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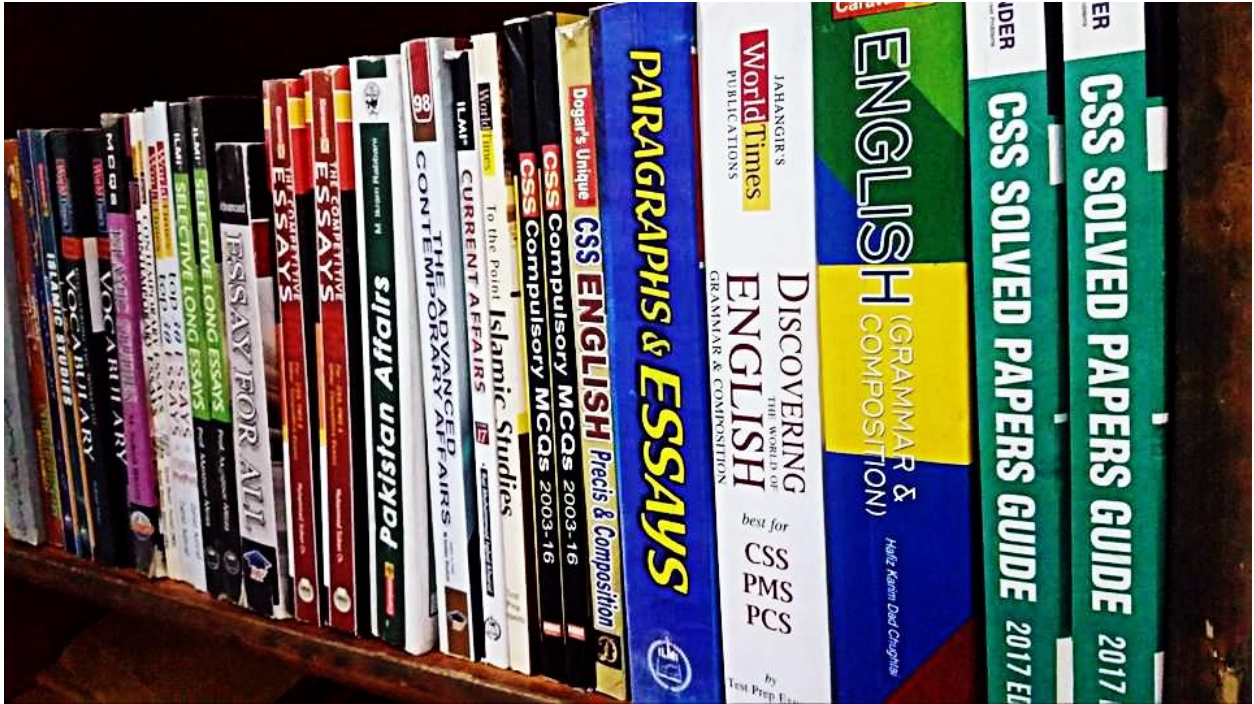


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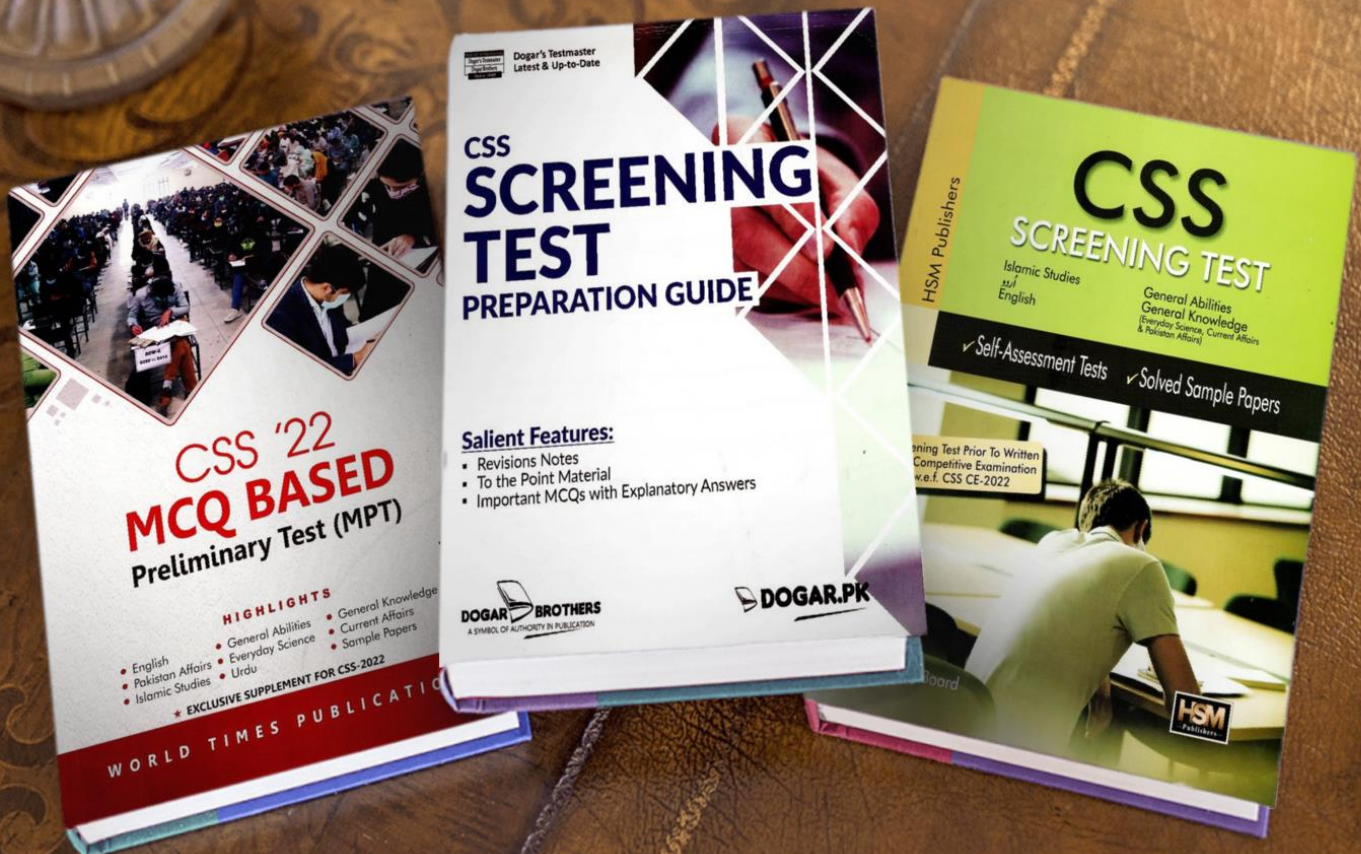
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Archibald Cary Coolidge, Founding Editor

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OONA HATHAWAY is a leading authority on international law and national security. After earning her J.D. from Yale, Hathaway clerked for Supreme Court Justice Sandra Day O'Connor and later served as special counsel at the U.S. Defense Department. She is currently a professor of international law at Yale Law School and an executive editor at *Just Security*. In "Keeping the Wrong Secrets" (page 85), she argues that Washington obsesses about the wrong secrets, imperiling national security by prioritizing classification instead of protecting privacy.



Born and raised in Tehran, **VALI NASR** immigrated to the United States following the 1979 Iranian Revolution. After studying at MIT, Nasr began his career as an academic and later went on to serve as senior adviser to the U.S. special representative for Afghanistan and Pakistan. From 2012 to 2019, he was dean of the Johns Hopkins University School of Advanced International Studies, where he is currently a professor. In "All Against All" (page 128), he argues that as the United States withdraws from an increasingly sectarian Middle East, the region's future will depend on Washington's ability to foster dialogue and strike a nuclear deal with Iran.



The son of a children's book writer and an expert on agricultural and foreign aid, **JON LEE ANDERSON** is an acclaimed journalist, investigative reporter, and war correspondent. A staff writer at *The New Yorker*, Anderson has also written multiple books on contemporary conflict and has profiled figures across Latin America, including Augusto Pinochet, Fidel Castro, and Hugo Chávez. In "A New Cuba?" (page 173), he reviews Ada Ferrer's book *Cuba: An American History* and considers the prospects for change in the post-Castro era.



DIGITAL DISORDER

A decade ago, U.S. Secretary of Defense Leon Panetta issued a stark warning about the dangers of a “cyber–Pearl Harbor”—a digital attack that would cause real-world death and destruction. The subsequent years have, in one sense, made that fear seem overblown; after all, the most dire scenarios that Panetta and others dreaded have not come to pass. But in another sense, the warning seems, if anything, too restrained: today, governments, businesses, and citizens alike face pervasive and unrelenting cyberthreats that would have been hard to imagine in 2012, adding layers of risk and complexity to already fraught problems of security, politics, and governance.

As the costs have mounted, policymakers have struggled to respond. Part of the problem, argue Sue Gordon and Eric Rosenbach, is that “the domain of cyberspace is shaped not by a binary between war and peace but by a spectrum between those two poles—and most cyberattacks fall somewhere in that murky space.” But strategies to counter them have failed to reflect this reality, leaving the advantage to attackers even after years of effort.

To Jacquelyn Schneider, the foremost danger is the way that cyberthreats target the trust that undergirds well-functioning economies, effective governments, and stable international

relations. “If trust is what’s at stake,” she writes, “. . . then the steps states must take to survive and operate in this new world are different” from anything governments have done to this point.

Joseph Nye and Dmitri Alperovitch, in their respective essays, contend that policymakers have erred in treating cyberthreats as fundamentally different from other security threats. Accordingly, Nye stresses that it would be a mistake to give up on building a system of norms to tame “cyber-anarchy.”

“Although cybertechnology presents unique challenges,” he observes, “international norms to govern its use appear to be developing in the usual way: slowly but steadily, over the course of decades.” Alperovitch argues that “cyberspace is not an isolated realm of its own . . . but an extension of the broader geopolitical battlefield”—which demands, in turn, geopolitical solutions, not narrow technical ones.

Although these authors’ precise recommendations vary, there is a common thread to their analyses: a worry that, even as the symptoms worsen, we still struggle to grasp the underlying condition. Without a clear diagnosis, a cure remains elusive.

—Daniel Kurtz-Phelan, Editor



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America's Cyber-Reckoning

How to Fix a Failing Strategy

Sue Gordon and Eric Rosenbach

A decade ago, the conventional wisdom held that the world was on the cusp of a new era of cyberconflict in which catastrophic computer-based attacks would wreak havoc on the physical world. News media warned of doomsday scenarios; officials in Washington publicly fretted about a “cyber–Pearl Harbor” that would take lives and destroy critical infrastructure. The most dire predictions, however, did not come to pass. The United States has not been struck by devastating cyberattacks with physical effects; it seems that even if U.S. adversaries wanted to carry out such assaults, traditional forms of deterrence would prevent them from acting.

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ERIC ROSENBACH is Co-Director of the Harvard Kennedy School's Belfer Center for Science and International Affairs. He served as the Pentagon's Chief of Staff from 2015 to 2017 and as U.S. Assistant Secretary of Defense for Homeland Defense and Global Security from 2014 to 2015.

Behind those mistaken warnings lay an assumption that the only alternative to cyberpeace must be cyberwar. But in the years since, it has become clear that like all realms of conflict, the domain of cyberspace is shaped not by a binary between war and peace but by a spectrum between those two poles—and most cyberattacks fall somewhere in that murky space. The obvious upside of this outcome is that the worst fears of death and destruction have not been realized. There is a downside, however: the complex nature of cyberconflict has made it more difficult for the United States to craft an effective cyberstrategy. And even if lives have not been lost and infrastructure has mostly been spared, it is hardly the case that cyberattacks have been harmless. U.S. adversaries have honed their cyber-skills to inflict damage on U.S. national security, the American economy, and, most worrisome of all, American democracy. Meanwhile, Washington has struggled to move past its initial perception of the problem, clinging to outmoded ideas that have limited its responses. The United States has also demonstrated an unwillingness to consistently confront its adversaries in the cyber-realm and has suffered from serious self-inflicted wounds that have left it in a poor position to advance its national interests in cyberspace.

To do better, the United States must focus on the most pernicious threats of all: cyberattacks aimed at weakening societal trust, the underpinnings of democracy, and the functioning of a globalized economy. The Biden administration seems to recognize the need for a new approach. But to make significant progress, it will need to reform the



country's cyberstrategy, starting with its most fundamental aspect: the way Washington understands the problem.

SHOTS FIRED

The first known cyberattack occurred in 1988, when Robert Morris, a graduate student in computer science, released a small piece of software—eventually dubbed “the Morris worm”—that created outages across the still nascent Internet. During the two decades that followed, cybersecurity remained the concern mostly of geeky hackers and shadowy intelligence operatives. That all changed in 2010 with the Stuxnet operation, a devastatingly effective cyberattack on centrifuges that Iran used to enrich uranium. U.S. leaders soon began sounding the alarm about their own country's vulnerability. As early as 2009, President Barack Obama had warned of cyberattacks that could plunge “entire cities into darkness.” Three years later, while briefing the Senate Armed Services Committee, Keith Alexander, the director of the National Security Agency (NSA), said it was only a matter of time before cyberattacks destroyed critical infrastructure. Around the same time, Senator Jay Rockefeller, Democrat of West Virginia, claimed that “the prospect of mass casualties” made cyberattacks “as dangerous as terrorism.”

These warnings seemed prescient when, in 2012, Iranian operatives targeted the oil company Saudi Aramco with malware, wiping out data on 30,000 computers. Two weeks later, Iran targeted the Qatari company RasGas, one of the largest natural gas producers in the world, in a similar strike. These cyberattacks were by far

the most destructive in history and marked the first time a government had employed an offensive operation in cyberspace against a U.S. partner. The strikes rattled world energy markets. To signal support for the Saudis, Washington deployed a team of Pentagon cybersecurity experts to Riyadh.

Two months after the Iranian attacks, U.S. Secretary of Defense Leon Panetta gave a high-profile speech in which he warned of other countries or terrorists using cyberweapons to derail passenger trains or freight trains loaded with lethal chemicals, contaminate water supplies in major cities, shut down the power grid, or disable communication networks and military hardware. Americans, Panetta declared, needed to prepare for a kind of “cyber–Pearl Harbor: an attack that would cause physical destruction and the loss of life [and would] paralyze and shock the nation and create a new, profound sense of vulnerability.” Panetta also attempted to outline the U.S. strategy for deterrence in cyberspace, arguing that “improved defenses alone” would prove insufficient. When the U.S. national security services detected an imminent cyberattack of significant consequences, he said, they would need “the option to take action.” And so, he explained, the military had developed “the capability to conduct effective [offensive cyber-]operations to counter threats to [U.S.] national interests in cyberspace.”

From 2012 to 2014, the National Security Council staff held dozens of senior-level meetings to draft a complicated set of policies—known as Presidential Policy Directive 20—that established guidelines for when the

United States could launch offensive cyber-operations to deter future attacks. At the Pentagon, the Joint Staff devoted several straight months to developing strict protocols for when the secretary of defense could approve an “emergency cyber action”—a targeted cyberattack to neutralize and counter an adversarial attack on the homeland.

That planning was put to the test in 2014, when North Korean operatives conducted the first-ever destructive cyberattack on U.S. soil, exfiltrating heaps of confidential information from servers belonging to Sony Pictures, which was planning to release a film that mocked the North Korean dictator Kim Jong Un. The hackers spread the information, including embarrassing emails, throughout the Internet; knocked out Sony’s digital networks; and threatened to carry out further “terrorist attacks” in cyberspace. For weeks, the U.S. intelligence community feared that North Korean operatives had prepositioned cybermunitions inside American critical infrastructure and would soon detonate them.

That did not happen, and in many ways, the Obama administration’s response to the attack was sophisticated and effective. The president directly called out the North Koreans for the hack, and the administration immediately levied economic sanctions, the first ever imposed in response to a cyberattack. The combination of public attribution and sanctions seemed to deter Pyongyang from conducting additional attacks. But the most important takeaway was that even after two years of planning and development, the U.S. military did not have the cyber-response capabilities Panetta had promised.

LESSONS NOT LEARNED

Part of the problem was that the Obama administration took an old-school approach to cyberspace that was stuck, in some ways, in an archaic, Cold War-style paradigm according to which cyber-operations could quickly escalate into a full-blown war. This perspective carried over into the Pentagon’s decisions when it came to building a force structure for the cyber-domain: in 2009, Secretary of Defense Robert Gates established U.S. Cyber Command, which is subordinate to the four-star commander of U.S. Strategic Command, the notoriously slow-moving organization that oversees the country’s nuclear weapons. This structure suggested that the administration saw conflict in the cyber-domain as analogous to nuclear conflict or military activities in outer space, rather than as a dynamic sphere of operations more akin to counterterrorism or the world of special forces. Gates also determined that the new command would not carry out so-called information operations designed to influence the perceptions, thoughts, or beliefs of foreign actors in ways that would serve U.S. strategy.

These decisions delighted Washington’s Russian adversaries. During a 2013 meeting between senior U.S. defense officials and their Russian counterparts, a high-ranking officer in the Russian military, General Nikolai Makarov, taunted the Americans. “One uses information to destroy nations, not networks,” he said. “That’s why we’re happy that you Americans are so stupid as to build an entire Cyber Command that doesn’t have a mission of information warfare!” At the time, defense leaders didn’t consider that the United

States might be one of the nations that Makarov had in mind. After Russian interference in the U.S. presidential election three years later, his remarks took on an even more sinister cast.

Cyber Command's structure and mission had serious consequences in the years that followed, especially in the U.S. campaign against the Islamic State (also known as ISIS). The Pentagon had structured the new organization and designed its capabilities based on existing war plans that focused on rival countries; as a result, Cyber Command had very few resources dedicated to counterterrorism. During the first two years of the conflict, poor leadership at the top, a lack of operational capability, and an unwillingness to risk intelligence sources and methods resulted in Cyber Command's failure to disrupt ISIS operations. In 2015, this debacle led a top military commander of the U.S. effort against ISIS to declare, "I only wish that Cyber Command could inflict as much pain on ISIS as DISA does on me!" (DISA, the Defense Information Systems Agency, provides tech support to the U.S. military.)

Beneath these flawed decisions on organization and mission lay a deeper failure to learn the lessons of the 2014 North Korean hack of Sony: cyberattacks require an immediate response, public attribution, and diplomatic confrontation. In the wake of that attack, China and Russia each carried out an increasingly bold and insidious wave of cyberattacks. In the spring of 2014, for example, a group of operatives linked to the Kremlin attempted to derail the Ukrainian presidential election with a potent combination of hacking, disinformation, and denial-of-service attacks. Ukrainian cybersecurity

experts narrowly prevented the assault from succeeding. But the White House was unwilling to confront Russia or provide Ukraine with any type of support in the cyber-domain.

Then, in December 2015, Russian-backed operatives attacked Ukraine's electric grid, leaving parts of the country without power for days in the midst of winter weather. Once again, the Obama administration stood by without responding. This likely contributed to Russian President Vladimir Putin's calculus that he could conduct cyber- and information operations to interfere with the U.S. presidential election in 2016 without fear of reprisal. He was right: the Obama administration did little to push back against Russian meddling during the summer and fall of 2016—until it became a crisis and hit the front page of *The New York Times*.

The Obama White House proved similarly unwilling to confront China over its transgressions in cyberspace. This was of a piece with the administration's emphasis on building stable economic relations with Beijing, which also overrode concerns about Chinese human rights abuses and China's aggressive military moves in the South China Sea. Even before North Korea's Sony attack, China had taken advantage of this passivity to steal American intellectual property on a massive scale between 2008 and 2013, to the tune of between \$200 billion and \$600 billion of value per year. The strategic impact of this theft is difficult to prove empirically, but it almost certainly gave a huge lift to Beijing's Made in China 2025 initiative, which seeks to advance China's domestic production of artificial intelligence systems, telecommunica-

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tions, clean energy technology, aerospace products, and biotechnology.

Later, in 2014 and 2015, Chinese intelligence operatives penetrated networks belonging to the U.S. Office of Personnel Management and exfiltrated the personnel files of around two million former or retired federal employees and more than two million current ones, including information on nearly all the background investigations of Americans who held security clearances at the top-secret level. Prodded by intense congressional pressure and media scrutiny, Obama confronted Chinese President Xi Jinping during a September 2015 meeting at the White House. Obama offered to not publicly attribute the OPM hack to China, and in exchange, Xi agreed to stop intelligence operations against U.S. firms and to establish a diplomatic working group to discuss issues related to cyberspace. Immediately following the summit, the volume of Chinese intellectual property theft plummeted, and Beijing and Washington held a round of talks about cybertheft. This positive outcome clearly demonstrated the importance of challenging China—but it also served as a reminder that the administration had waited far too long to take action.

U.S. President Donald Trump took office in 2017 with a more assertive, combative tone than that of his predecessor. His administration's approach to U.S. rivals was inconsistent and unpredictable, but in 2018, the White House approved the elevation of Cyber Command to full combatant command status, which freed the organization from the constraints of working through U.S. Strategic Command.

Later that year, National Security Adviser John Bolton announced that the administration would take a more aggressive approach to offensive cyber-operations by permitting the military, with the approval of the secretary of defense, to conduct operations below the legal threshold of an “armed attack.” This policy, known as National Security Presidential Memorandum 13, set the foundation for cyber-operations, such as denial-of-service attacks and information operations, targeting the Internet Research Agency, a Russian “troll farm,” and may have prevented the group from interfering in the 2018 congressional midterm elections. These moves demonstrated the effectiveness of low-level, proactive cyber-tactics and drove home the idea that when it comes to cyberspace, deterrence need not take place on the level of grand strategy: low-tech, low-risk, targeted operations can do the trick.

The Trump administration's approach to Russia's cyber-campaigns was by no means an unqualified success, however, owing to the behavior of the president himself. Trump's bizarre genuflection toward Putin undermined any coherent strategy against Russia, and Trump's unwillingness to stand up for U.S. interests vis-à-vis Russia posed a genuine threat to American democracy. From his public invitation to the Russians to hack his 2016 opponent, Hillary Clinton, to his endorsement of Putin's nonsensical proposal to create a joint U.S.-Russian “impenetrable cybersecurity unit,” Trump repeatedly undermined the efforts of his own country's law enforcement agencies, intelligence organizations, and military to protect U.S. national security.

OWN GOALS

But Trump is hardly the only American who has damaged U.S. cybersecurity in recent years. In 2013, an NSA contractor, Edward Snowden, perpetrated one of the most significant leaks in U.S. history when he provided journalists—and, according to some accounts, Chinese and Russian intelligence services—with thousands of highly classified documents revealing the expansive reach of the NSA's global operations, including its eavesdropping on senior government officials of countries allied with the United States. It is difficult to overstate the negative impact these disclosures had on U.S. efforts to secure cyberspace. Washington essentially lost all credibility on the world stage when it came to issues regarding cyberspace. After learning that the NSA had spied on heads of state, including German Chancellor Angela Merkel, European governments were in no mood to work with Washington against Chinese or Russian cyber-operations. "Trust needs to be rebuilt," Merkel said at the time.

In the wake of the revelations, a wide range of governments—from U.S. allies in Europe to China—labeled Washington as the greatest threat to cybersecurity in the world. The fallout from Snowden's leaks also dealt a devastating blow to the cooperation between the U.S. government and the private sector, an essential aspect of defending U.S. interests in cyberspace. Owing to a fear of bad publicity and the risk of losing business in China, U.S. technology companies that had previously collaborated on unclassified cybersecurity initiatives with the federal government decided to completely halt such cooperation.

Things got worse a few years later when the NSA lost control of some of its most sensitive hacking tools. In two separate incidents, employees of an NSA unit that was then known as the Office of Tailored Access Operations—an outfit that conducts the agency's most sensitive cybersurveillance operations—removed extremely powerful tools from top-secret NSA networks and, incredibly, took them home. Eventually, the Shadow Brokers—a mysterious hacking group with ties to Russian intelligence services—got their hands on some of the NSA tools and released them on the Internet. As one former TAO employee told *The Washington Post*, these were "the keys to the kingdom"—digital tools that would "undermine the security of a lot of major government and corporate networks both here and abroad."

One such tool, known as "EternalBlue," got into the wrong hands and has been used to unleash a scourge of ransomware attacks—in which hackers paralyze computer systems until their demands are met—that will plague the world for years to come. Two of the most destructive cyberattacks in history made use of tools that were based on EternalBlue: the so-called WannaCry attack, launched by North Korea in 2017, which caused major disruptions at the British National Health Service for at least a week, and the NotPetya attack, carried out that same year by Russian-backed operatives, which resulted in more than \$10 billion in damage to the global economy and caused weeks of delays at the world's largest shipping company, Maersk. In the past few years, ransomware attacks have struck hospi-

tals, schools, city governments, and pipelines, driving home the severe nature of the cyberthreat.

HOW TO DO BETTER

Washington's decade spent in thrall to an outmoded conception of cyberconflict, the Obama administration's excessive passivity, the Trump administration's inconsistency, and the damage caused by leaks and sloppiness meant that when U.S. President Joe Biden took office earlier this year, he inherited a mess. Getting U.S. policy back on track will require his administration to substantially change the way that Washington conceives of and carries out cybersecurity. That will be particularly challenging given the current security environment, which is being shaped by China's rollout of the "digital yuan," the meteoric rise in the value and impact of cryptocurrencies, the flourishing of disinformation, and the sharp increase in ransomware attacks. Meanwhile, as nuclear negotiations with Iran intensify, the regime in Tehran will likely experiment with new cyber- and information operations to gain leverage at the negotiating table, and China and Russia will almost certainly test the relatively new administration with cyberattacks within the next year.

In this climate, the most important thing the Biden administration can do is embrace the notion that countries that can conduct destructive cyberattacks are not likely to be deterred by Washington's own cyber-capabilities but can still be deterred by the United States' conventional military power and economic might. When it comes to cyberspace, Washington shouldn't try to fight fire with fire—or at least not with fire alone. The United States, after all,

has many more effective ways to contain and extinguish the flames.

With that in mind, the first practical step the administration should take is to prioritize the defense of data. Working with Congress, Biden must redouble efforts to pass a national data security law that will provide citizens with the right to take legal action against companies that fail to protect their data, similar to the European Union's General Data Protection Regulation. The United States is one of the only major democracies in the world that does not have such a law. As a result, an extraordinarily complex patchwork of state-level privacy and data security laws have sprung up, inhibiting the development of a secure information-based economy. The current effort on Capitol Hill to require companies that provide critical infrastructure—including those in the manufacturing, energy production, and financial services sectors—to notify federal authorities of data breaches represents a promising development. But it is not nearly enough.

The administration should also make the rapid public attribution of cyberattacks a core component of its strategy, even in politically complex situations. The conventional wisdom used to hold that it was difficult to attribute cyberattacks with a high level of confidence. But over the past five years, advanced digital forensics have allowed intelligence agencies and private-sector cybersecurity firms to conclude with reasonable certainty who is behind most cyberattacks. That evolution is important: attribution alone has proved to be an effective, if short-lived, way to deter U.S. rivals from carrying out attacks.

Better U.S. policy will also require some organizational shifts. For starters,

the Cybersecurity and Infrastructure Security Agency, established in 2018 within the Department of Homeland Security, must become the true center of gravity for domestic cybersecurity operations; the final authority over such operations should not be granted to intelligence organizations, law enforcement agencies, or the military. In the past three years, CISA has developed important capabilities to combat election interference and disinformation campaigns. Now, it must improve its defense of federal government networks, speed the sharing of threat indicators with the private sector, and offer expertise and operational support to the providers of critical infrastructure that face threats from ransomware. To do all that, CISA will need more funding: the organization's current annual budget of \$3 billion should be tripled over the next four years, and it should eventually equal that of the NSA.

Law enforcement still has an important role to play, particularly when it comes to domestic defensive cyber-operations to thwart ransomware attacks. The FBI recently undertook an effective and creative effort to remove malicious tools implanted by Chinese intelligence services in hundreds of servers across the United States. In a novel and precedent-setting step, the bureau obtained warrants to unilaterally identify and delete the Chinese malware without the consent of the equipment's owners. The legal authority for that operation was established by an update to the Federal Rules of Criminal Procedure; the administration should seek additional innovative updates to laws that will allow the FBI to take more proactive measures.

The U.S. military must also continue to adapt to the cyber-era. Biden

should shape Cyber Command into something more akin to today's nimble, flexible Joint Special Operations Command and less like the lumbering Strategic Air Command of the 1950s. Cyber Command has relied too much on the NSA to create unique, nonattributable cybertools, which can take years to develop; to increase its agility, Cyber Command should turn to less complex, "burnable" tools, that is, ones that are expendable because they are already publicly available, which means there is no need to conceal their origin. The Trump administration, to its credit, upped Washington's game by increasing the frequency of low-tech, publicly attributable offensive cyber-operations. This had the effect of bolstering U.S. credibility in the cyber-realm—even in the face of Trump's erratic personal conduct. For example, after Iran's elite Islamic Revolutionary Guard Corps shot down a U.S. surveillance drone in 2019, Cyber Command conducted a retaliatory attack on a database crucial to the group. The strike demonstrated Washington's ability to achieve strategic goals while avoiding escalatory tactics.

New legislation and new approaches would go a long way toward fixing Washington's flawed cyberstrategy. But the government cannot improve U.S. cybersecurity on its own: it must meaningfully engage with the private sector to build cyberdefenses and cyber-deterrence. Companies are in the cross hairs of hackers of many stripes, and corporate leaders have become *de facto* national security decision-makers. To create shared norms and encourage the independent enforcement of cyber-protection standards, at least by publicly

traded companies, Congress should consider creating a cybersecurity analog to the Securities and Exchange Commission, which protects the integrity of markets, and a version for cyberspace of the Generally Accepted Accounting Principles, which shape the public disclosures that companies must make.

Even if Washington does everything right, it will still need global cooperation. Luckily, the geopolitical environment today is conducive to strong U.S. diplomatic leadership on issues regarding cyberspace. Washington has mostly recovered from the fallout of the Snowden and the NSA leaks, and the world has finally recognized that the Chinese and Russian models of Internet autocracy are antithetical to a liberal order and a globalized economy. Washington needs to take advantage of this state of affairs through intensive cooperation with like-minded countries, such as France, Germany, Japan, South Korea, and the United Kingdom.

The UN is not the place to do so, however: in that forum, China and Russia can advance their interests by entangling Washington and its partners in abstract debates about norms even as they wantonly violate those norms in the real world. Many strategists have suggested that NATO could serve as the center of gravity for cooperation in cyberspace between the United States and its allies and partners, but the organization was built for the Cold War and is too clunky to foster creative strategies. Instead, Washington should pursue a series of bilateral agreements to prevent the spread of black-market ransomware tools. One model might be the Proliferation Security Initiative, a multilateral effort inaugurated by the George W. Bush

administration to improve the interdiction of weapons of mass destruction.

If American policymakers have learned anything in the past decade, it is that cyberconflict is a murky business, one that resists black-and-white notions about war and peace. That lack of clarity in the battle space makes it all the more important for Washington to be clear about its goals and strategies. The cyber-realm will always be messy. But U.S. cyber-policy does not have to be. 🌐



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A World Without Trust

The Insidious Cyberthreat

Jacquelyn Schneider

When sounding the alarm over cyberthreats, policymakers and analysts have typically employed a vocabulary of conflict and catastrophe. As early as 2001, James Adams, a co-founder of the cybersecurity firm iDefense, warned in these pages that cyberspace was “a new international battlefield,” where future military campaigns would be won or lost. In subsequent years, U.S. defense officials warned of a “cyber–Pearl Harbor,” in the words of then Defense Secretary Leon Panetta, and a “cyber 9/11,” according to then Homeland Security Secretary Janet Napolitano. In 2015, James Clapper, then the director of national intelligence, said the United States must prepare for a “cyber Armageddon” but acknowledged it was not the most likely scenario. In response to the threat, officials argued that cyberspace should be understood as a “domain” of conflict, with “key terrain” that the United States needed to take or defend.

The 20 years since Adams’s warning have revealed that cyberthreats and cyberattacks are hugely consequential—but not in the way most predictions suggested. Spying and theft in cyber-

space have garnered peta-, exa-, even zettabytes of sensitive and proprietary data. Cyber-enabled information operations have threatened elections and incited mass social movements. Cyberattacks on businesses have cost hundreds of billions of dollars. But while the cyberthreat is real and growing, expectations that cyberattacks would create large-scale physical effects akin to those caused by surprise bombings on U.S. soil, or that they would hurtle states into violent conflict, or even that what happened in the domain of cyberspace would define who won or lost on the battlefield haven’t been borne out. In trying to analogize the cyberthreat to the world of physical warfare, policymakers missed the far more insidious danger that cyber-operations pose: how they erode the trust people place in markets, governments, and even national power.

Correctly diagnosing the threat is essential, in part because it shapes how states invest in cybersecurity. Focusing on single, potentially catastrophic events, and thinking mostly about the possible physical effects of cyberattacks, unduly prioritizes capabilities that will protect against “the big one”: large-scale responses to disastrous cyberattacks, offensive measures that produce physical violence, or punishments only for the kinds of attacks that cross a strategic threshold. Such capabilities and responses are mostly ineffective at protecting against the way cyberattacks undermine the trust that undergirds modern economies, societies, governments, and militaries.

If trust is what’s at stake—and it has already been deeply eroded—then the steps states must take to survive and operate in this new world are different. The solution to a “cyber–Pearl Harbor”

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is to do everything possible to ensure it doesn't happen, but the way to retain trust in a digital world despite the inevitability of cyberattacks is to build resilience and thereby promote confidence in today's systems of commerce, governance, military power, and international cooperation. States can develop this resilience by restoring links between humans and within networks, by strategically distributing analog systems where needed, and by investing in processes that allow for manual and human intervention. The key to success in cyberspace over the long term is not finding a way to defeat all cyberattacks but learning how to survive despite the disruption and destruction they cause.

The United States has not so far experienced a "cyber 9/11," and a cyber-attack that causes immediate catastrophic physical effects isn't likely in the future, either. But Americans' trust in their government, their institutions, and even their fellow citizens is declining rapidly—weakening the very foundations of society. Cyberattacks prey on these weak points, sowing distrust in information, creating confusion and anxiety, and exacerbating hatred and misinformation. As people's digital dependencies grow and the links among technologies, people, and institutions become more tenuous, this cyberthreat to trust will only become more existential. It is this creeping dystopian future that policymakers should worry about—and do everything possible to avert.

THE TIES THAT BIND

Trust, defined as "the firm belief in the reliability, truth, ability, or strength of someone or something," plays a central role in economies, societies, and the

international system. It allows individuals, organizations, and states to delegate tasks or responsibilities, thereby freeing up time and resources to accomplish other jobs, or to cooperate instead of acting alone. It is the glue that allows complex relationships to survive—permitting markets to become more complex, governance to extend over a broader population or set of issues, and states to trade, cooperate, and exist within more complicated alliance relationships.

"Extensions of trust . . . enable coordination of actions over large domains of space and time, which in turn permits the benefits of more complex, differentiated, and diverse societies," explains the political scientist Mark Warren.

Those extensions of trust have played an essential role in human progress across all dimensions. Primitive, isolated, and autocratic societies function with what sociologists call "particularized trust"—a trust of only known others. Modern and interconnected states require what's called "generalized trust," which extends beyond known circles and allows actors to delegate trust relationships to individuals, organizations, and processes with whom the truster is not intimately familiar. Particularized trust leads to allegiance within small groups, distrust of others, and wariness of unfamiliar processes or institutions; generalized trust enables complicated market interactions, community involvement, and trade and cooperation among states.

The modern market, for example, could not exist without the trust that allows for the delegation of responsibility to another entity. People trust that currencies have value, that banks can secure and safeguard assets, and that

IOUS in the form of checks, credit cards, or loans will be fulfilled. When individuals and entities have trust in a financial system, wages, profits, and employment increase. Trust in laws about property rights facilitates trade and economic prosperity. The digital economy makes this generalized trust even more important. No longer do people deposit gold in a bank vault. Instead, modern economies consist of complicated sets of digital transactions in which users must trust not only that banks are securing and safeguarding their assets but also that the digital medium—a series of ones and zeros linked together in code—translates to an actual value that can be used to buy goods and services.

Trust is a basic ingredient of social capital—the shared norms and interconnected networks that, as the political scientist Robert Putnam has famously argued, lead to more peaceful and prosperous communities. The generalized trust at the heart of social capital allows voters to delegate responsibility to proxies and institutions to represent their interests. Voters must trust that a representative will promote their interests, that votes will be logged and counted properly, and that the institutions that write and uphold laws will do so fairly.

Finally, trust is at the heart of how states generate national power and, ultimately, how they interact within the international system. It allows civilian heads of state to delegate command of armed forces to military leaders and enables those military leaders to execute decentralized control of lower-level military operations and tactics. States characterized by civil-military distrust are less likely to win wars, partly because of how trust affects a

regime's willingness to give control to lower levels of military units in warfare. For example, the political scientist Caitlin Talmadge notes how Saddam Hussein's efforts to coup-proof his military through the frequent cycling of officers through assignments, the restriction of foreign travel and training, and perverse regime loyalty promotion incentives handicapped the otherwise well-equipped Iraqi military. Trust also enables militaries to experiment and train with new technologies, making them more likely to innovate and develop revolutionary advancements in military power.

Trust also dictates the stability of the international system. States rely on it to build trade and arms control agreements and, most important, to feel confident that other states will not launch a surprise attack or invasion. It enables international cooperation and thwarts arms races by creating the conditions to share information—thus defeating the suboptimal outcome of a prisoner's dilemma, wherein states choose conflict because they are unable to share the information required for cooperation. The Russian proverb "*Dover'iai, no proveryai*"—"Trust, but verify"—has guided arms control negotiations and agreements since the Cold War.

In short, the world today is more dependent on trust than ever before. This is, in large part, because of the way information and digital technologies have proliferated across modern economies, societies, governments, and militaries, their virtual nature amplifying the role that trust plays in daily activities. This occurs in a few ways. First, the rise of automation and autonomous technologies—whether in traffic systems, finan-

cial markets, health care, or military weapons—necessitates a delegation of trust whereby the user is trusting that the machine can accomplish a task safely and appropriately. Second, digital information requires the user to trust that data are stored in the right place, that their values are what the user believes them to be, and that the data won't be manipulated. Additionally, digital social media platforms create new trust dynamics around identity, privacy, and validity. How do you trust the creators of information or that your social interactions are with an actual person? How do you trust that the information you provide others will be kept private? These are relatively complex relationships with trust, all the result of users' dependence on digital technologies and information in the modern world.

SUSPICION SPREADS

All the trust that is needed to carry out these online interactions and exchanges creates an enormous target. In the most dramatic way, cyber-operations generate distrust in how or whether a system operates. For instance, an exploit, which is a cyberattack that takes advantage of a security flaw in a computer system, can hack and control a pacemaker, causing distrust on the part of the patient using the device. Or a microchip backdoor can allow bad actors to access smart weapons, sowing distrust about who is in control of those weapons. Cyber-operations can lead to distrust in the integrity of data or the algorithms that make sense of data. Are voter logs accurate? Is that artificial-intelligence-enabled strategic warning system showing a real missile launch, or is it a blip in the computer code?

Additionally, operating in a digital world can produce distrust in ownership or control of information: Are your photos private? Is your company's intellectual property secure? Did government secrets about nuclear weapons make it into an adversary's hands? Finally, cyber-operations create distrust by manipulating social networks and relationships and ultimately deteriorating social capital. Online personas, bots, and disinformation campaigns all complicate whether individuals can trust both information and one another. All these cyberthreats have implications that can erode the foundations on which markets, societies, governments, and the international system were built.

The digitally dependent economy is particularly vulnerable to degradations of trust. As the modern market has become more interconnected online, cyberthreats have grown more sophisticated and ubiquitous. Yearly estimates of the total economic cost of cyberattacks range from hundreds of billions to trillions of dollars. But it isn't the financial cost of these attacks alone that threatens the modern economy. Instead, it is how these persistent attacks create distrust in the integrity of the system as a whole.

Nowhere was this more evident than in the public's response to the ransomware attack on the American oil provider Colonial Pipeline. In May 2021, a criminal gang known as DarkSide shut down the pipeline, which provides about 45 percent of the fuel to the East Coast of the United States, and demanded a ransom, which the company ultimately paid. Despite the limited impact of the attack on the company's ability to provide oil to its customers, people

panicked and flocked to gas stations with oil tanks and plastic bags to stock up on gas, leading to an artificial shortage at the pump. This kind of distrust, and the chaos it causes, threatens the foundations not just of the digital economy but also of the entire economy.

The inability to safeguard intellectual property from cybertheft is similarly consequential. The practice of stealing intellectual property or trade secrets by hacking into a company's network and taking sensitive data has become a lucrative criminal enterprise—one that states including China and North Korea use to catch up with the United States and other countries that have the most innovative technology. North Korea famously hacked the pharmaceutical company Pfizer in an attempt to steal its COVID-19 vaccine technology, and Chinese exfiltrations of U.S. defense industrial base research has led to copycat technological advances in aircraft and missile development. The more extensive and sophisticated such attacks become, the less companies can trust that their investments in research and development will lead to profit—ultimately destroying knowledge-based economies. And nowhere are the threats to trust more existential than in online banking. If users no longer trust that their digital data and their money can be safeguarded, then the entire complicated modern financial system could collapse. Perversely, the turn toward cryptocurrencies, most of which are not backed by government guarantees, makes trust in the value of digital information all the more critical.

Societies and governments are also vulnerable to attacks on trust. Schools, courts, and municipal governments have

all become ransomware targets—whereby systems are taken offline or rendered useless until the victim pays up. In the cross hairs are virtual classrooms, access to judicial records, and local emergency services. And while the immediate impact of these attacks can temporarily degrade some governance and social functions, the greater danger is that over the long term, a lack of faith in the integrity of data stored by governments—whether marriage records, birth certificates, criminal records, or property divisions—can erode trust in the basic functions of a society. Democracy's reliance on information and social capital to build trust in institutions has proved remarkably vulnerable to cyber-enabled information operations. State-sponsored campaigns that provoke questions about the integrity of governance data (such as vote tallies) or that fracture communities into small groups of particularized trust give rise to the kind of forces that foment civil unrest and threaten democracy.

Cyber-operations can also jeopardize military power, by attacking trust in modern weapons. With the rise of digital capabilities, starting with the microprocessor, states began to rely on smart weapons, networked sensors, and autonomous platforms for their militaries. As those militaries became more digitally capable, they also became susceptible to cyber-operations that threatened the reliability and functionality of these smart weapons systems. Whereas a previous focus on cyber-threats fixated on how cyber-operations could act like a bomb, the true danger occurs when cyberattacks make it difficult to trust that actual bombs will work as expected. As militaries move

farther away from the battlefield through remote operations and commanders delegate responsibility to autonomous systems, this trust becomes all the more important. Can militaries have faith that cyberattacks on autonomous systems will not render them ineffective or, worse, cause fratricide or kill civilians? Furthermore, for highly networked militaries (such as that of the United States), lessons taken from the early information age led to doctrines, campaigns, and weapons that rely on complex distributions of information. Absent trust in information or the means by which it is being disseminated, militaries will be stymied—awaiting new orders, unsure of how to proceed.

Together, these factors threaten the fragile systems of trust that facilitate peace and stability within the international system. They make trade less likely, arms control more difficult, and states more uncertain about one another's intentions. The introduction of cybertools for spying, attacks, and theft has only exacerbated the effects of distrust. Offensive cyber-capabilities are difficult to monitor, and the lack of norms about the appropriate uses of cyber-operations makes it difficult for states to trust that others will use restraint. Are Russian hackers exploring U.S. power networks to launch an imminent cyberattack, or are they merely probing for vulnerabilities, with no future plans to use them? Are U.S. "defend forward" cyber-operations truly to prevent attacks on U.S. networks or instead a guise to justify offensive cyberattacks on Chinese or Russian command-and-control systems? Meanwhile, the use of mercenaries, intermediaries, and gray-zone operations in

cyberspace makes attribution and determining intent harder, further threatening trust and cooperation in the international system. For example, Israeli spyware aiding Saudi government efforts to repress dissent, off-duty Chinese military hackers, criminal organizations the Russian state allows but does not officially sponsor—all make it difficult to establish a clear chain of attribution for an intentional state action. Such intermediaries also threaten the usefulness of official agreements among states about what is appropriate behavior in cyberspace.

LIVING WITH FAILURE

To date, U.S. solutions to dangers in cyberspace have focused on the cyberspace part of the question—detering, defending against, and defeating cyberthreats as they attack their targets. But these cyber-focused strategies have struggled and even failed: cyberattacks are on the rise, the efficacy of deterrence is questionable, and offensive approaches cannot stem the tide of small-scale attacks that threaten the world's modern, digital foundations. Massive exploits—such as the recent hacks of SolarWinds' network management software and Microsoft Exchange Server's email software—are less a failure of U.S. cyberdefenses than a symptom of how the targeted systems were conceived and constructed in the first place. The goal should be not to stop all cyber-intrusions but to build systems that are able to withstand incoming attacks. This is not a new lesson. When cannons and gunpowder debuted in Europe in the fourteenth and fifteenth centuries, cities struggled to survive the onslaught of the new

firepower. So states adapted their fortifications—dug ditches, built bastions, organized cavaliers, constructed extensive polygonal edifices—all with the idea of creating cities that could survive a siege, not stop the cannon fire from ever occurring. The best fortifications were designed to enable active defense, wearing the attackers down until a counterattack could defeat the forces remaining outside the city.

The fortification analogy invites an alternative cyberstrategy in which the focus is on the system itself—whether that's a smart weapon, an electric grid, or the mind of an American voter. How does one build systems that can continue to operate in a world of degraded trust? Here, network theory—the study of how networks succeed, fail, and survive—offers guidance. Studies on network robustness find that the strongest networks are those with a high density of small nodes and multiple pathways between nodes. Highly resilient networks can withstand the removal of multiple nodes and linkages without decomposing, whereas less resilient, centralized networks, with few pathways and sparser nodes, have a much lower critical threshold for degradation and failure. If economies, societies, governments, and the international system are going to survive serious erosions of trust, they will need more bonds and links, fewer dependencies on central nodes, and new ways to reconstitute network components even as they are under attack. Together, these qualities will lead to generalized trust in the integrity of the systems. How can states build such networks?

First, at the technical level, networks and data structures that undergird the

economy, critical infrastructure, and military power must prioritize resilience. This requires decentralized and dense networks, hybrid cloud structures, redundant applications, and backup processes. It implies planning and training for network failure so that individuals can adapt and continue to provide services even in the midst of an offensive cyber-campaign. It means relying on physical backups for the most important data (such as votes) and manual options for operating systems when digital capabilities are unavailable. For some highly sensitive systems (for instance, nuclear command and control), it may be that analog options, even when less efficient, produce remarkable resilience. Users need to trust that digital capabilities and networks have been designed to gracefully degrade, as opposed to catastrophically fail: the distinction between binary trust (that is, trusting the system will work perfectly or not trusting the system at all) and a continuum of trust (trusting the system to function at some percentage between zero and 100 percent) should drive the design of digital capabilities and networks. These design choices will not only increase users' trust but also decrease the incentives for criminal and state-based actors to launch cyberattacks.

Making critical infrastructure and military power more resilient to cyberattacks would have positive effects on international stability. More resilient infrastructure and populations are less susceptible to systemic and long-lasting effects from cyberattacks because they can bounce back quickly. This resilience, in turn, decreases the incentives for states to preemptively strike an adver-

sary online, since they would question the efficacy of their cyberattacks and their ability to coerce the target population. Faced with a difficult, costly, and potentially ineffective attack, aggressors are less likely to see the benefits of chancing the cyberattack in the first place. Furthermore, states that focus on building resilience and perseverance in their digitally enabled military forces are less likely to double down on first-strike or offensive operations, such as long-range missile strikes or campaigns of preemption. The security dilemma—when states that would otherwise not go to war with each other find themselves in conflict because they are uncertain about each other's intentions—suggests that when states focus more on defense than offense, they are less likely to spiral into conflicts caused by distrust and uncertainty.

HUMAN RESOURCES

Solving the technical side, however, is only part of the solution. The most important trust relationships that cyberspace threatens are society's human networks—that is, the bonds and links that people have as individuals, neighbors, and citizens so that they can work together to solve problems. Solutions for making these human networks more durable are even more complicated and difficult than any technical fixes. Cyber-enabled information operations target the links that build trust between people and communities. They undermine these broader connections by creating incentives to form clustered networks of particularized trust—for example, social media platforms that organize groups of like-minded individuals or disinformation campaigns that promote in-group

and out-group divisions. Algorithms and clickbait designed to promote outrage only galvanize these divisions and decrease trust of those outside the group.

Governments can try to regulate these forces on social media, but those virtual enclaves reflect actual divisions within society. And there's a feedback loop: the distrust that is building online leaks out into the real world, separating people further into groups of "us" and "them." Combating this requires education and civic engagement—the bowling leagues that Putnam said were necessary to rebuild Americans' social capital (Putnam's book *Bowling Alone*, coincidentally, came out in 2000, just as the Internet was beginning to take off). After two years of a global pandemic and a further splintering of Americans into virtual enclaves, it is time to reenergize physical communities, time for neighborhoods, school districts, and towns to come together to rebuild the links and bonds that were severed to save lives during the pandemic. The fact is that these divisions were festering in American communities even before the pandemic or the Internet accelerated their consolidation and amplified their power. The solution, therefore, the way to do this kind of rebuilding, will not come from social media, the CEOs of those platforms, or digital tools. Instead, it will take courageous local leaders who can rebuild trust from the ground up, finding ways to bring together communities that have been driven apart. It will take more frequent disconnecting from the Internet, and from the synthetic groups of particularized trust that were formed there, in order to reconnect in person. Civic

education could help by reminding communities of their commonalities and shared goals and by creating critical thinkers who can work for change within democratic institutions.

BOWLING TOGETHER

There's a saying that cyber-operations lead to death by a thousand cuts, but perhaps a better analogy is termites, hidden in the recesses of foundations, that gradually eat away at the very structures designed to support people's lives. The previous strategic focus on one-off, large-scale cyber-operations led to bigger and better cyber-capabilities, but it never addressed the fragility within the foundations and networks themselves.

Will cyberattacks ever cause the kind of serious physical effects that were feared over the last two decades? Will a strategy focused more on trust and resilience leave states uniquely vulnerable to this? It is of course impossible to say that no cyberattack will ever produce large-scale physical effects similar to those that resulted from the bombing of Pearl Harbor. But it is unlikely—because the nature of cyberspace, its virtual, transient, and ever-changing character, makes it difficult for attacks on it to create lasting physical effects. Strategies that focus on trust and resilience by investing in networks and relationships make these kinds of attacks yet more difficult. Therefore, focusing on building networks that can survive incessant, smaller attacks has a fortuitous byproduct: additional resilience against one-off, large-scale attacks. But this isn't easy, and there is a significant tradeoff in both efficiency and cost for strategies that focus on resilience, redundancy, and persever-

ance over convenience or deterring and defeating cyberthreats. And the initial cost of these measures to foster trust falls disproportionately on democracies, which must cultivate generalized trust, as opposed to the particularized trust that autocracies rely on for power. This can seem like a tough pill to swallow, especially as China and the United States appear to be racing toward an increasingly competitive relationship.

Despite the difficulties and the cost, democracies and modern economies (such as the United States) must prioritize building trust in the systems that make societies run—whether that's the electric grid, banks, schools, voting machines, or the media. That means creating backup plans and fail-safes, making strategic decisions about what should be online or digital and what needs to stay analog or physical, and building networks—both online and in society—that can survive even when one node is attacked. If a stolen password can still take out an oil pipeline or a fake social media account can continue to sway the political opinions of thousands of voters, then cyberattacks will remain too lucrative for autocracies and criminal actors to resist. Failing to build in more resilience—both technical and human—will mean that the cycle of cyberattacks and the distrust they give rise to will continue to threaten the foundations of democratic society. 🌐

The End of Cyber-Anarchy?

How to Build a New Digital Order

Joseph S. Nye, Jr.

Ransomware attacks, election interference, corporate espionage, threats to the electric grid: based on the drumbeat of current headlines, there seems to be little hope of bringing a measure of order to the anarchy of cyberspace. The relentless bad news stories paint a picture of an ungoverned online world that is growing more dangerous by the day—with grim implications not just for cyberspace itself but also for economies, geopolitics, democratic societies, and basic questions of war and peace.

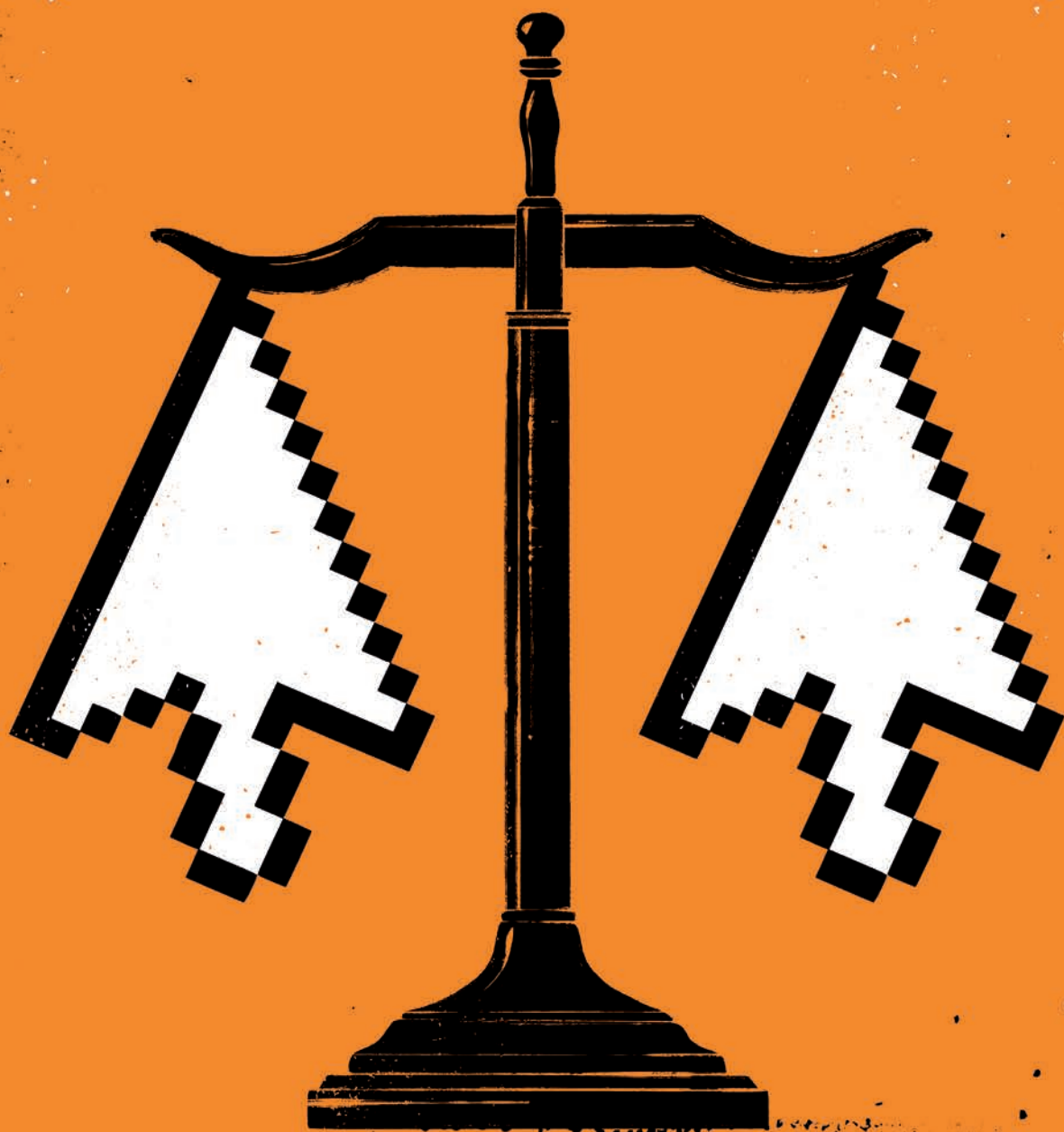
Given this distressing reality, any suggestion that it is possible to craft rules of the road in cyberspace tends to be met with skepticism: core attributes of cyberspace, the thinking goes, make it all but impossible to enforce any norms or even to know whether they are being violated in the first place. States that declare their support for cybernorms simultaneously conduct large-scale cyber-operations against their adversaries. In December 2015, for example, the UN General Assembly for

the first time endorsed a set of 11 voluntary, nonbinding international cyber-norms. Russia had helped craft these norms and later signed off on their publication. That same month, it conducted a cyberattack against Ukraine's power grid, leaving roughly 225,000 people without electricity for several hours, and was also ramping up its efforts to interfere in the 2016 U.S. presidential election. For skeptics, this served as yet further evidence that establishing norms for responsible state behavior in cyberspace is a pipe dream.

Yet that skepticism reveals a misunderstanding about how norms work and are strengthened over time. Violations, if not addressed, can weaken norms, but they do not render them irrelevant. Norms create expectations about behavior that make it possible to hold other states accountable. Norms also help legitimize official actions and help states recruit allies when they decide to respond to a violation. And norms don't appear suddenly or start working overnight. History shows that societies take time to learn how to respond to major disruptive technological changes and to put in place rules that make the world safer from new dangers. It took two decades after the United States dropped nuclear bombs on Japan for countries to reach agreement on the Limited Test Ban Treaty and the Nuclear Nonproliferation Treaty.

Although cybertechnology presents unique challenges, international norms to govern its use appear to be developing in the usual way: slowly but steadily, over the course of decades. As they take hold, such norms will be increasingly critical to reducing the risk that cybertechnology advances could pose to the international

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order, especially if Washington and its allies and partners reinforce those norms with other methods of deterrence. Although some analysts argue that deterrence does not work in cyberspace, that conclusion is simplistic: it works in different ways than in the nuclear domain. And alternative strategies have proved equally or more deficient. As targets continue to proliferate, the United States must pursue a strategy that combines deterrence and diplomacy to strengthen the guardrails in this new and dangerous world. The record of establishing norms in other areas offers a useful place to start—and should dispel the notion that this issue and this time are different.

A NEW FACT OF LIFE (AND WAR)

As cyberattacks become more costly, U.S. strategy to defend against them remains inadequate. A good strategy has to begin at home but simultaneously recognize the inseparability of cyberspace's domestic and international aspects—the domain of cyberspace is inherently transnational. Furthermore, cybersecurity involves a blurring of public and private vulnerabilities. The Internet is a network of networks, most of which are privately owned. Unlike nuclear or conventional weapons, the government does not control them. Accordingly, companies make their own tradeoffs between investing in security and maximizing short-term profit. Yet inadequate corporate defense can have huge external costs for national security: witness the recent Russian cyber-attack on SolarWinds software, which allowed access to computers across the U.S. government and the private sector. And unlike with military security, the Pentagon plays only a partial role.

In the realm of global military conflict, computer networks have become a fifth domain, in addition to the traditional four of land, sea, air, and space, and the U.S. military recognized this with the creation of U.S. Cyber Command in 2010. Among the special characteristics of the new cyber-domain are the erosion of distance (oceans no longer provide protection), the speed of interaction (much faster than rockets in space), the low cost (which reduces barriers to entry), and the difficulty of attribution (which promotes deniability and slows responses). Still, skeptics sometimes describe cyberattacks as more of a nuisance than a major strategic problem. They argue that the cyber-domain is ideal for espionage and other forms of covert action and disruption but that it remains far less important than the traditional domains of warfare; no one has died because of a cyberattack. That, however, is becoming an increasingly difficult position to take. The 2017 WannaCry ransomware attack damaged the British National Health Service by leaving computers encrypted and unusable, forcing thousands of patients' appointments to be canceled, and hospitals and vaccine producers have been directly targeted by ransomware attacks and hackers during the COVID-19 pandemic.

What's more, there remains much that even experts do not understand about how the use of cybertools could escalate to physical conflict. Consider, for example, the fact that the U.S. military depends heavily on civilian infrastructure and that cyber-penetrations could seriously degrade U.S. defensive capabilities in a crisis situation. And in economic terms, the scale and

cost of cyber-incidents have been increasing. According to some estimates, the Russian-sponsored 2017 NotPetya attack on Ukraine, which wiped data from the computers of banks, power companies, gas stations, and government agencies, cost companies more than \$10 billion in collateral damage. The number of targets is also expanding rapidly. With the rise of big data, artificial intelligence, advanced robotics, and the Internet of Things, experts estimate that the number of Internet connections will approach a trillion by 2030. The world has experienced cyberattacks since the 1980s, but the attack surface has expanded dramatically; it now includes everything from industrial control systems to automobiles to personal digital assistants.

It is clear that the threat is mounting. Less clear is how U.S. strategy can adapt to face it. Deterrence must be part of the approach, but cyber-deterrence will look different from the more traditional and familiar forms of nuclear deterrence that Washington has practiced for decades. A nuclear attack is a singular event, and the goal of nuclear deterrence is to prevent its occurrence. In contrast, cyberattacks are numerous and constant, and deterring them is more like deterring ordinary crime: the goal is to keep it within limits. Authorities deter crime not only by arresting and punishing people but also through the educational effect of laws and norms, by patrolling neighborhoods, and through community policing. Deterring crime does not require the threat of a mushroom cloud.

Still, punishment plays a large role in cyber-deterrence. The U.S. government has publicly stated that it will respond to

cyberattacks with weapons of its choice and with force proportional to the harm inflicted on its interests. Despite a decade of warnings, thus far, a “cyber–Pearl Harbor” has not happened. Whether the United States treats a cyberattack as an armed attack depends on its consequences, but this makes it difficult to deter actions that are more ambiguous. Russia’s disruption of the 2016 U.S. presidential election fell into such a gray area. And although some recent Chinese and Russian cyberattacks appear to have been conducted primarily for the purposes of espionage, the Biden administration has complained that their scale and duration moved them beyond normal spying. This is why deterrence in cyberspace requires not just the threat of punishment but also denial by defense (building systems resilient enough and hard enough to break into that would-be attackers won’t bother to try) and entanglement (creating links to potential adversaries so that any attack they launch will likely harm their own interests, too). Each of these approaches has limits when used on its own. Entanglement has more of an effect when used against China, because of a high degree of economic interdependence, than it does against North Korea, with whom there is none. Denial by defense is effective in deterring nonstate actors and second-tier states but less likely to prevent attacks by more powerful and proficient actors. But the combination of a threat of punishment and an effective defense can influence these powers’ calculations of costs and benefits.

In addition to improving the defense of networks inside the United States, in recent years, Washington has adopted doctrines that U.S. Cyber Command

has dubbed “defend forward” and “persistent engagement”—simply put, small-scale acts of cyberoffense, such as the disruption, diversion, or takedown of a network. Some press accounts credit these practices with reducing Russian interference in the 2018 and 2020 U.S. elections. But entering and disrupting an adversary’s network poses some danger of escalation and must be carefully managed.

SETTING SOME RULES

Despite its defensive and offensive capabilities, the United States remains highly vulnerable to cyberattacks and influence operations, owing to its free markets and open society. “I think it’s a good idea to at least think about the old saw about [how] people who live in glass houses shouldn’t throw rocks,” remarked James Clapper, then the director of national intelligence, during 2015 congressional testimony on Washington’s responses to cyberattacks. Clapper was stressing, rightly, that although Americans may be the best at throwing stones, they live in the glassiest of houses. That reality gives the United States a particular interest in the development of norms that reduce incentives to throw stones in cyberspace.

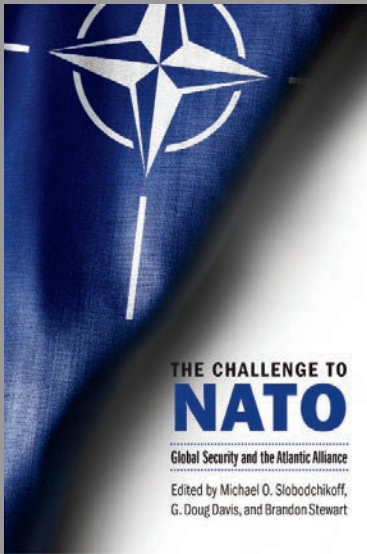
Negotiating cyber-arms-control treaties would be extremely difficult, because they would not be verifiable. But diplomacy on cyberspace is hardly impossible. In fact, international cooperation on developing cybernorms has been going on for more than two decades. In 1998, Russia first proposed a UN treaty to ban electronic and information weapons. The United States rejected the idea, arguing that a treaty in this area would be unverifiable

because whether a line of code is a weapon or not can depend on the intent of the user. Instead, the United States agreed that the UN secretary-general should appoint a group of 15 (later expanded to 25) government experts to develop a set of rules of the road; they first met in 2004.

Six such groups have convened since then, and they have issued four reports, creating a broad framework of norms that was later endorsed by the UN General Assembly. The groups’ work has strengthened the consensus that international law applies to the domain of cyberspace and is essential for maintaining peace and stability in it. In addition to grappling with complicated questions of international law, the report that was issued in 2015 introduced 11 voluntary, nonbinding norms, the most important ones being a mandate to provide states with assistance when requested and prohibitions against attacking civilian infrastructure, interfering with computer emergency response teams, which respond after big cyberattacks, and allowing one’s territory to be used for wrongful acts.

The report was viewed as a breakthrough, but progress slowed in 2017 when the expert group failed to agree on international legal issues and did not produce a consensus report. At Russia’s suggestion, the UN supplemented the existing process by forming the Open-Ended Working Group, which is open to all states and involves consultations with nongovernmental actors: dozens of private companies, civil society organizations, academics, and technical experts. Early in 2021, this new group issued a broad, if somewhat anodyne, report that reaffirmed the 2015 norms, as well as the

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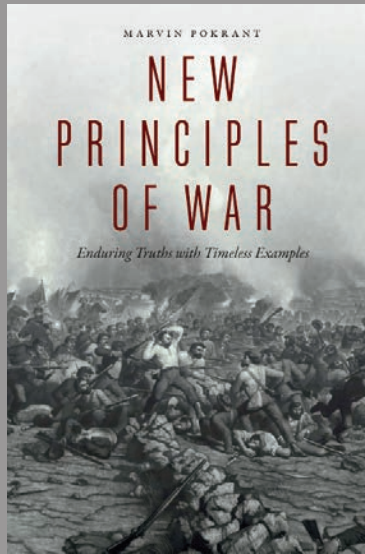


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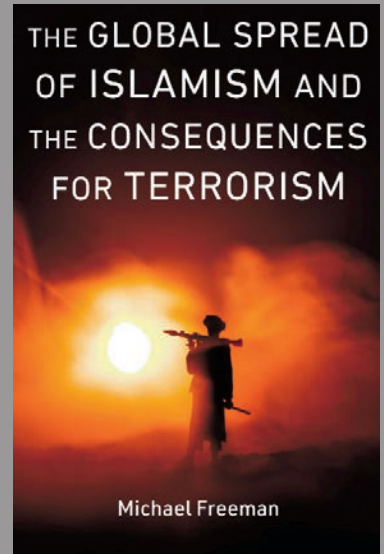


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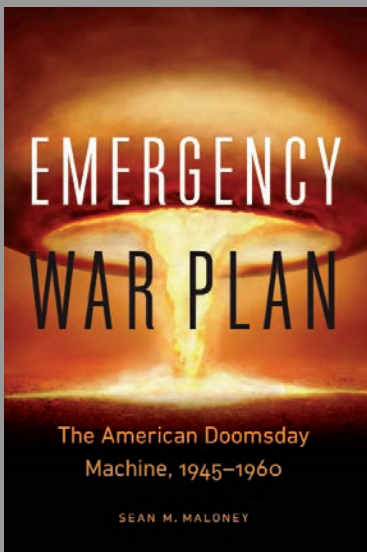
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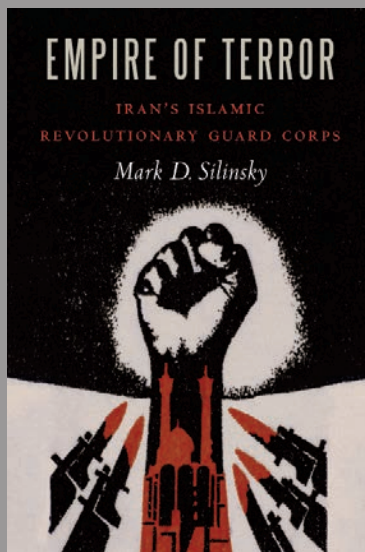


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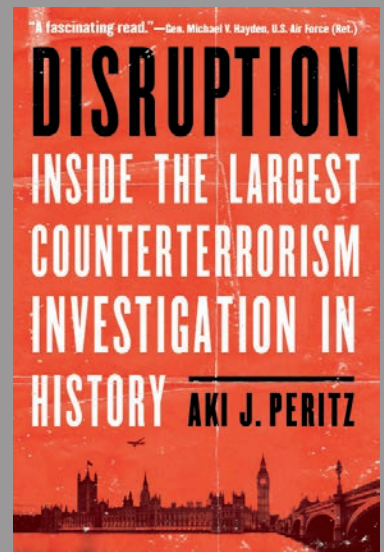


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relevance of international law to cyberspace. Last June, the sixth expert group also completed its work and released a report that added important details to the 11 norms first introduced in 2015. China and Russia are still pressing for a treaty, but what is more likely to happen is the gradual evolution of these norms.

In addition to the UN process, there have been many other forums for discussion about cyb norms, including the Global Commission on the Stability of Cyberspace. Initiated in 2017 by a Dutch think tank, with strong support from the Dutch government, the GCSC (of which I was a member) was co-chaired by Estonia, India, and the United States and included former government officials, experts from civil society, and academics from 16 countries. The GCSC proposed eight norms to address gaps in the existing UN guidance. The most important were calls to protect the “public core” infrastructure of the Internet from attack and to prohibit interference with electoral systems. The GCSC also called on countries not to use cybertools to interfere with supply chains; not to introduce botnets into others’ machines in order to control them without the host’s knowledge; to create transparent processes that states can follow in judging whether to disclose flaws and vulnerabilities they discover in others’ coding; to encourage states to promptly patch cybersecurity vulnerabilities when discovered and not hoard them for possible use in the future; to improve “cyber hygiene,” including through law and regulations; and to discourage private vigilantism by making it illegal for private businesses to “hack back,” that is, to launch counterattacks against hackers.

These efforts are less flashy (and less expensive) than the development of sophisticated cyberdefense systems, but they will play a crucial role in curbing malign activity online. Many further norms can be imagined and proposed for cyberspace, but the important question now is not whether more norms are needed but how they will be implemented and whether and when they will alter state behavior.

THE NEW PRIVATEERS

Norms are not effective until they become common state practice, and that can take time. It took many decades for norms against slavery to develop in Europe and the United States in the nineteenth century. The key question is why states ever let norms constrain their behavior. There are at least four main reasons: coordination, prudence, reputational costs, and domestic pressures, including public opinion and economic changes.

Common expectations inscribed in laws, norms, and principles help states coordinate their efforts. For example, although some states (including the United States) have not ratified the UN Convention on the Law of the Sea, all states treat a 12-mile limit as customary international law when it comes to disputes about territorial waters. The benefits of coordination—and the risks posed by its absence—have been evident in cyberspace on the few occasions when targets have been hacked through abuse of the Internet’s domain name system, which is sometimes called “the telephone book of the Internet” and is run by the nonprofit Internet Corporation for Assigned Names and Numbers, or ICANN. By corrupting the phone

book, such attacks put the basic stability of the Internet at risk. Unless states refrain from interfering with the structure that makes it possible for private networks to connect, there is no Internet. And so, for the most part, states eschew these tactics.

Prudence results from the fear of creating unintended consequences in unpredictable systems and can develop into a norm of nonuse or limited use of certain weapons or a norm of limiting targets. Something like this happened with nuclear weapons when the superpowers came close to the brink of nuclear war in 1962, during the Cuban missile crisis. The Limited Test Ban Treaty followed a year later. A more distant but historical example of how prudence produced a norm against using certain tactics is the fate of privateering. In the eighteenth century, national navies routinely employed private individuals or private ships to augment their power at sea. But in the following century, states turned away from privateers because their extracurricular pillaging became too costly. As governments struggled to control privateers, attitudes changed, and new norms of prudence and restraint developed. One could imagine something similar occurring in the domain of cyberspace as governments discover that using proxies and private actors to carry out cyberattacks produces negative economic effects and increases the risk of escalation. A number of states have outlawed “hacking back.”

Concerns about damage to a country’s reputation and soft power can also produce voluntary restraint. Taboos develop over time and increase the costs of using or even possessing a weapon that can inflict massive damage. Take,

for example, the Biological Weapons Convention, which came into force in 1975. Any country that wishes to develop biological weapons has to do so secretly and illegally and faces widespread international condemnation if evidence of its activities leaks, as the Iraqi leader Saddam Hussein discovered.

It is hard to imagine the emergence of a similar blanket taboo against the use of cyberweapons. For one thing, it is difficult to determine whether any particular line of code is a weapon or not. A more likely taboo is one that would prohibit the use of cyberweapons against particular targets, such as hospitals or health-care systems. Such prohibitions would have the benefit of piggybacking on the existing taboo against using conventional weapons on civilians. During the COVID-19 pandemic, public revulsion against ransomware attacks on hospitals has helped reinforce that taboo and suggested how it might apply to other areas in the realm of cyberspace. Something similar might evolve if hackers were to cause an increase in fatal accidents from the use of electric vehicles.

PEER PRESSURE

Some scholars have argued that norms have a natural life cycle. They often begin with “norm entrepreneurs”: individuals, organizations, social groups, and official commissions that enjoy an outside influence on public opinion. After a certain gestation period, some norms reach a tipping point, when cascades of acceptance translate into a widespread belief and leaders find that they would pay a steep price for rejecting it.

Embryonic norms can arise from changing social attitudes, or they can be imported. Take, for example, the spread

of concern for universal human rights after 1945. Western countries took the lead in promoting the Universal Declaration of Human Rights in 1948, but many other states felt obliged to sign on because of public opinion and subsequently found themselves constrained by external pressure and by concern about their reputations. One might expect such constraints to be stronger in democracies than in authoritarian states. But the Helsinki process, a series of meetings between the Soviet Union and Western countries in the early 1970s, successfully included human rights in discussions about political and economic issues during the Cold War.

Economic change can also foster a demand for new norms that might promote efficiency and growth. Norms against privateering and slavery gathered support when these practices were economically in decline. A similar dynamic is at work today in the cyber-realm. Companies that find themselves disadvantaged by conflicting national laws relating to privacy and the location of data might press governments to develop common standards and norms. The cyber-insurance industry may put pressure on authorities to flesh out standards and norms, especially in regard to the technology embedded in the myriad household devices (thermostats, refrigerators, home alarm systems) that are now online: the so-called Internet of Things. As more and more devices become connected to the Internet, they will soon become targets for cyberattacks, and the impact on citizens' daily lives will increase and foster demand for domestic and international norms. Public concern will only accelerate if hacking becomes more than

a nuisance and begins to cost lives. If fatalities increase, the Silicon Valley norm of "build quickly and patch later" may gradually give way to norms and laws about liability that place more emphasis on security.

CYBER-RULES ARE MADE TO BE BROKEN

Even with international consensus that norms are needed, agreeing where to draw redlines and what to do when they're crossed is another matter. And the question becomes, even if authoritarian states sign up for normative conventions, how likely are they to adhere to them? In 2015, Chinese President Xi Jinping and U.S. President Barack Obama agreed not to use cyber-espionage for commercial advantage, but private security companies reported that China adhered to this pledge for only a year or so before it returned to its old habit of hacking U.S. corporate and federal data, although that happened in the context of worsening economic relations marked by the rise of tariff wars. Does this mean the agreement failed? Rather than make it a yes or no question, critics argue that the focus (and any ensuing warning against such actions) should be on the amount of damage done, not the precise lines that were crossed or how the violations were carried out. An analogy is telling the hosts of a drunken party that if the noise gets too loud, you will call the police. The objective is not the impossible one of stopping the music but the more practical one of lowering the volume to a more tolerable level.

There are other times when the United States will need to draw principled lines and defend them. It should

acknowledge that it will continue to carry out intrusions in cyberspace for purposes it deems legitimate. And it will need to state precisely the norms and limits that Washington will uphold—and call out countries that violate them. When China or Russia crosses a line, the United States will have to respond with targeted retaliation. This could involve public sanctions and also private actions, such as freezing the bank accounts of some oligarchs or releasing embarrassing information about them. U.S. Cyber Command's practices of defend forward and persistent engagement can be useful here, although they would best be accompanied by a process of quiet communication.

Treaties regarding cyberspace may be unworkable, but it might be possible to set limits on certain types of behavior and negotiate rough rules of the road. During the Cold War, informal norms governed the treatment of each side's spies; expulsion, rather than execution, became the norm. In 1972, the Soviet Union and the United States negotiated the Incidents at Sea Agreement to limit naval behavior that might lead to escalation. Today, China, Russia, and the United States might negotiate limits on their behavior regarding the extent and type of cyber-espionage they carry out, as Xi and Obama did in 2015. Or they might agree to set limits on their interventions in one another's domestic political processes. Although such pledges would lack the precise language of formal treaties, the three countries could independently make unilateral statements about areas of self-restraint and establish a consultative process to contain conflict. Ideological differences would make a detailed agreement

difficult, but even greater ideological differences did not prevent agreements that helped avoid escalation during the Cold War. Prudence can sometimes be more important than ideology.

This seems to have been the approach explored by the Biden administration at a June summit with Russian President Vladimir Putin in Geneva, where cyberspace played a larger role on the agenda than nuclear weapons. According to press accounts, U.S. President Joe Biden handed Putin a list of 16 areas of critical infrastructure, including chemicals, communications, energy, financial services, health care, and information technology, that should be, in Biden's words, "off limits to attack, period." After the summit, Biden disclosed that he had asked Putin how he would feel if Russian pipelines were taken out by ransomware. "I pointed out to him that we have significant cyber-capability, and he knows it," Biden remarked at a press conference. "He does not know exactly what it is, but it is significant. And if in fact they violate these basic norms, we will respond with cyber. He knows." Thus far, however, it is unclear to what extent Biden's words have been effective.

One problem with specifying what needed to be protected might be that it implied that other areas were fair game—and that ransomware attacks from criminals in Russia would continue no matter what. In the cyber-realm, nonstate actors serve as state proxies to varying degrees, and rules should require their identification and limitation. And because the rules of the road will never be perfect, they must be accompanied by a consultative process that establishes a framework for warn-

ing and negotiating. Such a process, together with strong deterrent threats, is unlikely to fully stop Chinese and Russian interference, but if it reduces its frequency or intensity, it could enhance the defense of U.S. democracy against such cyberattacks.

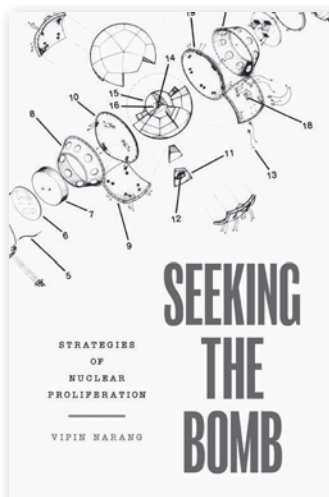
CHANGING BEHAVIOR

In cyberspace, one size does not fit all. There may be some norms related to coordination that can accommodate both authoritarian and democratic states. But others cannot, such as the “Internet freedom” agenda introduced by U.S. Secretary of State Hillary Clinton in 2010. It proclaimed a free and open Internet. One can think of norms organized in a set of concentric circles with what Europeans call “variable geometry” of obligations. Groups of democracies can set a higher standard for themselves by agreeing on norms related to privacy, surveillance, and free expression and enforcing them through special trade agreements that would give preference to those that meet the higher standards, along the lines suggested by the cybersecurity expert Robert Knake. Such agreements could remain open to other states—so long as they are willing and able to meet the higher standards.

Diplomacy among democracies on these issues will not be easy, but it will be an important part of U.S. strategy. As James Miller and Robert Butler, two former senior Pentagon officials, have argued, “If U.S. allies and partners support cyber norms, they are likely to be more willing to support imposing costs on violators, thus substantially improving the credibility, severity (through multilateral cost imposition),

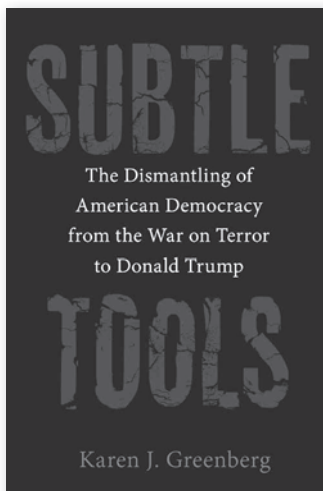
and sustainability of U.S. threats to impose costs in response to violations.”

The Biden administration is wrestling with the fact that the domain of cyberspace has created important new opportunities and vulnerabilities in world politics. Reorganizing and reengineering at home must be at the heart of the resulting strategy, but it also needs a strong international component based on deterrence and diplomacy. The diplomatic component must include alliances among democracies, capacity building in developing countries, and improved international institutions. Such a strategy must also include developing norms with the long-term goal of protecting the old glass house of American democracy from the new stones of the Internet age. 🌐



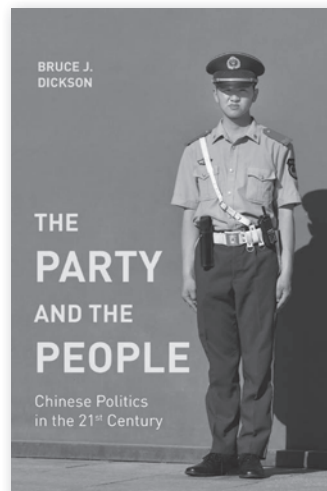
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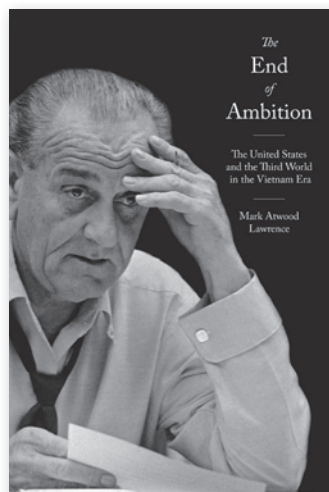
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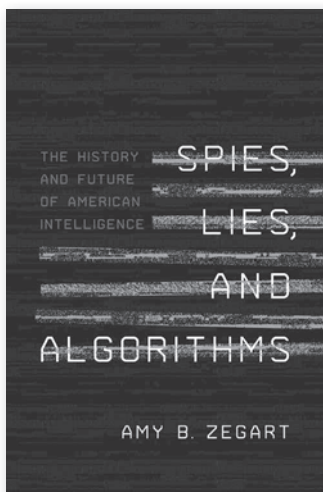
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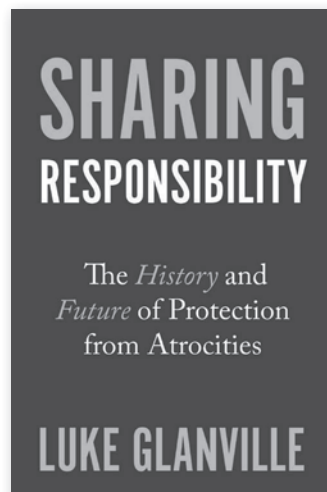
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The Case for Cyber-Realism

Geopolitical Problems Don't Have Technical Solutions

Dmitri Alperovitch

In September 2015, U.S. President Barack Obama stood beside Chinese President Xi Jinping in the White House Rose Garden and announced a historic deal to curb cyber-related economic espionage. The scope of the agreement was modest, committing China and the United States only to stop stealing or aiding in the cyber-enabled theft of intellectual property in order to boost domestic industry. It was an easy promise for the United States to make, since Washington had long prohibited U.S. intelligence services from conducting economic espionage for the benefit of private companies. But it was a groundbreaking pledge for China, whose military and intelligence agencies had for more than a decade engaged in massive cyber-enabled theft of U.S. intellectual property and state secrets in order to advantage Chinese companies.

The agreement was equally groundbreaking because of how it came about. In the weeks leading up to the Rose Garden ceremony, Obama had threatened to sanc-

tion Chinese companies and citizens who continued to target U.S. companies with cyberattacks or exploit stolen intellectual property for commercial gain. These threats, the first that an American president had ever issued in response to Chinese economic espionage, were calibrated to address not just China's cyber-activities but also its broader economic and strategic objectives. "We are preparing a number of measures that will indicate to the Chinese that this is not just a matter of us being mildly upset, but is something that will put significant strains on the bilateral relationship if not resolved," Obama told business leaders the week before Xi's visit. "We are prepared to take some countervailing actions in order to get their attention."

Initially, the agreement was a limited success. Intrusions from Chinese government-affiliated groups dropped to their lowest level in over a decade in 2016. And for the next two years, American companies enjoyed a brief respite from what had previously been an unrelenting assault by Chinese military- and intelligence-affiliated hackers. But the détente was short-lived. In 2018, U.S. President Donald Trump launched a trade war that undercut the United States' economic leverage over China and reduced Beijing's incentives to adhere to the pact. Later that same year, the National Security Agency accused China of violating the agreement, and the U.S. Justice Department proceeded to indict Chinese hackers on charges of cyber-enabled economic espionage. The Trump administration threatened to impose broad sanctions on Chinese companies, but it ultimately sanctioned only a few firms.

Although it failed in the end, the 2015 agreement between Obama and Xi offers

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a promising model for addressing cyberthreats. Until recently, the United States has tended to approach issues related to cyberspace as a narrow set of technical problems to be solved primarily with a combination of defensive and limited deterrence measures. Those defensive efforts have included funding the modernization of technology, regulating industries involved in critical infrastructure, and improving collaboration and information sharing between the government and industry. Deterrence has typically involved punitive actions by law enforcement or sanctions against individual perpetrators or their affiliated military and intelligence agencies. After North Korean hackers breached Sony Pictures in 2014, for instance, the United States sanctioned individual North Korean officials and indicted three North Korean intelligence operatives. Russia's interference in the 2016 U.S. presidential election occasioned a similar response: Washington imposed sanctions on Russian intelligence agencies, indicted Russian military officers, expelled Russian intelligence officers operating under diplomatic cover, and shut down several Russian facilities located in the United States. The United States has also sought to deter adversaries by threatening to take the offensive and carry out retaliatory cyberattacks. Yet despite all these steps, neither North Korea nor Russia—nor any other U.S. adversary, for that matter—has ceased targeting the United States.

That is because vulnerability to cyberattacks is not a technical problem that hardened defenses or narrow, cyber-focused deterrence can fix. Cyberattacks are a symptom, not a disease; the underlying conditions are broader geopolitical

problems that demand geopolitical solutions—namely high-level negotiations with adversaries in the pursuit of agreements that all parties can live with.

As the range of cyberthreats multiplies and the frequency and severity of attacks increase, Washington needs a dose of cyber-realism. It must treat cyberthreats as a geopolitical and national security priority that demands hard-nosed diplomacy—backed by all of the United States' tools for gaining leverage—to entice or threaten U.S. adversaries into changing their behavior, as Obama did in 2015. The specific carrots and sticks will need to be tailored to each adversary, taking into account its unique geopolitical ambitions. But the sticks will have to include more aggressive deterrence, aimed not just at the hostile military and intelligence agencies that perpetrate cyberattacks but at the regimes to which those agencies answer. Cyberspace is not an isolated realm of its own, after all, but an extension of the broader geopolitical battlefield.

DEFENSE AND DETERRENCE

For most of the last three decades, U.S. cybersecurity policy and cyberstrategy have treated cyberattacks as if they emerged from the ether, unconnected to the geopolitical conflicts and competitions that structure the global security order. As a result, much of U.S. cyberstrategy has focused on managing the effects of cyberattacks through defense and narrow deterrence of actors in cyberspace rather than addressing the causes of cyberattacks.

Defensive measures can be either proactive or reactive, seeking to protect networks from intrusions or to trying to limit the damage when intrusions inevitably occur. But neither of these

types of defensive measures has proved equal to the increasing cyberthreat—as Russia’s recent and extensive hack of U.S. government networks via network-monitoring software made by the Texas-based company SolarWinds, among other major incidents in cyberspace, has made clear. Attackers have an inherent advantage in cyberspace: when the cost of each attempted hack is low and the penalties are effectively nonexistent, hackers seeking to infiltrate even hardened targets can afford to spend months and sometimes years trying to find a way in. That asymmetric advantage makes aggressors quite likely to succeed eventually, since they need to get lucky only once, whereas defenders must discover and stop each hacking attempt.

Even if the U.S. government could sufficiently harden its own defenses, moreover, it would not be able to prevent all or even most cyberattacks, many of which are directed against smaller entities, such as schools, hospitals, police departments, small businesses, and nonprofit organizations, which have neither the resources nor the knowledge to implement complex cybersecurity strategies. These organizations will have little chance of fending off sophisticated cyberattacks from hostile countries no matter how effective U.S. government defenses become.

Deterrence, as it has traditionally been practiced, has been similarly ineffective at preventing cyberattacks. In the past four years, the U.S. government has sanctioned and indicted government officials and contractors from all its four primary adversaries: China, Iran, North Korea, and Russia. Yet these states regard the cost of such measures as

relatively minor, and they continue to carry out or condone cyberattacks at an unrelenting pace. More aggressive sanctions that would threaten the underpinnings of economic growth in these countries, such as sanctions against industrial national champions, would likely achieve a greater effect. But because the United States does not approach these attacks in their broader geopolitical contexts, it has failed to mount appropriately tailored responses.

On occasion, the United States has gone on the cyberoffensive. Ahead of the 2018 U.S. midterm elections, for instance, U.S. intelligence agencies sought to disrupt the Internet Research Agency, Russia’s infamous Internet troll factory. Such offensive measures have occasionally succeeded on a tactical level, impeding or slowing adversaries’ attacks for a time. But they have done nothing to change the basic calculus of U.S. adversaries in cyberspace or to make the United States less vulnerable to cyberattacks in the long term.

THE GEOPOLITICS OF CYBERSPACE

The vast majority of cyberattacks against U.S. entities, whether by criminal groups or governments, emanate from the four countries—China, Iran, North Korea, and Russia—that also pose the greatest conventional military threats to the United States. To effectively counter the cyberthreat from these countries, Washington must consider their broader geopolitical goals.

China is the United States’ most formidable adversary in cyberspace, as well as in the conventional military domain. It has made no secret of its ambition to surpass the United States as the world’s leading economic and mili-

tary superpower, and its activities in cyberspace follow logically from this goal. The vast majority of Chinese cyberattacks are instances of traditional and economic espionage. Between 2010 and 2015, for instance, state-sponsored Chinese hackers systematically targeted U.S. and European aerospace companies, stealing valuable information that China then funneled to its state-owned aerospace manufacturers. This hacking campaign was an enormous success; by the time it was discovered, in 2018, Chinese manufacturers had already built commercial jets based in part on the stolen intellectual property.

China's cyber-espionage has been especially aggressive in sectors that Beijing deems critical to its economic and national security objectives. Last July, for instance, the National Security Agency, the FBI, and the Cybersecurity and Infrastructure Security Agency released a joint report warning that Beijing-linked hackers were continuing to target U.S. companies and institutions in strategically important areas, including defense and semiconductor firms, medical institutions, and universities. Compared with other U.S. adversaries, however, China has engaged in relatively little cybercrime and has carried out few destructive cyberattacks. This, too, fits with China's broader strategic agenda, since such activities could undercut China's standing on the international stage.

Russia has its own set of geopolitical goals that its cyber-activities aim to advance. Like Beijing, Moscow is motivated by a pugilistic sense of national pride. But unlike China, Russia does not have the economic capacity to compete with the United States. It is increasingly isolated internationally and struggles to

maintain its influence in its so-called near abroad. Nevertheless, it is striving to retain its status as a great power, a goal that its leaders believe they can achieve by strengthening their position at home while undercutting the reputation of the United States and its allies and frustrating their international ambitions.

Like its Soviet predecessor, the Russian government carries out traditional spying and economic espionage. Today's Kremlin uses both cybertools and conventional means for this purpose. But Russia's cyber-activities also focus on sowing political and economic turmoil in the West, undercutting Westerners' faith in democratic government, and weakening the influence of Western countries in Russia's neighborhood. Moscow's interference in the 2016 U.S. presidential election, its 2017 malware attack that took down networks in Ukraine before spreading around the world, and its 2018 hack of the International Olympic Committee all served this broader agenda.

The same is true of Russian ransomware attacks, which, despite being carried out by criminal gangs, represent an important part of the Kremlin's strategy. The cybercriminals that have targeted thousands of U.S. organizations and extracted over \$1 billion in ransoms in recent years have sometimes been protected by Russian security forces, and regardless, the Kremlin's refusal to crack down on them amounts to a tacit endorsement of their activities. Although cybercrime does not advance Russia's core national interests, it does serve a strategic purpose: disrupting the U.S. economy and sowing fear among American business leaders. Cybercriminals are also valuable bargaining chips in international negotia-

tions: Russia can offer action against ransomware gangs in exchange for important concessions, without having to address its more strategically important, state-sponsored cyber-activity.

The United States' other two major adversaries, Iran and North Korea, have also used cybertools to advance their domestic and international goals, although less ably than China and Russia. Both countries have done so primarily to circumvent Western sanctions that are squeezing their domestic economies. The North Korean regime has financed itself with tens of millions of dollars accumulated through cybercrime, and Iran has used cyber-enabled economic espionage to get around Western sanctions on defense technologies, petrochemical production, and other strategic sectors. Both countries have also used cyberattacks to weaken their regional rivals, with North Korea launching attacks against South Korea and Iran targeting Israel and Saudi Arabia.

GRAND BARGAINS

Better defensive measures might help insulate U.S. government agencies, private U.S. companies, and individual Americans from the consequences of major cyberattacks carried out by these U.S. adversaries. But neither defense nor deterrence as it is currently practiced can mitigate these threats on its own. Washington's capabilities might improve, but so, too, will those of its rivals.

To halt China's malign cyber-activity, the United States and its allies will have to convince Beijing to make a deal. In exchange for a de-escalation of the trade war, Beijing might agree to remove market-distorting industrial subsidies, halt the forced transfer of technology, and

curb intellectual property theft. Likewise, if the United States wants to check Russia's nefarious cyber-activities, it will need to ease Moscow's concerns about U.S. interference in Russian domestic and regional affairs. Addressing the cyberthreat from Iran and North Korea will similarly require making progress on negotiations over their respective nuclear programs, which are by far the most pressing concern for both countries.

This might seem like cause for gloomy fatalism about the chances of resolving issues related to cyberspace. In fact, the opposite is true. Like all complex geopolitical challenges, cyberthreats can be addressed using the right combination of incentives, disincentives, and compromises. The question for the United States and its allies is whether they are willing to prioritize progress on issues in cyberspace over progress on other geopolitical objectives—and what they are willing to give up for the sake of that progress. Considering the recent slew of major ransomware attacks and supply chain hacks, the Biden administration must urgently answer that question. Then it must back up its rhetoric on cyberspace with hard-nosed diplomacy that can change its adversaries' behavior.

Part of what it will take to force these countries to make a deal will be broader deterrence, including measures that raise the costs to hostile regimes of carrying out cyberattacks while denying them the benefits of doing so. In addition to military and spy agencies, the United States should sanction and prosecute companies and executives in countries, such as China, that benefit from cyber-enabled economic espionage, sending the message that the theft of intellectual

property and trade secrets comes at a hefty price. Since anonymous cryptocurrency transfers now fuel so much global cybercrime, the United States should also work with its allies to sanction and shut down cryptocurrency exchanges that cater to criminal operations or that do not perform due diligence on the transactions they facilitate.

To be sure, as long as grand bargains remain elusive, the United States will have to harden its defenses and make itself more resilient. The U.S. government has a poor record on cybersecurity, so it needs to step up its game and lead by example—for instance, by centralizing all civilian cybersecurity operations within the Cybersecurity and Infrastructure Security Agency. It must also incentivize public and private investment in defensive measures, including by subsidizing the costs of defense for municipalities, nonprofits, and small businesses and by holding companies that do not take responsible security measures accountable for negligent failures. Although these measures can only ever be a partial fix, they can limit the damage done by hackers and other cybercriminals until Washington can forge a more lasting diplomatic solution.

When the United States faces a military threat from a hostile nation, it does not tell its citizens and businesses to fund their own private armies or to negotiate their own peace deals. Many cyberthreats are not meaningfully different from military or economic threats, and yet the United States allows much of the burden of defending against them to fall on individual companies and citizens. In the short term, the United States must do more to harden its

defenses and to help companies and citizens do the same. Ultimately, however, Washington must accept that cyberattacks are primarily an effect, and not a cause, of geopolitical tensions. Unless the United States treats the underlying disease, it will never fully recover from the symptoms. 🌐

ESSAYS



*Xi's conviction in
the centrality of
China imagines a
radically transformed
international order.
— Elizabeth Economy*

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Xi Jinping's New World Order

Can China Remake the International System?

Elizabeth Economy

Xi Jinping savored the moment. Speaking before China's annual gathering of nearly 3,000 representatives to the National People's Congress in Beijing in March 2021, the Chinese president took a post-pandemic victory lap, proclaiming that his country had been the first to tame COVID-19, the first to resume work, and the first to regain positive economic growth. It was the result, he argued, of "self-confidence in our path, self-confidence in our theories, self-confidence in our system, self-confidence in our culture." And he further shared his pride that "now, when our young people go abroad, they can stand tall and feel proud—unlike us when we were young." For Xi, China's success in controlling the spread of the novel coronavirus was yet more evidence that he was on the right track: China was reclaiming its historic position of leadership and centrality on the global stage. The brief official history of the Chinese Communist Party (CCP) that was published the following month reinforced his assessment. It claimed that Xi had brought China "closer to the center of the world stage than it has ever been. The nation has never been closer to its own rebirth."

China already occupies a position of centrality in the international system. It is the world's largest trading power and greatest source of global lending, it boasts the world's largest population and military, and it has become a global center of innovation. Most analysts predict that China's real GDP will surpass that of the United States by 2030 to make it the largest economy in the world. Moreover, as the evolution

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of the pandemic has illustrated, China's response to global challenges has profound implications for the rest of the world.

Yet even as Xi's ambition and China's global prominence have become indisputable, many observers continue to question whether Beijing wants to shape a new international order or merely force some adjustments to the current one, advancing discrete interests and preferences without fundamentally transforming the global system. They argue that Beijing's orientation is overwhelmingly defensive and designed only to protect itself from criticism of its political system and to realize a limited set of sovereignty claims. That view misses the scope of Xi's vision. His understanding of the centrality of China signifies something more than ensuring that the relative weight of the country's voice or influence within the existing international system is adequately represented. It connotes a radically transformed international order.

In Xi's vision, a unified and resurgent China would be on par with or would surpass the United States. China is the preeminent power in Asia, and its maritime domain has expanded to include control over contested areas in the East China and South China Seas. The United States has retreated back across the Pacific to assume its rightful place as an Atlantic power. Moreover, the formidable network of U.S. alliances that has underpinned the international system for more than 70 years is dissolving in favor of a proposed Chinese framework of dialogue, negotiation, and cooperation. China's influence also radiates through the world via infrastructure ranging from ports, railways, and bases to fiber-optic cables, e-payment systems, and satellites. In the same way that U.S., European, and Japanese companies led the development of the world's twentieth-century infrastructure, Chinese companies compete to lead in the twenty-first century. Xi ably uses China's economic power to induce and coerce compliance with his vision.

This shift in the geostrategic landscape reflects and reinforces an even more profound transformation: the rise of a China-centric order with its own norms and values. However imperfectly, the post-World War II international order was shaped primarily by liberal democracies that were committed in principle to universal human rights, the rule of law, free markets, and limited state intervention in the political and social lives of their citizens. Multilateral institutions and international law were designed to advance these values and norms, and technology was often used to bolster them. Yet Xi seeks to flip a switch and replace those values with the primacy of the state. Institutions,

laws, and technology in this new order reinforce state control, limit individual freedoms, and constrain open markets. It is a world in which the state controls the flow of information and capital both within its own borders and across international boundaries, and there is no independent check on its power.

Chinese officials and scholars appear assured that the rest of the world is onboard with Xi's vision, as they trumpet, "The East is rising, and the West is declining!" Yet many countries increasingly seem less enamored of Xi's bold initiatives, as the full political and economic costs of embracing the Chinese model become clear. At the People's Congress, Xi exuded the self-confidence of a leader convinced that the world is there for China's taking. But his own certainty may be a liability, preventing him from recognizing the resistance Beijing is stoking through its actions abroad. Xi's success depends on whether he can adjust and reckon with the blowback. Failing to do so could lead to further miscalculations that may end up reshaping the global order—just not in the way Xi imagines.

REUNIFYING THE MOTHERLAND

Xi's path to a reordered world begins by redrawing the map of China. In an October 2021 speech, Xi asserted, "The historical task of the complete reunification of the motherland must be fulfilled and will definitely be fulfilled." Asserting sovereignty over long-contested territories—particularly those Beijing terms its core interests: Hong Kong, the South China Sea, and Taiwan—is Xi's number one priority.

Beijing has already dealt with Hong Kong. In 2020, China imposed a national security law on the city that effectively ended its autonomy under the "one country, two systems" governance model that was put in place in 1997 at the time of Hong Kong's handoff from London to Beijing. In a matter of months, Beijing undermined the city's long-standing commitment to basic human rights and the rule of law and transformed Hong Kong into just another mainland Chinese city.

Xi has also made progress in asserting Chinese sovereignty in the South China Sea. He has created and militarized seven artificial features in the sea and laid claim to scores of other islands and stretches of maritime territory. He increasingly deploys China's powerful navy, newly armed coast guard, and vast fishing fleet to intimidate the five other nations with overlapping claims—Brunei, Malaysia, the Philippines, Taiwan, and Vietnam—and to assert control in disputed waters.

Throughout the pandemic, Xi has also taken advantage of other countries' distraction to press additional territorial claims: for more than 100 days in a row, Chinese vessels sailed into waters off Japan and around a number of contested islands there that China calls the Diaoyu Islands and Japan calls the Senkaku Islands; a Chinese coast guard vessel rammed and sank a Vietnamese fishing boat; Chinese military aircraft flew over disputed waters claimed by both China and Malaysia; and China and India engaged in their first deadly border conflict in four decades.

China already occupies a position of centrality in the international system.

No map of China would be acceptable to Xi, however, if it did not reflect mainland Chinese control over Taiwan. At the 19th Party Congress, in October 2017, Xi declared that unification with Taiwan was one of 14 must-do items necessary to achieve the “great rejuvenation of the Chinese nation.” He has further underscored the importance of unification with his vivid imagery: “People on both sides of the strait are one family, with shared blood. . . . No one can ever cut the veins that connect us.”

Xi speaks about unification with Taiwan with increasing frequency and urgency. He remains convinced that Taiwanese President Tsai Ing-wen is advancing an independence agenda, claiming that the island nation’s “independence separatism” remains the “most serious hidden danger to national rejuvenation.” Since Tsai came to power, in 2016, Xi has cut off the long-established cross-strait dialogue; dramatically reduced the number of mainland tourists permitted to travel to Taiwan, from 4.2 million in 2015 to 2.7 million in 2017, contributing to a drop in the island’s annual tourism revenue from \$44.5 billion to \$24.4 billion; convinced seven of the 22 remaining states that formally recognize Taiwan as the Republic of China to abandon Taipei for Beijing; and prevented Taiwan from participating in the World Health Assembly briefings in the early months of the pandemic. During Tsai’s 2020 reelection campaign, CCP hackers also allegedly spread disinformation designed to undermine her. Beijing’s increasingly threatening military exercises along Taiwan’s coast provoke frequent talk of a possible Chinese military attack.

Xi’s efforts to intimidate Taiwan have failed to convince the island nation to embrace unification. Instead, they have produced a backlash both within Taiwan and abroad. A greater percentage of Taiwanese than ever before—64 percent—favor independence, and few Taiwan-

ese retain faith that a “one country, two systems” framework could ever work, particularly in the wake of the crackdown in Hong Kong. A growing number of countries have also stepped up to offer support to Taiwan. In an unprecedented policy shift, Japan asserted in 2021 that it had a direct stake in ensuring Taiwan’s status as a democracy. Several small European countries have also rallied to Taiwan’s diplomatic defense: the Czech Republic, Lithuania, and Slovakia have all welcomed the Taiwanese foreign minister for a visit. For its part, the United States has supported a wide array of new legislation and diplomatic activity designed to strengthen the bilateral relationship and embed Taiwan in regional and international organizations.

BYE-BYE, MISS AMERICAN PIE

China is also busy trying to lay the foundation for the country to supersede the United States as the dominant force in the Asia-Pacific. Describing the Asia-Pacific as a “big family” and claiming that “the region cannot prosper without China” and “China cannot develop in isolation from the region,” China’s leaders portray the Asia-Pacific as seamlessly integrated through Chinese-powered trade, technology, infrastructure and shared cultural and civilizational ties. Xi has been particularly successful in cementing China’s position as the regional economic leader. China is the largest trading partner of virtually all the countries in Asia, and in 2021, the members of the Association of Southeast Asian Nations together ranked as China’s top trading partner. At the end of 2020, Xi concluded the negotiations over the Chinese-led Regional Comprehensive Economic Partnership, which includes China, ten Southeast Asian countries, and Australia, Japan, New Zealand, and South Korea. In a bold gambit, Xi has also advanced China for membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Japanese-led free-trade agreement. This would make China the dominant economic player in the two most important regional trade agreements in the most economically dynamic region of the world; the United States would remain sidelined.

China has been less successful in its efforts to position itself as the region’s preeminent security actor, a role long played by the United States. In 2014, Beijing proposed a new Asian security order managed by Asian countries. China’s defense minister has crisscrossed the Asia-Pacific region with the message that countries there “should adhere to the principle that regional issues should be solved

by the regional countries through consultation.” Chinese officials have also tried hard to paint U.S. alliances as anachronistic relics of the Cold War and as hostile to China.

Yet Beijing's military assertiveness in the region has directly undermined its push for leadership. A survey of Southeast Asian experts and businesspeople found that less than two percent believed that China was a benign and benevolent power, and less than 20 percent were confident or very confident that China would “do the right thing.” Nearly half of those polled believed that China was a “revisionist power” that intended to transform the region into its sphere of influence. (In contrast, over two-thirds of the interviewees were confident or very confident that Japan would “do the right thing” by contributing to global peace, security, prosperity, and governance.) China's behavior has also reenergized the Quad partnership, which includes Australia, India, Japan, and the United States; spurred the establishment of a new trilateral security pact among Australia, the United Kingdom, and the United States; and prompted several European countries, including France, Germany, and the Netherlands, along with NATO, to deepen their security engagement in the Asia-Pacific. Even Philippine President Rodrigo Duterte, who earlier threatened to end his country's alliance with the United States and called China “a good friend,” is now upgrading the Philippines' defense relationship with Washington as he prepares to leave office.

THE DRAGON'S BITE

Xi's ambition for Chinese centrality on the global stage is exquisitely captured by his Belt and Road Initiative. Launched in 2013, the initiative not only offers a physical manifestation of Chinese centrality through three overland and three maritime corridors that will connect China to Asia, Europe, the Middle East, and Africa but also evokes historical memories of the Silk Road and of Chinese centrality during imperial times. In its original conception, the BRI was a vehicle for Chinese-led hard infrastructure development along the six corridors. Today, BRI offshoots include so-called digital, health, and polar Silk Roads, and all countries are welcome to participate.

Unlike traditional infrastructure investment supported by multilateral institutions, such as the World Bank and the Asian Development Bank, China is a one-stop shop. It provides the financing and the labor and materials for its projects; in many instances, it also

skips time-consuming evaluations of financial risk, processes of transparent and open bidding, and assessments of environmental and social impacts. It is China's own development model gone global.

The BRI has positioned China at the center of the international system, with its physical, financial, cultural, technological, and political influence flowing to the rest of the world. It is redrawing the fine details of the world's map, with new railroads and bridges, fiber-optic cables and 5G networks, and ports with the potential for housing Chinese military bases. By one assessment, the BRI now touches more than 60 countries and has exceeded \$200 billion in Chinese investment. Some countries, such as Pakistan, are being transformed by the BRI, with energy projects, new roads, and a massive upgrade of both its Gwadar port and its digital infrastructure. Others have more limited but overwhelmingly positive exposure. In Greece, for example, Chinese investment in the port of Piraeus has contributed to making it one of the top ports in Europe and among the top 50 in the world. Brazilian officials and scholars are excited about the possibility of the BRI not only developing infrastructure projects in their country but also advancing innovation and sustainability efforts.

Xi has also conceived of the BRI as a conduit through which China can transmit its political and cultural values. In a major address in October 2017, Xi advanced China's development model as one worth emulating, and Beijing now offers an extensive array of political training programs. Tanzania, which is a BRI pilot country for Chinese political capacity building, has modeled its cybersecurity law after that of China and worked with Beijing to constrain social media and the flow of information on the Internet. The governments of other countries, such as Uganda, have been eager recipients of Chinese technology and training to help them monitor and track political opposition figures. And political parties in Ethiopia, South Africa, and Sudan have participated in CCP training on the structure of the CCP, CCP-grassroots relations, and the Chinese propaganda system. China's Digital Silk Road, which includes undersea cables, e-payment systems, surveillance technologies, and 5G networks, among other digital connectivity technologies, is particularly valuable as a means of transmitting Chinese political and cultural values. In Kenya, for example, Beijing provided not only satellite television for more than 10,000 people but also tens of thousands of hours of Chinese programming. Kenya's airwaves, as well as those in



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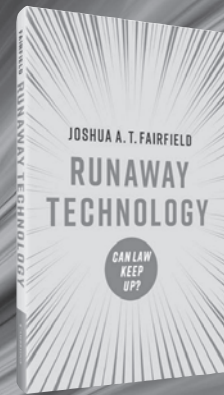
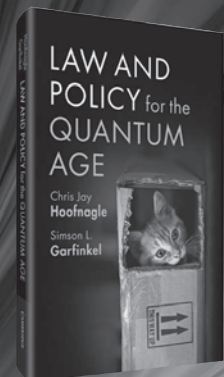
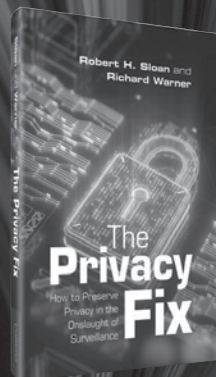
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other parts of Africa, are now filled with martial arts films, dramas about life in China, and documentaries that promote a CCP political narrative—such as one focusing on Japanese atrocities in World War II—that have been dubbed into local languages.

Yet the BRI has become increasingly bumpy. Although it can bring the benefits of China's infrastructure-heavy development model, it also carries with it all the externalities: high levels of debt, corruption, environmental pollution and degradation, and poor labor practices. Popular protests have proliferated throughout host countries. In Kazakhstan, citizens have demonstrated repeatedly against Chinese mining projects and factories that pollute the environment and use Chinese rather than local labor. Similar protests have erupted in Cambodia, Papua New Guinea, and Zambia. Still other countries, including Cameroon, Indonesia, Kenya, and Pakistan, have reported problems with corruption in their BRI projects. And some countries, such as Azerbaijan and Mongolia, no longer expect that the gains from their BRI projects will ever exceed the costs. Many countries have put projects on hold or canceled them outright: of the 52 coal-fired power plants planned for development through the BRI between 2014 and 2020, 25 were shelved and eight canceled. (China's September 2021 commitment not to build new coal-fired power projects abroad suggests that many of the shelved projects will ultimately be canceled.) A 2018 study found that 270 out of the 1,814 BRI projects undertaken since 2013 have encountered governance difficulties; these troubled cases accounted for 32 percent of the total value of the projects.

Beijing itself may be reconsidering its BRI commitments. Investment levels have declined steadily since 2016, and some of the presumed political benefits have not materialized. A review of the top ten recipients of BRI investments, for example, reveals no direct correlation between the levels of investment and the countries' support for China on critical issues, such as Hong Kong, the South China Sea, and Chinese actions in Xinjiang. As with China's assertiveness on its borders, the BRI has also stoked a backlash. It has sparked competitive initiatives by Japan and other countries to offer infrastructure financing and support with higher standards and more benefits for local workforces.

Other efforts to enhance Chinese cultural influence are also encountering difficulties. For example, Xi has championed the adoption of Chinese-language and Chinese cultural offerings through the establishment of Confucius Institutes in overseas universities and class-

rooms. For many educational institutions, Beijing's financial support for these institutes was essential to their ability to offer Chinese-language training. As a result, they proliferated rapidly. Over time, however, the more coercive undertone of the initiative undermined its early success. In 2011, Li Changchun, then a member of the Politburo Standing Committee, stated, "The Confucius Institute is an appealing brand for expanding our culture abroad. It has made an important contribution toward improving our soft power. The 'Confucius' brand has a natural attractiveness. Using the excuse of teaching Chinese language, everything looks reasonable." Per Beijing's requirements, contracts between local academic institutions and the Confucius Institutes remained sealed, and the teachers and the curricula were determined by Beijing—a concession most universities would make for no other outside partnership. In addition, a few of the institutes tried to shape broader university policies around issues related to China, warning against hosting the Dalai Lama, for example. As scholars and politicians in Canada, Sweden, the United States, and elsewhere began to question the integrity of the enterprise, the allure of the institutes dimmed.

By 2020, China had put in place only slightly more than half the 1,000 Confucius Institutes it had hoped to establish. And their impact as a source of soft power appears to be limited. In Africa, where China has established 61 Confucius Institutes, a survey revealed that 71 percent of citizens believe that English is the most important language for the next generation to learn; 14 percent selected French, and only two percent chose Chinese. And in Kazakhstan, where the daughter of the former prime minister has been an outspoken champion of China and Chinese-language study, a public opinion survey conducted by the Eurasian Development Bank revealed that only one in six Kazakhs view China as a "friendly country."

Initiatives such as the BRI and the Confucius Institutes offer an attractive vision of Chinese centrality that has been somewhat undermined by unattractive Chinese governance practices, but much of Beijing's effort to advance Chinese centrality relies explicitly on coercion. China's pandemic diplomacy, for example, highlighted for many people the coercive nature of Chinese efforts to shape the world

Xi's path to a reordered world begins by redrawing the map of China.

around them. China's "Wolf Warrior" diplomats weaponized the production of personal protective equipment (PPE) by threatening to cut off supplies to countries that criticized China. They also went on the offensive to spread disinformation about the origins of the virus to deflect attention from Chinese culpability. When Australia called for an investigation into the origins of the virus, Beijing slapped restrictions and tariffs on some of Australia's most popular exports.

China's use of economic leverage to coerce international actors is long standing and well known. Beijing threatened the international airline, retail, film, and hotel industries with serious financial repercussions, for example, if they did not recognize Chinese sovereignty claims regarding Hong Kong, the South China Sea, and Taiwan in their published material. In the wake of the now famous tweet by Daryl Morey, then the Houston Rockets' general manager, in support of Hong Kong's pro-democracy protests, Chinese stores pulled Rockets-branded products from their shelves, and China Central Television stopped broadcasting NBA games. CCTV announced, "We believe that any remarks that challenge national sovereignty and social stability are not within the scope of freedom of speech." Beijing effectively signaled that it believed it had the right to control the speech of any individual anywhere in the world. Shortly thereafter, Beijing expelled several *Wall Street Journal* reporters in response to an opinion piece the newspaper published with a title describing China as the "Sick Man of Asia." And perhaps as a sign of how such policies might evolve, a government office in Beijing proposed in 2020 that any criticism of traditional Chinese medicine—one of Xi's special interests—should be made illegal.

Chinese coercion is most effective in shaping the behavior of individual actors. Many multinational corporations eventually succumb to Chinese pressure and adjust the way they conduct business. Some, however, quietly attempt to maintain their principles, even while appearing to acquiesce to Chinese demands. In the airline industry, for example, some airlines have dropped Taiwan from their websites but still identify it separately from mainland China and quote ticket prices in Taiwan's currency instead of in yuan. Also important, China has overwhelmingly failed in its attempts to use its economic leverage to compel countries such as the Philippines and South Korea, among others, to change their policies on issues such as competition in the South China Sea and the deployment of the U.S.-made Terminal High Altitude Area Defense, or THAAD, missile system. Beijing also

failed in its effort to short-circuit Canada's judicial process concerning the detention of Meng Wanzhou, the chief financial officer of the Chinese telecommunications firm Huawei, by imprisoning two Canadian citizens as political leverage. Ultimately, Meng spent almost three years under house arrest before her case was settled.

TUGGING ON THE REINS

Chinese centrality on the global stage emanates overwhelmingly from its economic wherewithal—its position as a driver of global growth and trade and the opportunity it affords to other countries for access to its vast market. Increasingly, however, Xi's initiatives are raising questions about how China's economy will engage with the rest of the world. His tenure has been marked by a series of policies, such as Made in China 2025, that enhance government control and work to insulate the Chinese economy from outside competition. In 2020, Xi articulated an economic paradigm of “dual circulation,” envisioning a largely self-sufficient China that could innovate, manufacture, and consume—all within its own economy. It would continue to engage with the international economy through exports, its critical supply chains, and limited imports of capital and know-how. Within China, Xi has also significantly enhanced the control of the CCP over the decision-making power of Chinese companies.

These moves away from greater economic reform and opening have introduced a new set of issues in Beijing's relations with the rest of the world. Many countries no longer have confidence in the independence of Chinese companies from the government and are now tightening the access that Chinese firms have to their markets and increasing export controls on sensitive technologies to Chinese companies. Beijing's coercive use of PPE early in the pandemic also raised alarm bells over dependence on Chinese supply chains, leading countries to encourage their companies to return home or move to friendlier pastures. The allure of the Chinese economy as both a market and a leader in global trade and investment remains strong, but Xi's policies are diminishing, rather than enhancing, the type of consistency and predictability that economic actors desire when they consider where to invest their time and capital, and they are therefore raising a new set of challenges for Xi's vision of Chinese centrality.

Xi also seeks to exert greater control in the existing international architecture of global institutions. He has called openly and repeatedly

for China to lead in the reform of the global governance system—to transform the values and norms that underpin the international system to align with those of China. He and other Chinese officials argue that the current rules-based order does not adequately reflect China’s voice or that of the developing world. Instead, it was created and perpetuated for the advantage of a small number of liberal democracies. Xi wants the values and norms embedded in these institutions to reflect instead Chinese preferences, such as elevating the right to development over individual political and civil rights and establishing technical standards that enable state control over the flow of information.

China’s approach is both tactical and strategic. Chinese officials are primed to assert Chinese national interests even if they are at cross-purposes with the interests of the international institutions in which they serve. In 2020, the Twitter account of the International Civil Aviation Organization, for example, blocked users who supported ICAO membership for Taiwan. In another instance, Dolkun Isa, one of the world’s leading Uyghur activists, was physically prevented from speaking before the UN Permanent Forum on Indigenous Issues in 2017. Wu Hongbo, the Chinese official serving as undersecretary-general for the UN Department of Economic and Social Affairs, later appeared on Chinese television to claim responsibility for blocking Isa’s appearance, noting, “We have to strongly defend the motherland’s interests.” Similarly, in 2019, the French newspaper *Le Monde* reported that Beijing had threatened to block agricultural exports from Brazil and Uruguay if the two countries did not support the Chinese candidate for director general of the Food and Agriculture Organization.

Xi is also committed to a long-term strategy to transform broader global norms in areas such as Internet governance, human rights, and technical standards in ways that elevate state control over individual rights and liberties. In each of these areas, China has sought to secure leadership positions for Chinese officials or other friendly actors in the relevant institutions and supporting committees, flooded meetings with Chinese participants, and poured financial resources into trying to shape the agendas and outcomes of policy debates. Over time, the strategy has paid off. For example, Chinese proposals that advocate state control of the flow of information to every network-connected device are under active development and consideration at the United Nations.

Xi has, furthermore, signaled his intention to lead in the development of norms in areas where they are not yet fully established, such

as space, the maritime domain, and the Arctic. In the case of the Arctic, Xi has already moved aggressively to try to enhance China's role in determining the region's future. Despite being 900 miles away from the Arctic Circle, China has provided training and financial support for thousands of Chinese researchers on Arctic-related topics, supported joint research and exploration with Arctic countries, built a fleet of state-of-the-art icebreakers, and funded research stations in several Arctic countries. Among the observer countries to the governing Arctic Council, China is overwhelmingly the most active, hosting scientific conferences, submitting papers for review, and volunteering to serve on scientific committees. Xi has attempted to assert China's rights in the decision-making process around the Arctic by referring to China as a "near Arctic power" and reframing the Arctic as an issue of the global commons, necessitating negotiations among a broad array of countries. But as with other areas of Chinese foreign policy, assertiveness here comes with a price. Although China has made strides in inserting itself into the development of norms around the Arctic, it has also lost ground as Arctic countries have become less inclined to accept Chinese investment as the result of concerns over potential security risks.

Xi's more activist approach has also sparked new interest among many countries in bolstering the current rules-based order. Countries have coalesced, for example, to prevent UN agencies and programs from automatically supporting the inclusion of the BRI in their mission statements or initiatives. They are rallying to support candidates for leadership in UN agencies and other multilateral institutions who will bring a strong commitment to openness, transparency, and the rule of law. And they are drawing attention to cases in which China appears to be unduly influencing or undermining best practices, such as the World Health Organization's initial reluctance to address China's lack of transparency during the first month of the COVID-19 pandemic.

SACRIFICING THE WAR TO WIN THE BATTLE

China's desire to rearrange the world order is an ambitious one. The United States' leadership on the global stage, its democratic alliance system, and the post-World War II liberal international order are deeply entrenched. Still, Chinese officials argue that the last two centuries, when China was not the dominant global economy, were a historical aberration. They claim that U.S. leadership is waning. As He

Yafei, former vice minister of foreign affairs, has asserted, “The end of Pax Americana, or the American Century, is in sight.” Chinese leaders and many international observers express confidence that Beijing is well along the path to success. The renowned Fudan University scholar Shen Dingli has characterized China as occupying the “moral high ground” in the international community and acting as “the leading country in the new era.” Xi himself has described China’s rejuvenation as “a historic inevitability.”

There is reason for Xi’s optimism. China has clearly made progress in each of the dimensions that he has identified as essential for reform, and the reputation and influence of the United States have been battered by domestic strife and a lack of leadership on the global stage.

Yet it appears equally plausible, if not more so, that China has won a few battles but is losing the war. Xi’s bullish assessment of China’s pandemic response may resonate at home, but the international community retains vivid memories of Beijing’s bullying diplomacy, coercive PPE practices, military aggression, repression in Hong Kong and Xinjiang, and continued belligerence around determining the origins of the virus. Xi wants China to be “credible, lovable, and respectable” in the eyes of the international community, but his actions have yielded public opinion polls that reflect record-low levels of trust in him and little desire for Chinese leadership. Many initiatives to cement Chinese centrality, such as the BRI, the Confucius Institutes, and global governance leadership, are now sputtering or stalling as the full economic and political costs of acquiescence to Chinese leadership become clear to the rest of the world.

The international community might also be forgiven for wondering what beyond centrality Xi desires. He has made clear that he wants China to play a dominant role in defining the rules that govern the international system. But as the United States retreated from global leadership during Donald Trump’s presidency, Xi proved unwilling or unable to step into the United States’ shoes to marshal the international community to respond to global challenges or to serve as the world’s policeman. China may simply want to enjoy the rights, but not the full responsibilities, that traditionally accrue to the world’s most important power.

Xi’s ambition for Chinese centrality on the global stage holds little attraction for much of the rest of the world, and in the current context of mounting international opposition, his outright success appears un-

likely. Yet if Xi perceives that his strategy is unraveling, the result for the international community could be as challenging as if he were to succeed. In recent months, Xi has alarmed global leaders by cracking down on China's world-class technology sector, eradicating the last vestiges of democracy in Hong Kong, and flexing China's military muscles through a hypersonic missile test. And the potential looms large for further, even more destabilizing actions, such as resorting to the use of force to unify with Taiwan. Xi has not articulated a

Xi's ambition holds little attraction for much of the rest of the world.

peaceful path forward for unification with the island nation, and he has already demonstrated a willingness to engage in risky military behavior in the East China and South China Seas and on the border with India.

Faced with significant international headwinds, Xi has responded by raising the stakes. He appears unwilling to moderate his ambition, except in areas that do not compromise his core political and strategic priorities, such as climate change. An optimal—although still unlikely—outcome would be for Xi to engage in a series of internal ongoing and implicit tradeoffs: claim regional economic leadership but step back from military aggression in the region, take pride in arresting the spread of COVID-19 but acknowledge the weakness of Chinese vaccine innovation, trumpet success in eliminating terrorist attacks in Xinjiang but begin the process of releasing the “reeducated” Uyghur Muslims from the labor camps. This would enable Xi to maintain a narrative of success in advancing Chinese centrality while nonetheless responding to the most significant concerns of the international community.

Whether Xi is able to realize his ambition will depend on the interplay of many factors, such as the continued vitality of the Chinese economy and military and the support of other senior leaders and the Chinese people, on the one hand, and the ability of the world to continue to resist Chinese coercion and the capacity of the world's democracies and others to articulate and pursue their own compelling vision of the world's future, on the other. Perhaps most important to Xi's success, however, will be his ability to recognize and address the vast disconnect between what he wants to deliver to the world and what the world wants delivered from him. 🌐

Green Upheaval

The New Geopolitics of Energy

Jason Bordoff and Meghan L. O'Sullivan

It is not hard to understand why people dream of a future defined by clean energy. As greenhouse gas emissions continue to grow and as extreme weather events become more frequent and harmful, the current efforts to move beyond fossil fuels appear woefully inadequate. Adding to the frustration, the geopolitics of oil and gas are alive and well—and as fraught as ever. Europe is in the throes of a full-fledged energy crisis, with staggering electricity prices forcing businesses across the continent to shutter and energy firms to declare bankruptcy, positioning Russian President Vladimir Putin to take advantage of his neighbors' struggles by leveraging his country's natural gas reserves. In September, blackouts reportedly led Chinese Vice Premier Han Zheng to instruct his country's state-owned energy companies to secure supplies for winter at any cost. And as oil prices surge above \$80 per barrel, the United States and other energy-hungry countries are pleading with major producers, including Saudi Arabia, to ramp up their output, giving Riyadh more clout in a newly tense relationship and suggesting the limits of Washington's energy "independence."

Proponents of clean energy hope (and sometimes promise) that in addition to mitigating climate change, the energy transition will help make tensions over energy resources a thing of the past. It is true that clean energy will transform geopolitics—just not necessarily in the

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ways many of its champions expect. The transition will reconfigure many elements of international politics that have shaped the global system since at least World War II, significantly affecting the sources of national power, the process of globalization, relations among the great powers, and the ongoing economic convergence of developed countries and developing ones. The process will be messy at best. And far from fostering comity and cooperation, it will likely produce new forms of competition and confrontation long before a new, more co-pacetic geopolitics takes shape.

Talk of a smooth transition to clean energy is fanciful: there is no way that the world can avoid major upheavals as it remakes the entire energy system, which is the lifeblood of the global economy and underpins the geopolitical order. Moreover, the conventional wisdom about who will gain and who will lose is frequently off base. The so-called petrostates, for example, may enjoy feasts before they suffer famines, because dependence on the dominant suppliers of fossil fuels, such as Russia and Saudi Arabia, will most likely rise before it falls. And the poorest parts of the world will need to use vast quantities of energy—far more than in the past—to prosper even as they also face the worst consequences of climate change. Meanwhile, clean energy will come to represent a new source of national power but will itself introduce new risks and uncertainties.

These are not arguments to slow or abandon the energy transition. On the contrary, countries around the world must accelerate efforts to combat climate change. But these are arguments to encourage policymakers to look beyond the challenges of climate change itself and to appreciate the risks and dangers that will result from the jagged transition to clean energy. More consequential right now than the long-term geopolitical implications of a distant net-zero world are the sometimes counterintuitive short-term perils that will arrive in the next few decades, as the new geopolitics of clean energy combines with the old geopolitics of oil and gas. A failure to appreciate the unintended consequences of various efforts to reach net zero will not only have security and economic implications; it will also undermine the energy transition itself. If people come to believe that ambitious plans to tackle climate change endanger energy reliability or affordability or the security of energy supplies, the transition will slow. Fossil fuels might eventually fade. The politics—and geopolitics—of energy will not.

PERSISTENT PETROSTATES

World War I transformed oil into a strategic commodity. In 1918, the British statesman Lord Curzon famously said that the Allied cause had “floated to victory upon a wave of oil.” From that point forward, British security depended far more on oil from Persia than it did on coal from Newcastle, as energy became a source of national power and its absence a strategic vulnerability. In the century that followed, countries blessed with oil and gas resources developed their societies and wielded outsize power in the international system, and countries where the demand for oil outpaced its production contorted their foreign policies to ensure continued access to it.

A move away from oil and gas will reconfigure the world just as dramatically. But discussions about the shape of a clean energy future too often skip over some important details. For one thing, even when the world achieves net-zero emissions, it will hardly mean the end of fossil fuels. A landmark report published in 2021 by the International Energy Agency (IEA) projected that if the world reached net zero by 2050—as the UN Intergovernmental Panel on Climate Change has warned is necessary to avoid raising average global temperatures by more than 1.5 degrees Celsius above preindustrial levels and thus prevent the worst impacts of climate change—it would still be using nearly half as much natural gas as today and about one-quarter as much oil. A recent analysis carried out by a team of researchers at Princeton University similarly found that if the United States reached net zero by 2050, it would still be using a total of one-quarter to one-half as much gas and oil as it does today. That would be a vast reduction. But oil and gas producers would continue to enjoy decades of leverage from their geologic troves.

Traditional suppliers will benefit from the volatility in fossil fuel prices that will inevitably result from a rocky energy transition. The combination of pressure on investors to divest from fossil fuels and uncertainty about the future of oil is already raising concerns that investment levels may plummet in the coming years, leading oil supplies to decline faster than demand falls—or to decline even as demand continues to rise, as it is doing today. That outcome would produce periodic shortages and hence higher and more volatile oil prices. This situation would boost the power of the petrostates by increasing their revenue and giving extra clout to OPEC, whose members, including Saudi Arabia, control most of the world's spare capacity and can ramp global oil production up or down in short order.



A rare opportunity: mining for coltan in North Kivu, Congo, September 2013

In addition, the transition to clean energy will wind up augmenting the influence of some oil and gas exporters by concentrating global production in fewer hands. Eventually, the demand for oil will decline significantly, but it will remain substantial for decades to come. Many high-cost producers, such as those in Canada and Russia's Arctic territory, could be priced out of the market as demand (and, presumably, the price of oil) falls. Other oil-producing countries that seek to be leaders when it comes to climate change—such as Norway, the United Kingdom, and the United States—could in the future constrain their domestic output in response to rising public pressure and to hasten the transition away from fossil fuels. As a result, oil producers such as the Gulf states—which have very cheap, low-carbon oil, are less dependent on the financial institutions now shying away from oil, and will face little pressure to limit production—could see their market shares increase. Providing more or nearly all of the oil the world consumes would imbue them with outsize geopolitical clout, at least until oil use declines more markedly. Other countries whose oil industries might endure are those whose resources can be brought online quickly—such as Argentina and the United States, which boast large deposits of shale oil—and that can thereby attract investors who seek

faster payback periods and may shy away from longer-cycle oil investments given the uncertainties about oil's long-term outlook.

An even more intense version of this dynamic will play out in natural gas markets. As the world starts to use less natural gas, the market shares of the small number of players that can produce it most cheaply and most cleanly will rise, particularly if countries taking strong climate action decide to curb their own output. For Europe, this will mean increased dependence on Russian gas, especially with the advent of the Nord Stream 2 pipeline connecting Russia to Germany. Today's calls from European lawmakers for Russia to increase its gas output to avoid an energy crisis this winter are a reminder that Moscow's importance to Europe's energy security will rise before it declines.

POWER FROM POWER

In order to understand the geopolitics of a world moving away from fossil fuels, it is critical to grasp which elements of being a clean energy superpower will actually yield geopolitical influence. Here, too, reality differs from the conventional wisdom, and the transition process will look very different from the end state. In the long run, innovation and cheap capital will determine who wins the clean energy revolution. Countries with both those attributes will dominate in at least four ways.

One source of dominance—the power to set standards for clean energy—will be more subtle than the geopolitical power that came with oil resources but just as enduring. Internationally, a country or company that sets global standards for equipment specifications or norms of engagement maintains a competitive advantage over others. For example, Australia, Chile, Japan, and Saudi Arabia have emerged as early adopters in trading low-carbon hydrogen and ammonia across borders and thus may be able to set infrastructure standards and certification norms for those fuel sources, giving their favored technologies and equipment an edge. And for technologies that involve vast quantities of data, such as digital tools that optimize electric grids or manage consumer demand, whoever defines the standards not only will be able to export compatible domestic systems but also may be able to mine data from them.

Standard setting will be particularly important when it comes to nuclear energy. According to the IEA, global nuclear energy generation will need to double between now and 2050 for the world to achieve net-zero emissions. As of 2018, of the 72 nuclear reactors planned or

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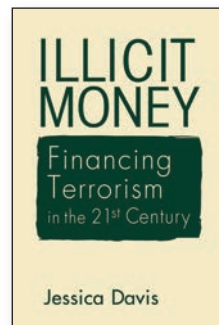


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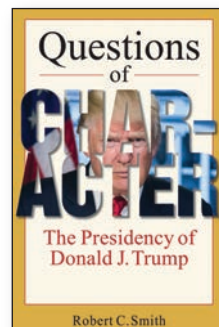
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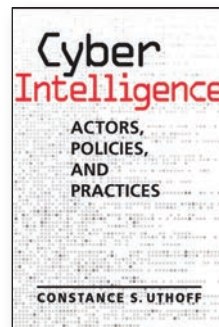


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under construction outside Russia's borders, more than 50 percent were being built by Russian companies and around 20 percent by Chinese ones; fewer than two percent were being built by U.S. companies. This will increasingly enable Moscow and Beijing to influence norms

Moving to a net-zero global economy will lead to conflicts—and ultimately produce winners and losers.

regarding nuclear nonproliferation and impose new operational and safety standards designed to give their own companies a lasting leg up in a sector that will need to grow as the energy transition unfolds.

A second source of dominance in a clean energy world will be control of

the supply chain for minerals such as cobalt, copper, lithium, nickel, and rare earths, which are critical to various clean energy technologies, including wind turbines and electric vehicles. Here, the analogy to oil power holds, to an extent. According to the IEA, should the world begin to move with haste toward a more sustainable energy mix, demand for such substances will far outstrip what is readily available today; in the agency's estimation, a world on track for net-zero emissions in 2050 will by 2040 need six times as much of them as it does today. Meanwhile, global trade in critical minerals will skyrocket, from around ten percent of energy-related trade to roughly 50 percent by 2050. So over the course of the transition, the small number of countries that supply the vast majority of critical minerals will enjoy newfound influence. Today, a single country accounts for more than half the global supply of cobalt (the Democratic Republic of the Congo, or DRC), half the supply of lithium (Australia), and half the supply of rare earths (China). By contrast, the world's three largest oil producers—Russia, Saudi Arabia, and the United States—each account for just ten percent of the world's global oil production. Whereas smaller, poorer countries, such as the DRC, may be hesitant to use their mineral strength to exert pressure on more powerful countries, China has already demonstrated its willingness to do so. China's embargo on the export of critical minerals to Japan in 2010, in the context of rising tensions in the East China Sea, could be a sign of things to come.

China's control over the inputs for many clean energy technologies is not limited to its mining prowess; it has an even more dominant role in the processing and refining of critical minerals. At least for the next decade, these realities will give China real and perceived economic and

geopolitical power. Yet in the long term, this influence will wane. The oil price spikes of the 1970s led new players to search for new sources of oil; the mere prospect of political manipulation of scarce minerals is producing the same phenomenon. Moreover, such minerals can be recycled, and substitutes for them will also materialize.

The third element of clean energy dominance will be the ability to cheaply manufacture components for new technologies. This will not confer the same advantages as possessing oil or gas resources has, however. China, for example, accounts for the manufacturing of two-thirds of the world's polysilicon and 90 percent of the semiconductor "wafers" used to make solar power cells. By suddenly removing these items from global supply chains, China could create major bottlenecks. But inputs for clean energy products that produce or store energy are not the same as the energy itself. If China did restrict exports of solar panels or batteries, the lights would not go out. China would not be able to bring economies to a standstill overnight or put the well-being and safety of citizens at risk—as Russia did when it curtailed natural gas exports to Europe during the frigid winters of 2006 and 2009.

To be sure, China's actions would create disruption, dislocation, and inflation akin to the effects of the delays in computer chip exports throughout 2021. Such turmoil could stall the energy transition if it encouraged consumers to turn back to gasoline vehicles or cancel plans to install rooftop solar panels. Yet even if China adopted that tactic, over time, markets would respond, and other countries and companies would generate their own substitute products or supplies—in a way that is much harder to do with a natural resource available only in certain locations, such as oil.

A final way in which a country could become a clean energy superpower is through the production and export of low-carbon fuels. These fuels—especially hydrogen and ammonia—will be critical to the transition to a net-zero world given their potential role in decarbonizing hard-to-electrify sectors, such as steel production; fueling trucks, ships, and other heavy vehicles; and balancing grids supplied primarily by renewable sources of energy that can experience intermittent disruptions. The IAE's "net zero by 2050" scenario anticipates that trade in hydrogen and ammonia will rise from almost nothing today to more than one-third of all energy-related transactions. Over time, hydrogen supplies are projected to consist mostly of green hydrogen produced in places with abundant, low-cost renewable energy, such as Chile and the

Gulf states, which have vast quantities of cheap solar energy. In this way, some of the petrostates threatened by the move away from fossil fuels may be able to transform themselves into “electrostates.”

If a well-supplied and diversified market for hydrogen and ammonia eventually develops, a gap in one location can be offset with supplies from another, much as with oil today. This will limit the geopolitical influence of dominant suppliers. In the near to the medium term, however, the evolving production and trade of low-carbon fuels will create tensions and geopolitical risks. Much as was true of the nascent global market for liquefied natural gas decades ago, the supply of low-carbon fuels will at first be dominated by a small number of producers. As a result, if a country such as Japan bets on hydrogen and ammonia and depends heavily on just one or two countries for its supply of fuel, it may face outsized energy security risks.

The dominant suppliers of low-carbon fuels will also evolve over time. Before green hydrogen (or ammonia, which is easier to transport and can be converted back to hydrogen) becomes dominant, “blue” hydrogen will likely prevail, according to the IEA. Blue hydrogen is made from natural gas using carbon capture technology to reduce emissions. Countries with cheap gas and good carbon dioxide storage capacity, such as Qatar and the United States, may emerge as some of the top exporters of blue hydrogen or ammonia. For countries that lack natural gas but have the capacity to store carbon dioxide underground, the cheapest way to get hydrogen—which is hard to transport over long distances—may well be to import natural gas and then convert it into hydrogen close to where it will be used, thus presenting some of the same risks and dependencies that natural gas presents today. And worst off will be countries that lack both gas and storage capacity, such as South Korea, and so will have to import blue hydrogen, green hydrogen, and ammonia; these countries will remain vulnerable until a much larger and more diversified market for hydrogen and ammonia develops.

GREENER BUT LESS GLOBAL

A net-zero global economy will require large supply chains for clean energy components and manufactured products, trade in low-carbon fuels and critical minerals, and continued trade (albeit much smaller than today) in oil and gas. At first blush, then, a decarbonized world might seem likely to be more globalized than today's fossil-fuel-

dependent planet. But getting to that net-zero world will generate three forces that will push against globalization.

First, a decarbonized world will rely more on electricity—and a more electricity-reliant world will see less global trade in energy. The IEA has projected that in a net-zero world of 2050, total energy-related trade will be only 38 percent of what it would be if the world were to stay on its current trajectory. The cheapest and easiest way to decarbonize several sectors of the economy, such as cars that run on oil products or heat generated by burning natural gas, is often to electrify them and ensure that the electricity is generated from zero-carbon sources. For this reason, total electricity usage in the United States will likely be two to four times as great in a fully decarbonized economy as compared with today, according to the Princeton researchers. And compared with oil and gas, decarbonized electricity is much more likely to be produced locally or regionally; less than three percent of global electricity was traded across borders in 2018, compared with two-thirds of global oil supplies in 2014. That is because electricity is harder and more expensive to transport over long distances, notwithstanding the evolution of high-voltage, direct-current transmission technology. Dependence on imported electricity also creates more energy security concerns for a country than, say, dependence on imported oil, since electricity is much harder to stockpile and store in the case of supply disruptions or to import from other sources.

Additional pressure against globalization will come from the fact that clean energy is already contributing to the trend toward protectionism. Countries around the world are erecting barriers to cheap clean energy inputs from abroad, fearing dependence on other countries and seeking to build job-generating industries within their own borders. A prominent example of this is the customs duties and tariffs that India is placing on Chinese solar panels in order to nurture its own domestic solar industry. In a similar vein, the U.S. Congress is considering a tax credit that would favor companies that manufacture electric vehicles in the United States with union labor. And international efforts to eliminate obstacles to trade in environmental goods, such as wind turbines and solar panels, have stalled.

Finally, countries taking strong steps toward decarbonization may try to compel others to follow suit through economic statecraft—which in turn might lead to global fragmentation. For instance, policymakers in the EU are intent on instituting border adjustment mechanisms re-

lated to greenhouse gas emissions by 2023. Under this policy, goods imported from countries that do not match the EU's climate standards will be subject to tariff-like fees intended to equalize the price of goods based on their carbon content. That way, "green" steel made in Europe, for example, will not be disadvantaged in the European market relative to "dirty" imported steel. Over time, however, tariffs aimed at leveling the playing field might morph into tariffs aimed at pressuring countries considered too slow in decarbonizing to pursue stronger climate policies. And although the idea of using sanctions to compel speedier decarbonization may seem over the top now, in a world in which carbon emitters are increasingly seen as threats to international peace and security, sanctions could become a common tool to force laggards to act.

WINNERS AND LOSERS

Moving to a net-zero global economy will require an unprecedented level of global cooperation but will also lead to conflict along the way and ultimately produce winners and losers. Some great powers, such as China and the United States, are well positioned to benefit from the transition. Others, such as Russia, seem more likely to wind up worse off. These diverging paths will, of course, alter relations among the great powers.

The relationship between Beijing and Washington is more fraught now than it has been in decades. Thus far, cooperation between the two powers on climate change has been minimal, notwithstanding a last-minute agreement to work together on the issue that they reached at the COP26 (26th Conference of the Parties) meeting in Glasgow this past fall. If recent developments—such as Chinese President Xi Jinping's failure to attend the Glasgow meeting in person, China's lackluster revision of its climate targets, and Beijing's softening on coal policy in the face of recent gas shortages—are indicative of a trend, China and the United States could increasingly clash over climate change, which may then sap the political will of other countries to take strong climate action.

The transition to clean energy seems likely to become yet another sphere in which the two countries compete aggressively over technology, talent, supplies, markets, and standards. That competition may accelerate the pace of clean energy deployment, but it will also fuel tensions between the two great powers. China will increasingly assert its power, leveraging its dominant position in clean energy manufacturing and its control of critical minerals. As the transition progresses, however, China's

influence may wane as new technologies emerge elsewhere, supply chains shift, and more plentiful materials are used to produce clean energy.

Another great-power relationship that the energy transition might transform is that between the United States and its European allies. At a time when transatlantic relations require repair and rejuvenation, climate policy could potentially act as a powerful bonding agent.

Washington and its partners in Europe could ultimately use their collective economic and diplomatic power to spur decarbonization around the world; they might form a “climate club” of countries committed to net-zero emissions that would impose tariffs on imports from outside the club—as advocated in these pages by the Nobel Prize-winning economist William Nordhaus in 2020. They could also put in place joint mechanisms to decarbonize the most energy-intensive industries, such as steel, cement, and aluminum, and even repurpose NATO to focus on responding to climate-related environmental and security disasters.

Yet in the short term, the road to a net-zero world may not be smooth for U.S.-European relations. Washington’s convoluted climate politics require tortured policy approaches, such as trying to use congressional budget reconciliation to overcome Republican opposition to stringent emission standards and carbon taxes and relying solely on carrots (such as subsidies) rather than sticks to change corporate and consumer conduct. This will make it difficult to harmonize policies across the Atlantic and risks exacerbating trade tensions as Europe commits to measures such as carbon border tariffs.

Finally, the energy transition will inevitably transform Russia’s relations with the other major powers. Russia is highly dependent on oil and gas exports, and in the long term, the clean energy transition will pose significant risks to its finances and influence. In the messy transition, however, Russia’s position vis-à-vis the United States and Europe may grow stronger before it weakens. As European countries come to increasingly depend on Russian gas in the coming years and as volatility in the oil market rises, both the United States and Europe will count on Russia to keep prices in check through its partnership with Saudi Arabia as leaders of the OPEC+ alliance, which is made up of the members of OPEC and ten other major oil-exporting countries.

*Getting to a net-zero world
will generate forces that
will push against
globalization.*

Meanwhile, Russia's largely dismissive approach to climate change will become a growing source of tension in Moscow's relations with Washington and Brussels—even though Putin's recent rhetoric has become more climate-friendly. And in a decarbonized world that is increasingly electrified and interconnected digitally via the Internet of Things, Russia may find it hard to resist targeting energy infrastructure with cyberattacks, as it did when it took down Ukraine's electric grid in 2015 and 2016. Moreover, as traditional energy consumers in the West curb their fossil fuel use, Russia will increasingly turn to the Chinese market to offload its supplies, fostering the geopolitical alignment of Moscow and Beijing.

FROM CONVERGENCE TO DIVERGENCE

For the past 30 years, rates of growth in the developing world have on the whole exceeded those in the developed world, fueling a gradual economic convergence of rich countries and poor ones. In the long run, the transition to clean energy promises to reinforce that trend. Although a net-zero world will still entail hardships, it will also mean far less pain for developing countries than a world of unchecked climate change. Moreover, many developing countries enjoy abundant, low-cost clean energy resources, such as solar power, which they will be able to use at home or export as either electricity or fuels. A fair number also boast geologic formations excellent for storing carbon dioxide that will need to be removed from the atmosphere. (According to some estimates, one-fifth of the reduction in carbon dioxide necessary to achieve net-zero emissions will come from carbon removal.)

The rocky pathway to decarbonization, however, also poses serious risks for developing countries. The rift between rich and poor nations was on full display at the climate meeting in Glasgow. Lower-income countries were emphatic in their calls for industrialized nations to pay for the damage their historical greenhouse gas emissions have caused. Climate change is the result of cumulative carbon emissions over time. One-quarter of total emissions from the beginning of the industrial age until now have come from the United States, and nearly as much, from Europe. A mere two percent has come from the entire continent of Africa. As rich countries feel an increased urgency to slash carbon emissions and developing countries remain focused on the need to deliver growth to their citizens, the two groups are set to clash.

There was also evidence of tension over the fate of the \$100 billion in aid to poor countries that rich countries pledged at the 2009 Copenhagen climate summit to deliver by 2020. That commitment remains unfulfilled—and even that large sum is a rounding error compared with the roughly \$1 trillion to \$2 trillion needed annually in clean energy investment in developing and emerging-market economies to achieve net-zero emissions by 2050. As the urgency of decarbonization increases along with the costs of climate change, the failure of rich countries to assist poor ones will be a growing source of geopolitical tension—particularly as developing countries disproportionately bear the brunt of damage they did not cause.

Given how long the world has waited to act on climate change, poor countries will need to follow development trajectories different from the one taken by rich countries; developing countries will have to rely far less on fossil fuels. Yet nearly 800 million people lack access to any energy services, much less the amount of energy needed to drive meaningful levels of economic growth and industrialization. Although solar power, wind, and other renewable sources of energy can be an excellent way to meet some of the needs of the developing world, they are currently insufficient to power industrialization and other paths to growth, and there are limits to how quickly they can be scaled up. Some developing countries will also face obstacles that rarely crop up in rich countries. For example, charging an electric car may not be viable in countries that experience blackouts every day or where electric grids are backed up by diesel generators.

If rich countries increasingly seek to prevent the use of fossil fuels and developing ones see few viable, affordable alternatives to them, the gap between the rich and the poor will only widen. For instance, last April, the U.S. Treasury Department announced that the United States would no longer finance natural gas projects overseas because of climate change concerns—except in the poorest of countries, such as Sierra Leone—even though 60 percent of U.S. electricity still comes from fossil fuels. Shortly thereafter, Nigerian Vice President Yemi Osinbajo argued in *Foreign Affairs* that it was unfair to ask his country to develop without using natural gas.

Tensions between developed countries and developing ones will escalate not only over the use of fossil fuels but also over their production. Several of the world's poor countries, such as Guyana, Mozambique, and Tanzania, have significant hydrocarbon resources they would like

to tap. But rich countries that see themselves as climate leaders will increasingly pressure those and other developing countries, or the companies that want to partner with them, not to drill, even as at least some of those rich countries continue to extract their own oil, gas, and coal. And financial institutions will face growing pressure from activists not to support extractive projects in the developing world. In a world with less and less scope for fossil fuel usage, poor countries may understandably ask why they should not be allowed to have a larger slice of a shrinking pie.

HOW TO LOWER THE RISKS

The clean energy transition demands a complete transformation of the global economy and will require roughly \$100 trillion in additional capital spending over the next three decades. There is little reason to expect that such a radical overhaul can be completed in a coordinated, well-managed, and smooth way. An orderly transition would be hard enough if there were a master planner designing the highly interconnected global energy system—and, needless to say, there is not.

When the world does achieve a fully, or even mostly, decarbonized energy system, many of today's energy security risks will be significantly ameliorated (even as some new ones arise). The influence of the petrostates and Russia's leverage in Europe will be diminished, prices for renewable electricity will be less volatile, and conflicts over natural resources will wane. But if on the way to that end state, the affordability, reliability, or security of the supply of energy, or other national security imperatives, comes into conflict with ambitious responses to climate change, there is a significant risk that environmental concerns will take a back seat. International climate leadership thus requires far more than just negotiating climate agreements, making promises to decarbonize, and mitigating the national security implications of the severe impacts of climate change. It also means lowering, in a variety of ways, the economic and geopolitical risks posed by even a successful transition to clean energy.

First, policymakers need to expand their toolkits to increase energy security and reliability and prepare for inevitable volatility. For starters, it would be shortsighted to scrap an existing zero-carbon energy source that can operate consistently—namely nuclear power. And it would be foolish to get rid of existing energy security tools, such as the U.S. Strategic Petroleum Reserve; Congress has prematurely decided to put fuel

from the reserve up for sale in response to near-term U.S. oil abundance and in anticipation of a post-oil world. Indeed, as the energy transition accelerates, policymakers should undertake cost-benefit analyses to assess whether additional strategic stockpiles may be justified in order to secure supplies of natural gas, critical minerals, hydrogen, and ammonia.

Policymakers should also maintain maximum flexibility on energy sources even as they phase out “brown” energy. Arguments that the United States saw “peak gasoline” use in 2007 and that the world experienced “peak coal” use in 2014 proved to be incorrect. Given the uncertainty about future needs and demands, policymakers should be prepared to keep some legacy fossil fuel assets in reserve, in case they are

needed for brief periods during the transition when there is a disconnect between supply and demand. Regulators of utilities should adopt pricing structures that would compensate companies for providing reliability. For example, in order to prepare for peaks in demand, regulators should design markets that pay energy utilities for maintaining capacity and supplies even if they are rarely used and that incentivize utilities to offer plans that reward customers for reducing their electricity use during peak periods. More broadly, policymakers should enact measures to increase efficiency in order to reduce demand, thereby narrowing potential supply and demand imbalances.

Another way governments can boost energy security is by reducing supply chain risks—but not in a way that would encourage protectionism. Officials shouldn’t chase the chimera of independence but instead try to build flexibility in a diversified and interconnected system. In Europe, improved energy security has come not from reducing Russian gas imports—indeed, those imports have consistently risen—but rather from regulatory and infrastructure reforms that have made the European market more integrated and competitive. In contrast, during the 2021 power crisis in Texas, the parts of the state with grids connected to those of neighboring states fared better than the rest of Texas, which was served by an isolated electric grid and transmission system.

Policymakers must also address some of the ways in which the jagged energy transition will exacerbate already deep inequalities in society and potentially produce a political backlash against clean energy.

The transition to clean energy will exacerbate already deep inequalities in society and potentially produce a political backlash.

Communities dependent on fossil fuel revenue and jobs will suffer in the absence of government-backed economic development and workforce training. Meanwhile, to help low-income consumers deal with price volatility, policymakers should turn to subsidies or temporary tax-rate adjustments, as many European countries have in recent months.

As much as governments need to foster new innovation and accelerate the clean energy transition to curb climate change, they also must take conscious steps to mitigate the geopolitical risks this change will create. New technologies can solve technical and logistical problems but cannot eliminate competition, power differentials, or the incentive that all countries have to protect their interests and maximize their influence. If governments do not recognize this, the world will confront some jarring discontinuities in the years ahead, including new economic and security threats that will reconfigure global politics. But perhaps the greatest risk of failing to identify and plan for these pitfalls is that if national security concerns come into conflict with climate change ambitions, a successful transition might not take place at all. And the world can ill afford more bumps on the already rough road to net zero. 🌍

Keeping the Wrong Secrets

How Washington Misses the Real Security Threat

Oona A. Hathaway

The United States keeps a lot of secrets. In 2017, the last year for which there are complete data, roughly four million Americans with security clearances classified around 50 million documents at a cost to U.S. taxpayers of around \$18 billion.

For a short time, I was one of those four million. From 2014 to 2015, I worked for the general counsel of the Department of Defense, a position for which I received a security clearance at the “top secret” level. I came into the job thinking that all the classified documents I would see would include important national security secrets accessible only to those who had gone through an extensive background check and been placed in a position of trust. I was shocked to discover that much of what I read was in fact not all that different from what was available on the Internet. There were exceptions: events I learned about a few hours or even days before the rest of the world, for instance, and information that could be traced to intelligence sources. But the vast bulk of the classified material I saw was remarkable only for how unremarkable it was.

The U.S. system for classifying secrets is based on the idea that the government has access to significant information that is not available, or at least not widely available, to private citizens or organizations. Over time, however, government intelligence sources have lost their advantage over private sources of intelligence. Thanks to new surveillance and monitoring technologies, including geolocation trackers, the Internet of Things, and commercial satel-

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lites, private information is now often better—sometimes much better—than the information held by governments.

At the same time, these technologies have given rise to an altogether new threat: troves of personal data, many of them readily available, that can be exploited by foreign powers. Each new piece of information, by itself, is relatively unimportant. But combined, the pieces can give foreign adversaries unprecedented insight into the personal lives of most Americans.

Yet the United States has not begun to adapt its system for protecting information. It remains focused on keeping too many secrets that don't really matter, treating government information like the crown jewels while leaving private data almost entirely unguarded. This overemphasis on secrecy at the expense of privacy isn't just inefficient. It undermines American democracy and, increasingly, U.S. national security, as well.

EPIDEMIC OF ESPIONAGE

The U.S. government did not always keep so many secrets. At the turn of the twentieth century, in fact, it had no formal nationwide system of secrecy. That began to change after Japan defeated Russia in the Russo-Japanese War of 1905, stunning Western countries and signaling the rise of a new regional power in Asia capable of challenging the major powers in Europe. Japan had long prohibited emigration, but it had lifted this restriction in 1886, just as its military prowess was beginning to grow. By 1908, around 150,000 Japanese immigrants had entered the United States.

As the number of new arrivals ticked up, American newspapers began reporting stories about “Japanese spies roaming about the Philippines, Hawaii, and the continental United States, busily making drawings of the location of guns, mines, and other weapons of defense,” as *The Atlanta Constitution* put it in 1911. Journalists at *The Courier-Journal* detailed a sophisticated Japanese spying operation in Los Angeles, Portland, and the harbors around Puget Sound, including rumors that “agents of the Japanese War Office, in the guise of railroad section laborers or servants in families residing in the locality, are stationed at every large railroad bridge on the Pacific coast.” These stories were fantastic—and likely false, for the most part, as were widespread tales of Japanese candy store operators who were really mapmakers, Japanese fishermen who were really taking harbor soundings, and Japanese barbers who picked up military secrets from their unsuspecting clients.



Secret admirers: CIA headquarters in Langley, Virginia, January 2004

Members of Congress, alarmed by the stories, decided to act. The Defense Secrets Act, passed in 1911, was the first U.S. law to criminalize spying. It provided that “whoever, . . . without proper authority, obtains, takes, or makes, or attempts to obtain, take, or make, any document, sketch, photograph, photographic negative, plan, model, or knowledge of anything connected with the national defense to which he is not entitled” could be fined or imprisoned.

After war broke out in Europe, President Woodrow Wilson appeared before Congress and asked it to strengthen the laws against sedition and the disclosure of information. His racist nativism on full display, he declared, “There are citizens of the United States, I blush to admit, born under other flags but welcomed under our generous naturalization laws to the full freedom and opportunity of America” who “have sought to pry into every confidential transaction of the Government in order to serve interests alien to our own.” The result was the Espionage Act of 1917—a law that, with a few revisions, still forms the main legal basis for proscribing the unauthorized disclosure of national security information in the United States. The law was extraordinarily broad, criminalizing the disclosure of “information respecting the national defence” that could be “used to the injury of the United States.”

Now there were rules criminalizing the disclosure of national security secrets. But what was a secret? Historians consider the American Expeditionary Forces' General Order No. 64, also issued in 1917, to be the first attempt by the U.S. government to adopt a formal classification system for government information that had national security value. In the years that followed, the U.S. Army and the U.S. Navy adopted their own regulations on classified information, producing a mishmash of classification rules across the military branches. Then, in 1940, President Franklin Roosevelt displaced this series of decentralized classification rules with an executive order making it unlawful to record "certain vital information about military or naval installations" without permission. The rules applied to aircraft, weapons, and other military equipment, as well as to books, pamphlets, and other documents if they were classified as "secret," "confidential," or "restricted."

Since then, many presidents have issued executive orders that define what information is classified, how it is classified, and who can access it. The latest comprehensive executive order, issued by President Barack Obama in 2009, lays out three levels of classification—top secret, secret, and confidential—along with a vast array of rules about what each level of classification means. Under the order, classified documents originate in two ways: one of the 1,867 officials designated as having "original classification authority" decides that a document should be classified or one of the four million or so individuals with access to classified material creates a new document using information that was already classified—so-called derivative classification. In 2017, more than 49 million government-generated documents were derivatively classified.

SECRECY BEGETS SECRECY

Almost everyone who has examined the U.S. system of keeping secrets has concluded that it results in mass overclassification. J. William Leonard, who led the Information Security Oversight Office during the Bush administration, once observed that more than half of the information that meets the criteria for classification "really should not be classified." Others would put that number much higher. Michael Hayden, a former director of the National Security Agency and later of the CIA, once complained of receiving a "Merry Christmas" email that carried a top-secret classification.

One factor driving overclassification is the fact that those who do the classifying are almost always incentivized to err on the side of caution—

classifying up rather than down. When I worked at the Pentagon, if I made a mistake and classified a document or an email at too high a level, there would likely be no penalty. As far as I know, no one in the offices I worked with was ever disciplined for classifying a document too high. Classifying a document too low, however, can bring serious professional consequences—not to mention potentially threaten U.S. national security. Secrecy, in other words, is the easiest and safest course of action.

Secrecy also begets more secrecy, because documents must be classified at the highest level of classification of any information they contain. If a ten-page memo contains even a single sentence that is classified as top secret, for instance, the memo as a whole must be classified as top secret (unless it is “portion marked,” meaning that each segment—the title, each paragraph, each bullet point, and each table, for instance—is given a separate mark of classification). This requirement fuels an endless progression of derivative classification that compounds the United States’ already enormous overclassification problem.

HIDDEN HARM

The democratic costs of overclassification are hard to overstate. To note the obvious: a state cannot keep secrets from its enemies without also keeping them from its own population. Massive government secret keeping undermines democratic checks and balances, since it makes it difficult, if not impossible, for the public—and, often, for members of Congress—to know what the executive branch is up to.

The U.S. government has done horrific things when acting in secret. CIA black sites, where detainees suspected of involvement in terrorist groups were tortured during the Bush administration, could not have survived public scrutiny—which is why they operated in secret for years. Secrecy also undermines American democracy in more subtle ways. When the government keeps secrets, those secrets enable—and sometimes require—lies. When those lies are exposed, public trust in the government takes a hit—as it did in 2013, when Edward Snowden, then a contractor for the National Security Agency, revealed the existence of a massive surveillance program under which the agency had accessed the email, instant-messaging, and cell phone data of millions of Americans. That revelation eroded trust in U.S. intelligence agencies, making it harder for them to operate—precisely the opposite of what the government’s secrecy was meant to achieve.

Secrets also have a chilling effect on free speech. In May 2019, the Department of Justice indicted Julian Assange, the founder of the whistle-blowing organization WikiLeaks, on 17 counts of violating the Espionage Act for obtaining and publishing classified docu-

*The United States is
focused on keeping too
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really matter.*

ments. It was the first time the government had brought such charges for publication alone, raising fears in the media that the government might start using the Espionage Act to prosecute journalists. As *The New York Times* reported at the time, Assange had been charged for actions that the

paper itself had taken: it had obtained the same documents as WikiLeaks, also without government authorization, and published subsets of them, albeit with the names of informants withheld.

And it is not just whistleblowers and journalists who need to worry; former government officials can also be caught in the classification vise. Even after leaving office, government employees are not only subject to potential criminal prosecution if they disclose classified information that they learned while in government but also required to submit their writings (and drafts of public talks) for “prepublication review.” John Bolton, who served as national security adviser to President Donald Trump, became an unexpected poster child for abuse of the prepublication review process after his book was subjected to delays that appeared politically motivated. He is far from alone. Millions of former government employees, including me, are bound by similar rules. The real harm of this system is not to former government employees, however. It is to the quality of public discourse, as former government employees with knowledge about the U.S. national security system too often decide that it is easier to simply stay silent.

Overclassification also makes it difficult to keep the secrets that really matter. As the Supreme Court justice Potter Stewart put it in his concurring opinion in the 1971 case ordering the release of the Pentagon Papers, the Defense Department’s classified history of the U.S. role in Vietnam, “When everything is classified, then nothing is classified, and the system becomes one to be disregarded by the cynical or the careless, and to be manipulated by those intent on self-protection or self-promotion.” Too much secrecy can also make it harder to protect the American public from national security threats—for instance, by limit-

ing information sharing that could inform decision-making or identify new dangers. One reason the plot to carry out the 9/11 terrorist attacks was not detected in advance, the 9/11 Commission found, was too much secrecy: the failure to share information between agencies and with the public allowed the attackers to succeed. “We’re better off with openness,” said Thomas Kean, the chair of the commission. “The best ally we have in protecting ourselves against terrorism is an informed public.”

EYES AND EARS EVERYWHERE

But perhaps the biggest cost of keeping too many secrets is that it has blinded the United States to an emerging and potentially even more dangerous threat: new tracking and monitoring technologies that are making it increasingly difficult to conceal even the most sensitive information. Take the exercise app Strava, which allows athletes to record their runs and bike rides, among other activities, and share them with friends. In 2017, this seemingly innocuous app became a national security nightmare after a student in Australia began posting images that showed the activities of American Strava users on what appeared to be forward operating bases in Afghanistan and military patrols in Syria. Others quickly generated maps of a French military base in Niger and of an Italian base and an undisclosed CIA site in Djibouti. Soon, it became clear that Strava data could be used not only to reveal the inner workings of such military installations but also, with a few tweaks, to identify and track particular individuals.

Hundreds of similar apps track the locations of unwitting Americans every day, collecting information that is bought and sold by data aggregators. One such company, X-Mode, collects, aggregates, and resells location data so granular that it can track the movements of individual devices and even determine their hardware settings. X-Mode collects this information through its own applications, but it also pays app developers who use X-Mode’s software developer and its location-tracking code for their data. According to a 2019 news report, X-Mode had access to location information for an average of 60 million global monthly users. In late 2020, Apple and Google banned X-Mode from collecting location information from mobile devices running their operating systems, but the tracking technology remains widespread.

X-Mode is the best-known location-tracking data aggregator, but it is far from the only company taking advantage of publicly available information to track people’s private lives. The New York-based com-

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pany Clearview AI has devised a groundbreaking facial recognition app that allows users to upload photos and run them against a database of more than three billion images scraped from Facebook, Venmo, YouTube, and millions of other websites to identify the people in the photos. Federal and state law enforcement agencies have found the

app to be much better than the FBI's own database for tracking down criminal suspects. In 2019, the Indiana State Police solved a case in 20 minutes after uploading to Clearview an image from a cell phone video shot by a bystander to a crime. The man identified as the criminal suspect did not have a driver's license and was

not in any government database, but someone (not the man himself) had posted a video of him on social media along with a caption containing his name. He was quickly arrested and charged.

The rise of the Internet of Things—networked devices—means that more information is being collected about people's daily lives than ever before, including vast troves of voice data generated by voice-operated assistants such as Amazon's Alexa. In a 2017 report, Dan Coats, the director of national intelligence, identified the cybersecurity vulnerabilities produced by the Internet of Things as a key threat to national security. But the report focused narrowly on the physical dangers that sophisticated cybertools might pose to consumer products such as cars and medical devices and did not address the threats that these tools might pose to information security. Late last year, Congress enacted the Internet of Things Cybersecurity Improvement Act, which established minimum security requirements for connected devices. But the law applies only to devices sold to the federal government. Private citizens are on their own. And devices are hardly the only way that companies collect personal information. Facebook makes third-party plug-ins, such as "like" and "follow" buttons and tracking pixels, that its advertising partners can add to their own, non-Facebook websites and applications. These plug-ins, in addition to collecting data for Facebook partners, enable Facebook to monitor the online activities of its users even when they are not on its site.

The spies that necessitated the Espionage Act a century ago have largely been replaced by this ubiquitous tracking and monitoring tech-

nology. If an app can expose the location and identity of U.S. soldiers on forward operating bases in Afghanistan, it can do the same to intelligence officers working at the CIA's headquarters, in Langley, Virginia, or even to the secretary of defense and his or her family members. Forget trying to place operatives under cover again. No matter how careful they have been to keep their identities off the Internet, their friends' photos of them on Facebook and Instagram and inescapable surveillance videos that data aggregators and their customers can easily access will make it nearly impossible to hide their true identities and contacts, much less the identities and whereabouts of their families and friends.

The U.S. government may have refrained from sounding the alarm in part because its own intelligence agencies are exploiting such vulnerabilities themselves. Documents disclosed by WikiLeaks in 2017, for instance, revealed that the CIA had exploited a vulnerability in Samsung-connected televisions to use them as covert listening devices. But while the U.S. government has kept mum, private industry has met and sometimes surpassed authorities' ability to collect information. Non-governmental organizations working in conflict zones now crowdsource conflict-related information that is often as good as or better than the information gathered by U.S. intelligence agencies. At the same time, private satellite companies provide on-demand access to sophisticated satellite imagery of practically any location on earth. In short, the government no longer has a monopoly on the information that matters.

THE MOSAIC THEORY

In the national security world, there is a concept known as "the mosaic theory." It holds that disparate, seemingly innocuous pieces of information can become significant when combined with other pieces of information. This theory is one reason why the vast majority of individuals with access to classified information are told that they cannot judge what information should be classified. A document that appears meaningless might, when put together with other information, give away an important piece of the mosaic to an adversary.

Historically, intelligence analysts have pieced together bits of information to complete the mosaic. As specialists in their fields, good analysts come to know when a seemingly inconsequential piece of information may be significant in context. The advent of big data, combined with artificial intelligence, promises to upend this traditional approach. To understand why, consider the breakthrough made by the

retail giant Target almost a decade ago. Like most companies, Target assigns its customers ID numbers tied to their in-store cards and to their credit cards, names, and email addresses. When a customer makes a purchase, that information is collected and aggregated. In 2012, a statistician working at Target figured out that he could use this information, together with purchase information from women who had set up baby registries, to determine who was likely pregnant. Women who were pregnant started buying unscented lotion, for instance, and they were more likely to purchase calcium, magnesium, and zinc supplements. Using this information, Target was able to create a “pregnancy prediction score,” calculate where women probably were in the course of their pregnancies, and send women coupons for products they may need. This technology only came to public attention after an angry customer complained to a manager at Target that the company was sending mailers to his daughter that clearly targeted pregnant women. Later, he called to apologize: “It turns out there’s been some activities in my house I haven’t been completely aware of. She’s due in August. I owe you an apology.”

That was one company monitoring one set of purchases nearly a decade ago with the help of a simple statistical analysis. Now consider what an adversary could do if it combined that kind of information with similar information from a variety of databases and then used modern artificial intelligence to detect patterns.

This is likely already happening. China is suspected of collecting the personal data of millions of Americans. William Evanina, former director of the U.S. National Counterintelligence and Security Center, warned in early 2021 that China had stolen personal information belonging to 80 percent of Americans, including by hacking health-care companies and smart home devices that connect to the Internet. In April, federal investigators concluded that Chinese hackers may have scraped information from social media sites such as LinkedIn to help them determine which email accounts belonged to system administrators, information that they then used to target Microsoft’s email software with a cyberattack. In other words, China appears to have built a massive data set of Americans’ private information using data illegally obtained and scraped from publicly available websites.

In March 2014, Chinese hackers broke into computer networks of the U.S. Office of Personnel Management, which houses personal information of all federal employees, and obtained the files of tens of thousands of employees who had applied for top-secret security clear-

ances—including me. Although these files were not classified, they contained valuable national security information: the identities of government employees with top-secret clearances, as well as their family contacts, overseas travel and international contacts, Social Security numbers, and contact information for neighbors and friends. Combined with the database of Americans' personal information, this information has likely put China in a position to determine which federal government employees with top-secret access are carrying large credit card debts, have used dating apps while married, have children studying abroad, or are staying unusually late at the office (possibly signaling that an important operation is underway). In short, while the U.S. government has been wasting its energy protecting classified information, the vast bulk of which is unimportant, information with much greater national security value has been left out for the taking.

ENDING OVERCLASSIFICATION

The current U.S. national security system was designed to protect twentieth-century secrets. At the time the system was created, most important national security information was in the government's hands. It made sense to design a system devoted almost entirely to keeping spies from obtaining that information and preventing insiders from disclosing it. Today, however, government information has been eclipsed by private information. The United States needs an approach to national security information that reflects that new reality. It must fundamentally reform the massive national security system that has created a giant edifice of mostly useless classified information and reduce the amount of private information that is easily attainable.

In pursuit of the first aim, the United States should start by imposing an automatic ten-year declassification rule for all classified information. Currently, all classified records older than 25 years are supposed to be automatically declassified, but there are so many exceptions to that rule that many documents remain secret for a half century or more. It took until 2017 to declassify 2,800 classified records relating to the assassination of President John F. Kennedy, for instance, and even then the Trump administration held some records back.

A ten-year declassification timeline should have only two exceptions: information classified as "restricted data" under the Atomic Energy Act and information identifying intelligence agency informants who are still alive. Decisions about whether declassifying any other

information might harm national security should be left to an independent review board made up of former government officials, historians, journalists, and civil rights advocates. A government agency facing the automatic declassification of information it deemed potentially harmful could appeal to the board to extend the classification period—in essence, forcing the agency to justify any deviation from the rule. By making declassification the default, such a rule would incentivize the government to adequately resource the review process and to allow it to take place in a timely manner.

The government should also harness the power of artificial intelligence and machine learning to identify cases of overclassification. Individual government employees who routinely overclassify information relative to their peers could be identified, notified that they classify documents more often than others, and encouraged to be more careful to assess the true need to classify. Artificial intelligence may also eventually be able to suggest classification levels at the time employees are writing documents or emails, to challenge incorrect classification decisions at the time they are made, and to review the classification of stored documents.

Ending mass overclassification would free officials to think more creatively about addressing the emerging threat posed by enormous troves of readily available personal data. Washington can begin by following the lead of Beijing, which despite being an intrusive surveillance state recently enacted one of the strongest data privacy laws in the world—likely not primarily to protect its citizens' privacy but to prevent their data from being collected and exploited by foreign adversaries. The law applies to all entities and individuals, both inside and outside China, that process the personal data of Chinese citizens or organizations, imposing controls on the data and allowing Chinese citizens to sue if the information is stolen, misused, or corrupted. In so doing, the law discourages companies doing business in China from collecting and retaining personal data that could be of interest to foreign intelligence services. In other words, China is working to close the door to foreign powers seeking to exploit the personal data of its citizens, while the United States has left that door wide open.

Privacy in the United States, meanwhile, relies on a patchwork of federal and state laws, each of which addresses elements of the problem, but none of which is comprehensive. For years, civil liberties groups have been calling on the federal government to protect the private information of individuals, but those calls have gone mostly

unheeded. Today, however, it is increasingly clear that protecting the privacy of Americans is necessary not just to ensure their civil liberties but also to defend the country.

Congress should start by expanding to all Internet-connected devices the same security requirements that currently apply only to those such devices that the government owns or operates. One subset of Internet-connected devices poses an especially acute danger: those that monitor the human body. These include fitness trackers that are worn on the body but also devices that are implanted or inserted into it: pacemakers, cardioverter defibrillators, and “digital pills” with embedded sensors that record that the medication has been taken. To reduce the vulnerability of these devices to hacking, federal regulators must require manufacturers to improve their security protocols.

The government should also give consumers new and better tools to control the data that companies collect about them. The Information Transparency and Personal Data Control Act, introduced in March by Representative Suzan DelBene, Democrat of Washington, would require “opt in” and “opt out” consent and “plain English privacy notices.” These measures would certainly be improvements over the status quo. But research shows that consumers tend not to read disclosures, so even clear individual opt-in and opt-out requirements may not limit data collection from unwitting consumers. The proposed legislation would also preempt state laws that may be more protective than the federal law, meaning that it may actually reduce protections in some places. A better option would be for Congress to enact a federal law that follows the example recently set by California, requiring businesses to respect individuals’ choices to universally opt out of data collection. That would be an important step toward giving control back to consumers.

Last, Congress should create an independent federal agency to monitor and enforce data protection rules. The United States is one of only a few democracies that does not have an agency dedicated to data protection. Instead, it relies on the Federal Trade Commission, which has many competing obligations. The proposed Data Protection Act of 2021, introduced in June by Senator Kirsten Gillibrand, Democratic of New York, would create an agency to “regulate high-risk data practices and the collection, processing, and sharing of personal data”—in particular, by data aggregators. Establishing such an agency would also allow the federal government to develop expertise in data privacy issues and to respond more quickly and effectively to new challenges and threats.

LOCKED OUT

The inventor Charles Kettering once observed that “when you lock the laboratory door, you lock out more than you lock in.” In the early twentieth century, when the current classification system took shape, the information worth protecting was mostly located inside federal agencies, so locking the door made some sense. Today, however, Kettering’s observation applies more than ever. Private entities have access to more, and in many cases better, information than the government, so locking the door only isolates federal agencies without protecting much information worth keeping secure.

What a twenty-first-century approach to national security information requires is greater attention to privacy. Yet the United States has done little to protect the information about ordinary citizens that in a world of artificial intelligence and machine learning poses a growing threat to national security. The United States spends billions of dollars to protect classified information, much of which is already readily available from public sources. But it does little to enable its citizens, including those in important government positions, to keep their private lives from being documented, tracked, and exposed. In so doing, it is leaving pieces of the mosaic of U.S. national security lying around for its adversaries to gather up and put together. 🌐

ASIA PACIFIC EDUCATION



Global hub of learning and innovation

The world's fastest-growing region, Asia has remained the main driver of the global economy for nearly half a century. At the heart of the continent's impressive growth have been value-added manufacturing, high tech innovation and, in the last decade, education.

As the leaders of Asian technological innovation, Japan, South Korea and mainland China continue to impress the world with life-changing gadgets and planet-saving technology developed by locals in laboratories and R&D centers at home. That strength has naturally spread to neighboring Asian economies, like Singapore, Malaysia, Indonesia and Thailand.

With the emerging dominance of Asia, the West found itself looking East, strengthening trade ties and forming partnerships with the education sector. Today, some very prestigious universities in the United States have established a presence in the region, like NYU in Abu Dhabi and Shanghai; and Yale and Johns Hopkins University in Singapore.

Belying its size and defying the consequent geographical limitations, Singapore has evolved into a formidable economic power that many countries across the world aspire to become. Without the abundant natural resources, The Little Red Dot focused on developing its human resources, building over many decades a knowledge-based economy.

"We have been providing development programs that enable our workforce to update their skills or acquire new ones. This prepares them for moving from years of formal education into continuing education while they are in the workforce," explained **National University of Singapore Institute of Systems Science CEO Khoon Chan Meng**.

With the emergence of high-tech industries in the 1980s and digitization of industries today, the city-state's universities have played a crucial role in strengthening its economy. In the latest QS world university rankings, National University Singapore (NUS) topped all its Asian counter-

parts, while Nanyang Technological University (NTU) came in second place.

The second-oldest public autonomous university in Singapore, NTU also was ranked No. 1 in the QS Top 50 Under 50 index and No.1 in the Times Higher Education Young Universities list.

"As a public university, NTU plays an important role in developing the workforce and nurturing the economic vibrancy of Singapore. As a globally acclaimed university, we seek to address some of humanity's grand challenges through our research, education and innovation. We strive for impact within the borders of Singapore, across the re-

CONTINUED ON NEXT PAGE



MING CHI UNIVERSITY OF TECHNOLOGY

About MCUT

Established in 1963 by the co-founders of Formosa Plastics Group (FPG), Ming Chi University of Technology (MCUT) has become one of Taiwan's top vocational universities, best known for providing one-year hands-on internships through the Practical Cooperative Training Program, both domestically and overseas. The research centers of MCUT conduct various University-Industry Collaboration Research Projects which serve as a platform to familiarize students with industrial operations. Through these efforts, MCUT aims to cultivate future talents with professional skills and a global perspective.

ACADEMIC PROGRAMS & RESEARCH CENTERS

College of Environment Resources
College of Management and Design
College of Engineering

Center for Reliability Engineering
Organic Electronics Research Center
Battery Research Center of Green Energy
Biochemical Engineering Research Center
Center for Plasmas & Thin Film Technologies
Center for Artificial Intelligence & Data Science
Research Center for Intelligent Medical Devices
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Center for Environmental Sustainability & Human Health

Why MCUT?

- Professional Faculty & Staff
- Excellent Learning Environment
- Advanced Teaching Facilities
- Cutting-Edge Research Equipment
- Well Equipped Dormitory
- Industrial Internship Opportunities
- Overseas Exchange Programs
- Scholarships for International Students
- High Employment Rate after Graduation

www.mcute.edu.tw




Global hub of learning and innovation

gion, and around the globe,” said NTU President Subra Suresh.

“The Ministry of Education certifies every school teacher in Singapore. The Singapore curriculum is very highly ranked. That, combined with lifelong learning and engaging alumni for upskilling and reskilling, gives us an opportunity to leverage the power of education in new and unique ways,” Suresh added.

The SARS-COV2 pandemic hit the global educational sector very hard in 2020. But fortunately, for millions of students, some schools were more agile than others in adapting to the unprecedented health crisis.

By establishing strict safety protocols and investing in hybrid class capabilities, Nanyang Business School was able to increase its enrollment of international students.

“The university worked with immigration authorities to bring in students in a batch system, so that entry was controlled. We provided quarantine facilities for students. Our students were able to come and spend about two-thirds of their program here,” said **Nanyang Business School Dean Christina Soh**.

On the other hand, Lee Kong Chian School of Medicine sees this time as an opportunity to increase international collaboration and capitalize on its strong reputation as a research partner.

“LKCMedicine is a joint venture between NTU Singapore and Imperial College London, one of the world’s top medical schools. We have been working together in establishing the medical curriculum and focusing on various research areas like neuroscience and infectious diseases. Moving into our second phase of development, we want to expand our international partnerships with other medical schools in different parts of the world,” said **LKCMedicine Dean Prof. Joseph Sung**.

Because its history, Hong Kong became a leading center of trade and finance between the East and the West and a melting pot of several cultures. Positioning itself as “the world city of Asia,” Hong Kong continues to attract international students looking for a world-class education in a diverse

environment.

“There is an element of Hong Kong being an attractive place. It has this interesting blend of Chinese culture and the influence of the British educational system. Hong Kong also has a very distinct, inclusive and global atmosphere,” said **Hong Kong University of Science and Technology President Wei Shyy**.

In neighboring Taiwan, the ministry of education stepped up efforts to attract more international students to partially address its decreasing birth rates. International students are vital in keeping Taiwan universities. To achieve that objective, universities have implemented changes to make their programs more inclusive.

“We are pushing very hard to make our university bilingual. The only reason is we want to draw more attention from foreign students and hopefully welcome them to Hualien County,” said **National Dong Hwa University President Dr. Han-Chieh Chao**.

Like other universities dealing with the SARS-COV2 global pandemic, Taiwanese universities had to adopt digitalization strategies, such as equipping all classrooms and laboratories with 5G Wi-Fi to be able to conduct lectures within the campus.

“We need to keep the university running and adapt to this new normal. So, we are establishing a so-called new era classroom where we can do physical teaching activities and conduct remote online teaching simultaneously,” explained **Ming Chi University of Technology President Dr. Thu-Hua Liu**.

Perhaps not on the radar of the typical international student, Brunei boasts an excellent education system funded by its multibillion crude oil and natural gas exports. Since gaining independence in 1984, the sultanate has ensured that higher education remains affordable.

“Our mission is to nurture socially responsible individuals with a deep respect for the Malay Islamic Monarchy. We are committed to building a global and entrepreneurial society that pursues innovation and industry-relevant capabilities,” said **Universiti Teknologi Brunei Vice-Chancellor Dr. Hajah Zohrah binti Haji Sulaiman**. ■

DIRECTORY

Universiti Teknologi Brunei pursues a vision to become a global university that positively impacts society. UTB is the nation’s only 5-Plus QS Star University and is ranked 344th in the QS World University Rankings. It is the sultanate’s key provider of higher education in engineering, as well as in business, computing, applied sciences & mathematics, and design.
<http://www.utb.edu.bn>



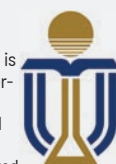
Nanyang Technological University, Singapore (NTU Singapore) is a research-intensive public university with around 33,000 undergraduate and postgraduate students in its engineering, business, science, humanities, arts, social sciences, and graduate colleges. It also set up a medical school, Lee Kong Chian School of Medicine, in partnership with Imperial College London.
<https://www.ntu.edu.sg>



Nanyang Business School (NBS), ranked among the world’s top business schools, has been nurturing leaders for business and public service and advancing global management knowledge and practice for decades. Fully integrated into NTU, it draws on the strengths of one of Asia’s most comprehensive research-intensive universities to provide holistic, interdisciplinary business education.
<https://www.ntu.edu.sg/business>

Lee Kong Chian School of Medicine is a partnership between Nanyang Technological University, Singapore and Imperial College London. Offering undergraduate and graduate programs, the school aims to be a model for innovative medical education and a center for transformative research.
<https://www.ntu.edu.sg/medicine>

HK University of Science and Technology, which just marked its 30th anniversary, is a world-class research university that focuses on science, technology, business, as well as humanities and social science. In 2021, HKUST ranked 3rd in the Times Higher Education’s Young University Rankings.
<https://hkust.edu.hk/home>



Ming Ching University of Technology is one of Taiwan’s top vocational universities, best known for its Practical Cooperative Training Program. The ultimate educational goal of MCUT is to cultivate professionals who can apply theory and put it into practice.
<https://www.mcut.edu.tw>



National Dong Hwa University (NDHU), which offers 35 college degrees and 17 Ph.D. programs, is widening its student exchange programs and research collaborations with higher educational and research institutes around the world. To date, it has more than 10,000 students, of which about 3,800 are graduate students, from Taiwan and other countries.
<https://www.ndhu.edu.tw>



MCUT: A SOLID REPUTATION AT HOME AND ABROAD

Founded in 1963, **Ming Chi University of Technology (MCUT)** has become one of Taiwan's top vocational universities, best known for providing hands-on cooperative training and facilitating compulsory one-year, full-time internships. The school provides internships with local industries, as well as with international partners through its Overseas Practical Cooperative Training Program.

MCUT offers undergraduate and master's degrees under the College of Engineering, College of Environment Resources, and College of Management and Design. Students can specialize in multiple degrees, including chemical engineering, digital marketing, and mechanical engineering.

To keep up with rapid innovation around the world, MCUT established research centers that specialize in film technologies, organic engineering research, artificial intelligence, and data science. Through these centers, the university wants to nurture students with a wider global perspective and more proficient English language skills.

MCUT has also developed an extensive global network with international universities to create diverse opportunities to improve its position, like academic exchanges, study abroad programs and scientific research partnerships. ■

www.mcut.edu.tw



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National Dong Hwa University (NDHU)

- Established in 1994, the first comprehensive university in Eastern Taiwan
- Ranked at Taiwan Top 6, World 261-300 in THE Young University Ranking
- Widely recognized as a prestigious university with research capacity and academic passion
- Located alongside the Pacific Ocean and mountains



Developing credible responses to promote sustainability

By Prof. Wei Shyy, President of The Hong Kong University of Science and Technology

The massive social and economic disruptions caused by the recent pandemic, along with international disagreements, have shown that changes can happen at an unprecedented speed that induce unpredictable situations and fundamentally transformative conditions.

The new normal is placing increasing pressure on higher education institutions to accelerate discovery and innovation in the interest of society, especially in the global mission of building a sustainable future. The issues on hand demand that we consider and adopt fundamental changes across all sectors in the way we operate. We must focus on the availability of and access to resources, wealth distribution, and equity among regions and societies.

Leading universities around the world are committed to meeting the net-zero carbon goal by 2050, if not earlier. In order to achieve such a serious goal, we have to not only develop solutions that are scalable and life-cycle-oriented, but also consider vast differences in the stage of economic development and local natural conditions between regions and countries.

The Hong Kong University of Science and Technology (HKUST) promotes curiosity-driven and mission-encouraged teaching and research, under a cross-disciplinary framework to connect students, researchers, businesses, industries and governments and to motivate them to act collaboratively in addressing these challenges facing humanity.

More than 30 university-funded projects have been developed by HKUST members under "Sustainable Smart Campus as a Living Lab" initiative. These projects include developing self-cleaning nanocoatings to improve photovoltaic panel efficiencies, autonomous greywater treatment, water leakage detection technologies, and digital twins of all campus buildings for streamlined operations and planning.

Hong Kong faces both global and local issues. With its deep and rich international history, meaningful responses to sustainability need to be developed based on open, collaborative and original ideas. Universities are at their best when they engage stakeholders across the spectrum for collaboration and partnership, empower and enable future leaders, foster novel ideas, innovations and practices. HKUST will work with our global partners to fulfill our missions and societal responsibilities. ■

<https://hkust.edu.hk/home>



NANYANG
TECHNOLOGICAL
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SINGAPORE

30
1991-2021

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FORWARD THINKING. LATERAL THINKING.

Fast thinking. Slow thinking.

THINKING OUT LOUD.
THINKING ON YOUR FEET.

THINKING BIG.
THINKING SMALL.
THINKING TWICE.

POSITIVE
THINKING.

OUT-OF-
THE-BOX
THINKING.

MOONSHOT
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The Real Crisis of Global Order

Illiberalism on the Rise

Alexander Cooley and Daniel H. Nexon

The election of Donald Trump in 2016 sparked a major debate over the nature and fate of the liberal international order, suddenly caught, it seemed, between the Charybdis of illiberal great-power challengers and the Scylla of a hostile U.S. president. Trump may have lost the presidency in 2020, but the liberal order remains under threat. If anything, recent events have underlined the magnitude of the challenges it faces—and, most important, that these challenges are only one manifestation of a much broader crisis endangering liberalism itself.

For decades after World War II, the dominant factions in both the Democratic and the Republican Parties were committed to the project of creating a U.S.-led liberal international order. They saw Washington as central to building a world at least partly organized around market exchanges and private property; the protection of political, civil, and human rights; the normative superiority of representative democracy; and formally equal sovereign states often working through multilateral institutions. Whatever its faults, the order that would emerge in the wake of the Cold War lifted millions out of poverty and led to a record percentage of humanity living under democratic governments. But it also removed firebreaks that made it more difficult for turmoil at one political level to spread to another—by, for instance, jumping from the subnational to the national to the regional and, finally, to the global level.

Key players in the established democracies, especially in Europe and North America, assumed that reducing international barriers

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would facilitate the spread of liberal movements and values. It did for a time, but the resulting international order now favors a diverse array of illiberal forces, including authoritarian states, such as China, that reject liberal democracy wholesale, as well as reactionary populists and conservative authoritarians who position themselves as protectors of so-called traditional values and national culture as they gradually subvert democratic institutions and the rule of law. In the eyes of many right-wing Americans and their overseas counterparts, Western illiberalism looks perfectly democratic.

Soon after his inauguration, U.S. President Joe Biden began talking about “a battle between the utility of democracies in the twenty-first century and autocracies.” In doing so, he echoed a widespread view that democratic liberalism faces threats from both within and without. Authoritarian powers and illiberal democracies are seeking to undermine key aspects of the liberal international order. And the supposed pillars of that order, most notably the United States, are in danger of succumbing to illiberalism at home.

Whether they want to “build back better” or “make America great again,” every American analyst seems to agree that the United States needs to first sort itself out to effectively compete with authoritarian great powers and advance the cause of democracy on the global stage. But the two major political parties have very different understandings of what this project of renewal entails. This schism is far greater than disputes over economic regulation and public investment. Partisans see the other side as an existential threat to the very survival of the United States as a democratic republic.

The United States is one of the more polarized Western democracies, but its political conflicts and tensions are manifestations of broader, international processes. The U.S. reactionary right, for example, is linked to a variety of global networks that include both opposition political movements and governing regimes. Efforts to shore up liberal democracy in the United States will have cascading and sometimes unpredictable effects on the broader liberal order; at the same time, policymakers cannot set the country’s affairs in order without tackling wider international and transnational challenges.

All of this goes way beyond giving American democracy a fresh coat of paint and remodeling its kitchen. The crisis cannot be addressed by simply recommitting the United States to multilateral institutions, treaties, and alliances. Its roots are structural. The nature of the con-

temporary liberal international order leaves democracies particularly vulnerable to both internal and external illiberal pressures.

In their current form, liberal institutions cannot stem the rising illiberal tide; governments have struggled to prevent the diffusion of antidemocratic ideologies and tactics, both homegrown and imported. Liberal democracies must adapt to fend off threats on multiple levels. But there is a catch. Any attempt to grapple with this crisis will require policy decisions that are clearly illiberal or necessitate a new version of liberal order.

OPEN FOR INSTABILITY

Critics of the notion of a new cold war between China and the United States highlight fundamental differences between the world of today and that of the early decades of the Cold War. The Soviet Union and the United States formed the centers of discrete geopolitical blocs. By contrast, Beijing and Washington operate in overlapping and interconnected geopolitical spaces. For years, politicians in Washington have debated how many restrictions to place on Chinese investment in the United States. There was no such angst, and no need for it, when it came to the Soviet Union. U.S. companies did not outsource production to Soviet factories; the Soviet Union was never a significant supplier of finished goods to the United States or its key treaty allies.

A wide range of developments—all of which accelerated over the last three decades—have made the world denser with flows of knowledge and commerce, including the expansion of markets, economic deregulation, the easy mobility of capital, satellite communications, and digital media. People are more aware of what is happening in different parts of the world; formal and informal transnational political networks—limited during the Cold War by hard geopolitical borders and fewer, costlier forms of long-distance communication—have grown in both importance and reach.

These unfolding changes jumbled the geopolitical landscape that emerged after the implosion of the Soviet Union. No single, uniform international order replaced the more bifurcated international order of the Cold War; the world, despite the hopes of neoliberal politicians, never became “flat.” Instead, the international order that took shape by the turn of the century was highly variegated. Many of the new democratic regimes that appeared in the 1990s were only tenuously democratic; optimists wrongly dismissed early indications of

weak liberal democratic institutions as but bumps on the road to full democratization. Eastward across Eurasia, liberal ordering became increasingly patchwork. Some states, such as China, managed to effectively access the benefits of the liberal economic order without accepting the requirements of political liberalism.

Many analysts in those years promised that market expansion would produce robust middle classes that would in turn demand political liberalization. They argued that the development of a global civil society—underpinned by human rights, the rule of law, and environmental nongovernmental organizations (NGOs)—would help cultivate and mobilize pro-democracy forces, especially in the post-Soviet space. The Internet, widely imagined as an unstoppable force for freedom, would do its part to spread the irresistible appeal of both liberal economic principles and liberal political freedoms.

One could still make a case for optimism even after 2005, the last year that had a net increase in global democracy, according to the pro-democracy advocacy group Freedom House. But in retrospect, it seems hopelessly naive.

In 2001, only a few months before China formally entered the World Trade Organization, the September 11 attacks drove the United States to embark on the global war on terrorism. The Bush administration adopted or expanded a host of illiberal practices, including the torture of “unlawful combatants” through “enhanced interrogation” techniques and via “extraordinary renditions” to third-party governments, and embraced a militarized version of democracy promotion. The invasion of Iraq in 2003 and the accompanying doctrine of preemption further strained relations between the United States and European allies such as France and Germany. The upheavals of the “color revolutions”—liberal uprisings in post-Soviet countries (in Georgia in 2003 and Ukraine in 2004)—and the Arab Spring, which flared in 2010, further underscored the threat posed by agents of the liberal order, such as international institutions, Western NGOs, and social media. Authoritarian and illiberal regimes increasingly pursued strategies to inoculate themselves from these transnational liberal threats.

The cumulative result of technological innovations, policy choices made by liberal powers, and evolving authoritarian practices was “asymmetric openness”—the strange reality that the contemporary liberal order works better for authoritarian regimes than it does for liberal democracies. Authoritarian states can curtail the effect on their popula-

tions of international civil society, multinational corporations, economic flows, and even the Internet much more effectively than can liberal democracies. Authoritarians can use the freedom of global flows—as afforded by liberal policies, whether economic or political—to advance their own illiberal influence. They do so while variously interdicting, excluding, and controlling cross-national flows of ideas, organizations, information, and money that might threaten their hold on power.

THE AUTHORITARIAN ADVANTAGE

The openness of liberal countries—one of the core principles of such societies—has become a liability. A fundamental problem confronting U.S. policymakers—and one that is especially challenging to those whose assumptions were shaped by governing during the 1990s and early years of this century, when the United States exercised hegemony—is the adeptness with which illiberal states and political movements exploit an open and interconnected global system.

Openness is not producing a more liberal global media and information environment; authoritarians build barriers to Western media in their own countries while using access to Western platforms to advance their own agendas. For example, authoritarian states now enjoy expanded media access to the democratic world. State-run global media outlets, such as China's CGTN and Russia's RT, receive billions of dollars in government support and maintain a plethora of foreign bureaus and correspondents, including in Western democracies—even as authoritarian regimes increasingly exclude Western media. China expelled BBC correspondents and banned the British network from broadcasting in the country in 2021 for its coverage of abuses in Xinjiang.

Similarly, authoritarian-sponsored organizations and lobbying groups continue their activities within open societies even as countries such as China and Russia ban Western officials, academics, and think tankers. Contemporary autocrats are image conscious. They use new technologies and social media platforms to shape their global profiles and elevate their standing with both domestic and international audiences. They routinely contract the services of public relations firms in the West, which portray their clients as popular at home, emphasize their geostrategic importance, and whitewash histories of repression and corruption. Autocrats also attempt to influence policymakers in liberal democracies by funding think tanks and sponsoring “study tours” and other junkets. Reputation management firms—retained by illiberal governments and

oligarchs from autocracies—carefully scan global media and threaten litigation to dissuade negative coverage and deter investigations.

Digital technologies enable new instruments of domestic and transnational repression. They have allowed the security services of both powerful countries (such as China, Russia, Saudi Arabia, and Turkey) and weaker ones (such as Belarus, Rwanda, and Tajikistan) to intensify campaigns to monitor, intimidate, and silence political opponents in exile and activists in diaspora communities—even those residing in countries normally considered safe havens, such as Canada, the United Kingdom, and the United States. As a recent investigation into the Israeli technology company NSO Group and its Pegasus spyware highlighted, authoritarian governments engage in extensive digital surveillance of dissidents and journalists from other countries, often with the aid of corporations based in democratic states.

Western technology companies were once self-proclaimed champions of openness. Now, many are capitulating to pressures from their host countries to remove content and tools that could be used to facilitate mobilization against the regime. Just prior to the parliamentary elections in Russia in September 2021, the Kremlin convinced Apple and Google to remove an application developed by supporters of the jailed opposition leader Alexei Navalny that was designed to help coordinate the opposition vote. Navalny accused the technology giants of acting as the Kremlin’s “accomplices.”

International institutions are also bending to the will of authoritarians. China under the leadership of President Xi Jinping has aggressively sought to curtail criticism of the country in UN human rights forums. According to the advocacy group Human Rights Watch, Beijing has sought to “neutralize the ability of that system to hold any government accountable for serious human rights violations.” Authoritarian states have banded together in coalitions such as the Like-Minded Group to oppose criticism of the human rights practices of individual countries, privilege state sovereignty, and block the accreditation of NGOs and diminish their role in authorized UN processes, such as the Universal Periodic Review. China now leads four UN agencies and has pushed for its preferred leadership candidates in others, including the World Health Organization. In September, the World Bank Group canceled its influential “Doing Business” annual study after an external investigative report found that its leaders, for political reasons, had applied “undue pressure” on their staff to improve China’s position in the 2018 ranking.

Not only can authoritarian states operate freely in the universalist institutions of the liberal international order, but they are also constructing an ecosystem of alternative ordering institutions from which they exclude or significantly curtail the influence of liberal democracies. By founding new regional economic and security organizations, China and Russia can press home their regional agendas via institutions that openly reject the dissemination of political liberal norms and values, use those institutions to help organize illiberal blocs within more venerable international organizations, and maintain exit options should liberal ordering institutions become less welcoming to authoritarians.

THE ROT WITHIN

The threat to liberal democracies also comes from within. The liberal order is anchored by two large federations: the United States and the European Union. Both are also home to some of the most potent and potentially consequential forces of illiberalism. These assume, broadly speaking, two forms: the illiberal actions that liberal democratic governments themselves take in seeking to counter perceived threats and the antidemocratic forces seen in illiberal political movements, parties, and politicians.

Democratic governments have always grappled with tradeoffs between liberty and security, and liberalism has always faced dilemmas about how far to tolerate illiberal actors. The U.S. government condoned the subnational racial authoritarianism of Jim Crow and racial segregation for the majority of the twentieth century, with horrific consequences. U.S. national security policy after 9/11 contributed to the current crisis of the liberal order by, among other things, promulgating the doctrine of preemptive war and militarizing democracy promotion. The United States' embrace of speculative capitalism and its overly financed economy made it the epicenter of the 2008 financial crisis. Most recently, the global pandemic has normalized tighter border controls and more restrictive immigration policies and undermined the legitimacy of protections for refugees.

In order to push back against illiberal forces, most notably China, democratic governments have adopted policies that cut against the openness that characterizes the contemporary liberal order. Washington has used coercive instruments to intervene in global markets in an attempt to preserve U.S. access to and superiority in strategically important technologies. Security concerns related to the potential large-scale Chinese surveillance of Western telecommunications traffic, for

example, led the Trump administration to place substantial pressure on its allies to reject Chinese 5G technology. Even many U.S. politicians and foreign policy officials who are, unlike Trump, committed to market liberalism generally consider this policy a success.

Genuine support for broad-based economic decoupling from China remains limited, but the growing rivalry between Beijing and Washington has produced other, albeit partial, moves away from market liberalism in the name of competitiveness and strategic autonomy. Stuck in the reconciliation process at the time of this writing, the U.S. Innovation and Competition Act is the first significant bipartisan legislation in years to embrace national industrial policy. In this respect, it represents a very limited reversal of the open liberalism, or neoliberalism, of the post–Cold War period.

The neoliberal variant of market liberalism—the push, starting in the 1970s, toward ever-greater deregulation, privatization, and capital mobility—eroded social protections and increased inequality, including by dramatically refashioning the tax code to benefit high-income earners and U.S. corporations. But instead of reversing these policies, many U.S. politicians prefer to place the blame on Chinese trade practices. Maintaining tariffs on Chinese goods appeals to populist sentiments and benefits a limited number of workers in industries that compete against Chinese imports, such as steel. But the harm it inflicts on export industries and consumers is greater. So far, the tariffs do not seem to have produced a new, better trading arrangement with China.

Efforts to grapple with homegrown antidemocratic forces also threaten to undermine liberal norms and values. In the United States, liberals and progressives have called for changes in procedural rules to prevent democratic backsliding. They champion taking an aggressive stance against right-wing militias and paramilitary organizations, stacking the Supreme Court with liberal judges, and abandoning long-standing legislative practices, such as the filibuster. When overtly illiberal regimes take these same measures, observers rightly accuse them of undermining democracy.

The fact remains that liberal democracies do face very real threats from the rise of reactionary populism, conservative authoritarianism, and other antidemocratic movements. In the United States, one of the two major political parties remains beholden to an authoritarian demagogue. Motivated by the “Big Lie” (the objectively false claim that

Democrats stole the election from Trump through systematic voter fraud), the Republican Party is purging officials who stood in the way of efforts to overturn the 2020 presidential election. Republican voter-suppression efforts are accelerating. Extreme gerrymandering has already made some states—such as Maryland, North Carolina, and Wisconsin—de facto legislative anocracies, or systems of governance that mix democratic and autocratic features. If these trends continue, procedural changes may prove to be the only way to prevent the unraveling of democracy in the United States.

CULTURE WARS AND POWER POLITICS

More broadly, liberalism risks undermining itself. At the heart of contemporary political liberalism lies the belief that certain rights and values are universal—that they exist regardless of differences among countries, cultures, or historical backgrounds. The human rights treaty system embraces this understanding; signatory states commit to protecting specific rights, such as due process, and to refraining from particular violations of human rights, such as torture.

The expansion of liberal rights in recent decades, however, has fueled a growing backlash. The Obama administration's effort to promote LGBTQ rights abroad, usually through the State Department, sparked anger among conservatives in countries as different as the Czech Republic and Uganda. The sprawl of contemporary liberal values—from LGBTQ rights to gender equality to the rights of migrants—invites pushback in both democratic and nondemocratic states. It provides illiberal politicians with opportunities to isolate specific liberal values and use them as wedge issues against their opponents.

Moscow, perhaps inadvertently, succeeded in casting itself as a beacon of traditional values through a campaign to demonize LGBTQ rights as a stalking-horse for child sexual abuse. There is nothing particularly novel about this kind of strategy. What is notable is how it has become transnational and, in so doing, has served as a basis for illiberal policies in other countries. Such wedge strategies are also used to undermine support in the international community for reformers by tying them to illiberal values. For example, Amnesty International briefly revoked Navalny's "prisoner of conscience" status following a Kremlin-backed information campaign that highlighted xenophobic comments he had made in the past about Central Asian migrants.

The point is not that the United States should retreat from making LGBTQ rights part of its foreign policy or that Navalny's alarming views on Central Asian migrants are of no consequence. It is that in advancing liberal rights, policymakers have to navigate significant tradeoffs, inconsistencies, and contention.

This extends beyond matters of democracy promotion and civil rights. The Biden administration has correctly declared corruption to be a national security risk. But anticorruption measures will inspire blowback that also poses a national security concern. Aggressive measures will threaten politically connected oligarchs in Europe and elsewhere. Corrupt autocrats are likely to see a number of anti-kleptocracy efforts, such as expanding diligence requirements for service providers and prohibiting foreign officials from accepting bribes, as a serious threat to their regimes and will rally their publics against these new forms of "domestic interference." Important steps for conserving liberalism, even defensive ones, will generate pushback against the liberal order—and not just from overseas. Anticorruption measures threaten a wide range of U.S. politicians, businesspeople, and consultants. In recent years, and especially after the 2016 election, such measures have become another source of partisan polarization.

REACTIONARIES WITHOUT BORDERS

That polarization is not a discrete national phenomenon. U.S. reactionary populism is a specific manifestation of a global trend. The international popularity of Hungarian Prime Minister Viktor Orban among right-wing commentators, ethnonationalist leaders, and conservative celebrities (particularly American ones) highlights the transnational character of illiberal networks. Orban—whom the Biden administration noticeably did not invite to the planned Summit for Democracy in December—has emerged as a media darling of the American right: a head of state who denounces the power of the philanthropist George Soros, touts anti-immigration policies, and champions traditional values.

The Conservative Political Action Conference—a major forum of the American right—plans to hold its 2022 annual meeting in Hungary. The Fox News host Tucker Carlson—arguably the single most influential conservative media personality in the United States—spent a week in Hungary in the summer of 2021 to interview Orban, praise his government, and tell his audience that Hungary is a model

democracy. Carlson echoed Orban's vision of a world in deep cultural crisis, with the fate of Western civilization supposedly in the balance; that perceived peril is the glue that unites the transnational right.

Orban consolidated power through tactics that were procedurally legal but, in substance, undercut the rule of law. He stacked the courts with partisans and pressured, captured, or shut down independent media. Orban's open assault on academic freedom—including banning gender studies and evicting the Central European University from Hungary—finds analogies in current right-wing efforts in Republican-controlled states to ban the teaching of critical race theory and target liberal and left-wing academics.

The guardrails designed to ward off illiberalism have failed. The political scientist R. Daniel Kelemen, for example, points to how the EU, a supposed paragon of liberal democratic norms, did essentially nothing to prevent authorities in Hungary and Poland from incrementally weakening their democracies. The European Parliament institutes region-wide party groupings that effectively shield anti-EU parties, such as Hungary's Fidesz and Poland's Law and Justice party, from sanction. The common European labor market allows political opponents and disgruntled citizens to leave by simply relocating to other European countries, weakening the battle against illiberal policies at home.

These dynamics are not, in fact, all that different from those at play in the U.S. federal system: the courts shield antidemocratic practices such as extreme gerrymandering and targeted voter suppression, and some Republican-controlled states have enacted laws designed to let legislatures intervene in local election oversight under the pretense of preventing fraud. Many of those Republican officials who have become alarmed at the party's sharp authoritarian turn have done little or nothing in response for fear of personal political repercussions or of damaging the party's electoral prospects.

The elevation of Orban by American right-wing intellectuals and television hosts is a high-profile illustration of how the dense interconnections that form the core of the liberal order can facilitate the rise of antidemocratic movements. Another is the membership of Eduardo Bolsonaro, one of the sons of Brazilian President Jair Bolsonaro, in a

*The United States cannot
contemplate defeating its
current authoritarian
challengers in a total war.*



Apply illiberally: Orbán and Trump in Washington, D.C., May 2019

nationalist group founded by the U.S. reactionary populist Steve Bannon. Dark money from the United States underwrites illiberal parties and movements abroad. At the same time, kleptocrats launder funds into U.S. bank accounts, real estate, and even politics. This stokes populism in the United States via its corrupting influence. Many oligarchs and kleptocrats see the patrimonial governing style of reactionary populists such as Trump as supportive of their interests and so are happy to support them in any way they can. Russian financing, often funneled through Kremlin-affiliated oligarchs, subsidizes right-wing and culturally conservative organizations in Europe and North America with the aim of undermining the liberal order.

As fissures widen in many ostensibly liberal democracies, a U.S. foreign policy aimed at defending liberal democracy will require the Biden administration—or any future Democratic administration—to take sides in the domestic politics of allied, democratic, and semi-democratic countries. When the Obama administration tried this approach, its efforts were haphazard and ineffectual. The Biden administration has notably refrained, at least publicly, from leveraging Trump-era security commitments to Poland to pressure the ruling Law and Justice party on the country's democratic backsliding.

The Trump administration, on the other hand, openly endorsed illiberal right-wing governments in Hungary and Poland; it is possible that Trump's efforts to support Andrzej Duda in the 2020 Polish presidential election helped him eke out a win over the more liberal Rafal Trzaskowski, the mayor of Warsaw. Neither the Trump administration nor the Trump-appointed ambassador to Hungary pressed Orban to reverse his decision in 2018 to evict the Central European University—established with money from George Soros—despite the fact that the university represented the largest single U.S. investment in higher education in post-Cold War Europe.

There is no question that a U.S. president who more openly and substantively aligns with center-right, center-left, and liberal parties overseas will risk further politicizing American foreign relations—most notably with respect to the broad transatlantic agenda that still commands support from influential Republicans. But as is the case with many of the dilemmas created by rising illiberalism, trying to avoid further politicizing this or polarizing that means, in practice, handing a substantial advantage to illiberal forces.

ECHOES OF HISTORY

For many, this peculiar moment in the international order augurs the coming of a new cold war, driven by an intensifying rivalry between Beijing and Washington. But a better, albeit still strained, historical analogy can be found in the “Twenty Years’ Crisis”—the fraught period between World War I and World War II when democracies faced multiple pressures, including the Great Depression, reactionary conservatism, revolutionary socialism, and growing international tensions.

Liberal democracies appeared rudderless, internally divided, and generally incapable of rising to the challenge. They struggled to adapt to globalizing technological forces, including new means of mass communication that illiberal forces could use adroitly to their advantage. International migration stoked nativism. Illiberal policies and ideas were on the global offensive, spreading through old and new democracies alike. The late 1920s and early 1930s saw democratic powers—France, the United Kingdom, and the United States—do little to block the rise of fascism abroad or prevent the slide of fledgling democracies into conservative authoritarianism.

The United States finds itself in a not entirely dissimilar position today. Republicans spent the 2020 presidential campaign calling the

Democratic Party “communist” and associating their rivals with authoritarian capitalist China; right-wing media claim that Beijing is implicated in many of their favorite *bête noires*, including critical race theory. For their part, Democrats tied Republicans, and especially Trump, to the far-right ideology of white nationalism and invoked the specter of extremist militias and other domestic militant groups. U.S. policymakers struggle to pursue a coherent and effective foreign policy in defense of the liberal order for the simple reason that the American public is fundamentally divided.

This historical parallel even provides some limited grounds for optimism. The standard story holds that the vast spending program of the New Deal made liberal democracy attractive again; President Franklin Roosevelt transformed the United States into an “arsenal of democracy.” The United States, together with its allies, defeated Germany, Italy, and Japan on the land and the sea and in the skies. This comprehensive defeat, as well as the ample publicity given to the atrocities committed by the Axis powers, left fascism discredited and stigmatized.

Biden seems to favor this analogy. In his domestic policy, he has attempted his own version of the New Deal through a combination of several significant spending bills, including the American Rescue Plan, the Infrastructure Investment and Jobs Act, and one other infrastructure bill—which was in limbo at the time of this writing. In his foreign policy, Biden wants to build a coalition of democracies under U.S. leadership to meet the challenge of rising illiberalism and especially to oppose Chinese and Russian efforts to reconstruct the international order along more autocratic lines. The White House hopes that the meeting of leaders in forums such as the Summit for Democracy will bolster this initiative.

ON WHOSE TERMS?

The odds, however, are not in the administration’s favor. The United States remains the wealthiest and most powerful country in the world, but China is challenging the United States’ influence over the international order—and will continue to do so even if its dramatic rise tapers into stagnation. Washington is reaping the costs of two decades of failures in the Middle East and Central Asia. The United States burned through truly staggering sums of money in those failed overseas entanglements, ultimately purchasing the breakdown of U.S. hegemony in the Middle East and the total collapse of its nation-building project in Afghanistan.

But the domestic front should be even more worrisome for the United States. The two parties may muddle through and avoid tanking U.S. liberal democracy—no small achievement considering Republican actions in the wake of the 2020 presidential election. There remains, however, the overwhelming crush of intense political polarization, hyperpartisan scorched-earth tactics, and legislative gridlock. These ills have generated a host of further problems. Both U.S. allies and U.S. rivals are acutely aware that any agreement they make with the United States may not outlive the sitting administration. The U.S. Senate cannot ratify treaties for the foreseeable future, which limits Washington's ability to attempt significant reforms of the international order, including exercising consistent leadership on matters such as climate change.

After 30 years of worsening political polarization and dysfunction in the country, the U.S. foreign policy establishment has failed to reckon with this reality. Some acknowledge that promoting liberal democracy is now a less relevant priority than preventing democratic backsliding. But such policy debates still do not address the likelihood that the next administration will reverse any new policy, whether the consequences of such a reversal would be better or worse than never enacting a new policy in the first place, or how a new policy might be adjusted to make it harder to undo.

Rather than openly confronting this reliability problem, foreign policy analysts float the idea, explicitly or implicitly, that a specific approach—to managing U.S. relations with China, for instance, or to international trade—will be the one that magically provides the basis for a new, bipartisan consensus. But this puts the cart before the horse. If Americans could forge a broadly shared understanding of international threats and an agreement about the purpose of U.S. foreign policy, then there wouldn't be a serious domestic political crisis to solve in the first place.

A daunting set of problems resides within the structure of the liberal order itself. The current arrangement is too rife with tensions, too internally fragmented, and too asymmetrically vulnerable. In order to survive, the liberal order will have to change.

U.S. officials who sincerely wish to defend the liberal order will need to choose sides, both domestically and in the conduct of U.S. foreign policy. In doing so, they will blur the distinction between liberal and illiberal practices. They will need to break domestic norms, such as not modifying the size and jurisdiction of the federal judiciary because of its ideological disposition. They will also need to back away

from post–Cold War norms, such as limiting favoritism toward political factions in and among major democratic allies. And they will need to do so with the clear understanding that these actions could backfire and provide rhetorical cover for illiberal and antidemocratic practices at home and abroad.

On the economic front, both Democrats and Republicans seem willing to sacrifice some amount of openness, but with very different ends in mind. Fortunately, most of the steps required to conserve the liberal order—such as clamping down on the flow of foreign kleptocratic money into the United States—would deal significant blows to external illiberal forces, even if they’re conceptualized as domestic policies.

Grappling with domestic illiberal threats remains a thorny exercise. Of course, the defense of liberal democracy has produced terrible excesses in the past, including ugly repression and horrific violence. U.S. officials adopted decidedly illiberal policies during the Red Scare that followed World War I, when the specter of Bolshevism loomed large. In trying to stem the rising right-wing extremist tide today, the United States risks returning to those dark times. But the alternative of inaction—Western liberalism’s failure to beat back fascism in the 1930s—remains a dangerous prospect.

History is an imperfect guide. Fascism was defeated—at least for a time—on the battlefields of World War II. Had Hitler been less interested in military conquest, fascist states might be a perfectly normal part of the current global landscape. The Soviet Union, for its part, collapsed because of a combination of the inefficiencies of its command economy, nationalist pressures, and policy choices that turned out very poorly.

The United States cannot really contemplate defeating its current authoritarian challengers in a total war, as that would likely produce a catastrophic nuclear exchange. Its most important authoritarian challenger, China, is a totally different kind of polity than the Soviet Union was. China is wealthy and relatively dynamic, and although it has its share of structural problems, it is not abundantly clear that its shortcomings are any worse than those of the United States.

In short, neither of the historical routes to the ideological victory of liberalism seems likely. This means that liberal democracies really do need to assume that they will not retake the catbird seat of the international order anytime soon. And so the question becomes not whether the liberal order will change but on whose terms. 🌐

The Revolution Will Not Be Privatized

Corporate Responsibility and Its Limits

Diane Coyle

In September 1970, the economist Milton Friedman wrote a seminal essay entitled “The Social Responsibility of Business Is to Increase Its Profits.” Company leaders, Friedman argued, should be entirely concerned with making money for shareholders, not with their businesses’ environmental, social, or broader economic impacts.

Friedman’s tract was influential—and damaging. Over the ensuing five decades, corporations prioritized short-term profits even at the expense of their home countries, communities, and workers. CEO compensation at the top 350 U.S. firms rose by 940 percent in the four decades after 1978, compared with a 12 percent rise for the typical worker over the same period—a change driven by the idea that giving executives higher compensation would get the best performance. It is hard to believe that these dramatic financial incentives at the top have made much of a difference for the U.S. economy, looking at its performance before and since the mid-1970s. But the pay bump shouldn’t be a surprise. If greed is considered good, greed will become the new normal. The worldview Friedman advocated has undermined social norms that allowed the capitalist market system to work for the majority.

But as the essay has passed its 50th anniversary, Friedman’s doctrine might be in terminal decline. Amid the human and economic carnage of the COVID-19 pandemic and the extreme weather events of the last few years, sentiments in the financial markets appear to be shifting. In December 2020, for example, Engine No. 1, an environmentalist hedge fund, won three seats on ExxonMobil’s board after shareholders rebelled against the oil giant’s reluctance to reduce its carbon footprint.

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The Bank of England and the European Central Bank have asked financial institutions to conduct stress tests for different climate-related risk scenarios. The business world is also independently reevaluating its purpose. Klaus Schwab, chair of the World Economic Forum, wrote in *Foreign Affairs* in 2020 that companies must actively take “steps to meet social and environmental goals” or risk having “employees, clients, and voters . . . force change on them from the outside.”

There is certainly a great deal of interest among businesses in how to measure and report their societal impacts. Increasingly, companies are flocking to adopt voluntary standards for environmental, social, and governance (ESG) reporting, including those published by the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures. This means that in addition to reporting their financial returns, as publicly listed companies are already required to do, many businesses now attempt to measure and divulge how much carbon they emit, for example, or how much plastic they use, or how many people of color sit on their boards. These responsibility metrics become part of the profile of a corporation and can help attract or dissuade potential investors. Consequently, there is a rapidly growing industry of ESG advice from consultancies and think tanks, and it will probably not be long before regulators start to crystallize these metrics into a required standard.

The movement toward ESG reporting certainly highlights important issues, such as climate change and the treatment of workers, and it is welcome that corporations want to engage in the debate. But the belief that companies can solve such pressing issues—through pursuing ESG standards or otherwise—is deeply flawed. Despite purportedly having good intentions, many corporations are not genuinely interested in bettering the world, and some use ESG metrics or other sustainability measures mainly to launder their reputations. Fixing some of the world’s most vexing problems will require that businesses dramatically alter their own practices, and it makes little sense to entrust systemic reform to the very institutions that themselves require change.

Instead, action must come from elsewhere: namely, governments. States must impose new regulations on the market economy to ensure that businesses are delivering shared productivity and social progress. Politicians will need to create laws that make markets work well and embed values—such as environmental sustainability or higher wages for low-income workers—that reflect the mainstream views of society. Renewed regulatory activism must include restoring competition



Supply and demands: protesting in Dallas, Texas, May 2008

through effective antitrust enforcement, legislating for the national interest over global profits, and tilting the balance of economic returns from older, wealthier generations to younger, poorer ones. It should also mean regulations to fight climate change, such as emission limits, mandates to end the sale of internal combustion engine vehicles, or bans on the use of certain materials.

This doesn't mean that governments should discourage ESG standards and reporting. Officials should still urge manufacturers to disclose, say, the amount of pollution they produce and set reduction targets. But for the speed and scale of change that the world needs, states will have to force corporations to take steps that they would never agree to take on their own. The job of creating a more just and sustainable world cannot be outsourced to the private sector.

HOW NUMBERS LIE

At first glance, it seems possible that mandating ESG reporting would force businesses to be socially responsible. If corporations were required to disclose their societal and environmental impact, firms or people looking to invest in sustainable ways could make apples-to-apples comparisons and buy accordingly. Journalists might more easily scrutinize how companies affect their surrounding com-

munities and the wider world. This could, in turn, incentivize executives to cut back on harmful corporate practices.

But the value of relying on required ESG reporting is questionable for several reasons. The first is temporal: the world's problems are pressing, and it is still far from settled what the regulatory and governance framework for the corporation

Data is not objective; it does not merely capture facts about the world.

of the future will be. Laws move more slowly than public opinion, and although the intellectual case for a broader definition than Friedman's of corporate purpose is advancing in the academic world, plenty of politicians

and lawmakers (not to mention executives) have yet to be persuaded. Change in legislation and legal enforcement may be slow.

The second problem with mandated ESG reporting is more fundamental: the outcomes it aims to measure are broad and complex, whereas metrics are by definition tightly specified. There are inherent challenges in capturing complex, interrelated economic, social, and environmental phenomena—with all the nuances of interpretation involved—in easy-to-produce metrics. This means that even if states could quickly implement ESG requirements, it is unclear how useful they would be. The United Nations' Sustainable Development Goals, to which much of ESG reporting is linked, clearly demonstrate the challenge. There are 17 of them, all worthy aims, including eliminating hunger, producing affordable and clean energy, and fostering responsible consumption and production. They are divided into 169 targets, measured by 232 indicators. But although progress on most (although not all) of them can be tracked, the monitoring is imperfect, and there are tradeoffs between many of the targets. This would also be the case for ESG targets. The costs companies incur in adopting new production methods for environmental reasons, for instance, might make it less likely that workers down the supply chain would receive wage increases.

Even when there are no tradeoffs between the targets, reductive metrics can have damaging consequences, as the political scientist James Scott explained in his masterly book *Seeing Like a State*. The social world, which is embedded in the natural environment, is messy and disorderly, and so imposing order through classification and measurement requires shaving off or tucking in many rough edges. Scott gives many examples of how this has backfired. To hit forest manage-

ment targets, for example, Germany grew standard trees in ever more standard ways. Given the narrow criteria used to determine which forests were successful—namely the ease of controlling them and their ability to supply timber—this system made forests more productive and profitable at first. But it ultimately harmed biodiversity, and much of what was grown died in the longer term.

Similarly, the seven-decade-long practice of measuring economic activity in terms of GDP has led states to overlook some of the most important consequences of business and policy decisions. GDP is not a natural object; rather, it is an intellectual construct. For example, it decrees unpaid work in the home and natural environmental processes, such as pollination by bees and climate cooling by forests, as outside the economy because there are no market prices for them. As a result, the worlds of policymaking and scholarship have failed to see the importance of laws and regulations that would enable higher growth and living standards over time. Relying on this indicator alone harms the ability of governments to deliver prosperity.

Ultimately, what metrics like GDP perhaps best illustrate is not what they purport to measure but instead that data itself is not objective; it does not merely capture facts about the world. Artificial intelligence systems trained on existing data, for example, often discriminate against disadvantaged social groups: an algorithm used by many hospitals was found to consistently predict that Black patients needed less health care. Any data reflects the social order of which it is a product, so a biased society will replicate its biases in its data. But quantification gives the impression of objectivity, obscuring the tradeoffs and definitional decisions that go into turning actions and outcomes into numbers.

These concerns are clearly applicable to ESG metrics. For example, if a company pledges to avoid child labor, the question arises: What are the boundaries of the universe for which the company can be held responsible—just its direct supply chain or also the supply chains of its manufacturers? What responsibilities and powers should any one company have to monitor the activities of its suppliers? If a multinational business promises to decrease unemployment, is it more responsible for creating jobs in the country where its headquarters is domiciled or instead in lower-income countries where it could contribute to the betterment of many more people's lives? What is the right tradeoff between the interests of current or future employees and those of pensioners? No universal ethical principle applies to these questions,

despite the impression often given in the ballooning literature on ESG standards. No doubt this is why the Task Force on Climate-Related Financial Disclosures recommends reporting decision processes, risk management, and transparency rather than many specific metrics.

Some companies may attempt to make good-faith judgments when resolving these tricky questions. But others will not, and the definitional difficulties highlight a bigger issue: that corporations will manipulate measures or selectively choose specific targets in order to appear responsible without making decisions that would eat into their profits. If sustainability is translated into a metric such as “decreased use of plastic,” for example, what is to stop a company from simply choosing a different environmentally damaging material? A business might switch from packaging waste in recyclable plastic to packaging it in bulky cardboard, which requires more energy to process. If a city must increase its carbon emissions as a result, it isn’t clear how the business reduced its environmental footprint.

Greenwashing—the name for this type of reputational laundering—isn’t a speculative concern. The Adani Group, one of India’s biggest and most powerful energy companies, says it follows responsible ESG principles and has pledged to go carbon neutral. Meanwhile, the company is pushing ahead with some of the world’s biggest new coal projects with financing from major international banks. Starbucks announced a new strawless lid in a bid to cut back on plastic, but it quickly became apparent that the new top used more plastic than the previous lid-and-straw combination. (The company says the new lids are easier to recycle.) Revealing what was an especially cynical ploy, ExxonMobil executives told undercover journalists that the company endorsed a carbon tax precisely because it thought the tax would never pass in the U.S. Congress, making it an easy way to improve the company’s reputation without facing any real consequences.

ALL THAT POWER

At root, demanding that companies use ESG metrics would effectively be asking private entities to legislate social outcomes. The calls for companies to put social aims at the heart of their activities mean placing small numbers of executives in powerful political, economic, and social roles. But business leaders should not be left to make what are, in fact, important collective decisions.

The issue is illustrated in a microcosm by Facebook. Mark Zuckerberg controls Facebook personally and therefore has significant power to shape the culture, social norms, and political outcomes in many countries. Many progressives were delighted when his company banned President Donald Trump from its site, but they still dislike Zuckerberg and his business for offering a platform to right-wing sources. Conservatives, meanwhile, would be thrilled if the company brought the former president back online, and many hate Zuckerberg for purportedly discriminating against their views. But the acrimony over Facebook and its CEO is emblematic of a bigger issue: no one private company or individual should ever have so much power.

The capitalist system as it exists today is not delivering for society.

To address this problem, states could curb the power of gigantic corporations through stronger competition policies. This would mean abandoning the extreme form of the “consumer welfare standard,” which holds that corporations can continuously expand so long as their behavior doesn’t result in higher prices for final buyers. The doctrine has led to immense concentrations of both economic and political power, as very large companies have cemented their dominant market positions and used that weight to lobby over how they are regulated. This standard is now being strongly challenged by some antitrust experts and officials, including Lina Khan, chair of the Federal Trade Commission, and other so-called neo-Brandeisian thinkers. Legislators in the United Kingdom, the European Union, and other jurisdictions are also actively considering more interventionist approaches, such as requiring that certain large companies notify authorities in advance of planned takeovers or prohibiting platforms from favoring their own products over those of competitors.

But stronger antitrust enforcement is only one of the new policies that governments should impose on the private sector. Financial companies are impoverishing their clients by selling products, such as certain kinds of derivatives, that ultimately take money from customers, rather than helping them invest properly. Food and drug manufacturers are damaging their customers’ health through their contributions to the obesity and opioid epidemics. Technology firms are polluting rather than enlightening the sphere of public debate. The capitalist system as it exists today is not delivering for society, even before tak-

ing environmental damage into account. States cannot and should not tolerate the way the private sector operates. They need to make specific interventions—such as better enforcement of food standards and more active consumer protection in finance—to help their residents.

The problem is that despite all the criticisms of the business world, many people believe that companies are more effective than governments at achieving desired changes. According to the latest annual Edelman Trust Barometer, survey respondents around the world had more faith in businesses than in governments or politicians. Indeed, according to the 2021 findings, the business world is the only institution now seen as both ethical and competent despite the hugely increased presence of the state in economic life since the start of the pandemic. (Nongovernmental organizations are seen as ethical but not competent, and the media and politicians are seen as neither.) It is therefore important that corporations continue to reflect on their purpose and monitor their impact on society.

And some corporate involvement in public life can be positive. The business world, for example, helped drive acceptance of LGBTQ rights in the United States by banning discrimination within its own workplaces well before the government took action and then pressing politicians to repeal anti-transgender laws. If corporate actions can do the same for intractable environmental and social challenges, activists should accept the help. Businesses can be powerful advocates when it comes to forcing legislative action, and calls for businesses to take the lead in bringing about change reflect a welcome recognition that their narrow profit-driven purpose has failed society.

But even Friedman understood that it would be dangerous to have businesses become too involved in addressing public issues. Part of his argument against corporate social responsibility was that it was undemocratic. Corporate money spent in pursuit of anything other than profit, he argued, was tantamount to taxing shareholders (or customers and employees), and taxing and spending are properly the business of government—not the business of businesses. “Here the businessman—self-selected or appointed directly or indirectly by stockholders—is to be simultaneously legislator, executive and jurist,” Friedman wrote. “He is to decide whom to tax by how much and for what purpose, and he is to spend the proceeds.”

Friedman was wrong, of course, to argue that businesses had no duty to think beyond profit. Companies are important social institu-

tions, shaping how people work, what they buy, how healthy they are, and what kind of communities they live in. Corporate executives should consider the moral aspects of every choice they make. But some of the questions raised about corporate responsibility and ESG reporting do run headlong into political choices, and his point still has force.

The movement for ESG reporting reflects a vacuum in political leadership. To reach a zero-carbon economy, the state cannot count on businesses to voluntarily pare back profits. Governments will need to force companies to invest in new technologies and ways of operating and to pay higher energy costs during the transition. In order to restore healthy markets for customers and workers, states will need to cut into the revenues of dominant businesses. Happy talk about corporate purpose and responsibility cannot serve as a distraction from hard choices. Business leaders need to play their part, but so do political leaders and voters. Like it or not, everyone is in this together. 🌐

All Against All

The Sectarian Resurgence in the Post-American Middle East

Vali Nasr

The Biden administration's mantra for the Middle East is simple: "end the 'forever wars.'" The White House is preoccupied with managing the challenge posed by China and aims to disentangle the United States from the Middle East's seemingly endless and unwinnable conflicts. But the United States' disengagement threatens to leave a political vacuum that will be filled by sectarian rivalries, paving the way for a more violent and unstable region.

The struggle for geopolitical primacy between Iran's Shiite theocracy and the countries led by Sunni Arabs and, more recently, Sunni Turkey is stoking conflict across the region—eroding social compacts, worsening state dysfunction, and catalyzing extremist movements. Both sides have weaponized religious identity for their own purposes, using it to rally partisans and bolster their influence across the region. As a result, the broader Middle East remains a tinderbox.

Although Iran retains the upper hand, challenges to its position are building across the region. Sunnis have tired of virulent extremism, but the anger that fueled the rise of the Islamic State (also known as ISIS) remains undiminished; new insurgencies in the broken parts of the region will undoubtedly harness that rage once more. Sunnis in Iraq, Lebanon, and Syria are increasingly chafing at moves by Tehran and its allies to tighten their hold on power. And terrorism has emerged in Afghanistan again, as the country slides into chaos in the wake of the Taliban's victory. Without any political process to defuse these tensions, they are bound to erupt in new waves of tumult and bloodshed.

Israel's intervention in these sectarian conflicts on the side of the Sunni powers has only added fuel to the fire. Because of Israel's in-

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volvement, regional stability is even more subject to the fate of Iran's nuclear program. Washington and Jerusalem are already discussing a "Plan B" for if a diplomatic settlement remains beyond reach. This path would place Iran and the United States on a collision course—as well as exacerbate sectarian tensions, deepen societal divisions, and trigger new conflicts from the Levant to Afghanistan.

Washington's desire to do less in the Middle East comes at a time when China and Russia are leaning into the region, a hard-line government in Iran is digging in its heels, and the Sunni Arab states are less confident than ever about U.S. security guarantees. Unless the United States paves the way for a more stable regional order—beginning by striking a deal over Iran's nuclear program—it may find itself dragged back into the Middle East's many conflicts despite its best efforts to walk away.

WEAPONIZING ISLAM

The origins of the rivalry between the Shiites and the Sunnis go back to the very beginnings of Islam, and over the centuries, the two sects have evolved distinct interpretations of Islamic law and religious practice. The strife between the two groups today, however, is rooted not in theology but in a struggle for power. Shiism and Sunnism are prominent identity markers that shape political allegiances in divided societies. The intensity of sectarian fighting has ebbed and flowed over the past two decades, but sectarianism's salience to the region's politics has not waned—nor has the struggle between Iran and its Sunni-led rivals, which both feeds on and fuels this schism. These two forces are different sides of the same coin.

It was the 2003 U.S. invasion of Iraq that allowed Iran to dramatically expand its influence in the Arab world. Ever since the United States brought down the authoritarian regime that guaranteed Sunni-minority rule in Baghdad, Tehran has expertly played on sectarian loyalties to empower a network of armed proxies that now stretches from Lebanon and Syria to Iraq and Yemen, forming what Jordan's King Abdullah once called a "Shiite crescent." In doing so, Iran has empowered Shiites at the expense of Sunnis across the region and enhanced its own influence over that of rivals such as Saudi Arabia, Turkey, and the United Arab Emirates (UAE).

The Arab world's push for democracy and good government, the so-called Arab Spring, led autocrats, threatened by the prospect of

change, to further weaponize sectarianism. Syrian President Bashar al-Assad stoked fear of Sunnis to scare the Syrian Alawite community, to which he belongs and which traces its roots to Shiism, into unflinching support for his regime. In Bahrain and Yemen, rulers justified violent crackdowns by accusing Shiite protesters of being Iranian proxies. Iran and its Arab rivals reinforced this dynamic by

*Washington cannot push
Riyadh to reach a deal
with Tehran if it cannot
do so itself.*

arraying themselves behind their respective Shiite and Sunni clients, seeing their coreligionists as tools to protect their regional influence.

Iran's regional footprint has expanded in tandem with its nuclear program. Although the United States effectively checked Iran's nuclear am-

bitions in 2015 through an internationally brokered deal, containing its regional ambitions has proved elusive. Washington's insistence that regional matters not be included in the nuclear talks incensed its Arab allies, which were then on the losing end of sectarian proxy wars in Iraq, Syria, and Yemen. U.S. President Barack Obama reinforced their fears about Washington's commitment to assist them in these struggles when he counseled that the Iranians and the Saudis needed "to find an effective way to share the neighborhood."

The Sunni Arab states saw the nuclear accord as the bookend to the Obama administration's earlier refusal to topple the Assad regime. In Arab leaders' eyes, these two decisions tipped the regional balance of power decidedly in Tehran's favor: the failure to topple Assad empowered Tehran's Shiite allies in other countries, and the nuclear deal failed to restrain Iran's regional meddling. To the Arab leaders, it seemed as if the United States was blessing Iranian hegemony in the Middle East.

U.S. President Donald Trump was sympathetic to that view. He withdrew from the nuclear accord in 2018 and said a new deal would have to address Iran's regional role. His "maximum pressure" campaign imposed crippling sanctions on Iran and aimed to make it impossible for Tehran to financially sustain its position in the Arab world. Under Trump, Washington took several steps to restrain Iran, including carrying out a drone strike in 2020 that killed Qasem Soleimani, the head of the Quds Force, the expeditionary branch of Iran's Islamic Revolutionary Guard Corps, and Abu Mahdi al-Muhandis, a senior Iraqi Shiite militia commander.

The Trump administration succeeded in battering Iran's economy, increasing social misery and political discontent. But its attempt to force a broader Iranian retreat from the Arab world failed utterly. On the contrary, Iran responded by escalating regional tensions: it attacked tankers in the Persian Gulf, targeted oil facilities in Saudi Arabia, and launched an audacious missile strike on Iraqi air bases that housed U.S. troops, bringing Iran and the United States closer to war than ever before.

Iran emerged from the Trump years more aggressive and lethal. Since the United States left the nuclear deal, Iran has increased its stockpile of enriched uranium, expanded its nuclear infrastructure, and gained critical nuclear know-how. It is now perilously close to possessing enough fissile material for a nuclear bomb.

It was the decision to scrap the nuclear deal, not the decision to sign it in the first place, that has made Iran a larger force in the region. Tehran's nuclear and regional ambitions have advanced hand in hand: a credible nuclear program provides an umbrella that protects its proxies across the region, which in turn boost Iran's influence further. Thus, the more expansive and resilient the nuclear umbrella, the more effective the proxies that operate under its protection. By reducing the scope of Iran's nuclear program, the 2015 nuclear deal also reduced the protection Tehran could provide its proxy forces. With the deal in abeyance and Iran rapidly growing its nuclear program, its regional forces will become more brazen.

Iran's hard-liners also consolidated their power during the Trump years. They saw their worldview vindicated by the "maximum pressure" campaign: to them, it constituted proof that the United States was pursuing regime change in Tehran and would not relent until the Islamic Republic collapsed. This rendered engagement with Washington futile and meant that Iran could secure its interests only through confrontation with the United States and its allies. Iran thus emerged from the Trump era determined to continue with its nuclear program and strengthen its position in the region.

Ebrahim Raisi, Iran's new president, made it clear during his speech to the UN General Assembly in September that he believes the regional balance of power is tilting in Tehran's favor. Evoking the January 6 riot at the U.S. Capitol and the images of Afghan civilians falling from U.S. aircraft fleeing Afghanistan, Raisi said these scenes sent a clear message to the world: "The United States' hegemonic system has no credibility, inside or outside the country."

As such statements suggest, Iran's new government has adopted a triumphalist perspective on events in the Middle East. In its view, Iranian intervention in Syria saved Assad in the face of a concerted American, European, Turkish, and Sunni Arab push to topple him. In Yemen, a brutal U.S.-backed Saudi military campaign failed to change the reality that the Houthis are firmly entrenched in the capital of Sanaa and almost all of the country's north. Iran has also sustained its dominant position in Iraq and Lebanon, despite economic pressures and what it views as meddling from its rivals.

The imperative of maintaining Iran's influence in the Arab world is now embedded in the strategic calculus of the country's deep state, and the militias that Tehran has built for that task are facts on the ground across the region. But despite all of Iran's recent victories, the sectarian conflicts that are racking the Middle East are far from over.

PRIMED TO EXPLODE

Iran is hardly the only party behind the rise of sectarian conflict across the Middle East. Qatar, Saudi Arabia, Turkey, and the UAE have all supported Sunni factions in the Arab world. Turkey and wealthy Sunni businessmen in the Persian Gulf have funded some of the more extreme Sunni factions that sought to topple Assad—including ISIS. That group's virulent anti-Shiism and its promise to resurrect the Islamic caliphate, which served as the seat of Sunni power in earlier eras, appealed to disenfranchised Sunnis in the expanse that stretches from Damascus to Baghdad. In the end, ISIS was undone by an alliance of convenience formed by Russia, the United States, and Iran, the last of which fought ISIS alongside its local Shiite allies in Iraq and Syria.

But although Tehran has so far been able to come out on top in the regional struggle for influence, it may find itself under increasing pressure in the years ahead. The Sunni Persian Gulf monarchies, along with Israel and Turkey, all have a stake in the outcome of the sectarian conflicts racking the Arab world. With the United States signaling that it will not try to dislodge Iran from the various places where it has entrenched itself, regional actors are preparing to take up the gauntlet.

In Syria, the Assad regime is attempting to consolidate its authority, but the country remains a sectarian powder keg. Fighting could resume over control of the northwestern governorate of Idlib and the Kurdish-controlled region in the northeastern part of the country. Turkey has pushed back against Assad's attempts to take over Idlib, bol-

stering its claim to be the defender of Sunni rights in Syria. Israel has also been drawn into the vortex of the Syrian conflict, as it grows increasingly uneasy with Iran's expanding military footprint there. Meanwhile, the country's majority Sunni population, which lives in the parts of the country devastated by the decadelong war, remains disenfranchised and impoverished.

The fate of Syria is tied to that of Iraq. The central Iraqi government's victory against Sunni jihadis served only to underscore its dependence on military support from Iran and the United States and also came at the cost of bolstering the influence of the country's Shiite militias. The Iraqis have managed to temper sectarian conflict for now, but its embers are glowing bright just below the surface. Recent national elections also highlighted the tenuousness of the political status quo. In advance of voting in October, the influential Grand Ayatollah Ali al-Sistani and the Shiite religious establishment encouraged Iraqis to head to the polls—but those pleas fell on deaf ears. Public apathy resulted in record-low turnout, which gave a boost to the most sectarian political figures in the country: the maverick cleric Muqtada al-Sadr and former Prime Minister Nouri al-Maliki. The only silver lining was that the parties affiliated with Iranian-backed Shiite militias also did poorly. That has, however, given them a motive to destabilize the country—as shown from a recent attempt to assassinate the country's prime minister.

Sadr's ascension does not augur well for sectarian peace in Iraq. Although he has fashioned himself as a nationalist, he equates Iraq's national interests with his Shiite community's right to rule the country. His militia was at the forefront of the sectarian civil war that engulfed Iraq in 2006, and he does not intend to cede power to assuage Sunnis. Although he wants autonomy from Iran, he will be confronted with rival factions at home and maneuvering from the Sunni monarchies of the Persian Gulf, who have opposed Shiite control of Iraq. So his inclination will be to rely on Tehran.

The growing tumult in Lebanon also portends instability, but not a lessening of Iranian influence. The country's dominant political actor is Hezbollah, which has built up its military capacity over the years with generous Iranian backing. The Lebanese Shiite paramilitary group has performed well in wars against Israel, and its vast arsenal of missiles remains a menacing deterrent to Israeli military action against Iran. Hezbollah has also successfully deployed its fighters on behalf of



Sect appeal: Sadr in Najaf, Iraq, October 2021

Iranian allies across the Arab world, notably in Iraq and Syria, becoming even more indispensable to Tehran.

But Hezbollah is also a political force in Lebanon, complicit in the economic crisis that has corroded the country's state and society. The country's Christian and Sunni communities have long decried Hezbollah's pro-Iran loyalties and insistence on functioning as a state within a state. Growing numbers of Lebanese now blame the group for undermining the official investigation into the devastating blast at the Beirut port in August 2020, which destroyed large parts of the city. Hezbollah will not relinquish power without a fight; its hold on the Shiite community remains strong, and Iran is committed to supporting the organization. Lebanon has long been prone to paroxysms of violence, and it is not hard to see how current events are setting the stage for another bout of sectarian conflict there.

In Yemen, a civil war has become a proxy war. On one side is the central government, which is backed by Saudi Arabia. On the other are Houthi tribespeople, who hail from the country's north, which is dominated by members of the Zaidi Shiite sect, and who enjoy support from Iran. The war took on an overtly sectarian cast in 2015, when a coalition of states led by Saudi Arabia and the UAE intervened to prevent a Houthi victory and the establishment of an Iranian beachhead

on the Arabian Peninsula. Their campaign has devastated Yemen—but it has not vanquished the Houthis, whose reliance on Iran has only grown during the fighting. When the war ends, the Houthis will hold sway over significant parts of Yemen and will have a large say in its politics. The glass will be half full for Iran and the Shiite side of the regional ledger and half empty for Saudi Arabia and its Sunni allies.

As the Sunni Arab states look to even the playing field, they are increasingly warming to a powerful ally in the struggle against Iran: Israel, which has placed itself squarely in the middle of the burgeoning regional tussle by launching air raids against Iranian bases in Iraq and Syria and carrying out assassinations, cyberattacks, and industrial sabotage to slow the Islamic Republic's nuclear program. Tehran has thus far limited its responses against Israel to cyberattacks and attacks on its ships in the Persian Gulf, but the situation could quickly escalate—not necessarily into direct war between Iran and Israel but perhaps to clashes between both side's tacit partners in Iraq, Lebanon, and Syria and to Iranian attacks against Israel's new allies in the Persian Gulf.

THE SUNNI BACKLASH

In the midst of all of this, the Sunni Arab states are in search of new strategies to protect their interests. They have thus far relied on the United States to contain the expansion of Iran's regional influence, an expansion Washington itself set in motion when it invaded Iraq. But the U.S. departure from Afghanistan, talk of a reduced U.S. military presence in Iraq, and the Biden administration's desire to end the "forever wars" have compelled Saudi Arabia and the UAE to start talking to Iran in the hopes of reducing tensions and buying time to build their own regional capabilities.

These talks have come after years of proxy wars across the region, Saudi and UAE support for the American strangulation of Iran's economy, and Iranian attacks within Saudi and UAE territory. They therefore represent an important effort to reduce tensions. Saudi Arabia wants Iran to lean on the Houthis to end the war in Yemen and to bring an end to drone attacks on its territory. Iran, in turn, wants full normalization of relations with Saudi Arabia. A breakthrough is not close at hand, largely because the talks are happening in the shadow of nuclear negotiations between Iran and the United States. The two sides continue to meet, however, and have identified potential first steps in a rapprochement, such as the opening of consulates to facili-

tate religious tourism. The Biden administration has supported the dialogue, but Washington cannot push Riyadh to reach a deal with Tehran if it cannot do so itself.

The specter of Sunni extremism also continues to worry Iran. The Taliban's victory was a boon for Sunni militancy across the region: the Afghan group's history is mired in bloody sectarian violence, and it sees Shiism as outside the pale of Islam. Although the Taliban no longer openly espouse

The root cause of the Middle East's troubles remains unresolved.

hostility to Shiism and have forged ties with Iran, their return to power has been marked by a purge of Shiite Hazaras from government jobs, the closure of their businesses, and their expulsion from their homes and villages. Although the latest sectarian violence in the coun-

try, such as the deadly bomb attacks on Shiite mosques, has been blamed on an ISIS affiliate known as Islamic State Khorasan, or IS-K, it still underscores the potential for a wider sectarian conflict in Afghanistan.

The Sunni Arab states are also seeking strategic depth by mending fences with Turkey, which under President Recep Tayyip Erdogan considers itself to be a regional power and a defender of Sunni prerogatives. Erdogan's Turkey sees itself as the heir to the Ottoman Empire, which until 1924 was the seat of the Islamic caliphate, the symbolic heart of Sunni power. It also maintains close ties to the Muslim Brotherhood, the Arab world's most important Islamist force. During the Arab Spring, Turkey fashioned itself as the model for the Arab world, supporting popular demands for democracy and the Muslim Brotherhood's ambitions for power. Later on, it also took Qatar's side when its Persian Gulf neighbors imposed a blockade on it.

These policies angered the Persian Gulf monarchies, which perceived Turkey as a rival for leadership of the Sunni world. This internecine bickering even at times overshadowed the sectarian rivalry with Iran; in fact, Ankara's relationship with Tehran has generally been warmer than its ties with Riyadh and Abu Dhabi. Turkey's competition with its Sunni rivals has brought it into every arena in which sectarianism is at play, as Erdogan's government has staked its claim to influence in Iraq, Lebanon, and, most recently, Afghanistan.

Turkey has been a bulwark against Iran's influence. Turkey has used its military muscle in Iraq and Syria effectively: although it cannot match Iran's proxy power, its military, economic, and diplomatic capa-

bilities have ensured that it maintains an influential role in the Middle East. The Sunni Arab states, by comparison, have failed to check Iranian power in any meaningful way. Their investment in the Syrian opposition came to naught, and Saudi Arabia abandoned Lebanon, failed to gain a foothold in Iraq, and has stumbled in the war in Yemen. The Sunni Arab states, however, continue to exercise influence in Washington, and they are bolstering that strategic depth with intelligence and military cooperation with Israel. But on the ground, they can only hope to slow Iran's progress, not reverse it.

LEAVING ON GOOD TERMS

The United States cannot mitigate all the dangers looming in the Middle East. But it should avoid making things worse. A smaller American role in the region may be inevitable, but the way in which Washington pulls up its stakes will matter. To many in the Middle East, American withdrawal is a shorthand for Washington abandoning the region, where it has previously defended against threats from the Soviet Union, Iran, Iraq, and, most recently, ISIS. Even if the United States continues to maintain a large military presence in the region, its commitment to using military force is increasingly open to question.

That strategic confusion is an opening for Iran and its proxies. It will also invite new entrants into the fray, such as Russia and Turkey. There is no ready substitute for the United States' containment strategy, which for over four decades has served as the region's *de facto* security architecture. The best Washington can aim for is to discourage regional rivalries from intensifying, in the hope that relative calm could provide an opportunity for new regional frameworks to develop. For this reason, U.S. efforts to back away from enforcing containment must go hand in hand with a diplomatic surge to diminish and resolve conflicts between regional powers.

A nuclear deal with Iran remains the most important deterrent to greater regional instability. There are understandable reasons why the Biden administration may be hesitant about returning to the 2015 nuclear deal. Some of the accord's restrictions on Iran are set to expire before the end of President Joe Biden's first term, and the lifting of sanctions that is required as part of the deal would invite a maelstrom of bipartisan criticism. For these reasons, the administration says it wants a "longer and stronger" deal. Iran, however, is interested only in a restoration of the 2015 deal—but this time with American guarantees

that the next administration will not upend the deal again. A deadlock—or, worse, the collapse of talks—would put Iran and the United States on a dangerous path to confrontation that would inevitably embroil the Arab world and inflame sectarianism.

The Biden administration has encouraged regional actors to talk to one another. But these dialogues will not be sustained if the effort to restore the nuclear deal falters. The first victim will be stability in Iraq and Lebanon, which requires consensus among Shiite and Sunni stakeholders. For the Biden administration to extricate the United States from the Middle East, it needs to establish a modicum of regional stability—and that effort must begin with returning Iran and the United States to mutual compliance with the 2015 deal.

For over four decades, the United States saw the Middle East as vital to its national interests. It built alliances with Arab states to contain Iran, keep Islamism at bay, and manage the Israeli-Palestinian conflict. The American strategy was most successful when it was able to maintain a stable balance of power between Iran and its Arab neighbors. Ever since the United States undermined that balance by invading Iraq in 2003, it has been trying to restore it—and now, faced with other urgent global challenges, it is abandoning the effort altogether. There is ample reason to embrace this strategic recalibration. It is too costly to pursue an elusive balance of power, especially since the Middle East is no longer as vital to American national interests.

But leaving the region to its own devices is a dangerous gambit. Without a new security arrangement, chaos and conflict will be the order of the day. A recrudescence of Islamic extremism, the specter of further state collapse, wars large and small over territory and resources, and open conflict between Iran and Israel will have catastrophic security and humanitarian consequences that will inevitably demand renewed U.S. attention. If the United States wants to shrug off the burden of sustaining the Middle East's balance of power, then it should look for a sustainable alternative—an arrangement that can end the region's most dangerous conflicts and set in place rules of the game for a workable regional order. That task must start with defusing the conflict that represents the greatest threat to the region: the standoff with Iran. 🌐

India's Stalled Rise

How the State Has Stifled Growth

Arvind Subramanian and Josh Felman

For much of the first decade of the twenty-first century, India's economy captivated the world's imagination. Other countries looked on enviously as India became the fastest-growing free-market democracy, seemingly vaulting effortlessly from the status of a nation mired in poverty into that of a high-tech, car-owning, middle-class society. Powered by information technology companies such as Infosys, Tata Consultancy Services, and Wipro, the country was poised to be a global player, perhaps even an economic superpower.

But then came the global financial crisis of 2008. India's three-decade-long structural transformation ground to a halt and remained at a standstill for more than a decade, as the initial shock was compounded by years of poor economic management. By the time the COVID-19 pandemic struck, the world had turned its attention away, with India seemingly disappearing from the global economic map.

In 2021, however, India suddenly reappeared. Foreign portfolio managers, convinced that the country was on the move again, funneled money into its stock market, sending it soaring. Venture capitalists poured money into “digitech” (digital technology) startups, seizing on India's unique combination of computer engineering talent, dynamic entrepreneurs, and market potential. Indeed, a new “unicorn”—a startup valued at more than \$1 billion—seems to appear every month, in cloud computing, education, entertainment, finance, payments, tourism. Altogether, there are now nearly 70 such unicorns in India, more than in any other country except China and the United States.

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Meanwhile, international manufacturing firms have also started to look toward India, as they seek to diversify their production away from China. After all, with its huge domestic market, sizable pool of skilled, English-speaking managers, and vast reservoir of young, low-skilled workers, India seems well suited to produce labor-intensive export goods. All this has left many asking: Is India back?

The question is far more difficult to answer than some of the recent economic data suggest. Without a doubt, India has made impressive recent progress in building the “hardware” of economic success—its physical and digital infrastructure, its ability to provide tangible basic goods to its population, and its strong base of skilled engineers and entrepreneurs. Yet at the same time, the country continues to struggle to fix its “software,” the crucial economic framework under which domestic entrepreneurs and foreign firms must operate. Policies are changed abruptly; rules are altered to favor certain firms. As a result, domestic entrepreneurs and foreign companies have been reluctant to undertake the investments needed to exploit India’s rapidly advancing hardware. Whether India manages to boom again and become a serious alternative to China will depend on whether the country can finally overcome the long-standing defects in its policy software. If not, the recent growth spurt is likely to prove another false start in a country of immense promise.

INDIA’S LOST DECADE

To answer the question of whether India is back, it is important to first understand when and why India went away. The answer lies in plans that went badly wrong. During the boom years after the turn of the millennium, Indian firms invested heavily, on the assumption of continued rapid growth. So when the financial crisis brought the boom to an end, causing interest rates to soar and exchange rates to collapse, many large companies found it difficult to repay their debts. As companies began to default, banks were saddled with non-performing loans, exceeding ten percent of their assets.

In response, successive governments launched initiative after initiative to address this “twin balance sheet” problem, initially asking banks to postpone repayments, later encouraging banks and firms to resolve their problems through an improved bankruptcy system. These measures gradually alleviated the debt problem, but they still left many firms too financially feeble to invest and banks reluctant



If you build it: highway construction in Ahmedabad, India, January 2021

to lend. And with lackluster investment and exports, the economy was unable to recover its former dynamism.

As growth slowed, other indicators of social and economic progress deteriorated. Continuing a long-term decline, female participation in the labor force reached its lowest level since Indian independence in 1948. The country's already small manufacturing sector shrank to just 13 percent of overall GDP. After decades of improvement, progress on child health goals, such as reducing stunting, diarrhea, and acute respiratory illnesses, stalled.

And then came COVID-19, bringing with it extraordinary economic and human devastation. As the pandemic spread in 2020, the economy withered, shrinking by more than seven percent, the worst performance among major developing countries. Reversing a long-term downward trend, poverty increased substantially. And although large enterprises weathered the shock, small and medium-sized businesses were ravaged, adding to difficulties they already faced following the government's 2016 demonetization, when 86 percent of the currency was declared invalid overnight, and the 2017 introduction of a complex goods and services tax, or GST, a value-added tax that has hit smaller companies especially hard. Perhaps the most telling statistic, for an economy with an aspiring, upwardly mobile

middle class, came from the automobile industry: the number of cars sold in 2020 was the same as in 2012.

In early 2021, the country's population and health system were hit by a catastrophic second wave of the pandemic. Estimated at over 70 percent, India's infection rate became one of the highest in the world, leading to an estimated 2.5 million to 4.5 million excess deaths. And many of those who survived found their lives blighted: heads of families faced immense medical bills, while their children were kept out of school for 18 months. In a country where learning outcomes are already modest, a generation of children have fallen further behind.

Adding to a decade of stagnation, the ravages of COVID-19 have had a severe effect on Indians' economic outlook. In June 2021, the central bank's consumer confidence index fell to a record low, with 75 percent of those surveyed saying they believed that economic conditions had deteriorated, the worst assessment in the history of the survey.

Disaffection is also manifest in politics. The national government in New Delhi has been bickering with the country's state governments for more than a year over the sharing of revenue from the GST. Several states have imposed new residency requirements on job seekers over the past two years, thus directly challenging the principle of a common national labor market. There has also been a revival of the policy of "reservation," India's version of affirmative action, in which some jobs are reserved for people from traditionally disadvantaged social groups.

IMPROVING HARDWARE, FIXING SOFTWARE

Yet even as India's structural transformation has slowed, the government has been busy building the foundations for a renewed boom, by strengthening the economy's hardware and attempting to remedy some of the problems of its software. A number of the hardware improvements are readily visible. Rail and road networks have been expanded, with some major new highways and the Delhi–Mumbai freight corridor nearing completion, alleviating India's most obvious constraint on growth. At the same time, important digital infrastructure has also been built. A national digital payments system, the Unified Payments Interface, or UPI, has been established, allowing digital companies to innovate and providing a newly efficient means for the government to deliver cash subsidies to the poor.

Less visible, but perhaps even more important—and probably the economic bedrock of Prime Minister Narendra Modi's political

success—has been the government's distinctive approach to redistributive development. In many other countries, social spending has traditionally focused on intangible public goods, such as health and education. Since 2015, the Modi government has instead invested in programs that provide tangible basic goods and services, many of which are aimed at women. This “New Welfarism” has included bank accounts, cooking gas, toilets, electricity, housing, and, more recently, water and just plain cash.

To compete with China, the Indian government is returning to protectionism.

Although some of the claims have been overstated, the achievements of the New Welfarism are real. By 2019, 98 percent of all households had access to electricity, up from just 75 percent a decade ago, and 60 percent had access to clean cooking gas. According to survey data, nearly three-quarters of all Indian women now have bank accounts that they can use themselves. And the government's subsidies to the poor—previously known for extraordinary rates of “leakage”—are now provided in direct cash payments, ensuring that they reach their intended beneficiaries. They now amount to \$100 billion per year.

At the same time, the government has taken major steps to improve the country's policy software, especially its rules governing economic investment. Consider three of these initiatives. In 2019, the corporate tax rate was reduced to 25 percent from 35 percent, and new manufacturing firms were offered the possibility of securing a tax rate of just 15 percent. In August 2021, the government announced that it would settle nearly \$7 billion in tax disputes, notably with the British firms Cairn Energy and Vodafone, arising from a poorly designed, decade-old law that taxed foreign companies retrospectively. And in October 2021, the government privatized India's iconic national airline, Air India, selling it back to its original owner, the Tata Group (the multinational conglomerate that also owns Tata Consultancy Services), after 68 years of maladroitness public ownership.

All these measures aim to grow the private sector—and to signal the government's commitment to this objective. Indeed, further ambitious reforms are in the pipeline, including plans to monetize other public-sector assets, liberalize the farm economy, and clean up India's arcane, archaic, and arbitrary labor laws.

Such market-friendly reforms might lead one to conclude that India's software, just like its hardware, is rapidly improving. But this conclusion would be premature. Even as some aspects of the policy framework have been streamlined, new, much larger obstacles to private-sector growth have been put in place. To understand the problem, consider the centerpiece of the government's current approach to growth, its industrial policy, which is intended to spur strategic industries and promote "national champions."

ASPIRING OUTWARD, TURNING INWARD

The Modi government's new industrial policy is motivated by its well-founded desire to lure international manufacturing away from an increasingly uncompetitive China. Since the financial crisis, China has given up about \$150 billion of global market share in labor-intensive goods. Yet until now, India has been able to attract no more than ten percent of that lost share. In an effort to capture a far greater amount, the government has launched a three-pronged strategy, called *Atmanirbhar Bharat* (Self-Reliant India), that is based on targeted subsidies, a return to protectionism, and nonparticipation in regional trade agreements.

The subsidies take the form of production-linked incentives (PLIs) for manufacturers in designated sectors, including makers of cell phones, electronics, and pharmaceuticals. Available to both domestic and foreign-owned companies, the PLIs could cost the government about one percent of GDP over five years.

As a further spur to domestic production, especially in favored sectors, the government has reversed a three-decade-long consensus and begun raising import tariffs. Since 2014, there have been some 3,200 tariff increases, affecting about 70 percent of total imports. As a result, the average tariff rate has increased from 13 percent to nearly 18 percent, pushing India's trade barriers well above those of its East Asian counterparts.

Finally, the Modi government has halted the efforts of its predecessors to join regional trade accords, concluding that it would be better to stay out of the China-centric Asian production system. Under Modi's predecessor, Manmohan Singh, India signed 11 trade agreements; since Modi came to power, in 2014, it has signed none. Notably, the Modi government has declined to participate in the Regional Comprehensive Economic Partnership, a pact that has been joined by nearly all Asian countries, including China, Japan, South Korea, and the ten member states of the Association of Southeast Asian Nations,

or ASEAN, as well as Australia and New Zealand. India's trade negotiations with the European Union have also made little progress.

Will Self-Reliant India work? It is doubtful. After all, India has seen this movie before: the industrial strategy bears striking similarities to the country's post-independence economic policy, which was abandoned in 1991, after India had fallen far behind its more market-oriented Asian competitors. The new approach, the "subsidy raj," carries all the risks of the old "license raj," namely that it is hard to enforce, is driven by arbitrary decision-making, and creates a system of entitlements from which it will be difficult to exit.

Nor does the strategy address the country's most pressing needs. India's population remains young, with large numbers of low-skilled workers looking for gainful employment in sectors that will provide them with a reasonable and growing wage. To satisfy their aspirations, India needs to follow the Asian recipe of boosting labor-intensive exports. But the PLIs are aimed instead at technology and capital-intensive sectors, such as cell phones, which will provide relatively few jobs for the bulk of the population.

More to the point, the protectionist tariff regime is unlikely to lure manufacturers away from China. Higher tariffs will make it difficult for firms to access the inexpensive, high-quality imported inputs on which modern production depends. And India's decision to stay out of Asia's most comprehensive trade agreement means that the country's exports will face a disadvantage in many of the world's most dynamic markets. In other words, at precisely the moment when India has its long-awaited chance to compete with China for the first time as a global manufacturing center, the government is making it harder to integrate the Indian economy into global supply chains.

STACKING THE DECK

Perhaps the most distinctive aspect of Modi's industrial policy is its promotion of companies that have acquired a dominant position in particular sectors of the economy. Japan and South Korea adopted a similar "national champions" strategy decades ago, with their *zai-batsu* and *chaebol* conglomerates. Consequently, the arguments for it are well known. With government assistance, favored companies can achieve huge economies of scale, create networks, and help pursue national economic goals. They can also strengthen a country's position in the global market.

Many Indians are deeply ambivalent about the private sector—and capitalism generally.

In India, the strategy has centered on two large business conglomerates, the Adani Group and Reliance Industries, led by two of the richest men in Asia, Gautam Adani and Mukesh Ambani. One positive outcome of this strategy has been the rollout of a low-cost 4G cell phone network by Jio, a Reliance subsidiary, which has given hundreds

of millions of Indians access to the Internet for the first time. Another could be that these two giant companies could help India meet its climate goals, since they are both making large investments in renewables.

But such beneficial developments have to be weighed against the negative effects. For every favored firm

that has been encouraged to expand, many other firms have been discouraged, by rules that make it difficult for them to compete with the national champions. Even as Reliance Jio was expanding rapidly, the telecommunications firms Bharti Airtel and Vodafone were being crippled financially, rendering them unable to invest the huge sums needed to shift India's cell phone system rapidly to 5G. Similarly, the plans of Amazon, the Tata Group, and Walmart to develop their online retail platforms in India have been dashed by a proposed change in regulations. Domestic garment exporters have been handicapped by the high input cost of manmade fibers, favoring Reliance, which produces these fibers. Overall, then, the strategy has undermined the objective of improving the investment climate.

The cumulative impact of the national champions approach could be more serious in India than elsewhere because Adani's and Ambani's conglomerates have interests that extend throughout the economy, in defense production, ports and airports, energy, natural gas, petroleum and petrochemicals, digital platforms, telecommunications, entertainment, media, retail, textiles, financial payments, and education. By backing the "2As" at the expense of other companies, both domestic and foreign, the government is encouraging an extraordinary concentration of economic power.

In Japan and South Korea, the economic power of the *zaibatsu* and the *chaebol* was kept in check because they generally operated in tradable sectors where they had to demonstrate efficiency by competing globally. But the 2As operate mostly in domestic infrastructure sec-

tors that are shielded from international competition and heavily shaped by government regulation. As a result, there is a serious risk that India's national champions strategy could create an oligopolistic economy that will stifle innovation and growth.

STIGMATIZED CAPITALISM

Perhaps most worrisome, the national champions strategy threatens to intensify India's historic problem of "stigmatized capitalism." Many Indians are deeply ambivalent about the private sector—and capitalism generally. India's private sector still bears the stigma of having been midwifed under the license raj, an era in which corruption was pervasive. To this day, some of India's biggest entrepreneurs are believed to have built their empires simply by mastering the minutiae of India's tariff and tax codes and then manipulating them brazenly to their advantage.

Some of the taint surrounding the private sector was cleansed by the 1990s boom in information technology, which developed by virtue of its distance from, rather than proximity to, the government. But then came the infrastructure boom during the years before the financial crisis, in which public resources—land, coal, the telecommunications spectrum—were captured by private firms under the previous government's "rent raj." And the current government has chosen to favor two groups through regulatory favors and privileged access to infrastructure contracts. This is stigmatized capitalism, the 2A variant.

Such favoritism seems unlikely to build public support for market-based reforms. In fact, it already has turned many Indians against them. Last year, the government decided to liberalize the highly regimented farming sector, a measure that the entire policy establishment had long been urging it to take. But unexpectedly, some of the intended beneficiaries decided to oppose the measure, partly because they feared that the new system would prove to be an oligopoly dominated by the 2As, which would force down farm prices. The government tried to convince the farmers otherwise but did not succeed. In late November, after more than a year of protests, the government announced it would withdraw the law.

DEFECTIVE SOFTWARE

Beyond the specific drawbacks of the industrial program and the national champions strategy lies a defective approach to designing policy, that is,

how the sausage is made. The issue begins with faulty data and extends right through the entire process, from planning to implementation.

Over the past few years, experts have raised serious doubts about the quality and integrity of India's official data. The most recent budget arrested a growing trend of not recording expenditures on the government's balance sheet, but even now, the public lacks a clear picture of the country's overall fiscal position. During the height of the pandemic, scientists repeatedly asked the government for the health data it had collected, but little information was released. Without greater transparency, it is difficult to have confidence that the government is basing policy on good information.

Many policies have also run aground in India's federal structure. Nearly every major economic issue in India today—agriculture, health policy, power, taxes, welfare schemes—requires joint action by the national and state governments. Yet the national government has often made policy almost entirely on its own, with the result that many initiatives are implemented poorly at the state level. In such cases, policymaking can become trapped in a vicious cycle, in which a lack of trust on the part of the states discourages them from implementing national initiatives properly, thereby eroding the government's trust and discouraging it from consulting with the states on the next policy measure. The recent agricultural reforms, which were imposed without consultation with the affected states, illustrate the problem.

Even in cases in which reforms have been formulated adequately and implemented properly, many policies have been plagued by a lack of continuity. Often, the government has defeated its own strategic objectives through subsequent measures. For example, actions to improve farm income have been undermined by decisions to ban key exports and limit the amount of food stocks that private firms can hold. The intention to widen the tax base was set back when in 2019 the income tax threshold was raised dramatically, releasing about three-quarters of taxpayers from the tax net. The goal of increasing foreign investment is currently being threatened by proposed rules for online retail that would adversely affect the operations of Amazon and Walmart.

All governments must change their regulatory approach from time to time. But India's chronic inconsistency means that firms cannot count on the stability of the economic framework: if they invest based on current rules, they may run into difficulty in a year or two, when the rules change. Some may decide it is better not to invest at all. The

lack of a clear, stable investment framework is the fundamental barrier to convincing international manufacturers leaving China to relocate their operations to India. And this also explains why foreign direct investment has been flowing into India's technology sector: because this sector, unlike manufacturing, is lightly regulated and so is not subject to the same degree of policy uncertainty.

A CHANCE TO REBOOT?

If the Indian economy can put the pandemic behind it, the coming year should be a good one. India's GDP has already regained its pre-pandemic level, and the International Monetary Fund forecasts it will grow by 8.5 percent in 2022, around three percentage points more than China's. The question is whether the government will be able to use this growth as a springboard to more sustained prosperity, turning India into a global manufacturing center.

A comparison with China is instructive. Compared with China's, India's population and workforce are young. And whereas China's hardware revolution—its huge investments in infrastructure and housing—has largely run its course, India's is only just beginning. China is also an increasingly authoritarian country and has begun to undermine private-sector entrepreneurship and innovation through sometimes punitive state intervention; India, by contrast, is the world's largest democracy, with the groundwork in place for an expanding private sector.

For the Indian economy to achieve its potential, however, the government will need a sweeping new approach to policy—a reboot of the country's software. Its industrial policy must be reoriented toward lower trade barriers and greater integration into global supply chains. The national champions strategy should be abandoned in favor of an approach that treats all firms equally. Above all, the policymaking process itself needs to be improved, so that the government can establish and maintain a stable economic environment in which manufacturing and exports can flourish.

But there is little indication that any of this will occur. More likely, as India continues to make steady improvements in its hardware—its physical and digital infrastructure, its New Welfarism—it will be held back by the defects in its software. And the software is likely to prove decisive. Unless the government can fundamentally improve its economic management and instill confidence in its policymaking process,

domestic entrepreneurs and foreign firms will be reluctant to make the bold investments necessary to alter the country's economic course.

There are further risks. The government's growing recourse to majoritarian and illiberal policies could affect social stability and peace, as well as the integrity of institutions such as the judiciary, the media, and regulatory agencies. By undermining democratic norms and practices, such tendencies could have economic costs, too, eroding the trust of citizens and investors in the government and creating new tensions between the federal administration and the states. And India's security challenges on both its eastern and its western border have been dramatically heightened by China's expansionist activity in the Himalayas and the takeover of Afghanistan by the Pakistani-supported Taliban.

If these dynamics come to dominate, the Indian economy could experience another disappointing decade. Of course, there would still be modest growth, with some sectors and some segments of the population doing particularly well. But a broader boom that transforms and improves the lives of millions of Indians and convinces the world that India is back would be out of reach. In that case, the current government's aspirations to global economic leadership may prove as elusive as those of its predecessors. 🌐

The Coming Carbon Tsunami

Developing Countries Need a New Growth Model—Before It's Too Late

Kelly Sims Gallagher

In the struggle to combat climate change, the world is fighting the last war. Since the dawn of the Industrial Revolution, countries have released one and a half trillion metric tons of carbon dioxide into the atmosphere. The largest cumulative emissions have come from the United States, European countries, China, and Russia, in that order. But these countries are now prosperous enough to pay for policies that can place them on the path to net-zero emissions by midcentury. The top emitting countries of the future could come largely from the developing world—countries such as Brazil, India, Indonesia, and South Africa, which face the herculean task of bringing millions out of poverty while simultaneously adapting to the harsh realities of climate change.

If industrialized countries do not shoulder the responsibility to help prevent this next wave of emissions, the global effort to avoid climate disruption will fail. Efforts to ensure that today's largest polluters rapidly curb their emissions are vitally important, but this progress risks being erased if poorer countries find it impossible to pursue a low-carbon development strategy. In order to simultaneously preserve the environment and help lift hundreds of millions of people out of poverty, rich countries must provide financing and policy support at a scale that has so far been unavailable to poorer countries.

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There are roughly two dozen emerging economies across the globe that are poised to expand their greenhouse gas emissions dramatically in the near future if they do not receive this assistance. Their population size, rapid economic growth rates, and reliance on fossil fuels have placed them on a trajectory for a dramatic expansion of their emissions. Together, they could cause the same massive wave of emissions that China produced during the first two decades of this century, when it released 195 billion metric tons of greenhouse gases into the atmosphere. This would render impossible the efforts to reach global “net zero” by midcentury, which scientists say is necessary to avoid the worst effects of climate change.

This challenge represents not only a scientific and political dilemma but an ethical and moral one, as well. Citizens of the world’s least developed countries have the same aspirations for economic prosperity as citizens of China, Germany, or the United States do. Those who argue that the only way to combat climate change is to reduce economic growth miss the fundamental unfairness of global economic development, which has left a third of the world’s population behind. Yet if developing countries follow the “grow first and clean up later” pattern established by the United States, western Europe, and East Asian countries, the consequences for the climate will be catastrophic.

International focus, however, remains stubbornly fixated on the carbon emissions of China, the United States, and the EU. Institutions largely designed by and for developed countries—such as the Major Economies Forum on Energy and Climate and the G-7—continue to be central for climate diplomacy, even if they have not yet proved effective in reducing global emissions. But most of those countries’ emissions have already peaked, and they all boast the mature governance institutions, vibrant private sectors, and ready access to capital that make it entirely plausible for them to achieve net zero by 2050.

The developing world, however, has none of these advantages. Many leaders from developing countries are no less concerned about climate action than their counterparts in Beijing, Washington, and Brussels, and the choices they make in the next five to ten years will determine the extent to which a surge in emissions can be prevented. So far, however, the efforts to provide their countries with low-carbon economic growth opportunities have been woefully inadequate. Although the recent UN Climate Change Conference, known as COP26 (the 26th Conference of the Parties), resulted in incremental progress, negotiators also acknowl-



Old flames: coal fields in Jharkhand, India, February 2010

edged “with deep regret” that countries had failed to mobilize the financing for green development strategies that had been promised in previous agreements—and even those pledges were insufficient to address the scale of the problem. Meanwhile, the private sector continues to invest in whatever energy projects it wishes—regardless of how dirty they are.

Although world leaders have announced their intention to limit the global temperature rise to 1.5 degrees Celsius, the planet is currently on track to experience warming far in excess of that level. The consequences of this will be devastating: according to the latest report by the UN’s Intergovernmental Panel on Climate Change, every additional 0.5 degrees Celsius of warming beyond 1.5 degrees Celsius will cause “clearly discernible increases in the intensity and frequency of hot extremes . . . as well as agricultural and ecological droughts.” In the event of two degrees Celsius warming, extreme heat waves that normally would have occurred only once in 50 years will likely occur 14 times during the same time frame. Three hundred and fifty million more people risk being exposed to deadly heat: residents of Karachi, Pakistan, and Kolkata, India, for example, could experience, on an annual basis, conditions like those of the heat wave that struck the Indian subcontinent in 2015, which killed thousands. These changes will afflict the developed and the developing world alike; there is no alternative but to collaborate to avoid the worst effects of climate change.

PLAYING CHICKEN WITH THE CLIMATE

When American leaders were previously confronted with rapidly growing emissions from the developing world, they largely responded to the challenge by pointing fingers. Their inaction paved the way for a massive spike in greenhouse gas emissions.

In 1997, the U.S. Senate unanimously approved the Byrd-Hagel Resolution, which declared that the United States would not sign on to an international agreement mandating emission reductions if it did not decree a reduction in greenhouse gas emissions for developing countries, as well. The game of chicken started by Senator Robert Byrd, Democrat of West Virginia, and Senator Chuck Hagel, Republican of Nebraska, continued for 17 long years, until 2014, when U.S. President Barack Obama and Chinese President Xi Jinping jointly announced that they were committing their countries to emission-reduction targets of their own choosing. This breakthrough paved the way for the adoption in 2015 of the global Paris agreement on climate change, in which every country in the world made a nationally determined commitment to limit emissions.

When the Byrd-Hagel Resolution was passed, China's emissions were just 3.1 billion metric tons annually. U.S. emissions stood at 5.5 billion metric tons per year, and on a per capita basis, Americans emitted eight times as much carbon dioxide as the Chinese. Today, China emits far more greenhouse gas emissions than any other country, although its per capita emissions are half those of the United States. If industrialized countries such as the United States had supported China's shift to a low-carbon economic model during the almost two decades that separated the Byrd-Hagel Resolution and the Paris agreement, the world would almost certainly have avoided the rise in China's emissions of nearly 200 billion metric tons since the beginning of the twenty-first century.

In 1997, China's GDP was dwarfed by the United States', standing at less than \$1 trillion in current U.S. dollars. Its accession to the World Trade Organization in 2001, however, unleashed the potential of its export-led development model: China's GDP grew by leaps and bounds for the next 20 years, reaching \$14.7 trillion by 2020. This is the development model that most developing countries look to for inspiration today—but it is a climate disaster. As the growth of China's economy exploded, the country's emissions likewise skyrocketed, surpassing those of the United States in 2005 and tripling in only 14 years.

Hundreds of millions of people were pulled out of poverty during China's economic "miracle." But urban air pollution choked China's cit-

ies, and pollution fouled its water supplies. A 2007 joint study conducted by the Chinese government and the World Bank found that the water in half of China's main rivers was unsafe for human consumption. The same study estimated that the economic burden associated with air pollution alone was equivalent to cutting 1.16 percent off of China's GDP.

No single country is likely to produce the same volume of emissions as China did during the first two decades of this century. China's emission growth was a function of its massive population size, high economic growth rate, and heavy reliance on coal for energy. There are 15 major emerging-market or developing countries that possess two out of three of these drivers (Bangladesh, China, Congo, Egypt, Ethiopia, India, Indonesia, Pakistan, the Philippines, South Africa, Tanzania, Thailand, Turkey, Uganda, and Vietnam); eight other countries are deeply reliant on petroleum consumption, the next most carbon-intensive fuel (Algeria, Brazil, Iran, Kazakhstan, Mexico, Nigeria, Russia, and Saudi Arabia). This makes a total of about two dozen countries deserving priority attention and support.

Several of these countries together, if they continue on their current economic growth paths, could easily create a wave of emissions similar to the one China caused from 2000 to 2020. For instance, if just four of them—Indonesia, Iran, Nigeria, and Saudi Arabia—were to meet their pre-pandemic emission growth rates (as reported by the Climate Action Tracker) through 2050, their cumulative net emissions between now and then would be 197 billion metric tons. This figure would be equivalent to China's emission output between 2000 and 2020.

This calculation does not take into account any planned emission-reduction policies or pledges. Thankfully, many developing countries have announced their intentions to improve their climate records: South Africa has pledged to reach net-zero emissions by 2050, Indonesia and Saudi Arabia have committed to reaching net zero by 2060, and India has promised to achieve net zero by 2070. But none of these countries has produced a detailed plan for how to achieve its goal. Meanwhile, Iran has not yet announced a timeline for reaching net zero, and countries heavily reliant on coal, such as India and Vietnam, will have a particularly difficult time making the transition to a green economy. Despite these challenges, Vietnam committed at COP26 to phase out domestic coal use by the 2040s.

Wealthy economies will need to provide some form of support for all these countries to bring an end to business as usual. Many countries

in the developing world have good intentions to avoid climate change but need the financing and technical support to accomplish this policy shift. They will understandably prioritize poverty alleviation and economic growth—especially now, as the world comes out of a global recession caused by the COVID-19 pandemic.

These developing countries are also more vulnerable to extreme weather events caused by climate change. If the world doesn't begin rapidly reducing emissions, their growth will be hobbled by increasingly frequent hurricanes, mudslides, floods, and droughts. One analysis, sponsored by a global network of central banks, found that most countries could experience a 10–25 percent loss of GDP if no additional steps are taken to mitigate climate change. The greatest GDP losses are projected to occur in sub-Saharan Africa and South Asia, but China and the United States could still suffer substantial losses of up to ten percent of GDP. According to a UN report published earlier this year, it is estimated that the cost of adapting to climate change in developing countries will rise from \$70 billion today to up to \$500 billion by 2050.

The transformation of some of these countries will be especially difficult if they rely heavily on fossil fuel production, which is the case for Iran, Russia, and Saudi Arabia. Even if they curb emissions in their domestic economies, they will still be exporting coal, oil, and gas to support their economic growth. If they continue to abet emission growth in other countries, their net-zero pledges will be rendered hollow.

FEELING THE HEAT

Despite the implementation of four major climate agreements and increasingly dire warnings from scientists, greenhouse gas emissions from all sources increased by 58 percent between 1990 and 2020. The concentration of greenhouse gases in the atmosphere increased by 18 percent during the same period (since some emissions are absorbed by oceans and forests).

Even the Paris agreement, a good outcome by the standards of international climate negotiations, is far from adequate. If all countries fulfill their promises, emissions will be 15 billion metric tons lower and global average temperatures will be one degree Celsius lower in 2050 than otherwise would have been the case. Yet by most estimates, total warming will still be an intolerable 2.7 degrees Celsius.

There are three major reasons why global efforts have come up short. First, in the Paris agreement, as with most global environmental agree-

ments, countries face few consequences for missing their targets. Climate negotiators settled on an approach that allows each country to determine its own path to reducing carbon emissions in the hope that this would secure universal participation—and sure enough, 193 countries submitted nationally determined targets under the Paris agreement. But there is no enforcement mechanism to make sure countries honor their commitments and no way to make laggards step up their efforts. Many political leaders have also set ambitious targets for the distant future, long after they will have left office—meaning that they will not be the ones forced to make the hard decisions necessary to achieve their stated goals.

Second, emerging economies (as well as many industrialized economies) have failed to develop a model of economic growth that does not rely on fossil fuels and energy-intensive industrialization. Japan, South Korea, and China adopted what became known as the East Asian development model—an approach that is manufacturing-intensive and export-led, with significant state intervention—and are all among the top ten emitters today. China is trying to reduce the carbon intensity of its economy by switching to renewables and nuclear energy, but its abandonment of coal has been too slow.

Third, public and private capital flows to developing economies do not provide sufficient financing to green energy projects. The International Energy Agency has estimated that \$4 trillion in annual investments in clean energy is required to decarbonize the global energy system. In Paris, negotiators committed to mobilizing only \$100 billion per year for developing countries by 2020—and even that pledge has not been met.

Although climate finance is notoriously difficult to track, the world appears to be mobilizing slightly more than \$600 billion annually, just 15 percent of what is needed. National development institutions and corporations provide the bulk of the money (approximately \$275 billion), multilateral and commercial banks come in second (with more than \$190 billion), and individual investors and state-owned enterprises each provide roughly \$55 billion. But three-quarters of these funds are spent domestically in developed countries, leaving little for the developing world.

*Efforts to provide
developing countries with
low-carbon economic
growth opportunities have
been woefully inadequate.*

Sub-Saharan Africa benefits from only roughly \$20 billion in climate finance per year, for example, compared with East Asia's \$292 billion.

Most multilateral development institutions have failed to prioritize low-carbon energy projects. A study of investments from the World Bank, the International Finance Corporation, and the Asian Development Bank in 2015 and 2016 found that only about 20 percent of the financing from these three institutions was aligned with the goal of staying below warming of two degrees Celsius.

The world's two largest economies have failed to offer climate leadership.

The World Bank has reported that it provided \$9.4 billion in financing for energy efficiency and renewable energy between 2015 and 2020. It does not report on its fossil fuel investments, making it difficult to as-

sess its overall portfolio—although one German nongovernmental organization, Urgewald, conducted research that suggests the World Bank has invested \$10.5 billion in new fossil fuel projects since the signing of the Paris agreement. By contrast, two of China's so-called policy banks (the China Development Bank and the Export-Import Bank of China), which are government run, financed \$16.3 billion in hydropower projects, \$7.8 billion in nuclear power, and \$2.4 billion in renewables between 2016 and 2020.

Although most multilateral development banks halted financing for coal a decade ago, they have done too little to support alternatives to this carbon-intensive fuel. There has been some modest progress: the Asian Infrastructure Investment Bank and the New Development Bank have both actively financed renewable energy projects. The World Bank's energy strategy, updated in 2020, reiterates that the bank no longer finances coal projects, that it halted financing for upstream oil and gas in 2019, and that it has "ramped up" efforts to help developing countries transition to clean energy.

These are welcome initiatives, but the multilateral banks' investments in clean energy are still insufficient. The World Bank's Climate Investment Funds has supported 26 gigawatts of clean power since 2008, whereas China alone has financed 32 gigawatts of clean energy projects in the last five years. The main financing vehicle under the Paris agreement is the Green Climate Fund, a small organization that as of October 2021 had financed just 190 projects around the world, with a cumulative commitment of \$10 billion. Although the fund

should continue to be part of the solution, project-by-project approaches are not going to provide the scale of support that is needed.

The failure of multilateral development banks to make financing for clean energy widely available means that they are ceding the space to public and private investors who are more interested in profit or geopolitics than climate change. China's Belt and Road Initiative has provided crucial development support to many poorer countries, but more than 55 percent of the BRI's energy finance has gone to fossil fuels, and of that, 70 percent was investment in coal. Overall, China financed 133 gigawatts of new power plants between 2000 and 2021, of which 56 gigawatts were from coal, 35 gigawatts were from hydropower, nine gigawatts were from wind, four were from solar power, and one was from nuclear power. Xi recently committed to stop building overseas coal plants and to "step up" support for low-carbon and clean energy projects, but whether China will follow through on these promises remains to be seen.

But as tempting as it is to criticize China for funding overseas coal projects through its state-owned policy banks, it is important to note that 87 percent of the financing for overseas coal plants between 2013 and 2018 came from non-Chinese public and private financiers, including U.S. commercial investment banks, Japanese public and private banks, and more.

During the Trump administration, the United States offered almost no support for green development strategies. The U.S. Export-Import Bank temporarily halted lending in 2015 because it lacked a quorum on its five-member board and the Republicans refused to confirm new appointees. It was reauthorized in 2019 with a backlog of \$39 million worth of projects in its financing pipeline. The United States didn't have a development bank until 2019, when the U.S. International Development Finance Corporation was born—and even then, the Trump administration made little use of it. The DFC has committed to reach net zero in its investment portfolio by 2040 and announced in September that climate-focused investments would account for one-third of its portfolio by fiscal year 2023.

The United States also has the U.S. Agency for International Development, or USAID, but its resources are dwarfed by those of the world's development banks. USAID's budget for the 2021 fiscal year committed just \$600 million to climate efforts. The Power Africa initiative of USAID during the Obama administration, which aimed to expand access to clean energy in Africa, was a great example of what is

needed—but it withered on the vine during the Trump years. As of March 2021, Power Africa had financed only 12 gigawatts of renewable energy, 4.8 gigawatts of which were already online. The resources being devoted to clean energy programs are simply too small to meet rising demand in the developing world.

ARRESTED DEVELOPMENT

Many developing countries are not only willing to develop more sustainably but also eager to do so. The challenge is securing the necessary financing and technical assistance to make the transition to clean energy without jeopardizing their economic growth.

Take Ethiopia, which has committed to a nonfossil fuel future and has a long list of geothermal, hydro, solar, and wind energy projects in its electricity-sector master plan. But many of these projects have not yet been financed, even as Ethiopia ranks as one of the top three countries in the world for the number of people without access to electricity. Due to the country's lack of creditworthiness, China has been the main interested lender for Ethiopia's renewable projects: Beijing's Export-Import Bank has provided \$4.4 billion in financing for nine hydro and wind power projects and five transmission and distribution projects since 2000. Meanwhile, the World Bank has provided \$2.4 billion in loans to Ethiopia during this period for energy and climate-related projects.

Other countries are open to clean energy but are preoccupied with near-term solutions to their energy shortages. Pakistan has pursued an "all of the above" energy strategy, including expanding coal, hydro, natural gas, nuclear, solar, and wind power. China's policy banks have financed a mix of fossil fuel and nonfossil fuel projects in the country, investing a whopping \$20.6 billion in 19 energy projects since 2000, including seven coal, five hydro, and three nuclear projects. During the same time period, the World Bank appears to have invested \$4.4 billion, primarily in clean energy and transmission and distribution projects. For Pakistan, climate mitigation no doubt feels like a luxury it cannot always afford as it works to increase its economic growth and alleviate poverty.

While the barriers to expanding clean energy in Ethiopia and Pakistan may be primarily financial, many other developing countries simply don't know how to pursue greener development. Some aren't even sure they want to do so, worrying that it will undercut their foremost priority: development. Most developing-world policymakers have

minimal familiarity with renewables and a great deal of familiarity with coal. According to the International Energy Agency, in 2020, countries outside the Organization for Economic Cooperation and Development relied on coal, peat, and oil shale for 36 percent of their total energy supply, while renewables supplied only 16 percent.

In 2016, Bangladesh, opting for what it considered the most cost-effective path for power development, issued a power-sector master plan that embraced a shift from natural gas to coal. This is ironic, given that Bangladesh is one of the countries most vulnerable to climate change. (More recently, its government seems to have started to have second thoughts, introducing a new development plan that at least acknowledges that Bangladesh's heavy reliance on fossil fuels "is a matter of concern.") The national energy strategies of Indonesia, South Africa, and Vietnam also champion coal, largely because these countries have abundant domestic supplies of the fuel.

An example of what is needed was announced at COP26, when France, Germany, the United Kingdom, the United States, and the European Union committed to provide \$8.5 billion to help South Africa achieve a just transition away from coal and implement policies to decarbonize its economy. Policies like this can speed the shift to cleaner sources of energy in emerging markets, ensuring that their economic development does not hamper efforts to mitigate climate change.

FOLLOW THE MONEY

The process of global climate negotiations is necessary but not sufficient to solve the climate crisis. This work needs to be coupled with efforts to ensure that developing countries can access sufficient resources to pursue low-carbon development strategies. The public and private sectors must mobilize financing for the roughly two dozen countries where economic growth could cause large increases in emissions in the near future. Some of these countries, such as Saudi Arabia, should be able to finance their transitions without international assistance (although they may still benefit from policy advice). Others, such as Ethiopia, India, Pakistan, Tanzania, and Vietnam, will need much more comprehensive support in terms of financing, capacity building, and technical assistance.

At the moment, national climate policies are essentially divorced from global financial flows. Changing that starts with governments, which must hold themselves and one another to account for regulating

private financial institutions and greening their own public investments. Private firms control the overwhelming majority of international financial flows but have failed to regulate themselves despite the many voluntary agreements that already exist, such as the Green Bond Principles, which provide guidelines for financing environmentally sound and sustainable projects.

Therefore, governments must step in. Financial regulators could require the disclosure of climate-related investments, prohibit companies from making new investments in coal or other high-carbon industries (as recently proposed in a bill by U.S. Senator Jeff Merkley, Democrat of Oregon), and promote cooperation among central banks to reduce climate-related risks in the financial system. The U.S. Federal Reserve recently joined the Network of Central Banks and Supervisors for Greening the Financial System, a group of 80 central banks and supervisory authorities that is sharing best practices for strengthening the financial system's resilience to climate-related risks.

The public sector is in equally dire need of reform. The governments of major emerging economies, such as Brazil, China, India, Mexico, and Russia, must reform their state-owned enterprises to be carbon neutral and start moving away from taxes on fuel as a major source of revenue. One option is to shift from fuel and income taxes to carbon taxes, which could promote the use of low-carbon energy sources while allowing governments to maintain their tax bases. Industrialized nations that have already implemented a carbon tax should provide technical assistance to developing countries. Norway, for example, has deep experience with these policies: it has proposed tripling its national tax on carbon dioxide emissions by 2030, while also committing to offset these increases with reductions in other taxes to avoid decreased competitiveness.

The other big task is to fundamentally rethink how global development institutions function. The inventor Charles Kettering, who led General Motors' research division in the first half of the twentieth century, once observed that managers should "never put a new technology in an old division," because it will get eaten by its siblings. That is why the world needs a new global green development bank. Such a bank should be modeled on the World Bank or the Asian Infrastructure Investment Bank but be devoted solely to financing low-carbon, resilient economic development trajectories. It could offer grants, loans, loan guarantees, and other types of investments to developing

countries without the cumbersome project-by-project approach currently used by the Green Climate Fund. It should be staffed by experts who can provide technical assistance to developing countries about how to establish the environment necessary to spur private-sector investment in low-carbon industries. Ideally, it would induce a “race to the top” as each country tried to outperform the others in the delivery of sustainable prosperity solutions.

Finally, a low-carbon development model must concentrate on green industrialization—that is, job creation and growth in industries that do not result in pollution. Moving forward, this model could tap new digital technologies to produce economic activity that is less carbon-intensive. Expanding service industries, creating strategies for sustainable agriculture, and investing in new high-tech energy, transportation, and building industries are also key elements of a low-carbon development model.

There have been important success stories in the developing world that show the potential of this kind of development model. In India, a state-owned company aggregated commitments from cities and states to buy 85,000 electric three-wheelers, which are now available for purchase at subsidized rates. In Kerala, the state government has ordered that government offices purchase electric vehicles. These are the sort of procurement and financing arrangements that the developing world needs going forward. But electric vehicles still accounted for less than two percent of India’s automobile sales last year, underscoring the need to quickly scale up efforts to decarbonize economies around the world.

LEADING THE WAY

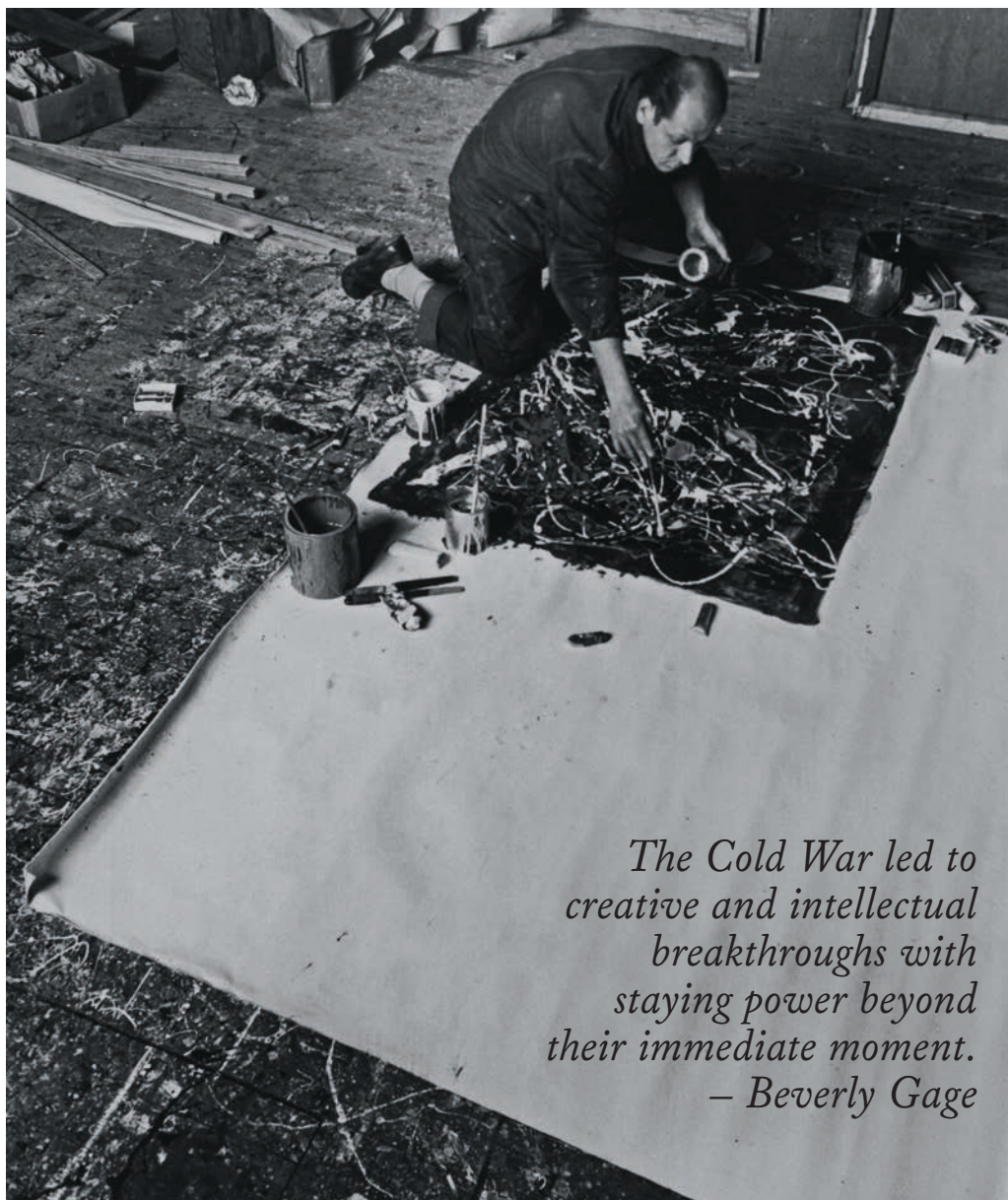
It is entirely possible to stop the next wave of emissions, provided both developed and developing countries show leadership in confronting the challenge. Many emerging economies are willing to adopt policies to mitigate climate change: of the roughly two dozen countries identified as having the potential for high emission growth, half have proposed net-zero targets for midcentury. Indonesia is about to institute a modest carbon tax on coal plants, and Mexico and South Africa already have carbon taxes in place. China recently finalized a national emission-trading system for power plants, and Kazakhstan has established its own emission-trading regime. Ethiopia has released an economic strategy that prioritizes green development, featuring plans to expand its electricity supply from renewables and to reforest the country.

But these countries also need financing and policy support, and unfortunately, the world's two largest economies have failed to offer climate leadership. The United States has not modeled a good policy approach to low-carbon economic growth, as meaningful climate legislation remains stalled in Congress. The country arguably leads the world in clean energy research and development, but it falls terribly short in transferring those inventions to the marketplace because of its historical inability to create stable market incentives for low-carbon industries. The United States should be leading the push for reform of the multilateral development banks and the establishment of a global green bank. It must also begin regulating its private banks so that they cease investing in high-carbon industries and instead provide financing for low-carbon industries and fuels.

China, meanwhile, has concentrated on industrial policy for low-carbon industries. Its firms have already conquered global solar markets and are on the way to expanding their control of the market for electric vehicles and batteries. Likewise, Beijing created stable markets for renewable energy deployment, resulting in China having the largest renewable energy capacity in the world. But China is far from a role model: it has not yet managed to stop building coal plants or to reform its fossil-fuel-based state-owned enterprises. Furthermore, it has not yet articulated a plan for increasing financing of clean industries overseas, and its investments through the BRI and other funding instruments remain shrouded in secrecy. Both the United States and China need to fully disclose their public and private investments in overseas markets so that they can be held to account for their impact on the climate.

This abdication of leadership leaves the ball in the court of major developing countries, such as India, Indonesia, and South Africa, to forge a new approach. Developing countries have proved their capacity for innovation but need resources and policy assistance from their developed counterparts to transition to a low-carbon development model. This support from rich economies—which became rich, needless to say, by pumping the lion's share of carbon into the atmosphere—is the only way for the world to mitigate the effects of climate change. 🌍

REVIEWS & RESPONSES



*The Cold War led to
creative and intellectual
breakthroughs with
staying power beyond
their immediate moment.
— Beverly Gage*

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The Art of War

Can Culture Drive Geopolitics?

Beverly Gage

The Free World: Art and Thought in the Cold War

BY LOUIS MENAND. Farrar, Straus, and Giroux, 2021, 880 pp.

Around 1949, fresh out of college at Northwestern University, my mother moved to New York to take a job at NBC. She arrived at the dawn of U.S. television. NBC had entered the business just about a decade earlier. Rather than being assigned to a sitcom or a variety show, she ended up at the NBC Opera Theatre, one of the splashiest, most expensive ventures in the new lineup. The corporation had long sponsored its own radio orchestra under the leadership of the famed conductor Arturo Toscanini, who had fled Mussolini's Italy in the 1930s for refuge in the United States. When television came along, executives assumed that one of its functions would be to make Toscanini-style high culture available to the American masses. That dream—that a major television orchestra and opera company would be both popular and profitable—lasted an astonishing 15 years, from 1949 to 1964,

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before NBC concluded that the future of television lay elsewhere.

This is roughly the time period covered in Louis Menand's new book, *The Free World*. Menand is less interested in classical impresarios such as Toscanini than in the cultural innovators of the age: the philosophers and composers and painters and wise-man diplomats whose ideas put them at the cutting edge of Western culture. In Menand's telling, for a brief period following World War II, U.S. liberalism proved its power and luster by creating a society open enough to foster vibrant exchange in the realm of high culture, art, and ideas—and rich enough to sustain the men and women engaged in such work. That moment came crashing to an end in the 1960s, as challenges at home and abroad tarnished the United States' self-conception as the epicenter of "the free world." While it lasted, it produced something like a golden age of intellectual and artistic experimentation, with a bona fide popular audience.

Although Menand's subtitle links this period of cultural innovation to the Cold War, the relationship he imagines between artistic expression and geopolitics is often tenuous. Major philosophers and academic thinkers wrestled with the fate of the world, but not necessarily in ways that explicitly privileged the United States or the Soviet Union. Composers and painters and choreographers explored the existential dread of a post-nuclear world but did not tend to weigh in on any particular policy direction. The diplomat George Kennan and other Cold War realists put in star turns at the helm of the new American leviathan, but the connections between their

thought and, say, John Cage's classical compositions can be hard to trace. "The free world," Menand suggests, was a feeling and impulse and form of expression more than it was any sort of coherent political body.

Despite its impressionistic style, Menand's book speaks powerfully to one of the most important themes in twentieth-century U.S. politics: the ways in which the Cold War—and the specter of communism—reshaped American society from top to bottom. As historians such as Mary Dudziak and Glenda Gilmore have shown, the struggle for postwar civil rights was tied to debates over communism and Third World revolution. The U.S. welfare state, too, was developed with socialist models as inescapable points of reference. It has long been obvious that anticommunist sentiment constrained liberal policy ambitions in the 1940s and 1950s, when universal health care was derided as "socialized medicine" and champions of labor rights were inevitably accused of harboring communist sympathies. In less obvious ways, however, the Cold War drove the United States in more progressive policy directions: as a struggle against a society that claimed to stand for cradle-to-grave economic security, the Cold War pushed the United States to present itself as a model nation, supposedly able to provide its citizens with the best quality of life in the world.

Menand's cultural story often implies, rather than identifies, explicit connections between those geopolitical debates and the realm of high culture. But in art and thought, too, the Cold War was inescapable. In the academic sphere, the influx of federal money into universities, spurred by the Cold War

knowledge competition, restructured intellectual life, for both good and ill. On the left, the implosion of the Popular Front, combined with the repressive atmosphere of McCarthyism, led to a sense of dislocation and disillusionment for an entire generation. The swirl of geopolitics brought thousands of path-breaking European artists and intellectuals into the United States even as it made cultural exchange with the Soviet Union and Eastern Europe increasingly fraught. Perhaps most of all, the early Cold War lent a sense of vibrancy and high stakes to nearly everything happening in American arts and ideas, high and low, as the nation set out to declare and then win a global culture war.

FROM THE ASHES

Menand's style in *The Free World* will be familiar to fans of *The Metaphysical Club*, his Pulitzer Prize-winning 2001 best-seller. That book tracks the intellectual lives of four erudite men: Oliver Wendell Holmes, Jr., William James, Charles Sanders Peirce, and John Dewey, the first three of whom met in an intellectual club of their own devising. Together, according to Menand, they invented pragmatism, transformed American liberalism, and contended with some of the greatest questions of their day.

The Free World, too, is filled with chance encounters, creative relationships, and discussions over dinner. This time, however, Menand has scaled up. Rather than four characters, he offers dozens, each chapter its own deep dive into a fleeting but consequential group conversation. Gathered (willingly or unwillingly) in the United States, some of the West's most important intellectuals, composers, writers, artists, and

wise-man diplomats made beauty and meaning out of a world in which the Holocaust, nuclear power, and Cold War ideology suddenly loomed large. In the process, they produced their own host of “isms”: structuralism and poststructuralism, anticommunism and anti-anti-communism, nihilism and existentialism, realism in international affairs and abstract expressionism in high art.

Amazingly, they found a popular audience for their musings. “Ideas mattered. Painting mattered. Movies mattered. Poetry mattered,” Menand writes of the 1950s, in implicit contrast to today’s era of 280-character thoughts and Instagram poses. Kennan’s learned memos drove foreign policy. Jackson Pollock’s drip paintings became national icons. Existentialism provided a vocabulary for middle-class disaffection. From the philosopher Jean-Paul Sartre, the world adopted a language of, as Menand puts it, “anxiety, authenticity, bad faith”; from Sartre’s friend and rival the writer Albert Camus, that of “the absurd, the outsider, the rebel.”

Born in 1952, the son of a historian and a political scientist, Menand recalls hearing all these names over dinner in his childhood home outside Boston. His sense of both admiration for and distance from his subjects permeates the book. Perhaps he dreamed as a child that he might one day enter this glittering world of high-culture celebrity. It may have been a disappointment to come of age—indeed, to become a Harvard professor and *New Yorker* writer—only to discover that the happenings of such a world no longer mattered as much.

The most vibrant protagonists in Menand’s story are the European refugees forced by circumstance to flee

to the United States and resigned (to varying degrees) to make the best of it once there. The German-born political theorist Hannah Arendt arrived in New York in 1941, barely speaking a word of English. The anthropologist Claude Lévi-Strauss arrived that same year, seizing the offer of a post at the New School as a lifeline out of Nazi-occupied France. Over the course of the late 1930s and early 1940s, dozens of other major thinkers, artists, and writers made similar trips, many of them Jews fleeing for their lives. By one estimate, more than 700 European fine artists alone—painters, sculptors, photographers—moved to the United States between 1933 and 1944. On their arrival, they formed vibrant communities to carry on their work. And whether they liked it or not, most of them became American in one way or another.

U.S.-born citizens were part of the cultural mix, too, of course. One thrill of the age, according to Menand, was the chance for Americans to mingle and brainstorm with the best that Europe had to offer. Before the war, such exchanges had happened mostly in Paris, the undisputed center of Western culture. After the war, they took place in cities such as Chicago, Los Angeles, and, above all, New York. Some of what drove the cultural renaissance of the 1940s and 1950s was a deep American anxiety about whether or not the United States’ intellectual and artistic achievements were any good—whether they were, in short, worthy of the country’s new status as a global superpower and the arch-defender of liberal democracy. “In 1945, there was widespread skepticism, even among Americans, about the value and sophistication of American

art and ideas,” Menand writes. Part of the mission of the early Cold War was to prove that the country’s artists, writers, and intellectuals were indeed ready for the global leadership that had been thrust upon them.

The Cold War’s soft-power struggles generated no end of tiresome propaganda and covert manipulation. Such crass forms of cultural imperialism are not Menand’s concern. He takes on the more sophisticated aspects of Cold War culture, in which Americans sought to advertise their country’s artistic vitality and openness to new ideas by way of heightening the contrast with its totalitarian rivals. “Responsible liberals feel better adjusted for having an appreciation of art and ideas that are contemptuous of the values of responsible liberals,” Menand writes. What made the postwar United States great, Menand suggests, was a willingness—at least within the liberal establishment—to contemplate its own flaws and failings. That tendency toward self-critique may ultimately have been the tragic flaw of Menand’s mid-century creatives. But while the moment lasted, the combination of imperial ambition, liberal individualism, transatlantic exchange, and social affluence produced groundbreaking books, paintings, and musical compositions.

It also produced some excellent parties. In his love for the chance meeting, Menand devotes a good deal of attention to the social aspects of cultural production: the receptions and performances and exhibits where one inquiring soul connected with another, yielding inspiration and alchemy (and, in Menand’s telling, quite a lot of sex). The great couples of the highbrow set animate the book, from Sartre and

Simone de Beauvoir to Diana and Lionel Trilling to Allen Ginsberg and Neal Cassady. Around them swirl a dazzling array of creators and thinkers, each borrowing ideas from the others. “Rauschenberg was fearless and prolific,” Menand writes of the artist Robert Rauschenberg, “but his art and his influence were enhanced by his association with three other innovative figures who also became internationally renowned: John Cage, [the dancer and choreographer] Merce Cunningham, and [the fellow artist] Jasper Johns.” Nearly every chapter contains a similar formulation, with one passionate thinker happening on another, then plunging into a relationship of deep (if sometimes brief) intensity.

Some of the most fascinating chapters explore the struggles of leftists and ex-leftists to come to terms with the demise of the Popular Front and the emergence of the Soviet Union as the chief geopolitical and ideological rival of the United States. The anguish involved in that experience can be hard to capture today, with the Soviet collapse now a full generation in the past. But many of Menand’s characters came of age in the 1930s, when the communists seemed to be at the cutting edge of antifascist, anticapitalist, and antiracist politics. The realization that Joseph Stalin was killing hundreds of thousands of his own citizens, and holding the rest in thrall to a totalitarian dictatorship, caused a crisis of conscience on the left that took some two decades to unfold. Out of that crisis came some of the seminal works of midcentury thought and literature, including George Orwell’s *1984* (published in 1949), the work of a self-proclaimed

socialist whose own “abuse of socialists,” according to Menand, “could be as vicious as any Tory’s.”

Menand is at his best when dissecting the historical circumstances and influences that produced a book like *1984* and gave it popular currency. Often presented to today’s students as an abstract critique of totalitarianism, *1984* was also a highly specific commentary on the dilemmas of postwar life, drawing on the images and ideas that Orwell found around him. He borrowed heavily from the philosopher James Burnham, the eccentric American communist turned conservative whose book *The Managerial Revolution*, published in 1941, envisioned a world of competing superpowers similar to Orwell’s Oceania, Eurasia, and Eastasia. By putting Orwell and other figures into historical context, Menand shows how great art can emerge from situations of confusion, muck, and terror.

The major difficulty of Menand’s book is that he does this again and again, with each chapter introducing its own invigorating new cast of characters. The result can be enlivening. It can also be exhausting. Menand writes in the introduction that *The Free World* is “a series of vertical cross-sections rather than a survey.” The book nonetheless retains some of the qualities of a college survey course, which indeed it was—Harvard’s United States in the World 23: Art and Thought in the Cold War. That format provides a handy guide to the best method for reading *The Free World*: one or two chapters per week, engaged with seriously and consistently, with the grand conclusions about how it all fits together left open for small-group discussion.

HEARTS AND MINDS

Few readers, especially those of an intellectual or artistic bent, will be able to resist Menand’s portrait of a time when an especially compelling late-night conversation or a well-wrought article in an obscure left-liberal journal seemed to carry the fate of the world. Menand is skillful at conveying the thrill of creative discovery, even when it was accompanied by personal difficulty and loss. He has somewhat less to say about the policy choices and economic supports that made such creativity possible. He devotes several pages to the CIA’s secret activities and sponsorships, but these are the exceptions in a book focused on biographical and cultural analysis.

Similarly underdeveloped is any discussion of countercurrents from the right, which underwent its own midcentury cultural and intellectual renaissance. William F. Buckley founded the *National Review* in 1955 on the premise that “ideas have consequences” (itself an idea articulated by the conservative writer Richard Weaver in 1948 in a book of that title). Midcentury conservatives, no less than their liberal counterparts, professed to recognize the value of intellectual provocation and A-list parties. They, too, had their European exiles, including the economists Friedrich Hayek and Ludwig von Mises. They even had their own Metaphysical Club: the Mont Pelerin Society, founded atop a Swiss mountain in 1947 in order to bring the West’s finest free-market thinkers together in a collective rebuke to the emerging liberal order.

Some of that conservative organizing took aim at the most important institution of Cold War intellectual life: the

American university. Buckley's first book, *God and Man at Yale*, published in 1951, identified his alma mater as a site of outrageously liberal thought, beginning with its supposedly socialist Economics Department and extending to its culture of religious tolerance. Menand's book underscores the ways in which Buckley's critique was at least partly true, if not for Yale (which was, in a relative sense, still a bastion of conservatism), then for the American university system writ large. High on the postwar agenda was the dream of making American universities the finest in the world, beginning with the GI Bill and extending into new funding for the arts and sciences. With that influx of money came a generation of thinkers emboldened to think new thoughts but also structurally tied to the liberal project.

Menand expresses ambivalence about the rise of the university as a center of intellectual life. With its promise of full employment for intellectuals came a tendency to siphon creative energies into specialized scholarly arenas, he suggests. Several of his characters exhibit a love-hate relationship with their academic posts. "I am ashamed of being in a university," Lionel Trilling declared on being promoted to full professor at Columbia. "I have one of the great reputations in the academic world. This thought makes me retch."

Such rarefied laments were harder for others to make. As Menand notes, many Jewish intellectuals were shut out of Ivy League respectability, although the most ambitious "turned into journalists instead and ended up having a greater impact on literary and intellectual life than most academics ever do." Women and people of color encountered more

difficulty still. Menand identifies individuals in both categories who managed to transcend the constraints of the age, including the feminist activist and author Betty Friedan and the writer James Baldwin. But they occupy a slightly different place in the narrative than do figures such as Kennan and Trilling, who held real institutional as well as cultural power. A few, such as Arendt, landed decent university sinecures. Others were relegated to hand-to-mouth essay writing, activism, and sometimes, as in Baldwin's case, self-imposed exile. By the time opportunities opened up for them to be considered cultural arbiters in their own right, the postwar high-culture renaissance was in free fall, and the best dinner parties were already over.

Menand attributes this collapse to political shifts both at home and abroad. The civil rights movement called into question the United States' self-image as a bastion of liberal egalitarianism (and rightly so). The Vietnam War likewise challenged the wisdom of the American imperial project and of "the best and the brightest" who had designed it. At the same time, the rapid expansion of mass popular culture, especially in the television and music industries, displaced the brief postwar emphasis on high art and intellect. As it turned out, most people preferred rock-and-roll to Cage's silences and 12-tone disarray.

Given the inexorable nature of Menand's story, it can be hard to imagine how one might restore a world in which achievements in fine art and classical music—or even robust funding for public universities—would be perceived as a path to global power and popular acclaim. If certain prognosticators are to be believed, the United

States is now facing a new cold war with China. But it seems unlikely that this cold war will produce any sort of high-culture renaissance. The most powerful calls to increase university funding focus almost exclusively on scientific and technological research, areas in which the Chinese system seems to excel. There is little comparable concern over the future of American arts and letters. In the 1940s, Americans expressed deep anxieties about their status as cultural influencers. Nearly a century later, mass culture seems to be one of the few areas in which U.S. power remains unparalleled around the globe. Political polarization, too, leaves little room for the sort of bipartisan investment (or embrace of intellectual and artistic refugees) that made certain forms of cultural production possible in the early Cold War. Even the most devoted adherents of the “new cold war” metaphor do not envision a primarily ideological struggle, waged in the terrain of hearts and minds. Today’s anxieties focus on economic, military, and technological competition, with cultural and intellectual innovation and freedom distant matters at best.

Should this seem like cause for lament, it is worth remembering that the early Cold War itself was hardly a worry-free time of academic and artistic freedom. Menand’s claim that left-liberal intellectuals and artists achieved unprecedented celebrity and influence is true as far as it goes. But as the historian Richard Hofstadter noted at the time, the United States has long nurtured a powerful anti-intellectual strain—one that reached an especially vicious apotheosis during the 1950s. To the

artists and writers who actually lived through the early Cold War, the period seems to have felt less like a renaissance than like a time of vicious and often terrifying far-right reaction. The defining politician of the decade, after all, was not the brainy Democratic presidential candidate Adlai Stevenson (a two-time loser) but Senator Joseph McCarthy, the spiritual progenitor of today’s populist “Big Lie” Republican politicians.

It is safe to say, then, that creative types do not necessarily know that they are living through a golden age even when that may be the case. Most intellectual and artistic life—then as now—gains its spice from dissatisfaction with the world. During the early Cold War, that dissatisfaction led to an outpouring of grief and despair and bewilderment and, in the end, a handful of creative and intellectual breakthroughs with staying power beyond their immediate moment. Today’s anxieties will no doubt inspire their own wave of innovation in high culture, art, and thought. It is less likely that those achievements will be widely known, embraced, and supported by millions. 🌐

A New Cuba?

The Fight to Define the Post-Castro Era

Jon Lee Anderson

Cuba: An American History
BY ADA FERRER. Scribner, 2021,
576 pp.

While I was on a visit to Moscow a short time after the Soviet collapse, a retired senior Red Army general sighed nostalgically when I asked about his time in Cuba during the 1962 Cuban missile crisis. “Kuba,” as he called it, heavy on the *K*, the rest of the word drawn out in a kind of caress, had held a special place in the Soviets’ hearts, he said. Its commitment to revolution was passionate and courageous, and in exchange, the Soviets had given everything they could to help sustain the country, going to great lengths to make sure the islanders had whatever they needed to survive. “We spoiled them,” he said, throwing up his hands and chuckling ruefully.

Cuba inhabits a special place in the imaginations of its one-time allies and would-be possessors. In the last hundred-odd years, these have included the Spaniards and the Americans, as well as the Soviets. All regard Cuba with the covetous memories of former lovers—longing mingled with

knowledge of the island’s practical side, its transactionalism.

Almost from the beginning of its recorded history, Cuba has been seen in such terms, as a supine beauty ready to be seduced and taken, its fruits exploited. In a letter to Spain’s King Ferdinand and Queen Isabella in 1492, Christopher Columbus wrote lyrically of the island’s charms:

The multitude of palm trees of various forms, the highest and most beautiful I have ever met with, and an infinity of other great and green trees; the birds in rich plumage and the verdure of the fields; render this country, most serene princes, of such marvelous beauty that it surpasses all others in charms and graces as the day doth the night in luster. I have been so overwhelmed at the sight of so much beauty that I have not known how to relate it.

After Columbus’s first footfall in the New World, Cuba fell prey to every manner of European freebooter. They were mostly Spaniards, but the British, the Dutch, and the French also came as buccaneers, planters, slavers, and fortune seekers. Just as fortresses were built to ward off the marauders, explorers such as Hernán Cortés launched expeditions from Cuba for the conquest of new lands and new treasures. Eventually, Cuba was turned into a vast plantation for sugar, the cash commodity of its era, and into a great hub for the racket that evolved with it—the African slave trade. Spain’s colonial tenure ended in the twilight years of the nineteenth century with the emergence of the United States as a world power, hungry for its own offshore dominions. By then, the economies of the two lands

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were deeply intertwined, with American slave ships supplying most of the African captives brought to Cuba and American merchants buying most of the island's sugar, rum, and tobacco—all of it produced with slave labor.

The Americans had coveted Cuba ever since the time of the Revolutionary War, and in Washington, the debate about taking ownership of the 750-mile-long island that stretched languorously so near American shores was open and unselfconscious. Presidents James Monroe and John Quincy Adams both advocated annexing the island, as did Thomas Jefferson, who wrote, "I candidly confess that I have ever looked on Cuba as the most interesting addition which could ever be made to our system of states." In 1852, Franklin Pierce won the presidency on a promise of annexing Cuba as an ideal bolster to the southern slave economy, and the next year, his vice president, William Rufus King, a slave-owning cotton planter from Alabama himself, took the oath of office while on a visit to the island.

Cuba's Creole elites were torn between those who wished to stay with Spain, annexationists seeking protection and profit from greater involvement with the United States (particularly with its slave trade), and those who sought national independence. The idea of true sovereignty had been a battle cry reverberating throughout Spanish America since the French Revolution, and most of the hemisphere's colonies had broken free since the early nineteenth century.

Alongside the struggle for freedom from Spain, there were also numerous unsuccessful slave revolts and just as many reprisal massacres. Cuba's colonialist planters were fearful of "another

Haiti," where a bloody slave revolt at the end of the eighteenth century had ended French colonial rule and brought freedom for its enslaved people.

From its origins in 1868, Cuba's own bid for independence was enmeshed with the movement for abolition. That year, a patrician planter named Carlos Manuel de Céspedes gathered his slaves on his land and declared them free at the same time as he asked them to be his soldiers in a war of independence against Spain. From then on, in the bloody conflicts and the uneasy periods of peace that followed, Cubans never ceased fighting for their independence, and Black Cubans, additionally, for their freedom. By the mid-1890s, the brutal vicissitudes of war—culminating in the Spanish general Valeriano Weyler's infamous concentration camps, in which as many as one-tenth of the total Cuban population died of disease, hunger, or mistreatment—had helped create a powerful "live free or die" penchant in the Cuban psyche.

By the time the ill-fated USS *Maine* steamed into Havana Harbor in January 1898, Cuba had produced an admirable canon of heroes and martyrs. Among them were the battle-hardened Antonio Maceo, known as "the Bronze Titan," and the diminutive journalist and poet José Martí, who, on the eve of his death in battle in 1895, had written presciently to a friend that Cuba's freedom might yet be won from Spain only to be stolen by the United States.

Ordinary Americans, by and large, sympathized with the Cuban rebels. There were also politicians—Theodore Roosevelt and Senator Henry Cabot Lodge prominent among them—who saw imperial opportunities for the United



Revolutionary road: antigovernment protesters in Havana, July 2021

States. In 1896, the American war correspondent Richard Harding Davis wrote a paean to Cuban courage in “The Death of Rodriguez,” a piece about a youthful rebel he had observed readying himself for death in front of a Spanish firing squad. Comparing the young man’s stoicism with that of the American revolutionaries who had died trying to free themselves from British colonial rule, Davis wrote, “He made a picture of such pathetic helplessness, but of such courage and dignity, that he reminded me on the instant of that statue of Nathan Hale that stands in the City Hall Park above the roar of Broadway, and teaches a lesson daily to the hurrying crowds of moneymakers who pass beneath.”

Although dispatches such as Davis’s helped build up American war fever, it was the mysterious February 15, 1898,

explosion that sank the USS *Maine* in Havana Harbor, killing 256 U.S. sailors, that set the Spanish-American War in motion. With Spain’s military defeat secured after a mere 16 weeks of war, the apple of Madrid’s eye fell to the upstart Yankees.

Over the next half century, Americans sought to remold Cuba to their taste and convenience. Within two years of the Spanish ouster, Washington oversaw the ratification of a Cuban constitution that gave the United States the right to intervene in Cuba and secured Guantánamo Bay as a permanent U.S. naval base. U.S. policymakers also changed the existing land tenure system, opening it up to outside investors and fueling a real estate boom in which Americans and their sugar corporations were the primary benefi-

ciaries. During Prohibition, Cuba became the anything-goes escape for Americans wanting to drink alcohol, gamble, or get divorced. Along the way, Cuban nationalists rebelled, and many died at the hands of the dictators whom the United States saw fit to install or leave in place.

By the time Fidel Castro began cutting a swath across Fulgencio Batista's gangsterish Cuba in the 1950s, the island's political firmament was primed to explode. Indeed, looking back over Cuba's volatile history, it seems inevitable that whenever the battle for Cuba's sovereignty was finally won, it would be a big and dramatic event—and it was.

A TANGLED WEB

In *Cuba*, Ada Ferrer brings home this epic in all its heady progression. In her foreword, the author, born in Cuba but raised and educated in the United States, explains that this book is the result of 30 years of research. A professor of history at New York University, Ferrer has made the island and its surroundings—and the relationship between her biological homeland and her inherited one—the subject of her entire career. She has written two previously acclaimed historical works, *Freedom's Mirror* and *Insurgent Cuba*, and there is no doubt that this monumental new book represents another formidable piece of original scholarship. It is written, moreover, in an admirably paced narrative style, which, one suspects, will earn it pride of place among the published histories of Cuba.

Looking through the prism of the relationship between Cuba and the society that was eventually established as the United States on the nearby

mainland, Ferrer starts with Columbus's landing and the subsequent genocidal campaigns that saw the Spaniards hunt down the island's inhabitants, the native Taínos, to near extinction. She continues on through the next four centuries of sugar plantations and slavery and the intertwining of Cuba's destiny with that of the United States.

The rise of Castro and his half century in power occupy a third of the book's 33 chapters, a testament both to the dramatic impact of the revolutionary changes he brought to Cuban society and to the complexity of the country's relationship with the United States. At the end of one chapter, Ferrer writes, "The cold war between these two American republics was never only about the Cold War, never only about communism." Instead, she explains, it was "a struggle between American power and Cuban sovereignty, and about what the character and limits of each would be."

For someone whose own family was torn apart by Castro's revolution, Ferrer manages to take a scrupulously agnostic tone in her scrutiny of Cuban and U.S. history. This alone is an admirable achievement. In her introduction, she explains that it was a conscious effort:

In the process of trying to summon up Cuba's past, I came to regard it anew. I learned to see it from within and without, refusing the binary interpretations imposed from on high in Washington and Havana and Miami. I began translating Cuba for Americans and the United States for Cubans. Then I used all that to see myself, my family, and my own home—the United States—with different eyes.

Ferrer leaves readers with a present-day Cuba that languishes in the midst of yet another historic juncture: the post-Castro limbo. But the Cubans remain as they have always been, the citizens of an island nation destined by geography to exist in the lee of the American empire. Thanks to Fidel Castro and his brother Raúl, Cuba is politically sovereign but economically vulnerable, and its future is tenuous, with its relationship with the giant of the north as unreconciled as ever.

NEW BEGINNINGS?

Ferrer began writing her book in 2015, during the historic U.S.-Cuban détente brokered between U.S. President Barack Obama and Raúl Castro. It was an extraordinary time of hope and anticipation for both Cubans and Americans after five and a half decades of hostility, culminating with Obama's visit to Havana in March 2016. Recalling how the Cuban capital was spruced up ahead of the big day, Ferrer notes that roads were repaved, buildings repainted, and windows replaced. "Cubans joked that if Obama visited regularly, the city would look new in no time," she writes. With her historian's eye for the pivotal moment, Ferrer highlights two crucial parts of the groundbreaking speech that Obama gave in Havana's venerable Gran Teatro, with Castro in attendance and a live broadcast on Cuban state television. "The first came early," she recounts, "when the United States' first Black president began outlining the bonds between the two countries by declaring: 'We share the same blood. . . . We both live in a new world, colonized by Europeans. Cuba, like the United

States, was built in part by slaves brought here from Africa.'" Obama, Ferrer explains, seemed to be saying to Cubans of African descent, "I see you, and I understand your centrality in the past and future of your country."

The other notable passage in Obama's speech, according to Ferrer, was his articulation of Cuba's historical relationship to the United States. "Obama spoke of prerevolutionary Cuba in terms not entirely unlike those used by the Cuban government itself," she writes. "He spoke of a republic that the United States treated 'as something to exploit, ignor[ing] poverty and enabl[ing] corruption.'" Of the Cuban Revolution itself, Obama spoke in respectful terms. He referred to "the ideals that are the starting point for every revolution—America's revolution, Cuba's revolution, the liberation movements around the world." Remarkably, Ferrer explains, "an American president spoke about the Cuban Revolution of 1959 and the American Revolution of 1776 in the same breath. More than half a century after it started, the cold war between the United States and Cuba seemed to be at its end."

As it turned out, however, Obama's trip was the high-water mark of an opening that did not last. The surprise victory of Donald Trump over Hillary Clinton in the 2016 U.S. presidential election soon brought an end to the brief U.S.-Cuban rapprochement and coincided with the death of Fidel Castro at the age of 90. It was the end of an era in more ways than one.

In 2018, Raúl Castro, who had succeeded his brother after he fell ill a decade earlier, stood down from the presidency and handed the reins of

power to Miguel Díaz-Canel, a hand-picked loyalist in his late 50s. Then, in April 2021, two months short of his own 90th birthday, Castro relinquished his post as first secretary of the Cuban Communist Party, also to Díaz-Canel. By then, as he declared at the time, he felt his job was done. In 2019, a new Cuban constitution was ushered in, in which socialism was deemed “irrevocable” as the country’s sole political credo but allowances were made for aspects of capitalism, including private ownership of property and businesses and foreign investment. *Somos continuidad*—“We are continuity”—has been the transition’s catch phrase.

Although Ferrer shies away from a final judgment on the Castro era, she highlights growing discontent among ordinary people. Many Cubans, she writes, “seemed to be more interested in change than in continuity. It wasn’t necessarily a political position, simply an overriding sense that they wanted improvement—in their earnings, their diets, their daily commutes, their choices and opportunities, their lives.”

TROUBLED TIMES

Today, life on the island is more difficult than it has been for years. The COVID-19 pandemic closed Cuba off from the outside world and shut down foreign tourism, one of the country’s most important sources of income, for a year and a half—aggravating the penury that came to characterize the Trump years. While in office, Trump adopted a hostile tone with Havana and closed down most of the economic openings that had been authorized by Obama to alleviate economic hardship on the island. Ordinary Cubans, writes Ferrer, felt

these impacts most acutely. “Those who had opened small businesses hoping to capitalize on the rise of U.S. tourism shut their doors and parked their carts. . . . Food supplies dwindled, lines grew longer, prices climbed higher.”

Despite his victory in the 2020 U.S. presidential election and notwithstanding his campaign promise to roll back the most deleterious of Trump’s measures, Joe Biden has made few changes to existing U.S. Cuba policy out of an apparent fear of reprisal from the influential conservative Cuban American vote in Florida. This lack of change, combined with chronic shortages of basic essentials, has led to a widespread feeling of pessimism. When protests erupted in cities and towns across the island in July 2021—an unprecedented display of dissatisfaction by ordinary Cubans—the government blamed the United States for stoking the discontent and cracked down hard.

Under pressure, order was soon restored. But with ongoing shortages that evoke memories of the deprivations of the so-called Special Period of the early 1990s that followed the collapse of the Soviet Union, it’s an open question how long the situation can last. The Castro brothers are no longer in power, and a new generation of Cubans, born after the demise of the Soviet Union, are not part of the socialist inheritance. These Cubans, who represent about a third of the population, are less ideological than their parents and grandparents and wish mostly to live normal lives. They want to work and live and travel and to express themselves freely as people do almost everywhere else in the Western Hemisphere. Many now also have the means to know what they

are missing out on, thanks to access to the Internet and social media. In the face of this generational sea change, Cuba's government wields power in an existential limbo and fills the void by exhorting its citizens to be faithful patriots. It is their duty, so Havana claims, to stand up for the Cuban independence that was fought for, won, and consolidated by the revolution and through socialism.

Whether Cuba's ruling Communist Party can secure another half century in power by embracing capitalism and controlling it within an autocratic state, as China and Vietnam have done, remains to be seen. A "modestly mixed economy," observes Ferrer, is what appears to be on the government's drawing board. But dissatisfaction with government control remains, and Ferrer suggests that the state will likely continue to repress those who disagree with its policies—pointing to an early decree by Díaz-Canel prohibiting artists from performing or exhibiting in public without prior permission from the Ministry of Culture.

Ferrer rightly defines the current Cuban reality as a "crisis," with a future that is far from clear. She makes the point, however, that "improvement in the day-to-day lives of Cuban people depends on more than the occupant of the White House." Such changes also depend on decisions taken by Cuba's government and, ultimately, by the Cuban people themselves. In the end, she suggests, it will be up to Cuba's citizens—ordinary civilians—to show both governments the way forward.

Meanwhile, Cuba's people increasingly express aspirations that transcend historical concerns about national

sovereignty. In the short term, it seems likely that more of them will join the calls for greater freedom in their everyday lives. Yunior García is a 39-year-old playwright who has emerged as a spokesperson for Cubans demanding change. As he put it recently, without flourish, "We want a country where everyone has a place, an inclusive country where the rights of all citizens are respected." Sometimes, the simplest things are the most elusive. 🌐

From the Jaws of Retreat

Vietnam, Afghanistan, and the Persistence of American Ambition

Erez Manela

The End of Ambition: The United States and the Third World in the Vietnam Era
BY MARK ATWOOD LAWRENCE.
Princeton University Press, 2021,
408 pp.

The history of the United States in the postwar era is replete with American efforts to change other nations. These projects often failed to achieve their goals, but few so completely as the recent one in Afghanistan. After 20 years, a great many lives lost, and untold billions spent, the Taliban—the very same group that the United States had intervened to remove at the outset—returned to power while U.S. personnel were still mid-evacuation.

The retreat from Afghanistan follows a pattern in U.S. policy toward the part of the world that in the past was known as the Third World but is now more commonly referred to as the Global South. In the decades since the United States became a global superpower in the 1940s, its approach to that large swath of the world, which encompasses

much of Africa, Asia, and Latin America, has shifted between two poles. At times, Washington, so it claimed, tried to use its power to make countries in those regions more prosperous and democratic, as it did most recently in Afghanistan and Iraq. At other times, U.S. policy eschewed such transformative ambitions. Instead, it prioritized stability, which often meant supporting undemocratic regimes if that served Washington's interests.

In the immediate aftermath of World War II, U.S. policymakers were generally sympathetic toward the aspirations of Third World peoples, as, for example, with the liberation of India and Indonesia from colonial rule. As the Cold War intensified, however, U.S. policy priorities shifted toward the containment of communism. Thus, in the 1950s, Washington was perfectly willing to work with authoritarian governments (such as those in South Korea and Taiwan) as long as they were dependably anticommunist and to help overthrow democratically elected ones (such as in Iran and Guatemala) if they appeared to be otherwise. In the name of anticommunism, the United States also backed the French war to regain and defend France's colonial rule in Indochina. When the French suffered the decisive defeat at Dien Bien Phu, in 1954, Washington assumed the burden of containing communism in Southeast Asia.

In *The End of Ambition*, the historian Mark Atwood Lawrence argues that the election of the young, charismatic John F. Kennedy as U.S. president brought another brief burst of optimism about the transformative potential of U.S. relations with the Third World. As newly sovereign states rapidly replaced

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retreating European empires, especially in Africa, the U.S. administration voiced support for the aspirations that Third World peoples expressed for democracy and development. But with Kennedy's assassination and the escalation of the war in Vietnam, Washington's approach started to shift. By the end of the decade, with Richard Nixon in the White House, the United States was again openly prioritizing anticommunism over liberation in the Third World.

Lawrence traces the brief rise and rapid decline of Washington's support for newly independent Third World countries in the 1960s. Although his book begins with Kennedy's election and ends with the rise of the Nixon Doctrine, its core chapters zero in on the presidency of Lyndon Johnson—when, Lawrence argues, the retreat from the ambition of the Kennedy years began.

Lawrence points to the escalation of the American war in Vietnam as a major reason for the dissipation of the high hopes of the Kennedy years. The war kept U.S. policymakers distracted and sullied the United States' image abroad, making it more difficult for Washington to present itself as an ally to Third World countries. Later, the humiliating defeat in that war would sour the American public on military interventions abroad and bring about, even if only temporarily, a determination to retreat from foreign entanglements.

Yet if the Vietnam War distracted U.S. policymakers from their more high-minded ambitions in the Third World, the focus on that conflict in most histories of U.S. foreign relations has overshadowed the many other ways in which Americans were engaging with the world. Viewing U.S. foreign rela-

tions solely through the lens of the White House, the National Security Council, and the State Department—important as these organs are—tends to obscure the global ambitions and impact of other parts of the U.S. government and of other U.S.-based entities that operated abroad, such as philanthropies and nongovernmental organizations. Such actors played important roles in massively ambitious, transformative initiatives that took place in the Third World in that era, including the green revolution in agriculture and the global eradication of smallpox.

Today, media coverage and academic analysis of American foreign policy also tend to concentrate on U.S. military activities and on the high-level debates in Congress and the White House. As with commentary during the Vietnam era and the histories of that time that followed, this focus draws attention away from ambitious work that other parts of the U.S. government and other sectors of American society are carrying out in the Global South—work that may prove, in the long run, to have a greater impact on the U.S. role in the world than the stories in the headlines.

THE RULE OF FOUR

In *The End of Ambition*, Lawrence delves deeply into the perspectives and deliberations of top policymakers in the White House and the State Department. Following the old Washington adage that “personnel is policy,” he carefully tracks who rose and who fell in those agencies across the 1960s and how those changes help explain policy decisions. Officials in the Department of Defense, the military, the CIA, and Congress also make appearances,

although less often. Moreover, rather than survey U.S. policy toward the Third World in its entirety, Lawrence concentrates on relations with five countries, selected for their geographic diversity and geopolitical significance: Brazil, India, Iran, Indonesia, and the white-minority regime in what was then Rhodesia and is now Zimbabwe.

Lawrence is especially interested in the outlooks that guided top U.S. decision-makers in forming policy toward the Third World in the 1960s, and he offers a useful taxonomy of four different approaches toward these regions. He calls one group “the globalists.” This category included officials such as Chester Bowles and John Kenneth Galbraith, both of whom served as ambassador to India in this period; Adlai Stevenson, who was U.S. ambassador to the UN; and the Kennedy adviser Arthur Schlesinger, Jr. They opposed European imperialism, supported self-determination and the UN, and thought that postcolonial nations should largely be allowed to find their own paths of political and social development. The globalists had Kennedy’s ear, but the president worried about the domestic political risks of their approach, which critics saw as too sanguine about the dangers of communism, so he kept them at arm’s length. Under Johnson, their influence declined even further. Despite their prominence in elite circles, then, the globalists appear to have had relatively little influence on policy decisions in this era.

The second group were “the nation-builders,” most notably represented by Walt Rostow, who served as the director of policy planning in the State Depart-

ment and later as Johnson’s national security adviser. The nation-builders shared some basic premises with the globalists but were much more worried about communist expansion and did not think newly independent countries could be left to their own devices to stop it. Rather, such states needed firm U.S. guidance delivered through comprehensive aid programs that would steer them onto the right course. Yet time and again, the nation-builders’ efforts to cajole or coerce Third World governments to move in a desired direction failed. Instead, postcolonial leaders deftly played the superpowers against each other to preserve their freedom of action.

The third group Lawrence describes are those who adopted what he calls “the ‘strongpoint’ outlook.” These were officials who thought, quite simply, that the Third World did not matter much to U.S. interests; Washington, therefore, should not get too entangled in it. What mattered were U.S. alliances in the industrialized world, primarily with Japan and countries in Western Europe. Lawrence sees Secretary of State Dean Rusk and Undersecretary of State George Ball as leading exponents of this outlook. Despite occupying the commanding heights of the foreign policy establishment throughout much of the 1960s, these officials were continually frustrated in their efforts to keep the United States out of Third World entanglements, most notably in Vietnam. In the end, they, too, could not escape the pervasive hold of anticommunism in U.S. politics in the Cold War era.

Finally, Lawrence describes a fourth group, “the unilateralists,” represented primarily by military and intelligence officials. They discounted cooperation

with other governments, even core allies. Instead, they preferred the direct application of U.S. power, whether through military action or covert operations. This approach receives less attention than the other three in the book, which focuses more on officials in the White House, the National Security Council, and the State Department than on those in the military or the CIA. This is not atypical; after all, the latter tend to publish fewer books and make fewer speeches that historians can cite, and their organizations' archives, too, are often far less accessible. Yet arguably, the unilateralists had the greatest impact on U.S. policy in the Third World in this era. It was their outlook, after all, that produced the Bay of Pigs invasion in 1961 and, a few years later, played a major role in escalating the American war in Vietnam.

STUCK WITH CONTAINMENT

In framing his book's argument, Lawrence stresses how Washington's policy in the Third World shifted in the course of the 1960s from the great promise of the Kennedy years to wary disengagement under Nixon. Lawrence emphasizes that the shift began under Johnson, who, compared with Kennedy, was more transactional in his approach to foreign policy and therefore less keen to give U.S. aid to governments, such as India's, that refused to toe Washington's Cold War line.

Yet as the book turns to a detailed account of U.S. policy in its five case studies, these distinctions—between different administrations, between different policy approaches—often seem to be overshadowed by the relentless slog of policymaking amid shifting, complex, and ambiguous circumstances. The

picture that ultimately emerges is one in which, despite some changes in tone and personnel as the decade progressed, U.S. policy toward the five countries on which Lawrence focuses did not change as much as one might have expected.

Each case was different, of course, but several common threads emerge. First, throughout the 1960s, disagreements within the foreign policy establishment often fostered ambivalence and hedging. Second, perceptions of domestic political risk led even officials sympathetic to Third World aspirations to tread carefully lest they be tarred with coddling communism. Finally, and perhaps most important, Third World leaders, jealous of their hard-won sovereignty, resisted U.S. efforts to shape their behavior, whether with carrots or sticks. For example, Lawrence finds that when Washington tried to use increased development aid to draw governments closer to its orbit, the result was often the opposite: postcolonial leaders instead reached out to other powers, often the Soviet Union, in order to balance against U.S. influence and preserve their freedom of action.

To the extent that a consistent through line emerges in Washington's policy toward these places, it can be summed up in one very predictable word: "containment." Nearly every decision on whom to support, how much aid to give, and what public rhetoric to deploy seems to have been calculated to ward off any risk of communist gains, or the appearance of such gains. In fact, the impression one gets from the detailed narrative in this book is that whatever sympathies Kennedy, or Johnson, or some of their advisers may have had for the ambitions of Third

World peoples, the political exigencies of containment tightly circumscribed their policy choices.

Herein lies an irony. Lawrence argues that the escalation in Vietnam, and Cold War concerns more generally, made U.S. policymakers less responsive to the aspirations of Third World peoples and that, therefore, there was a “lost opportunity” to forge better relations with those peoples and help them make gains in democracy and development. Yet the story he tells suggests that, judged strictly by the standard of containment, the U.S. position in all five cases improved in the 1960s. Brazil and Indonesia both saw military coups that replaced leftist governments with pro-Western generals. Iran, already leaning toward the United States in the early 1960s, was even more firmly ensconced in its camp at decade’s end. India, an avatar of forceful neutralism early on, saw its influence diminished by regional conflict and domestic troubles. And southern Africa, where white-minority rule had appeared likely to cause a regional conflagration, seemed to have largely stabilized by the end of the decade, at least from Washington’s perspective. In short, if the 1960s showed that support for friendly dictators helped Washington contain communism in the Third World, it is hardly surprising that, as Lawrence concludes, the incoming Nixon administration committed even more firmly to that strategy.

Yet if one peers just beyond the chronological scope of this book, it becomes clear that the retrenchment of the Nixon Doctrine turned out to be only temporary. In fact, the zeal to change the Third World soon returned to Washington in the Carter and Reagan years, first in the form of a crusade

for human rights and then as a posture of muscular anticommunism that saw the proliferation of U.S. military entanglements across these regions, often justified in the name of promoting American values.

The end of the Cold War ignited even greater ambition in Washington. The Gulf War of 1990–91, which President George H. W. Bush framed as a defense of Kuwaiti self-determination in the face of Iraqi aggression, was followed by U.S. interventions in Somalia, the Balkans, and elsewhere. Then came the 9/11 attacks and the U.S. invasions of Afghanistan and Iraq, where Washington’s ambition reached another tragic climax as the United States sought to restructure entire societies in the name of prosperity and democracy (and, of course, counterterrorism). Only in the last half decade or so, with the ignominious collapse of these projects, has the United States again turned back toward retrenchment, at least for now.

VARIETIES OF AMBITION

A somewhat different view of the history of U.S. engagement in the Global South emerges if one looks beyond the policymakers in the White House and the exercise of U.S. military power. During the 1960s, Johnson and his foreign policy mandarins became increasingly entangled in Vietnam and retreated from any expansive liberal ambitions in the Third World in favor of working with friendly dictators. At the same time, however, a substantial number of other Americans, along with a great many others across the world, were deeply engaged in two of the most ambitious and consequential global efforts of the last century.



Foreign entanglements: U.S. soldiers patrolling in Vietnam, January 1967

The first was the green revolution, which introduced into the Global South a range of new agricultural technologies that massively expanded the global food supply and earned the American agronomist Norman Borlaug the Nobel Peace Prize in 1970. The second was the World Health Organization's Smallpox Eradication Program, headed by the American epidemiologist Donald Henderson, which not only rid the world of smallpox, a deadly virus that had afflicted humanity for centuries, but also helped bolster vaccination initiatives across much of the Global South by setting the groundwork for the WHO's Expanded Program on Immunization. The U.S. Department of Agriculture and the Communicable Disease Center (now the Centers for Disease Control and Prevention) played crucial roles in these efforts, as

did foundations, research institutes, and expert networks that were based in the United States or funded with U.S. money, both public and private.

This perspective holds lessons for the current moment. Perhaps, if the pattern of U.S. foreign policy that *The End of Ambition* highlights holds, the debacle in Afghanistan, like the one in Vietnam, will merely signal another act in the familiar drama of intervention, re-trenchment, and back again. But as was the case in the mid-twentieth century, this pattern represents only one part of the interactions between the United States and the Global South.

Take the example of global health, which the COVID-19 pandemic has brought starkly to the fore. In the 1960s and 1970s, the United States collaborated with the Soviet Union, as well as many other countries, on smallpox

eradication even as Washington was waging a brutal war in Southeast Asia. The two superpowers could cooperate in this way even amid strategic conflict because they both had an interest in eradicating smallpox in the Global South (national vaccination programs had earlier eliminated it from the Global North), because their scientists could speak to each other and work together, and because there existed an international organization, the WHO, through which they could coordinate these efforts with each other and with dozens of other countries.

Today, the world is witnessing what some have called a new cold war between the United States and China, even as it is experiencing the deadliest pandemic in a century. So far, Washington and Beijing appear to be focused on finger-pointing and nationalist competition. Still, just like half a century ago, the two great powers today have a shared interest in ending the pandemic, their scientists can speak to each other (and have long been doing so, when permitted), and the WHO, whatever its flaws, still allows the two countries to coordinate their efforts along with those of dozens of other countries. The current pandemic, then, would seem to present an ideal opportunity for the sort of collaboration amid conflict that enabled the eradication of smallpox.

More broadly, if Americans see it as in their interest to promote positive change in the Global South, as they should, this history suggests that the best way to do so is not with unilateral military force or even bilateral aid agreements. Rather, the most successful programs have been broad multinational collaborations and have often incorpo-

rated public-private partnerships. Although cooperation with China might be lacking at the moment, the global distribution of COVID-19 vaccines would represent ambition akin to the eradication of smallpox. Bold multilateral action on climate change could have an impact on the order of the green revolution. After the chaotic withdrawal from Afghanistan, Washington appears to be headed for retrenchment, as it was, at least temporarily, in the aftermath of the war in Vietnam. But as history shows, this does not mean that ambitious global efforts are out of reach. 🌐

Recent Books

Political and Legal

G. John Ikenberry

Liberalism in Dark Times: The Liberal Ethos in the Twentieth Century

BY JOSHUA L. CHERNISS. Princeton University Press, 2021, 328 pp.

In this fascinating book, Cherniss explores the ideas of liberal thinkers from the World War II and Cold War eras, who were searching for ways to respond to fascism and totalitarianism. The book builds on portraits of the American theologian Reinhold Niebuhr, the French philosophers Albert Camus and Raymond Aron, and the British philosopher Isaiah Berlin, mid-twentieth-century intellectuals who sought to defend liberalism by reimagining it. In each case, these thinkers were preoccupied by how liberalism could survive as a way of life in the face of extremist projects that had as their ultimate aim the root-and-branch elimination of liberalism and democracy. In each case, Cherniss identifies a similar move: the defense of liberalism less as a set of policies and institutions and more as an “ethic of politics”—a political temperament that acknowledged its own weaknesses and vulnerabilities but also its deep virtues as the great protector of human freedom. In each case, these thinkers struggled with the “liberal predicament,” which was to find a way to combat the ruthlessness of antiliberal movements without also becoming ruthless and illiberal.

Aftershocks: Pandemic Politics and the End of the Old International Order

BY COLIN KAHL AND THOMAS WRIGHT. St. Martin's Press, 2021, 464 pp.

In this gripping, fine-grained account of the unfolding COVID-19 crisis, Kahl and Wright paint a vivid portrait of a deeply dysfunctional international order, incapable of even simple cooperation in the face of a deadly global public health emergency. At one level, the book is a work of contemporary history, telling the story of an ongoing global political crisis—a chaotic spectacle of uncertainty, fear, and political expediency in which multilateral cooperation quickly gave way to nationalism, populism, and great-power rivalry. At another level, the book seeks to use the crisis as a sort of diagnostic tool to identify the long-term trajectory of the international order. Kahl and Wright argue that the pandemic has played the role of catalyst—more than cause—in the final breakdown of the U.S.-led global system. The era of great-power cooperation is over. Transnational interdependence—in economics, security, public health, and the environment—may be growing, but so, too, is the U.S.-Chinese rivalry, creating a negative synergy that will make the world less stable and less safe. The United States and like-minded countries should give up on building a global system of governance, the authors argue, and instead work together to address shared dangers, while upholding the liberal international principles of transparency and accountability.

Democracy in the Time of Coronavirus
BY DANIELLE ALLEN. University of Chicago Press, 2021, 128 pp.

In this stirring manifesto, the renowned political theorist Allen argues that the United States' woeful response to the COVID-19 pandemic must serve as a wake-up call for Americans to rebuild their public health infrastructure and renew their constitutional democracy. For Allen, the crux of the problem is the breakdown of the American social contract, a rupture that left minorities and low-income workers unprotected in the face of the pandemic. She sees this as a "learning moment," an opportunity to pose constitutional questions about how the United States might better equip itself to cope with global threats. Protecting what the U.S. Constitution calls the "general welfare" is the first task of government, and the laudable recent efforts of other democracies, such as Australia and Germany, help point the way. As Allen sees it, the failures of the United States to protect people from the deadly virus—and from the human suffering and social inequalities that followed—are more than public policy missteps; they reveal a deeper failure to make good on the "responsibilities of governance" that undergird the legitimacy of a constitutional democracy.

The Closure of the International System: How Institutions Create Political Equalities and Hierarchies
BY LORA ANNE VIOLA. Cambridge University Press, 2020, 336 pp.

In this groundbreaking book, Viola argues that all international systems contain two competing logics of order, pitting equality

and inclusion against inequality and exclusion. The United Nations, the premier multilateral organization, enshrines the principle of sovereign equality. But other organizations, such as the International Monetary Fund and the World Bank, have differential voting quotas, and the Nuclear Nonproliferation Treaty formally divides the world into nuclear haves and have-nots. The book develops a "closure theory" to explain why the rules and institutions of the international system exhibit this mix of equality and inequality of rights and privileges. States have used both inclusion and exclusion to shape the global playing field. Those seeking to establish rules and institutions of global governance peddle universalist principles to attract other states. But more exclusive groupings of states—clubs—provide ways for states to assert dominance, define property rights, and control the flow and distribution of resources. Viola shows how the dynamics of inclusion and exclusion are linked and work together. The modern system of international relations may be both more open and more global than ever before, but it is also a bounded political space run by privileged members.

Designs on Empire: America's Rise to Power in the Age of European Imperialism
BY ANDREW PRIEST. Columbia University Press, 2021, 304 pp.

The United States came of age as a great power in the shadow of European empire. In 1898, with the Spanish-American War, it launched its own imperial career. This fascinating and deeply researched book explores American thinking about empire in the decades between the Civil War and the conflict with Spain. Priest uncovers a

vibrant debate in the United States about the dangers and opportunities of following in European imperial footsteps, often provoked by concrete British, French, German, Ottoman, and Spanish moves on the world stage. Priest shows that a strand of anti-imperial thinking (the legacy of the anticolonial American Revolution) remained prominent throughout the nineteenth century, often manifest in the claim that U.S. overseas expansion was in fact commercial rather than territorial and that the country's ideals were meant to inspire worldwide movements toward constitutional self-rule. But anti-imperialist rhetoric was often matched by support for an ambitious global presence to accompany the United States' rising wealth and power. Ideas of racial and civilizational hierarchy permeated the thinking of American elites, even as those elites believed in the progressive role their country could play in world affairs.

Economic, Social, and Environmental

Barry Eichengreen

Career and Family: Women's Century-Long Journey Toward Equity

BY CLAUDIA GOLDIN. Princeton University Press, 2021, 344 pp.

In this deeply researched, engagingly written, and surprisingly personal book, Goldin summarizes the history and current state of gender disparities in employment and pay, both

in general and specifically for college-educated women. For much of the twentieth century, the pay gap between women and men reflected discrimination, the consequences of marriage, differences in educational attainment, and occupational choices. Today, by contrast, those obstacles to gender parity have been reduced, and the pay gap reflects other causes, including how childbirth and child rearing interrupt female labor-force participation. More important, it reflects how women tend to choose employers and career paths that allow for flexibility and do not require overtime hours and erratic work schedules. This, in turn, allows their spouses to pursue better-compensated positions, further accentuating the gap in "couple equity." Addressing this problem will require firms to make flexible and part-time work more productive and better remunerated and governments to provide more generous childcare. More fundamentally, redressing the pay gap will require revisiting the social norm that women are primarily responsible for child rearing.

Shutdown: How COVID Shook the World's Economy

BY ADAM TOOZE. Viking, 2021, 368 pp.

In this first draft of history, Tooze surveys the economic effects of and public policy responses to the COVID-19 pandemic. The author ranges widely over economics, finance, geopolitics, and epidemiology, displaying a firm grasp of both minutiae and the big picture. His focus is on central bankers, finance ministers, and the public policy responses they crafted under intense

pressure. Tooze applauds them for heading off the worst but does not shy away from difficult questions about the implications of their actions for the future: he wonders whether central bank independence will remain viable given how central bankers stretched their mandates and what unprecedented budget deficits and heavy public debts imply for fiscal sustainability and fiscal rules going forward. Future scholars will see this book as a record of how informed observers saw the events of 2020 as they unfolded. Readers, having lived through those same events, might ask how they themselves would have written this history.

The Work of the Future: Building Better Jobs in the Age of Intelligent Machines
BY DAVID AUTOR, DAVID A. MINDELL, AND ELISABETH B. REYNOLDS. MIT Press, 2022, 192 pp.

The authors push back on the notion that technological advances will lead to the elimination of countless jobs in the future. Technological change, they emphasize, takes time to unfold and creates new job opportunities even while destroying old ones. In fact, public policy has been more important than technology in shaping labor-market outcomes, specifically for less skilled workers without college degrees. Although all advanced economies have experienced technological change, the United States has seen a sharper divergence between productivity and wages, a more dramatic decline in labor's share of national income, and a more pronounced rise in poorly compensated jobs, all as a result of policy, not technology. These economic trends and

their social and political consequences, the authors argue, can be reversed by an increase in the federal minimum wage, which would spur employers to take steps to boost the productivity of low-paid workers; by legal changes that enhance the ability of workers to organize and represent themselves collectively in negotiations; and by tax policies that encourage firms to invest more extensively in worker training.

No Standard Oil: Managing Abundant Petroleum in a Warming World
BY DEBORAH GORDON. Oxford University Press, 2021, 368 pp.

Gordon is trained as a chemical engineer but thinks like an economist. She favors the preferred intervention of economists for addressing climate change, namely taxing greenhouse gas emissions. But she stresses that not all fossil fuels generate the same emissions: differences in crude products and refining techniques mean that the emissions produced by otherwise equivalent amounts of oil and gas can vary by a factor of ten. Thus, simply taxing gas at the pump but neglecting emissions along the supply chain may fail to shift the production of fossil fuels toward cleaner sources, unnecessarily raising costs while squandering opportunities to curb climate change. Better emission-related data, reported by companies subject to stronger government oversight, can inform better policy. Gordon emphasizes that there is no silver bullet for the climate crisis. Fossil fuels, like it or not, will still be in use in 2050. But they should be priced more appropriately, in line with their social costs. They should be

produced using clean refining techniques and supplemented with clean energy sources developed through collaboration among the public sector, the private sector, and academia.

Populism and Trade: The Challenge to the Global Trading System

BY KENT JONES. Oxford University Press, 2021, 272 pp.

A longtime champion of open trade, Jones laments the impact on the multilateral trading system of the U.S. presidency of Donald Trump, the successful British campaign to leave the European Union, and populist movements worldwide. His explanations for the protectionist turn and its connection to populism are not new: multilateralism is the project of much-resented elites, foreigners are viewed with suspicion, and populist leaders have no scruples about shattering the norms that buttress the global trading system. More original, however, are Jones's ambitious proposals for galvanizing support for that system. He calls on the U.S. Congress to reassert its control over presidential decisions on national security tariffs and the use of Section 301 of the Trade Act of 1974, which authorizes the application of punitive tariffs against other countries. The European Union should address its "democratic deficit" so that European publics feel that their voices are heard when the European Commission negotiates trade agreements. The World Trade Organization should adopt a more flexible interpretation of the escape clauses in its agreements to avoid alienating nationalist members. Jones concludes that "the prospects for

a more enlightened U.S. trade policy" in the post-Trump era remain uncertain. The same could be said of other countries' trade policies.

Military, Scientific, and Technological

Lawrence D. Freedman

Negotiating the New START Treaty

BY ROSE GOTTEMOELLER. Cambria Press, 2021, 244 pp.

Winning and Losing the Nuclear Peace: The Rise, Demise, and Revival of Arms Control

BY MICHAEL KREPON. Stanford University Press, 2021, 640 pp.

Arms Control for the Third Nuclear Age: Between Disarmament and Armageddon

BY DAVID A. COOPER. Georgetown University Press, 2021, 248 pp.

G ottemoeller's lucid, candid, and engaging memoir of her role in getting the Russians to agree to the 2011 New START treaty—and persuading the U.S. Senate to ratify it—is an encomium to the hard slog of diplomacy. Her account demonstrates the importance of having a strong negotiating team with good morale, allowing technical experts time to work on the details, producing agreement texts that are both clear and mean the same thing in multiple languages, forging a working relationship with interlocutors (even when this requires some performative losses of temper), dealing with unrealis-

tic demands from bosses in Washington and dissuading them from imposing unrealistic agendas, and creating public support for an agreement to keep pressure on the Senate to ratify it. Unsurprisingly, she reports that both she and her Russian counterpart had to be treated for high blood pressure when they returned home for a Christmas break. And she also notes that because New START did not make strides toward the abolition of nuclear weapons, it got only lukewarm support from advocates of disarmament. She hoped the agreement would be followed by more such deals, but her book is a reminder of how hard it was to get even this far.

Her message is similar to the one that emerges from Krepon's comprehensive and thoroughly researched history of U.S. nuclear arms control policy. Krepon opens with the early efforts to control the new technology, which began soon after the United States dropped atomic bombs on Japan. In the 1950s, a dialogue was started between the superpowers, leading to breakthrough agreements in the 1960s, including the Limited Test Ban Treaty and the Nuclear Nonproliferation Treaty, and setting the stage for the first strategic arms agreements of the 1970s. Then the enterprise stalled, until U.S. President Ronald Reagan and Soviet Premier Mikhail Gorbachev revived it. Krepon gives U.S. President George H. W. Bush high marks for his efforts; during the first term of his successor, Bill Clinton, arms control was as good as it has ever been. More recently, a low point was reached under U.S. President Donald Trump. This is essentially a political and bureaucratic history, enlivened by generous portraits of the key players. Krepon's refreshingly realist message is that the

world is stuck in the nuclear age: the idea of abolishing nuclear weapons and the notion of finding war-winning strategies for their use are both forms of escapism. Restraints on the numbers and compositions of the world's nuclear arsenals are possible, but they would require tough negotiations by the United States, not only with other countries but also with skeptical parts of the executive branch and Congress. As Krepon shows, this situation can produce perverse outcomes, as Congress funds defense programs either to buy off the military or to serve as "bargaining chips" to be used to persuade the other side to relinquish something in return (presumably their own bargaining chips).

Cooper's valuable guide to the theory and practice of arms control does not offer much hope for a rosier future. He points to the "complex, volatile and adversarial" state of world politics, the need to think trilaterally rather than bilaterally now that China has become a key player, and a loss of understanding about what arms control is for and how it can be achieved. When it comes to negotiations, he fully appreciates the importance of process but also urges policymakers to think clearly about substance. He explores deterrence theory and the concept of strategic stability and writes about the need for active weapons programs to encourage other parties to offer concessions. The benefits of arms control, in terms of reassurance, predictability, and opportunities for dialogue, are often described as "modest but useful." Success requires not only considerable effort but also a favorable geopolitical context.

Empire of Destruction: A History of Nazi Mass Killing

BY ALEX J. KAY. Yale University Press, 2021, 400 pp.

In this meticulous, vivid, and grim accounting of the deliberate murder of civilians by Nazi Germany, Kay manages to keep a balance between careful analysis of the evidence and reminders of the horrors of the events he is describing, including individuals' harrowing recollections of surviving by hiding among dead bodies—often those of their own relatives. The attempt to eliminate the Jewish people stands out because of its scale and animating ideology, but Kay shows how that was only the most extreme manifestation of a wider horror that depended on the dehumanization of victims and the perfection of the means of extermination. In calculating how many people the Nazis killed, he reaches a figure of 13 million during the war years alone, most of whom were murdered through starvation, shooting, or gassing. In addition to the Holocaust against the Jews, Kay describes the Nazi campaigns against people with mental and physical disabilities, the Polish elite and the occupants of Warsaw, the Roma, civilians in Soviet cities, and others unlucky enough to live in Nazi-occupied territory. This was an unparalleled exercise in collective violence, with “hundreds of thousands of mass murderers at large simultaneously.” Kay eschews monocausal explanations, pointing to a combination of Nazi ideology, historical circumstances that encouraged radicalization, and the impunity permitted by war.

The Economic Weapon: The Rise of Sanctions as a Tool of Modern War

BY NICHOLAS MULDER. Yale University Press, 2022, 448 pp.

For those who see economic sanctions as a relatively mild way of expressing displeasure at a country's behavior, this book, charting how they first emerged as a potential coercive instrument during the first decades of the twentieth century, will come as something of a revelation. In an original and persuasive analysis, Mulder shows how isolating aggressors from global commerce and finance was seen as an alternative to war that worked precisely because of the pain it imposed on the target society. From the very beginning, it was civilians who suffered the most. Nevertheless, the League of Nations embraced sanctions and established an elaborate legal and bureaucratic apparatus to enforce them. Mulder argues that instead of keeping the peace, this form of economic warfare aggravated the tensions of the 1930s, encouraging austerity and autarky and restraining smaller states but backfiring against the larger authoritarian ones, such as Italy.

The United States

Jessica T. Mathews

There Is Nothing for You Here: Finding Opportunity in the Twenty-first Century
BY FIONA HILL. Mariner Books, 2021, 432 pp.

Hill deftly combines three books into one to great effect. She begins with a riveting memoir of her childhood in northern England in a family and community plunged into poverty by the shutdown of her hometown's coal mines. She escaped by excelling in school and grasping every snippet of opportunity that came her way, eventually building a career in the United States as a Russia expert. The story is told without the smallest whiff of victimhood about the barriers of class and gender she encountered. The book also offers a compelling analysis, based on her experience living in Russia, the United Kingdom, and the United States, of the conditions that breed populism. She finds striking similarities among the trajectories of Russia after the collapse of the Soviet Union, the United Kingdom from the rule of Prime Minister Margaret Thatcher to the Brexit referendum in 2016, and the United States, with its spiraling inequality and loss of opportunity, in the years leading up to Donald Trump's presidency. In all three, "the infrastructure of opportunity" disappeared, producing the growing anger and cultural despair that create an appetite for authoritarian leadership. Finally, Hill recounts her time serving on Trump's National Security

Council. This is not a kiss-and-tell account, but what she does relate of her interactions with the president is in every case worth telling, as is her insight that Trump's fragile ego made him a national security risk, vulnerable to the flattery of any foreign leader. The political extremism that continues to grow in the United States in the aftermath of Trump's 2020 electoral defeat could, Hill fears, make his years in office "seem like a preface, rather than a postscript" to the country's "democratic demise."

Diplomacy and the Future of World Order
EDITED BY CHESTER A. CROCKER,
FEN OSLER HAMPSON, AND
PAMELA AALL. Georgetown
University Press, 2021, 376 pp.

This collection offers a valuable review of the successes, failures, and potential of international peacemaking and conflict management in the still unnamed post-post-Cold War era. Chapters take both a regional and a functional approach to examine the various ways that states, multinational organizations, and civil society groups manage other people's conflicts in places as disparate as Cyprus and Kashmir, address actual or potential conflicts among major powers in states such as North Korea and Ukraine, and cope with transnational threats such as piracy and terrorism. The conflict management mechanisms discussed include conventional bilateral diplomacy, multinational negotiations, public diplomacy, sanctions, mediation, formal peacekeeping, and, pivotally, the threat or actual use of force. The chapters on the role of international organizations, particularly the United Nations, and on U.S.-Chinese relations

are particularly strong. On balance, the editors conclude that the space for international peacemaking and conflict management is shrinking due to resurgent nationalism, a “sovereign backlash” against earlier multinational interventions, and the diminished willingness of the major powers to undertake peacemaking missions. On the other hand, regional organizations and local and international civil society groups can be more active and more effective than in the past.

The Strategy of Denial: American Defense in an Age of Great Power Conflict
BY ELBRIDGE A. COLBY. Yale University Press, 2021, 384 pp.

U.S.-Chinese relations have deteriorated to the point where official exchanges have become little more than destructive exercises in name-calling. Public hostility toward the other in both countries is higher than it has been for decades. China’s military moves in the South China Sea, its rapid qualitative and quantitative advances in weaponry, and its escalating invasions of Taiwanese airspace have made a U.S.-Chinese war over Taiwan alarmingly possible. In this climate, Colby’s step-by-step explication of a U.S. strategy that would deny China success in such a war is a welcome contribution. Washington can deny Beijing success, he argues, by recruiting an “anti-hegemonic coalition” in the region whose combined power would be sufficient to defeat China. Although detailed on some points, the proposed strategy rests on some major unexamined and highly questionable assumptions: that China is set on achieving regional hegemony in the short term and global predominance in the long term, that

military preparations and eventual war are the best or only way for the United States to respond to China’s ambitions, that countries in the region that have made absolutely clear their determination not to choose between allegiance to China and allegiance to the United States would nonetheless be willing to join a coalition predicated on military confrontation with China, and that a major war over Taiwan would stay confined to Taiwan. These and other wobbly conjectures fatally undermine the argument.

American Exceptionalism: A New History of an Old Idea
BY IAN TYRRELL. University of Chicago Press, 2021, 288 pp.

Tyrrell, a distinguished Australian historian, has written a rich intellectual history of the dramatic shifts in the meaning of the defining but, it turns out, highly malleable idea of “American exceptionalism,” from its roots in the revolutionary era to the present. Tracing the term’s changing significance illuminates U.S. history more broadly. At times, this exceptionalism’s principal substance has been political; at other times, religious; and at yet other times (although this has been poorly appreciated), it has rested primarily on the country’s material abundance, whether of its rich natural endowment or its bountiful consumer society. Often, American exceptionalism seemed to denote only that the United States was uniquely great in its wealth and power. But in the beginning, when the fledgling country was neither wealthy nor powerful, exceptionalism was nonetheless a strongly held “loose and grassroots feeling” that the new country was a

major political innovation, destined to be a model for others. After numerous manifestations in the intervening years, American exceptionalism has emerged in the past dozen years as a “state-sponsored ideology,” a full-throated “ism” seen in some quarters as an accurate litmus test of patriotism. Closely related but distinct concepts, including “the American way of life” (framing American identity in opposition to communism), “the American dream” (the opportunity for all people to achieve everything their ability and ambition allow), and “the American creed” (capturing the political values of individualism and egalitarianism), provide additional insights. A tough closing chapter examines the often gaping differences between the beliefs Americans hold regarding their country’s exceptionalism and the realities of life in the United States and American conduct abroad.

Wildland: The Making of America’s Fury
BY EVAN OSNOS. Farrar, Straus and Giroux, 2021, 480 pp.

Osnos returned from a decade living abroad to find a drastically altered United States, whose core values—the rule of law, truth, the right and the ability to pursue a better life—appeared to be under siege. His research into what has changed and why, told principally through the stories of individuals, stretched over seven years. The resulting book captures the widening inequalities of wealth and opportunity and the hardening of class lines that Donald Trump exploited. Others have recognized these same trends, but no one has told the story with more immediacy and impact. Osnos has an eye for the telling

statistic and can make questions of policy come vividly alive. Osnos visits Clarksburg, West Virginia, and Chicago to paint the lives of the country’s poor. But his portrait of the transformation of “the Golden Triangle” of Greenwich, Connecticut, where he grew up, is the book’s high point. The town’s most influential residents were once wealthy, moderate Republicans, of the likes of the Bush family patriarch Prescott Bush, who were imbued with a strong sense of civic duty and a belief in government. Osnos finds Greenwich now inhabited by flamboyant hedge fund billionaires and private equity financiers building ever-larger mansions. These blinkered folks are libertarians who oppose taxes and regulations of any kind; they fervently believe that all they have achieved is their own doing, and they see little role for government in their lives or their communities.

Western Europe

Andrew Moravcsik

Free: A Child and a Country at the End of History
BY LEA YPI. Norton, 2022, 288 pp.

This prize-winning memoir recounts with wit, charm, and wisdom the author’s life before and after the fall of communism in Albania. Now a professor of political philosophy at the London School of Economics, she recalls her early youth in that hermetically sealed tyranny, when she embraced the cult of person-

ality established by the country's idiosyncratic despot, Enver Hoxha. It was a place where all truths were lies, including the Muslim heritage and secret anticommunist history of her own family—yet for an 11-year-old, the country was safe and reassuring. She was disappointed and displaced by the fall of communism, only to have her hopes dashed again when, as in so many postcommunist states, liberal parties advocating free markets and democratic politics allowed their ideals to be corrupted by the kleptocratic temptations of privatization. The government encouraged citizens to invest in a pyramid scheme, triggering a revolt and eventually a civil war—a process in which her family, along with many others, lost everything. After years of disorientation, she left the country and began the long path to her current position. Drawing philosophical lessons from her experience, she dismisses both socialists who cling to utopian ideals and libertarians who espouse a minimal state, opting for a more moderate commitment to social democracy.

Uncertain Allies: Nixon, Kissinger, and the Threat of a United Europe

BY KLAUS LARRES. Yale University Press, 2021, 432 pp.

In the 1950s and 1960s, the U.S. government enthusiastically supported European integration. Yet under President Richard Nixon and his adviser Henry Kissinger, Washington began to view European economic and security cooperation as a threat—one Nixon characterized as “a Frankenstein monster.” Although this book does not break new historiographic ground, it summarizes

this epochal shift well, arguing that the central problem lay in divergent national interests. With a monetary crisis weakening the Bretton Woods system and a geopolitical debacle in Vietnam, the United States came to believe that the Europeans should spend more on defense, reduce their agricultural protections, accept the devaluation of the U.S. dollar, and abstain from criticism of American global priorities and actions. If Europe refused, Kissinger reasoned, the United States should seek to keep it divided. Understandably, the Europeans viewed such demands as misguided and unreasonable—and some began to question whether the United States was a reliable ally. The U.S. government has never returned to its full support for Europe, Larres argues, although he surely overreaches in treating the state of transatlantic relations under former President Donald Trump as a natural continuation of Nixon's policies.

Principles and Agents: The British Slave Trade and Its Abolition

BY DAVID RICHARDSON. Yale University Press, 2022, 384 pp.

Powered by mass demand for West Indian sugar, the immense profitability of transporting slaves, and the dominance of the Royal Navy, the United Kingdom became the leading slave trader of the late eighteenth and early nineteenth centuries. The British government exploited such trade to cement its dominance over its imperial rival Holland, and traders in British cities such as Liverpool reinvested their gains to fuel the Industrial Revolution. Despite the lucrative benefits of slavery, Parliament abolished slave trading in

1807 and slavery itself three decades later. Some historians attribute these reforms to the declining profitability of colonial sugar production and shifts in the economics of empire induced by the American Revolution. Others stress a powerful abolitionist movement led by members of dissenting religious denominations, who pioneered modern mass mobilization techniques still employed by activist and advocacy groups today. Richardson points instead to the high costs of sending British troops to suppress slave revolts in the West Indies and the desire of British strategic planners to shift their attention and British resources to cementing mercantilist and strategic advantages over other European colonial powers.

Waterloo Sunrise: London From the Sixties to Thatcher

BY JOHN DAVIS. Princeton University Press, 2022, 600 pp.

In this book, a leading urban historian argues that London pioneered the changes, good and bad, that have transformed all world cities over the past half century. In 1960, a fine restaurant shocked the city by admitting a single male diner without a tie. Just a few years later, multicolored male clothing, the Beatles and the Rolling Stones, and loose sexual mores made London “the most swinging city in the world”—a place seemingly without any remaining social rules. Classic urban problems followed. Smog and water pollution spread. Concrete highways, sterile housing blocks, and Brutalist office buildings sparked a preservationist reaction—but too late to save much more than Piccadilly Circus and Covent Garden. New immigrants

and their British-born offspring vented frustration and anger at their exclusion and discrimination. Hordes of tourists, many of them young, flooded into town. The decline of traditional industry blighted neighborhoods and weakened the established strongholds of the Labour Party. Eventually, an alliance of conservative small-business owners and suburban homeowners began to vote for the Conservative Party, ushering in the era of Prime Minister Margaret Thatcher.

Western Hemisphere

Richard Feinberg

Unleashing Central America's Growth Potential

BY HULYA ULKU AND GABRIEL ZAOURAK. World Bank, 2021, 60 pp.

U.S. Strategy for Addressing the Root Causes of Migration in Central America
BY THE NATIONAL SECURITY COUNCIL. White House, 2021, 20 pp.

Two policy reports probe the reasons why so many people leave Central America to come to the United States. Both advance reasonably well-integrated economic models of development grounded in recent history. Both propose comprehensive reforms; each package is reasonable in isolation but utterly daunting when considered in combination. The World Bank study dismisses the common notion that development in Central America has failed; rather, for nearly three decades, annual economic growth rates have averaged over

4.5 percent in the region, exports have expanded robustly, per capita incomes have risen, and poverty has fallen. But future growth will depend on confronting formidable challenges in those areas in which the region lags significantly behind: the quality of education and the productivity of labor; the infrastructure for transportation, power, and digital connectivity; the transparency and efficiency of public institutions and regulatory regimes; and, in El Salvador, Guatemala, and Honduras, the ability to bring down the high rates of violent crime. Addressing these shortcomings should help attract foreign investment and multinationals looking to shorten supply chain lead times. Powerful global value chains can upgrade the sophistication of the region's exported goods (apparel, medical devices, auto parts) and services (outsourced business processes, call centers, tourism) and add value to traditional agricultural exports. Pragmatic public-private collaborations can help businesses raise labor productivity and create well-paying jobs. The report warns, however, that achieving these goals "demands a strong strategic vision, policy coordination and building state capacities."

The Biden administration aims to attack the root causes of illegal immigration (even though, in the post-pandemic recovery, the U.S. economy faces crippling labor shortages)—broadly identified as soul-crushing poverty, public and private corruption, and violent crime. The U.S. strategy paper's economic assessments and prescriptions are generally in line with those of the World Bank. But for the U.S. government to propose to liberate regional governments historically tied to Washington from "entrenched

networks of corruption and impunity" by empowering civil society and independent media is a startlingly radical, ambitious shift. The United States also advocates the rights of workers to bargain collectively (whereas the World Bank prefers fewer restrictions on labor markets). Further reflecting the intersection of the Biden administration's foreign policy and its domestic agenda, the United States will give priority to combating sexual, gender-based, and domestic violence in Central America. The U.S. paper issues this warning to regional governments: "Partnership requires a shared commitment to inclusive and transparent democratic governance."

Stories That Make History: Mexico Through Elena Poniatowska's Crónicas
BY LYNN STEPHEN. Duke University Press, 2021, 328 pp.

Through her powerful *crónicas*—long-form works of narrative journalism featuring emotive oral accounts of major historical events—the 89-year-old Elena Poniatowska has crafted a stark vision of Mexico that pits a corrupt, inept political elite against a long-suffering repressed majority. Stephen, an anthropologist, assesses Poniatowska's vibrant retelling of the tragic 1968 massacre in Mexico City of protesting students (in the form of a book that sold half a million copies), the heroic relief efforts of civil society groups that responded spontaneously to the devastating 1985 earthquake in Mexico City, the dramatic 1994 Zapatista indigenous uprising, the 2006 mass sit-in protesting alleged electoral fraud, and the mysterious disappearance in 2014 of 43 students from the town of Ayotzinapa.

Stephen enriches each chapter with extensive interviews with Poniatowska (whom she describes as a good friend) and the writer's close associates. As a highly visible public intellectual, Poniatowska hasn't shied away from mixing journalism with political activism, most recently by ardently campaigning for Mexico's populist president, Andrés Manuel López Obrador. Setting aside the skepticism characteristic of postmodern social science, Stephen wholeheartedly embraces Poniatowska's engaged and immersive style of reporting and its contributions to building a "strategic emotional political community" of social justice advocates who identify with the victims of Mexican history.

Content Moderation and Self-Regulation Mechanisms: The Facebook Oversight Board and Its Implications for Latin America

BY EDISON LANZA AND MATÍAS JACKSON. Inter-American Dialogue, 2021, 31 pp.

Facebook (now rebranded as Meta Platforms) is at the center of complex debates over industry concentration, data privacy, disinformation, and hate speech. In response, Facebook has put in place an independent review mechanism for its content moderation decisions, a body known as the Oversight Board. Lanza and Jackson report that in many of its initial opinions, the board felt Facebook was overzealous in deleting posts and recommended restoring many of them. The authors also usefully review three decisions involving Latin America: two from Brazil and one from Colombia that had to do with nudity, measures to contain COVID-19, and

insults of political leaders. Lanza and Jackson prioritize freedom of expression; they denounce Internet censorship by overtly authoritarian regimes (such as those in Cuba, Nicaragua, and Venezuela) and express alarm at pending intrusive legislation elsewhere in Latin America judged to potentially violate due process. The authors urge the board to pay more attention to Latin American legal codes and civil society experts. Missing from this legalistic note is a sense of political urgency: that societies confront tough tradeoffs between free speech and social harm and that if not better moderated, by some combination of public and private regulations, social media may threaten democracy itself.

Venezuela's Authoritarian Allies: The Ties That Bind?

EDITED BY CYNTHIA J. ARNSON. Wilson Center, 2021, 228 pp.

This edited collection explores the complex set of connections between Venezuela and an array of supportive countries, relations that deserve the nuanced analysis of Arnson and her stellar list of contributors. Although Cuba remains a steadfast ally of the regime of Venezuelan President Nicolás Maduro, other erstwhile backers are having their doubts. China has expressed frustration at Venezuela's economic dysfunction. Russia has pulled back a bit, notably withdrawing the oil company Rosneft from Venezuela in 2020. The scope of the collection is impressive; other chapters focus on India, Iran, and Turkey. But this range will also make readers wonder just how similar these country-specific cases actually are. Do countries such as India and Turkey really belong in the same framework as

Cuba? Cuba demonstrates loyalty through the sustained deepening of core security ties, but Indian and Turkish relations with Venezuela are more restricted and episodic. Ties with Turkey depend much on the personal rapport between Maduro and Turkish President Recep Tayyip Erdogan. And with strategic ties between India and the United States growing closer, the space for cooperation between New Delhi and Caracas is narrowing.

ANDREW F. COOPER

Eastern Europe and Former Soviet Republics

Maria Lipman

Navalny: Putin's Nemesis, Russia's Future?
BY JAN MATTI DOLLBAUM,
MORVAN LALLOUET, AND BEN
NOBLE. Hurst, 2021, 280 pp.

Alexei Navalny, Russian President Vladimir Putin's chief political opponent, gained global recognition after he was poisoned in 2020. He returned to Russia after convalescing in Germany and was promptly arrested, instantly becoming Russia's most prominent political prisoner. This is the first English-language book about Navalny, following his journey from an anticorruption activist to a street protest organizer to an anti-Kremlin politician. The authors describe Navalny as Russia's "second most important politician," a man of courage, creativity, and wit, endowed with a natural political talent and a knack for modern communications ("He is who he is because of the Inter-

net," they write). But they admit that his popularity is limited outside his core constituency of younger Russians and those who don't support Putin. The book weaves Navalny's story with sharp insights into the nature of Russia's authoritarian regime. For curious readers who don't know much about Russia, this book does a sterling job of explaining how corruption secures Putin's rule instead of eroding it, why support for Putin still remains broad (most Russians are wary of change and see Putin as a guarantor of stability), and why, according to the authors, Navalny's current imprisonment marks a perilous step for Russia toward full-fledged dictatorship.

The Soviet Myth of World War II: Patriotic Memory and the Russian Question in the USSR

BY JONATHAN BRUNSTEDT.
Cambridge University Press, 2021,
323 pp.

According to Brunstedt's thoroughly researched book, the Soviet understanding of World War II, which Russians call "the Great Patriotic War," consisted of two competing narratives. One story was "Russocentric," emphasizing the leading role of the Russian people in the ethnically diverse Soviet Union and the legacy of pre-revolutionary Russia's military prowess through the centuries. The other was "pan-Soviet" or internationalist, glorying in the supranational Soviet community and framing the victory over Nazi Germany as a triumph of the communist Soviet system. Brunstedt describes the uneasy balancing act attempted by consecutive Soviet governments of remembering the victory as an event with a "uniquely Soviet prov-

enance” without fully abandoning the Russocentric view of the war as the specific triumph of the Russian people. Joseph Stalin promoted strongly Russocentric views of the war, but even in his tenure, pan-Soviet conceptions of victory gained greater currency, thanks in large part to concerns about provoking anti-Soviet Russian nationalism. Soviet leader Nikita Khrushchev’s de-Stalinization campaign and his introduction of the doctrine of the Soviet people as a “new historical community” worked to suppress Russocentric imagery, or at least to dissociate it from the victory. Under Khrushchev’s successor, Leonid Brezhnev, the effective expansion of a purely pan-Soviet war cult was accompanied by the rise of Russian nationalism among high-ranking Communist Party functionaries and the literary elite.

The Horde: How the Mongols Changed the World

BY MARIE FAVEREAU. Harvard University Press, 2021, 384 pp.

Favereau’s history of the Horde, a nomadic regime that grew out of the Mongol leader Genghis Khan’s expansion of his empire in the early thirteenth century and lasted for over two centuries, relies on abundant academic literature and translated primary sources. The Horde controlled a gigantic territory that extended from Central Asia to eastern Europe and included Russian principalities and Siberia. It excelled at conquest, trade, co-opting local elites, and collecting tribute but was weak in written culture and architecture. Favereau’s narrative is extremely rich in ethnographic detail and descriptions of succession battles, military campaigns, and internecine warfare.

Favereau seeks to exonerate the Horde, which in her view is too often portrayed as merely a plundering force. To that end, she focuses on the Horde’s impact on the course of history, particularly the history of Russia. Subordination to the Horde, Favereau argues, was beneficial for Russia, which at the time was fragmented, mostly rural, and agriculturally poor. The Mongols, according to Favereau, “created for the Russians a type of governance befitting their political and economic particularities and cultural sensitivities.” This interpretation sounds strangely colonial and stands in sharp contrast to the Russian perception of the Horde’s domination: Russians refer to it as “the Tatar-Mongol yoke” and see this unique episode of long-term vassalage as a time of humiliation, destruction, and decline.

Collapse: The Fall of the Soviet Union

BY VLADISLAV M. ZUBOK. Yale University Press, 2021, 560 pp.

Zubok’s meticulous chronicle covering the years of Mikhail Gorbachev’s reforms in the 1980s and early 1990s passes exceptionally harsh judgment on the last Soviet leader. He lauds Gorbachev’s vision of global affairs but does not hold back when it comes to criticism: Gorbachev had a poor understanding of the Soviet economy and launched ill-conceived economic reforms. Zubok condemns Gorbachev for radically weakening the Communist Party apparatus, the Soviet Union’s only effective governing mechanism, which eventually left him to powerlessly watch his country’s demise. The book offers an impressive close-up of the hectic political and diplomatic activities between August 1991, the time of the failed Communist coup, and December of that year, when the Soviet

Union formally ceased to exist. Throughout, one is struck by the grand expectations that Gorbachev, his allies, and his opponents had of the West, and the United States in particular, as a source of political support, legitimation, and, especially, economic assistance. But as Washington watched its Cold War adversary plunge into a meltdown, it was no longer willing to keep extending credit to the Soviet Union and began focusing instead on protecting itself from the consequences of the Soviet Union's collapse.

Assignment Russia: Becoming a Foreign Correspondent in the Crucible of the Cold War

BY MARVIN KALB. Brookings Institution Press, 2021, 352 pp.

In this engaging memoir, Kalb, the renowned American journalist, begins by recalling the youthful advantages that spurred his career: his intellectual gifts, Harvard education, insatiable curiosity about the world, and unflagging energy. His talents were quickly recognized by some of the major figures of American journalism, first and foremost by the legendary Edward R. Murrow. Starting out in 1958 as a news writer for a local CBS radio station, Kalb quickly reached the “pinnacle of [his] professional aspirations” in 1960, when he became CBS News’ Moscow correspondent. For his first assignment in that capacity, Kalb was sent to cover the Paris summit that year, where the Soviet leader Nikita Khrushchev was supposed to discuss the postwar situation in Berlin with his British, French, and U.S. counterparts. The summit failed before it started, but Kalb managed to get an exclusive interview with Khrushchev and even to treat

him to a freshly baked croissant. Kalb shares what he thought at the time about some major historical developments, such as the early cracks in the Sino-Soviet alliance, as well as his experience with the Soviet bureaucracy. In one episode, hotel officials repeatedly denied Kalb’s request for a larger bed: the six-foot, three-inch journalist had to make do with a bed that was only five feet, ten inches long. In the end, he had his own bed airmailed to Moscow from New Jersey.

Middle East

Lisa Anderson

A Short History of Islamic Thought

BY FITZROY MORRISSEY. Oxford University Press, 2021, 256 pp.

The history of Islamic thought is a well-told tale, by both Muslim and Western scholars. This brief book thus offers little new. But it is a more than serviceable introduction for English-speaking readers who want to learn about (or need a refresher on) a wide variety of subjects, including the historical antecedents of the modern-day Salafists, the significance of the medieval Islamic scholar Ibn Taymiyyah, the origins of the Wahhabis, and the basis of the concept of *velayat-e faqih* (rule by the jurisprudent), which the Iranian revolutionary Ruhollah Khomeini used to justify the clergy’s seizure of political power in Iran. Morrissey obviously enjoys the history of ideas—in his words, Islamic thought is an “intrinsically fascinating” sub-

ject—including recondite debates about the nature of God or the relationship between reason and revelation. Many knowledgeable readers will quibble with an occasional emphasis or interpretation, but on the whole, Morrissey does a good job tracing this diverse canon in clear, genial prose.

Queer Palestine and the Empire of Critique

BY SA'ED ATSHAN. Stanford University Press, 2020, 274 pp.

This taxing but ultimately rewarding book offers an impressive treatment of the complex challenges that Palestinian LGBTQ activists face. In a tone both knowledgeable and modest, Atshan describes how the gay rights movement must negotiate constant censure and faultfinding—an “empire of critique.” Palestinian activists must juggle the competing demands of advocating gay rights, anti-imperialism, and Palestinian liberation, finding themselves disparaged as insufficiently committed to one or the other cause. Some critics argue that expressing international LGBTQ solidarity is tantamount to complicity in imperialism, or they link Palestinian nationalism to the tolerance of homophobia. This social movement is certainly not the first to grapple with divides over strategy and tactics or to founder in the “radical purism” of academic disputes, but few books so eloquently describe the human costs of these struggles and, in so doing, suggest the often overlooked power of honesty and generosity in politics. Atshan’s work is candid, self-critical, and unexpectedly inspiring.

The Daughters of Kobani: A Story of Rebellion, Courage, and Justice

BY GAYLE TZEMACH LEMMON. Penguin Press, 2021, 288 pp.

An admiring, almost fawning portrait of women who fought to free Kurdish towns in northern Syria from the control of the so-called Islamic State, or ISIS, in the late 2010s, this book is a useful illustration of the ideological influence of the Kurdish leader Abdullah Ocalan, the founder of the militant Kurdistan Workers’ Party and a long-time political prisoner in Turkey. It is organized around the biographies of four Syrian Kurdish women as they grow from unruly teenagers into mature, seasoned, and effective military commanders who were instrumental in the liberation not only of the northern city of Kobani but also of Raqqa and other ISIS-controlled areas in Syria. The stories of unseen snipers, booby-trapped buildings, nighttime river crossings—and, more deeply, of self-doubt and heroism—are well crafted. In portraying these women, Lemmon chooses not to delve deeply into the role of Kurdish nationalism, with its strains of utopian socialism and feminism. Instead, she thinks these fighters, in their eagerness to take on roles typically forbidden to women, are simply mounting a rebellion against the strictures of patriarchal family life. Like the female guerrillas of Colombia’s FARC (Revolutionary Armed Forces of Colombia), however, these women are fighting for a cause, and, like their Colombian sisters, they are likely to find it hard to demobilize.

The Middle East Crisis Factory: Tyranny, Resilience, and Resistance

BY IYAD EL-BAGHDADI AND AHMED GATNASH. Hurst, 2021, 242 pp.

This book by two self-described activists—a stateless Palestinian now based in Oslo and a British Libyan citizen—is an effort “to get through to the average Westerner” and insist on a more complicated story of the Middle East. The authors are frustrated by analyses that attribute the region’s myriad problems to single causes—despotism, say, or Western intervention—and seek solutions in simple remedies, such as elections or, indeed, Western intervention. Decades of broken promises from post-independence governments laid the groundwork for the Middle East to be dominated by tyranny, terrorism, and foreign influence, forces that reinforce and perpetuate one another. In the authors’ telling, the 2011 uprisings in Egypt, Iraq, and Syria and the later rebellions in Algeria, Lebanon, the Palestinian territories, and Sudan were attempts to break this triangular stranglehold. They argue that the counterrevolutionary efforts by local autocrats and their international supporters, however formidable they seem now, will ultimately prove fruitless. Like many activists, they are congenital optimists, but they are also clear-eyed about the obstacles. The book’s scholarly references are untidy, and its casual tone is sometimes jarringly conversational; in discussing their recommendations at one point, the authors ask, “Are we for real?” But this informality may beguile the wider audience to which the book is addressed.

Bread and Freedom: Egypt’s Revolutionary Situation

BY MONA EL-GHOBASHY. Stanford University Press, 2021, 392 pp.

With an unusual command of detail and an uncommon facility with social science theory, El-Ghobashy recounts the years of upheaval in Egypt between the 2011 uprising against President Hosni Mubarak and the 2014 election of Abdel Fattah el-Sisi. She argues against the twin temptations to uncover a definitive cause of the turmoil and to predict an obvious outcome. Instead, El-Ghobashy stresses the uncertainty of those years—the “revolutionary situation” of her subtitle—and insists on examining the “struggle to rearrange power within the state” as it happened. She analyzes protests, elections, and, perhaps most surprising, the courts as mechanisms of political contestation, emphasizing the volatility of collective action and the contingency of alliances. During those years, Egyptians of all persuasions resorted to litigation, and judges affirmed, struck down, rejected, and restored constitutional provisions, legislative rules, and government decrees with ingenuity and authority. As El-Ghobashy elegantly shows, it is small wonder that the politics of those years seemed so confusing and uncertain. They were, for actors and observers alike—and she provides much welcome clarity.

Asia and Pacific

Andrew J. Nathan

A Region of Regimes: Prosperity and Plunder in the Asia-Pacific

BY T. J. PEMPEL. Cornell University Press, 2021, 252 pp.

Pempel comprehensively analyzes the growth strategies of ten economies during the Asian economic miracle that started in the 1960s. Four patterns emerge. “Developmental regimes” that had competent bureaucracies, homogeneous societies, and U.S. support, such as Japan, South Korea, and Taiwan, were able to build advanced modern economies, although their growth rates declined in the 1990s due to U.S. trade restrictions and growing domestic political contention. “Ersatz developmental regimes,” such as Indonesia, Malaysia, and Thailand, also enjoyed substantial growth, based mostly on their exploitation of labor, land, and natural resources. But they suffered from weaker bureaucracies and more divided societies and did not develop advanced economies. Even the “rapacious regimes”—Myanmar, North Korea, and the Philippines—had occasional growth spurts, but they never developed competent state institutions or skilled workforces. China combined elements of all three types: deep industrialization, cheap labor, and authoritarian institutions. Relations among these places—and between each of them and the United States—played an important role in fostering growth for all but Myanmar and North Korea. The

regional stability on which they have relied, however, is now threatened by the U.S.-Chinese rivalry.

When People Want Punishment: Retributive Justice and the Puzzle of Authoritarian Popularity

BY LILY L. TSAI. Cambridge University Press, 2021, 278 pp.

Many students of China have analyzed the sources of popular support for the authoritarian regime in Beijing. To the usual list of causes—economic performance, propaganda, nationalism, and culture—Tsai adds a new explanation: anticorruption campaigns, she argues, buttress the regime’s popularity because people want to see the enemies of the social order punished. The theory is attractive, even if her data leave some ambiguity about whether the wish for punishment is driven by a moral conviction or just a pragmatic preference for good government. Beyond China, she shows that authoritarian movements everywhere feed on the promise to punish perceived enemies of the social good. One wishes Tsai had compared the weight of this moral outrage with other factors that previous scholars have linked to regime support. And some readers will wonder whether a regime can get just as much public approval by promising to punish external enemies as it gets from targeting domestic malefactors.

Rethinking Chinese Politics

BY JOSEPH FEWSMITH. Cambridge University Press, 2021, 231 pp.

Fewsmith offers a spirited rebuttal of the conventional view that China’s post-Mao regime has avoided power

struggles and maintained control by creating institutionalized rules for policymaking, policy implementation, and leadership succession. He deploys a deep knowledge of elite political networks and party organizational dynamics to reconstruct what must have happened behind the scenes as the Chinese leader Deng Xiaoping and his successors maneuvered to consolidate and exercise power, sometimes following rules but just as often twisting, replacing, or violating them. The stately façade of Chinese politics conceals the “personalization of power, factionalism, . . . [the] arbitrary abuse of power, corruption, and . . . [a] lack of discipline.” Fierce rivalries and wily maneuvers have left some leaders weakened and have concentrated too much power in the hands of President Xi Jinping. Fewsmith implies that a system saddled with this much “corrosion and dysfunction” will sooner or later decay, but he does not forecast when or how.

Democracy and Nationalism in Southeast Asia: From Secessionist Mobilization to Conflict Resolution

BY JACQUES BERTRAND. Cambridge University Press, 2021, 301 pp.

Do transitions to democracy inflame or calm ethnonationalist movements that took shape under authoritarian regimes? Bertrand draws together years of research into five such movements in Southeast Asia to show that violence tends to surge right after the democratic transition, when separatists see an opportunity to achieve their goals. If the new democratic elites offer plausible concessions, however, the conflict has a good chance at

least of being diminished, if not resolved. In Indonesia in 2006, for example, the post-transition government offered the province of Aceh a strong form of local autonomy, which addressed many of the demands issued by a pro-independence movement there and greatly reduced violence. By contrast, Thai politicians during the democratic period in the 1990s and early years of the next decade refused to negotiate with Malay Muslims in the south, allowing a low-level insurgency to continue there. The three other case studies lie between these extremes. Violence in the Cordillera highlands of the Philippines abated after 1997, when the government granted local groups special status as indigenous peoples. Meanwhile, however, the Moro uprising in the same country kept flaring up because the government failed to implement its agreements. In Papua, the inconsistent implementation of a 2001 special autonomy law kept a resistance going. It is hard for any kind of regime to compromise on national unity, but Bertrand shows that negotiation is a better way to manage separatist challenges than repression.

Colonial Institutions and Civil War: Indirect Rule and Maoist Insurgency in India

BY SHIVAJI MUKHERJEE. Cambridge University Press, 2021, 415 pp.

The Maoist, or Naxalite, insurgency has flared up and cooled down several times over the past half century in scattered districts of eastern India. Its geographic pattern is difficult to explain solely with conventional theories that focus on the distribution of economic and ethnic grievances and topographical

remoteness. Mukherjee shows that the insurgency has flourished in districts where the British colonists ruled through traditional princes or the local landlord caste instead of with their own bureaucracy. Exploitation under indirect rule was harsher and the policing system weaker than under direct rule. This left behind deep inequality, discrimination against subordinate castes and tribes, thin infrastructure, and understaffed administrative institutions—all favorable conditions for the revolutionaries to recruit support when they launched their movement in the late 1960s. Mukherjee's analysis promises to enrich the understanding of how historical legacies shape civil conflicts.

Middle Class Shanghai: Reshaping U.S.-China Engagement

BY CHENG LI. Brookings Institution Press, 2021, 484 pp.

Based on decades of original research, this book provides a nuanced counterpoint to alarmist caricatures of China and its citizens by exploring the diversity and dynamism of Shanghai and its large middle class. The city's progressive outlook and eclectic culture stem from its history as a vital port town teeming with bankers, industrialists, architects, and missionaries from around the world. Its avant-garde political ferment gave birth to the revolutionary Chinese Communist Party in 1921. Present-day Shanghai is a cosmopolitan metropolis with the most skyscrapers, international banks, cafés, and art galleries in China. Surveys show that the city's residents are significantly more concerned than the wider population about numerous political and environmental issues,

including climate change, inequality, the plight of migrant workers, and government accountability. In China's major cities, U.S.-trained professionals now hold leadership positions in academia, law, business, the creative arts, and even politics. Li makes the persuasive case that this middle class can help improve relations between China and the United States. He recommends a U.S. strategy of engagement with, rather than decoupling from, China, one that is sensitive to these dynamics and works toward pursuing shared goals.

KELLEE TSAI

Flying Blind: Vietnam's Decision to Join ASEAN

BY NGUYEN VU TUNG. ISEAS-Yusof Ishak Institute, 2021, 236 pp.

Nguyen provides a peek into communist Vietnam's strategic deliberations regarding the Association of Southeast Asian Nations at the tail end of the Cold War. Using internal party documents and high-level interviews, Nguyen, a scholar and a diplomat, reveals the twists and turns leading to Hanoi's decision to join ASEAN in 1995. Initially, Vietnamese leaders maintained a hostile policy toward the regional association, viewing it first as an organization that would advance U.S.-style anticommunism in the waning years of the United States' war in Vietnam and later as a vehicle for China's anti-Vietnam campaign following Vietnam's invasion of Cambodia at the end of 1978 and the outbreak of the Sino-Vietnamese War in 1979. The ideological underpinnings of Vietnam's foreign policy during these conflict-ridden times prevented policymakers from seeing ASEAN on its own terms. Peacetime changed

Hanoi's calculus. Vietnamese leaders began to understand ASEAN as a regional community that could support Hanoi's bid for rapid economic development. Nguyen deftly guides his readers through Hanoi's decision-making, turning once opaque dealings transparent.

LIEN-HANG T. NGUYEN

Africa

Nicolas van de Walle

Youth on the Move: Views From Below on Ethiopian International Migration

EDITED BY ASNAKE KEFALE AND FANA GEBRESENBET. Hurst, 2021, 304 pp.

The contributors to this fine collection analyze three distinct networks of migration out of Ethiopia: one involving mostly women who seek employment as domestic workers in the Gulf countries, another of people who try to reach South Africa, and a third heading for Europe. Ethiopia's international outmigration numbers are below average by African standards, but they still involve tens of thousands of individuals every year—a number that might grow in the wake of the ongoing civil war. Almost all these migrants are very young and travel without visas. The authors resist the standard mechanistic view of migration as resulting from “push and pull” economic factors and focus instead on the beliefs, attitudes, and social connections of the migrants themselves, as they embark on what are typically extremely perilous journeys with highly uncertain outcomes. What emerges

from the various forms of hard data and ethnographic material gathered in this collection is a fascinating exploration of the process of migration, revealing the social networks that enable human trafficking, what the families left at home expect of the migrants, and the aspirations of the young migrants as they voyage into the world.

Arbitrary States: Social Control and Modern Authoritarianism in Museveni's Uganda

BY REBECCA TAPSCOTT. Oxford University Press, 2021, 256 pp.

Recent studies of authoritarian states have emphasized the increasingly hybrid nature of such governments, which more and more eschew violence in favor of subtler forms of legal and institutional manipulation. Tapscott's fine examination of the regime of Ugandan President Yoweri Museveni insists, nonetheless, that most authoritarian regimes remain reliant on the threat of violence. In her careful analysis of the country's security sector, which encompasses the army, the police, and more or less sanctioned private local militias and vigilante groups, she notes that the regime has put in place a system of “institutionalized arbitrariness,” in which the inconsistent interventions of the state encourage citizens to seek out their own solutions to insecurity—only for the state to then intervene in a powerful but bludgeoning manner that often punishes the citizens. For instance, state officials encouraged a town to set up a local vigilante group to tamp down rising crime and violence, but then the police shot members of the group while on patrol. When the group complained, the state blamed it for growing

insecurity. The resulting uncertainty over the state's actual security policies makes it harder for citizens to organize against the state. Tapscott's analysis strikingly underlines the truism that, in authoritarian states, the army and the police serve the regime, not the public.

Empire and Jihad: The Anglo-Arab Wars of 1870–1920

BY NEIL FAULKNER. Yale University Press, 2021, 440 pp.

The history of British exploration of East Africa and southern Africa and the eventual British colonial conquest of Sudan has already been well covered in academic and popular works. But Faulkner does provide a new, comprehensive analysis of less familiar but still important military engagements in Egypt, Somalia, and Sudan. In addition, he reframes the history to show how the economic institution of slavery shaped the local response to European encroachment in the region. Faulkner claims that the predatory colonialism of the late nineteenth century pitted the “coolie capitalism of European empires”—how European powers hunted for new markets to help drag their domestic economies out of recession—against the local “slave systems of Middle Eastern potentates,” which relied on the substantial profits of the East African slave trade and fought back against British attempts to end it. The book is also highly readable, stuffed with sharp descriptions of key events and with vivid portrayals of the (mostly) men behind them.

“We Are Not Scared to Die”: Julius Malema and the New Movement for African Liberation

BY TIFFANY THAMES COPELAND. Peter Lang, 2021, 238 pp.

The career of the South African politician Julius Malema has won much attention. Once a firebrand leader of the youth wing of the African National Congress, he has since built his own party and social movement, the Economic Freedom Fighters, as a left-wing populist alternative to the increasingly decrepit ANC. Copeland's new book has the merit of being the first in at least a decade to discuss Malema's ideas and approach to politics. Her account is avowedly positive. The book discusses several important episodes in Malema's political life, such as his break with the ANC in 2012 and the electoral emergence of the EFF in 2014, when it sent 25 representatives to the South African Parliament. One chapter approvingly describes the EFF's use of social media and humor. Malema has typically been described outside South Africa as an anti-white populist, with few policy ideas other than the expropriation of white farmers' land and the nationalization of corporate holdings in the country. Copeland insists that Malema's political rhetoric has to be understood as performative and humorous, and as a form of distinctly Black rhetoric, bred by the country's history of racism and neglect of its majority Black population.

The Islamic State in Africa: The Emergence, Evolution, and Future of the Next Jihadist Battlefield

BY JASON WARNER WITH RYAN O'FARRELL, HENI NSAIBIA, AND RYAN CUMMINGS. Hurst, 2021, 288 pp.

Warner and his colleagues provide detailed histories of nine affiliates of the so-called Islamic State (also known as ISIS) on the African continent. These well-informed political histories provide a fascinating view into the global reach of radical Islam. On the African continent, ISIS affiliates can be found in Algeria, Libya, and Tunisia in North Africa; Mali, Nigeria, and some of their West African neighbors; Somalia; and, to a lesser extent, the Democratic Republic of the Congo and Mozambique. Although ISIS has been in decline in the Middle East in recent years, African militant groups still seek its imprimatur to gain greater legitimacy and to win potential financial support, even though such aid has rarely materialized. Formal ties between the affiliates and the core ISIS organization remain tenuous and only partially developed, but the book does suggest that the Internet has proved to be a remarkably effective way for these groups to influence one another, allowing them to share tactics and rhetoric—and to indulge in their predilection for filming gruesome acts of violence.

FOR THE RECORD

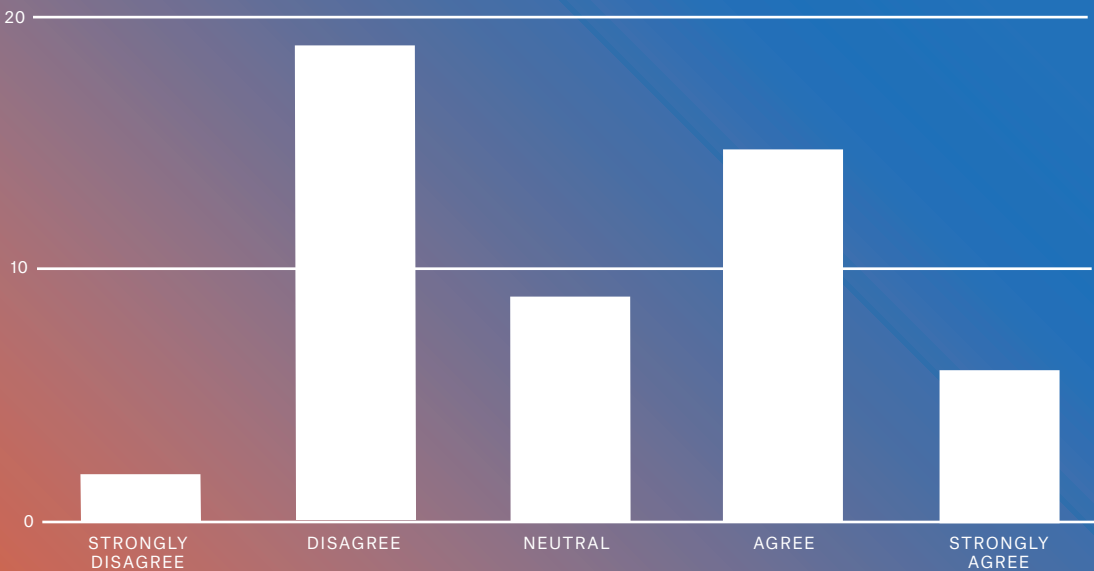
A capsule review of an edited volume on feminist intellectual history in the November/December 2021 issue misidentified the book's name and editors. The actual title is *Women's International Thought: A New History*, and it was edited by Patricia Owens and Katharina Rietzler. *Women's International Thought: Towards a New Canon*, edited by Patricia Owens, Katharina Rietzler, Kimberly Hutchings, and Sarah C. Dunstan, will be published in March 2022. 🌐

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Nuclear Capabilities on the Rise?

Foreign Affairs Brain Trust

We asked dozens of experts whether they agreed or disagreed that the number of states with nuclear weapons will increase in the next decade. The results are below.



DISAGREE, CONFIDENCE LEVEL 8

Rose Gottemoeller

Steven C. Házý Lecturer, Center for International Security and Cooperation at Stanford University, and former Deputy Secretary-General of NATO

“Since keeping the situation with Iran under control is a priority of U.S. policy, as well as that of other nuclear weapons states, including China and Russia (and the EU), I believe that Iran will not acquire nuclear weapons in the next decade. No one else will have the wherewithal to do so, unless they buy them; I don’t see any sellers out there.”



AGREE, CONFIDENCE LEVEL 6

Caitlin Talmadge

Associate Professor of Security Studies, Walsh School of Foreign Service at Georgetown University

“Iran is the main country that could expand the nuclear club in ten years, absent a revived and sustained U.S.-led effort to curtail its nuclear program, and Iranian proliferation may lead to Saudi proliferation. The pressure for South Korea, Japan, and Taiwan to seek nuclear weapons will also grow.”

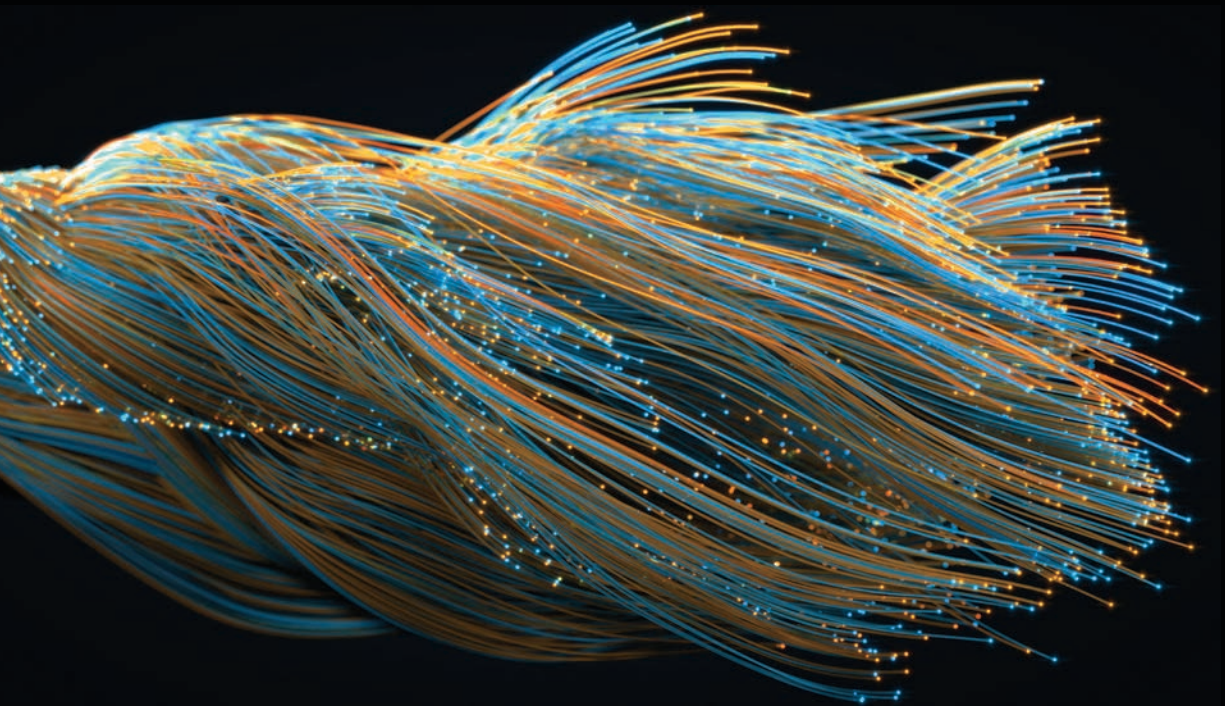
→ See the full responses at [ForeignAffairs.com/NuclearProliferation](https://www.ForeignAffairs.com/NuclearProliferation)



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