an answer to this question with a general argument about the political determinants of welfare policies. The Japanese system is in fact more generous than it appears, because many benefits are targeted to specific groups outside the formal welfare system—through public works, employment protections, subsidies to rural families, and the like. This is due, Estévez-Abe argues, to the workings of Japan's single-nontransferable-vote electoral system, plus some other structural features of Japanese politics. Politicians in this kind of system have to mobilize distinct groups of voters in their electoral districts, which they can do better with targeted policies than with universalistic programs. Drawing the logical conclusion from her analysis, Estévez-Abe predicts that the 1996 reform of the Japanese electoral system will eventually produce a shift to a universalistic but meager benefits system, like that of the United Kingdom. Missing from her analysis is the comparison case of Taiwan, which had almost the same electoral system and electoral reform as Japan. Although written for academic political economists, the book will reward study by anyone who wishes to understand the dynamics of Japan's distinctive form of modern capitalism.

Africa

NICOLAS VAN DE WALLE

Blood River: A Journey to Africa's Broken Heart. BY TIM BUTCHER. Grove Press, 2008, 384 pp. $25.00.

The decision by the British journalist Butcher to retrace the steps of Sir Henry Stanley in his 1876–77 descent of the Congo River, from Lake Tanganyika to the Atlantic Ocean, was part marketing ploy and part pure folly, given the ongoing violence and lawlessness in today's Congo. But the book that resulted from his 44-day trip by motorbike, dugout canoe, UN motor boat, and helicopter provides a gripping story and an absorbing look at a country that has been moving backward for half a century. Particularly in the first half of the book, during which Butcher passes through areas of eastern Congo particularly devastated by the civil war of the last two decades, most vestiges of Western modernity have been ravaged by marauding armed groups and the decline of all but the most basic form of market economy. Armed youth make the occasional, terrifying appearance in the narrative, yet most

people Butcher meets seem remarkably sane and are generous to him, despite the poverty and the uncertainty that dominate their lives. When he is not describing the hazards of his journey, Butcher ruminates on the legacy of Stanley and the Belgian colonialism that, however deeply flawed, had once started the process of taming this great river and linking the forest to the global economy. Butcher's book is a masterful description of a country moving backward.

Guns and Governance in the Rift Valley: Pastoralist Conflict and Small Arms. BY KENNEDY AGADE MKUTU. Indiana University Press, 2008, 200 pp. $60.00 (paper, $22.95).

In the dry and barren border region of northeastern Uganda and northwestern Kenya, pastoralist groups have traditionally engaged in cattle raiding, in which some young men from one area rustle cattle from a neighboring group. Partly an initiation ritual and partly a mechanism for economic redistribution in a region prone to drought and poverty, these practices were long circumscribed by traditional modes of tribal governance that limited their scope (although it would be naive to romanticize violent practices that inevitably undermined local welfare). In this stimulating book, Mkutu analyzes the destructive impact of modernization on this cattle-raiding tradition. He shows how ecological degradation and growing population pressures have increased the economic strains on these groups, at the same time as small arms have become widely available to them thanks to the various conflicts that have broken out in northeastern Africa over the course of the last quarter century. (An AK-47 that used to cost several dozen cows is now readily available for somewhere between one and five cows.) A veritable arms race has resulted between ethnic groups in the region, and the level of violence has increased dramatically, with hundreds of deaths a year. Government incompetence, corruption, and wrong-headed policies have worsened the situation, as has the entry of organized criminal groups that engage in commercial cattle raiding, a gross distortion of the traditional practice. Mkutu's account provides a fascinating empirical analysis of the dysfunctional nature of modernization.

Kenya's Quest for Democracy: Taming Leviathan. BY MAKAU MUTUA. Lynne Rienner, 2008, 331 pp. $65.00.

The ethnic violence that disrupted the 2007 elections in Kenya is well analyzed in this account of that country's recent democratization and constitutional debates by Mutua, a prominent Kenyan legal scholar. As might be expected, not least because he was himself a participant in these disputes, he puts a lot of emphasis on what may seem like somewhat arcane constitutional wrangling between the government, various opposition groups, and experts. But the book does an excellent job of explaining the divergent interests that shaped these conflicts, most notably the state elite's desire to maintain its power and privilege and an increasingly assertive civil society's attempts to impose accountability on the state from below. The poison of ethnic conflict seeped into these debates over the course of the 1990s, abetted by the manipulations of Daniel arap Moi's administration and later by the prevarications of Mwai Kibaki's government, and the resulting ethnic violence undermined the democratic progress that had seemed

inevitable only a couple of years ago. Mutua has provided a solid introduction to contemporary Kenyan politics, as well as a savvy reflection on democratization in an African context.

Business and the State in Africa: Economic Policy-Making in the Neo-liberal Era. BY ANTOINETTE HANDLEY. Cambridge University Press, 2008, 304 pp. $90.00 (paper, $34.99).

A common explanation for the African continent's mediocre-to-disastrous economic performance for the last 30 years has been the weakness of the private sector and its political subordination to a state elite that is less interested in long-term sustainable growth than it is in staying in power and profiting from rent seeking. In fact, relations between the private sector and the state vary across the region, as Handley makes clear in this well-informed review of business-state relations in Ghana, Zambia, Mauritius, and South Africa. In the last two, Handley argues that a well-institutionalized business community has been able to assert its autonomy vis-à-vis the state; sometimes contentious but productive relations have resulted. In Ghana and Zambia, on the other hand, a much weaker business sector remains subject to clientelistic politicization, despite the significant amount of economic liberalization that occurred in the 1990s. Handley's somewhat tentative explanation for these cross-national differences focuses on the organization of the business community and whether or not the business community is dominated by the same ethnic group that controls political power. When this is not the case, she argues, business autonomy is more likely.

Gukurahundi in Zimbabwe: A Report on the Disturbances in Matabeleland and the Midlands, 1980–1988. BY THE CATHOLIC COMMISSION FOR JUSTICE AND PEACE AND THE LEGAL RESOURCES FOUNDATION. Columbia University Press, 2008, 448 pp. $34.50.

This detailed and dispassionate account of a particularly bloody military repression of opposition to the early Robert Mugabe–led ZANU (Zimbabwe African National Union) government in Zimbabwe shortly after independence provides inconvertible evidence that the current abuses of power did not emerge over time but have always constituted the main response of ZANU to contestation of its rule. In the years following independence, ZANU sought to weaken and eventually destroy the other main independence force, ZAPU (the Zimbabwe African People's Union), led by Joshua Nkomo. The emergence of antigovernment violence by a guerrilla band of ex-ZAPU fighters in Matabeleland, ZAPU's stronghold, provided Mugabe with an excuse to engage in massively disproportionate retaliation against civilians and ZAPU sympathizers that may well have resulted in over 20,000 deaths (and only ended when Nkomo agreed to fold his party into ZANU). The government responded to contemporaneous accounts of the violence with scorn and denials, in a pattern often repeated since then. The courageous Zimbabwean authors of this report should be congratulated for producing an essential document of this little-known history of Zimbabwe.

Letters to the Editor

Dore Gold and Shimon Shapira on the Golan Heights; James Lindsay on a concert of democracies; and others

DEFENDING THE GOLAN HEIGHTS

To the Editor:

The achievement of true peace between Israel and Syria is a laudable goal and could be a cornerstone of regional security. Unfortunately, in making the case for an Israeli-Syrian accord, Richard Haass and Martin Indyk ("Beyond Iraq," January/February 2009) misrepresent the proposals made by Israeli Prime Minister Benjamin Netanyahu to Syria during his term in office, from 1996 to 1999. They assert that Netanyahu offered a "full Israeli withdrawal from the Golan Heights" to Syrian President Hafez al-Assad.

This is simply untrue. In fact, in 1996 Netanyahu sought clarifications from U.S. Secretary of State Warren Christopher that the hypothetical statements made orally by Yitzhak Rabin, the late prime minister of Israel, about withdrawal from the Golan—known among diplomats as "the Rabin deposit"—did not bind the State of Israel. Both of us were dispatched to Washington to secure that understanding, which we obtained after a series of meetings with the highest levels of the Clinton administration. Itamar Rabinovich, former Israeli ambassador to the United States, who also headed Rabin's contacts with the Syrians, confirms in his memoir, *The Brink of Peace*, that Christopher wrote in a letter to Netanyahu that his government was not in any way bound by the contents of the diplomatic record from that earlier period.

Moreover, in 1998, when Netanyahu exchanged messages with Assad through Ronald Lauder, at no point did Netanyahu agree to withdraw from the Golan Heights, as Haass and Indyk suggest. At the end of this initiative, Assad did indeed request a map from Netanyahu specifically indicating the extent of a future Israeli pullback from the Golan Heights. Clearly, the language used during these contacts between Jerusalem and Damascus did not satisfy the Syrian leader, who sought to establish Syrian sovereignty right up to the shoreline of the Sea of Galilee. Netanyahu refused to provide any map of withdrawal, let alone the line that Assad sought. At the end of these contacts, Assad inquired again just where Netanyahu envisioned the future Israeli-Syrian border in relation to the 1967 line. He wanted to know how far east the final line would be: "Dozens of meters, hundreds of meters, or what?" Netanyahu's answer, which was communicated to Damascus, was that the border would be "miles" east. (The entire Golan Heights is 12 miles wide.) In light of this response, Assad decided to end his negotiations with Israel.

Netanyahu had additional reasons for taking this position and not exposing Israel to the dangers inherent in a full withdrawal from the Golan Heights. Back in 1975, U.S. President Gerald Ford had written to Rabin that although the United States had not yet taken a stance on where Israel's ultimate borders should be, when it did so, it "would give great weight to Israel remaining on the Golan Heights." Repeatedly during the 1990s, U.S. administrations assured Israeli governments that the commitments made by Washington in the Ford letter would still be respected.

The Golan Heights remain a vital line of defense for Israel. The stability of Israel's northern border with Syria partly emanates from the fact that at present, the Israel Defense Forces are deployed on the Golan Heights and not in the valley below.

AMBASSADOR DORE GOLD
Former Foreign Policy Adviser to Israeli Prime Minister Benjamin Netanyahu
BRIGADIER GENERAL (RES.) SHIMON SHAPIRA
Former Military Secretary to Israeli Prime Minister Benjamin Netanyahu

Haass and Indyk reply:

As in any recounting of diplomatic history, the record of secret negotiations is colored by the perspective of the participants. In this case, Dore Gold and Shimon Shapira view the negotiations from the perspective of Benjamin Netanyahu, with whom they worked when he was prime minister of Israel. Martin Indyk views these negotiations from the perspective of U.S. President Bill Clinton, whom he served as assistant secretary of state for Near East affairs. His perspective is quite different.

As Indyk details in his recent book, *Innocent Abroad*, the negotiations that Netanyahu conducted in 1998 with Syrian President Hafez al-Assad were conducted behind the back of Clinton and his aides. They used Ronald Lauder, a former Republican U.S. ambassador to Austria and close friend of Netanyahu's, as a go-between. When Netanyahu was defeated in elections by Ehud Barak in 1999, he ordered Lauder to brief Barak on those negotiations; Barak then ordered Lauder to brief Clinton. Lauder provided Clinton with a paper that contained a summary of the ten points that Netanyahu and Assad had agreed on in their negotiations. Point one of Lauder's summary stated, "Israel will withdraw from the Syrian land taken in 1967 . . . to a line based on the line of June 4, 1967." In other words, Netanyahu had conveyed to Assad that Israel would make a full withdrawal from the Golan Heights, as claimed in our article.

It strains credulity to believe that, and would represent incredibly bad faith in the negotiations if, Netanyahu had intended the line to be drawn "miles" east of the line of June 4, 1967, as Gold and Shapira contend. Given the narrowness of the Golan Heights, that would in reality have been a line based on the current line of disengagement. Netanyahu certainly knows that no Syrian leader would make peace on that basis. Either he was being insincere in the negotiations or his aides are engaging in revisionist history.

A LEAGUE OF THEIR OWN

To the Editor:

Charles Kupchan's contribution to the debate over how best to promote international cooperation in a globalized world ("Minor League, Major Problems,"

November/December 2008) is welcome. Unfortunately, his criticisms of proposals to create a concert of democracies miss the mark.

A concert of democracies would not be, as Kupchan describes it, "a global forum that denies autocracies a say in world affairs." That formulation not only misstates the purpose of such a concert, it also rests on an unpersuasive binary logic: democracies can either work together or work with autocracies. But democracies can do both at the same time. All democracies have extensive public and private ties to all major authoritarian states, and this is not going to change. Indeed, an international community with overlapping, cross-cutting political networks is likely to be far more durable than one with only a few points of overlap, because the former would blur sharp divisions and create opportunities to build new coalitions.

What a concert of democracies would offer would be an opportunity to deepen and broaden cooperation among democratic states. As Kupchan acknowledges, NATO, the EU, and U.S.-Japanese security ties show what democratic cooperation can achieve. But these institutions are geographically confined, with little scope for cooperation among them. And all of them leave out emerging democratic powers, such as Brazil, India, and South Africa. Brussels, Tokyo, and Washington should work to embrace these new democratic partners rather than foolishly holding them apart. Far from presenting these countries with a "take-it-or-leave-it offer," a concert of democracies would give them a forum to help shape the rules of world politics and the behavior of other democracies.

Will democratic cooperation come automatically? No. Kupchan is right that "democracies often have diverging interests." But a concert of democracies would not depend on the mirage of common interests to succeed. What distinguishes democracies from autocracies is their proven track record of working together to overcome their differences. Democracies work well together because their shared commitment to the rule of law and the consent of the governed enables them to trust one another in ways that democracies and autocracies do not.

The problem of divergent interests, moreover, poses a far greater threat to Kupchan's preferred form of international cooperation, "a purposeful concert of great powers." Democracies and autocracies disagree not just on material interests but also on the values that should be embedded in the international system. Even if those differences could be wished away, as Kupchan likes to do, the world in which a few great powers could impose their will on the many is long gone.

Just as it took time for the European Coal and Steel Community to become the European Union, it will take time to forge an effective concert of democracies. The legacy of the past eight years has only made the task harder by diminishing goodwill for the United States around the world.

But before despairing over the task at hand, it is worth asking if the world can afford not to have democratic countries deepen their cooperation. The failure to bring democracies together would not mean sustaining an acceptable status quo; it would mean continued drift and division in world politics and inadequate and ineffective responses to the many problems that now transcend international borders. If democracies do not press forward together,

they will face greater troubles in the future. That is the real choice.

JAMES M. LINDSAY

Director, Robert S. Strauss Center for International Security and Law, and Tom Slick Chair for International Affairs, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin

SMALLHOLDERS UNITE

To the Editor:

Paul Collier ("The Politics of Hunger," November/December 2008) sets out three priorities for overcoming the world food crisis: replacing peasant and smallholder farming with large-scale commercial farms, promoting genetically modified crops, and reducing subsidies to biofuels in the United States. Collier got two of these right but missed the boat with his anti-smallholder bias when it comes to modernizing agriculture, especially in Africa. A focus on smallholder farming is a proven strategy for accelerating growth, reducing poverty, and overcoming hunger.

First, smallholders have proved to be efficient commercial farmers, when given a chance. This is evident from Asia's "green revolution," which was led by smallholders in the 1960s and continues today. In India, cereal yields are now 2.6 times as large as they were in the 1960s, with nearly 90 percent of the country's farmland controlled by farmers with less than 25 acres. And this was not accomplished through organic agriculture; Asia's smallholders now consume over half the world's fertilizer. The failure to realize a green revolution in Africa reflects governments' and donors' consistent bias against agriculture and smallholders in particular. When given the opportunity, smallholders in Africa have proved to be just as responsive to new technologies as their Asian counterparts. Witness the adoption of hybrid maize in much of southern Africa, the dairy revolution in East Africa, and the increased production of cocoa, cassava, and cotton in West Africa. And witness the many failed starts with large-scale farming in Africa, which date from colonial times.

Second, accelerating smallholders' productivity increases food production and reduces poverty. From 1991 to 2001, China doubled its cereal yields based on the output of smallholders, while dramatically reducing rural poverty by 63 percentage points and moving a historically unprecedented 400 million rural people out of poverty. Over the same period, in Brazil, that country's model of large-scale farming, the model espoused by Collier, nearly matched China's record of productivity growth, but the number of rural poor in the country actually increased.

Finally, Collier portrays the global food crisis and the hunger of some 900 million people as a food-supply problem alone. Yet increasing food supply is only one part of the solution; generating incomes for the poor so that they can access food is equally, if not more, important. Do not forget that 75 percent of the world's poor live in rural areas and that they mainly depend on agriculture and related activities for their livelihoods. Since the majority of these rural poor are net buyers of food, raising the productivity of the land they control so that they can better feed themselves is essential for them to gain access to food.

Although large-scale agriculture has a place in some land-abundant areas of Africa—if it is driven by markets rather than subsidies and if the rights of the cur-

rent land users are adequately protected—it would be a grave mistake to forsake the proven power of smallholders to jump-start growth, reduce poverty, and solve the hunger crisis in Africa and beyond. Promoting smallholder farming is not "romantic populism" but sound economic and social policy.

DEREK BYERLEE
ALAIN DE JANVRY
Co-Directors, World Bank's World Development Report 2008: Agriculture for Development

To the Editor:

Paul Collier correctly states that policymakers have the ability to curb increasing food costs and food insecurity. However, Collier's promotion of massive commercial agriculture as a solution is worrisome because it ignores fundamental principles of equity and rights and stands to harm the poorest and most food-insecure.

Adopting large-scale agricultural systems concentrates financial gains among the few who own the large farms. The poorest end up being malnourished, whereas the wealthiest gain the most as the "elite capture" problem of development is played out. Most smallholders would become sharecroppers or hired hands in such a system. More troublesome is the wholesale trust placed in the hands of corporations for ensuring the food security of poor countries. In offering market-based solutions, Collier ignores the fact that poor people have a limited ability to purchase seeds and fertilizer. Collier admits that a sudden switch to global agribusiness could have "ugly consequences," yet if his grand experiment to help the poor fails, rural families will be further impoverished and starved. In places of poverty and malnutrition, are solutions such as these equitable or even ethical?

Collier's other line of reasoning rests on a false dichotomy—that the future of agriculture depends on either embracing genetically modified technology or single-mindedly advocating for small-scale organic production. Apart from being reductionist and simplistic, Collier's argument is naive in its advocacy of monoculturalism.

Policy responses should focus on promoting agriculture as a viable livelihood by improving small-scale agricultural production, market structures, and rural infrastructure. Farmers need tools, training, and access to water. In looking for a silver bullet, Collier fails to take into account that the calculus of production does not change, even with the introduction of high-yield, pest-resistant seeds. Further investment in agricultural development is necessary to realize increased productivity—genetically modified seeds or not.

A glaring gap in Collier's piece is his failure to consult the farmers for whom he proposes his solutions. More neocolonial, large-scale commercial structures imposed by Western countries are often the last solutions poor rural farmers would choose. We advocate community-based agricultural programs that support food security and viable livelihoods for the poorest. A rights-based approach to food security acknowledges that the social-justice considerations of providing employment and food for the most impoverished do not allow any outside intervention that would further consolidate resources among the wealthiest.

JOAN VANWASSENHOVE
DONNA BARRY
Partners In Health

UNCLEAR NUCLEAR LOGIC?

To the Editor:

The shift in U.S. nuclear policy advocated by Ivo Daalder and Jan Lodal ("The Logic of Zero," November/December 2008) might make sense for a number of important reasons—not least among them safety, cost, and reducing the risk of annihilation through miscalculation. But it would be naive to expect any of the authors' recommendations to alter the decision-making of the rogue states that are currently pursuing nuclear technology. Assuming it were feasible, even the complete elimination of the United States' nuclear arsenal would almost certainly have little positive effect on Tehran's or Pyongyang's proliferation, as the same complex set of internal and external factors now driving their policies would persist, as would their perceived vulnerability to U.S. conventional superiority. The less drastic measures the authors call for, such as Washington's accepting international oversight over its own fissile material, far from enhancing the likelihood of reaching agreements with rogue states, would probably barely register in negotiations.

Moreover, the authors' primary vehicle for preventing further proliferation, an airtight accounting and monitoring program, although certainly welcome, fails to address the fundamental weakness in the nonproliferation regime that they themselves highlight: the universal right to enrichment and reprocessing technology. The beefed-up safeguards the authors promote would make it easier to detect diversion and cheating, but it is unclear how their system would prevent a state from jettisoning inspectors and beginning a weapons program after mastering the necessary technology. Indeed, the primary problem with Iran at the moment is not its lack of transparency but rather that it is developing a latent weapons capability it can pursue once it decides to eject the International Atomic Energy Agency's inspectors. Unless the UN Security Council shows a greater willingness to take the consequences of proliferation seriously—a prospect that is uncertain at best given its indifferent responses to North Korea's own attempt at breakout and Iran's continued intransigence—even a strengthened monitoring system will not help combat the nuclear threat.

It would be more beneficial to address the enrichment and reprocessing conundrum directly by limiting the rights of states to acquire these technologies. An international or multilateral fuel bank would be a prerequisite for such a policy, but even so, it is hard to imagine nonnuclear states, particularly members of the Nonaligned Movement, accepting further limits on their sovereignty. That the authors do not explicitly argue for such a restriction suggests that they understand the difficulty of reaching agreement on this point, even assuming that the nuclear powers begin taking concrete steps toward disarmament. The Nonaligned Movement's opposition is not the only obstacle here; the Nuclear Suppliers Group, a cartel that exists ostensibly to limit nuclear proliferation, has yet to ban sales of enrichment and reprocessing technology to countries not already possessing it, presumably because of the parochial economic interests of some members.

The authors are correct to emphasize the threat posed by the nexus of terrorism and nuclear weapons and the need to confront it with aggressive action. They also

effectively communicate that the problem transcends any individual state and must be handled in a multilateral manner. But it is unclear whether U.S. leadership will be enough to get U.S. allies and other key countries to place nonproliferation imperatives above narrow political calculations and economic goals. Regrettably, it may take a catastrophic event for individual states to recognize that it is in their enlightened self-interest to accept limits on their sovereign rights and to deny themselves short-term political and economic benefits.

FRANK PROCIDA
National Intelligence Fellow, Council on Foreign Relations

To the Editor:

Ivo Daalder and Jan Lodal recommend that the United States eliminate its nuclear-armed land-based ballistic missiles, which now comprise 450 rockets in Montana, North Dakota, and Wyoming. They claim that the remaining sea-based nuclear deterrent and some small number of bombers, amounting to no more than 1,000 warheads, including reserves and stockpiles, are sufficient to maintain nuclear deterrence. They conclude by asserting that U.S. allies will also rethink nuclear weaponry and work together with the United States to rid the world of the nuclear weapons programs of Iran and North Korea.

None of their assertions is borne out by today's proliferation environment. In fact, their proposals would make the world less safe and deterrence far more difficult to maintain. Eliminating the United States' land-based Minuteman missiles would leave the United States with four submarines at sea and the remainder at two bases in Georgia and

Washington State. One remaining base would be home to the nuclear bombers. Daalder and Lodal would reduce the U.S. arsenal from a target set of nearly 500 distinct aim points today to seven targets. Should an adversary be able to find U.S. submarines at sea, the U.S. nuclear arsenal would be rendered useless. Over time, U.S. submarines could be attritted, to say nothing of a cruise-missile attack on the United States' two submarine bases, which would eliminate the current Trident missiles altogether. One bomber base could also be eliminated using conventional cruise missiles, especially if U.S. planes were not kept on high alert.

Daalder and Lodal are wrong when they argue that the United States' land-based missiles are vulnerable to attack. The world they are talking about—the height of the Cold War—is gone. As Larry Welch, former commander of the Strategic Air Command and former U.S. Air Force chief of staff, has explained, the end of the Cold War, along with the Strategic Arms Reductions Treaties and the Moscow Treaty, have so reduced Russia's deployed nuclear forces that they no longer threaten the survival of the U.S. land-based missile force.

In order to attack the United States' 450 Minuteman missiles and their associated silos and launch-control facilities, an adversary would have to attack the United States with over 1,000 warheads. Such an attack is outside the capability of every nation of the world save Russia, and even it would be hard-pressed to undertake one once the Moscow Treaty is fully implemented. Such a hypothetical attack could not by its nature come out of the blue. Russian forces would have to be placed on very high alert, an action that U.S. satellites would immediately detect. In turn, this early detection would allow the United States to protect its nuclear forces, making them impossible to attack simultaneously in a first strike. The synergy between intercontinental ballistic missiles (ICBMs) and submarine-launched ballistic missiles is what gives deterrence its strength and viability, a foundation Daalder and Lodal would destroy.

The ICBM leg of the U.S. nuclear triad, the most survivable and stabilizing one, is a critical and viable element of the United States' deterrent. The American people have recently supported a nearly unanimous consensus in Congress to complete the refurbishment of these land-based missiles that has been undertaken over the past two decades, a job that is nearly complete.

Should the United States make the wrong-headed decision to eliminate its land-based missiles, its adversaries, such as Iran and North Korea, will thank the United States for its thoughtlessness and continue their nuclear programs. It would be radically less difficult for nuclear-armed adversaries, present and future, to strike the United States first and eliminate its capability to deter. There is no evidence whatsoever that China or Russia would stand down a single one of its nuclear-armed rockets should the United States follow the advice of Daalder and Lodal. In fact, such an action might very well encourage the growth of other nuclear forces, as nations see an opportunity to become a peer competitor with the United States.

PETER HUESSY

Senior Defense Consultant, National Defense University Foundation, and President, GeoStrategic Analysis

Letters to the Editor

DIAGNOSING USAID

To the Editor:

The former U.S. Agency for International Development (USAID) administrators J. Brian Atwood, M. Peter McPherson, and Andrew Natsios ("Arrested Development," November/December 2008) explain that despite the U.S. government's having elevated the status of development to be on par with defense and diplomacy, USAID has been so emasculated over the last several decades that it is not an effective member of the triumvirate of U.S. national security strategy tools. The only solution the authors see is a wholesale reform of the institutions of foreign assistance, including making USAID an independent department, creating a National Security Council position focused on foreign assistance, and unifying all sources of foreign assistance under USAID.

Reform is needed. However, as a former USAID field officer in Afghanistan, I propose a less Washington-centric reform strategy. From Washington's political and strategic perspective, it does not make sense to elevate the bureaucratic status of USAID when there is so little faith in the organization to begin with. The authors themselves claim USAID is dysfunctional. Congress demonstrated its lack of confidence in USAID by increasing the Department of Defense's allocation of official development assistance funds from 3.5 percent to 21.7 percent between 1999 and 2005. In that same period, USAID's share of official development assistance decreased from 65 percent to less than 40 percent.

Prioritizing bureaucratic reform in Washington also does not make sense from a national security perspective. In a world of unconventional modern warfare, fragile states characterized by corruption and poverty are now the enemy, and reconstruction and development are the tools to combat them. Because USAID cannot carry out these tasks effectively, the military has been charged with doing more of them. Piling another mandate that requires an entirely new skill set onto an overstretched military not only distracts it from its main task of fighting wars but also underutilizes the organization established to address these issues: USAID. The United States cannot afford to wait until Washington works through the political tangle of reforming foreign assistance to make USAID more functional in the field.

After decades of scrutiny and downsizing, USAID has become an anemic organization, with a fifth the number of staff it had in the 1960s and a fraction of the agility and autonomy it had when it was better funded. Reform should begin by giving USAID the human and financial resources it needs to succeed in the field. Of course, political will is required to make these changes, and that will must come from the president's office.

AMY B. FRUMIN

International Affairs Fellow, Council on Foreign Relations

Foreign Affairs (ISSN 00157120), March/April 2009, Volume 88, Number 2. Published six times annually (January, March, May, July, September, November) at 58 East 68th Street, New York, NY 10065. Subscriptions: U.S., $44.00; Canada, $54.00; other countries via air, $79.00 per year. Canadian Publication Mail–Mail # 1572121. Periodicals postage paid in New York, NY, and at additional mailing offices. **POSTMASTER**: Send address changes to *Foreign Affairs,* P.O. Box 420235, Palm Coast, FL 32142-0235. From time to time, we permit certain carefully screened companies to send our subscribers information about products or services that we believe will be of interest. If you prefer not to receive such information, please contact us at the Palm Coast, FL, address indicated above.

Return to Table of Contents

Foreign Affairs Bestsellers

The top-selling hardcover books on American foreign policy and international affairs.

1. *Hot, Flat, and Crowded: Why We Need a Green Revolution—and How It Can Renew America.* THOMAS L. FRIEDMAN. Farrar, Straus & Giroux, $27.95.
2. *The Post-American World.* FAREED ZAKARIA. Norton, $25.95.
3. *The War Within: A Secret White House History, 2006–2008.* BOB WOODWARD. Simon & Schuster, $32.00.
4. *The Limits of Power: The End of American Exceptionalism.* ANDREW J. BACEVICH. Metropolitan Books, $24.00.
5. *The Dark Side: The Inside Story of How the War on Terror Turned Into a War on American Ideals.* JANE MAYER. Doubleday, $27.50.
6. *The Devil We Know: Dealing With the New Iranian Superpower.* ROBERT BAER. Random House, $25.95.
7. *The Shadow Factory: The Ultra-Secret NSA From 9/11 to the Eavesdropping on America.* JAMES BAMFORD. Doubleday, $27.95.
8. *The Decline and Fall of the British Empire, 1781–1997.* PIERS BRENDON. Knopf, $37.50.
9. *The Way of the World: A Story of Truth and Hope in an Age of Extremism.* RON SUSKIND. Harper, $27.95.
10. *America and the World: Conversations on the Future of American Foreign Policy.* ZBIGNIEW BRZEZINSKI AND BRENT SCOWCROFT WITH DAVID IGNATIUS. Basic Books, $27.50.
11. *The Inheritance: The World Obama Confronts and the Challenges to American Power.* DAVID E. SANGER. Harmony, $26.95.
12. *The Strongest Tribe: War, Politics, and the Endgame in Iraq.* BING WEST. Random House, $28.00.
13. *Lessons in Disaster: McGeorge Bundy and the Path to War in Vietnam.* GORDON M. GOLDSTEIN. Times Books, $25.00.
14. *Tell Me How This Ends: General David Petraeus and the Search for a Way Out of Iraq.* LINDA ROBINSON. PublicAffairs, $27.95.
15. *The Bitter Road to Freedom: A New History of the Liberation of Europe.* WILLIAM I. HITCHCOCK. Free Press, $28.00.

Rankings are based on national sales at Barnes & Noble stores and Barnes & Noble.com (www.bn.com) in December 2008 and January 2009. A new list is published monthly at www.foreignaffairs.org.