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FOREIGN AFFAIRS



Volume 100, Number 4

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ORVILLE SCHELL has been studying China since he was an undergraduate at Harvard in the 1950s. In the decades that followed, he served as *The Boston Globe's* "man in Asia," wrote for *The New Yorker* and other magazines, produced television programs, and headed the Graduate School of Journalism at the University of California, Berkeley. The author of 15 books, Schell now directs the Center on U.S.-China Relations at the Asia Society. In "Life of the Party" (page 68), he examines the long and surprisingly diverse history of the Chinese Communist Party.



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CAN CHINA KEEP RISING?

“The East is rising,” Chinese leaders took to declaring around the time U.S. President Joe Biden entered office, “and the West is declining.” The second part of that declaration may draw eye rolls or angry objections in Washington and allied capitals. But the first has become a point of near consensus: a self-assured China, bolstered by years of dazzling economic performance and the forceful leadership of Xi Jinping, has claimed its place as a world power and accepted that long-term competition with the United States is all but inevitable as a result.


But past performance does not guarantee future results. On closer examination, the obstacles to China’s continued success look daunting—as Xi himself is well aware, which accounts for both the urgency and the audacity of his agenda, argues Jude Blanchette. “Ambition and execution are not the same thing,” Blanchette writes, “and Xi has now placed China on a risky trajectory, one that threatens the achievements his predecessors secured in the post-Mao era.” A similar dynamic is at play in the economic realm. Daniel Rosen notes that Beijing’s recent policy record is one not of world-beating mastery but of failed attempts at sorely needed reform followed by panicked retreats to central control. Meanwhile, China’s official efforts to overcome “its own Gilded Age” have been hamstrung by Xi’s simultaneous suppression of the

very forces that could tame inequality and corruption in the country, Yuen Yuen Ang reveals.

Other risks loom beyond China’s borders. Two of the country’s most important scholars convey how the world today looks from Beijing, with Yan Xuetong outlining China’s growing willingness to challenge U.S. dominance and Wang Jisi explaining why “most Chinese observers now believe that the United States is driven by fear and envy to contain China in every possible way.” And Oriana Skylar Mastro argues that, amid such distrust, “for the first time in three decades, it is time to take seriously the possibility that China could soon use force” against Taiwan.

This year, Beijing is marking the 100th anniversary of the Chinese Communist Party with ample “nationalist bravado” and “an avalanche of official party histories portraying China as a monolithic powerhouse,” writes Orville Schell. Yet in tracing the course of China and the party over the past century, Schell makes clear that such triumphalism obscures a more complicated and varied past. Perhaps more important, it masks uncertainty about China’s future.

—Daniel Kurtz-Phelan, *Editor*



*On closer examination,
the obstacles to China's
continued success look
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Xi's Gamble
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Xi's Gamble

The Race to Consolidate Power and Stave Off Disaster

Jude Blanchette

Xi Jinping is a man on a mission. After coming to power in late 2012, he moved rapidly to consolidate his political authority, purge the Chinese Communist Party (CCP) of rampant corruption, sideline his enemies, tame China's once highflying technology and financial conglomerates, crush internal dissent, and forcefully assert China's influence on the international stage. In the name of protecting China's "core interests," Xi has picked fights with many of his neighbors and antagonized countries farther away—especially the United States. Whereas his immediate predecessors believed China must continue to bide its time by overseeing rapid economic growth and the steady expansion of China's influence through tactical integration into the existing global order, Xi is impatient with the status quo, possesses a high tolerance for risk, and seems to feel a pronounced sense of urgency in challenging the international order.

Why is he in such a rush? Most observers have settled on one of two diametrically opposite hypotheses. The first holds that Xi is driving a wide range of policy initiatives aimed at

nothing less than the remaking of the global order on terms favorable to the CCP. The other view asserts that he is the anxious overseer of a creaky and outdated Leninist political system that is struggling to keep its grip on power. Both narratives contain elements of truth, but neither satisfactorily explains the source of Xi's sense of urgency.

A more accurate explanation is that Xi's calculations are determined not by his aspirations or fears but by his timeline. Put simply, Xi has consolidated so much power and upset the status quo with such force because he sees a narrow window of ten to 15 years during which Beijing can take advantage of a set of important technological and geopolitical transformations, which will also help it overcome significant internal challenges. Xi sees the convergence of strong demographic headwinds, a structural economic slowdown, rapid advances in digital technologies, and a perceived shift in the global balance of power away from the United States as what he has called "profound changes unseen in a century," demanding a bold set of immediate responses.

By narrowing his vision to the coming ten to 15 years, Xi has instilled a sense of focus and determination in the Chinese political system that may well enable China to overcome longstanding domestic challenges and achieve a new level of global centrality. If Xi succeeds, China will position itself as an architect of an emerging era of multipolarity, its economy will escape the so-called middle-income trap, and the technological capabilities of its manufacturing sector and military will rival those of more developed countries.

JUDE BLANCHETTE is Freeman Chair in China Studies at the Center for Strategic and International Studies.



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Yet ambition and execution are not the same thing, and Xi has now placed China on a risky trajectory, one that threatens the achievements his predecessors secured in the post-Mao era. His belief that the CCP must guide the economy and that Beijing should rein in the private sector will constrain the country's future economic growth. His demand that party cadres adhere to ideological orthodoxy and demonstrate personal loyalty to him will undermine the governance system's flexibility and competency. His emphasis on an expansive definition of national security will steer the country in a more inward and paranoid direction. His unleashing of "Wolf Warrior" nationalism will produce a more aggressive and isolated China. Finally, Xi's increasingly singular position within China's political system will forestall policy alternatives and course corrections, a problem made worse by his removal of term limits and the prospect of his indefinite rule.

Xi believes he can mold China's future as did the emperors of the country's storied past. He mistakes this hubris for confidence—and no one dares tell him otherwise. An environment in which an all-powerful leader with a single-minded focus cannot hear uncomfortable truths is a recipe for disaster, as China's modern history has demonstrated all too well.

A MAN IN A HURRY

In retrospect, Xi's compressed timeline was clear from the start of his tenure. China had become accustomed to the pace of his predecessor, the slow and staid Hu Jintao, and many expected Xi to follow suit, albeit with a greater emphasis on economic reform. Yet

within months of taking the reins in 2012, Xi began to reorder the domestic political and economic landscape. First came a top-to-bottom housecleaning of the CCP. The party had repeatedly demonstrated its ability to weather domestic storms, but pressures were building within the system. Corruption had become endemic, leading to popular dissatisfaction and the breakdown of organizational discipline. The party's ranks were growing rapidly but were increasingly filled with individuals who didn't share Xi's belief in the CCP's exceptionalism. Party cells in state-owned enterprises, private companies, and nongovernmental organizations were dormant and disorganized. Senior-level decision-making had become uncoordinated and siloed. The party's propaganda organs struggled to project their messages to an increasingly cynical and tech-savvy citizenry.

Xi took on all these problems simultaneously. In 2013 alone, he initiated a sweeping anticorruption drive, launched a "mass line" campaign to eliminate political pluralism and liberal ideologies from public discourse, announced new guidelines restricting the growth of the party's membership, and added new ideological requirements for would-be party members. The size of the party mattered little, he believed, if it was not made up of true believers. After all, he noted, when the Soviet Union was on the brink of collapse in the early 1990s, "proportionally, the Soviet Communist Party had more members than [the CCP], but nobody was man enough to stand up and resist."

Next on Xi's agenda was the need to assert China's interests on the global stage. Xi quickly began land reclama-

tion efforts in the South China Sea, established an air defense identification zone over disputed territory in the East China Sea, helped launch the New Development Bank (sometimes called the BRICS Bank), unveiled the massive international infrastructure project that came to be known as the Belt and Road Initiative, and proposed the Asian Infrastructure Investment Bank.

Xi continued to slash his way through the status quo for the remainder of his first term and shows no signs of abating as he approaches the end of his second. His consolidation of power continues uninterrupted: he faces no genuine political rivals, has removed term limits on his tenure in office, and has installed allies and loyalists in key positions. New research centers are dedicated to studying his writings and speeches, party officials publicly extol his wisdom and virtue, and party regulations and government planning documents increasingly claim to be based on “Xi Jinping Thought.” He has asserted the CCP’s dominance over vast swaths of Chinese society and economic life, even forcing influential business and technology titans to beg forgiveness for their insufficient loyalty to the party. Meanwhile, he continues to expand China’s international sphere of influence through the exercise of hard power, economic coercion, and deep integration into international and multilateral bodies.

Many outside observers, myself included, initially believed that the party’s inability to contain the outbreak of COVID-19 highlighted the weaknesses of China’s system. By the summer of 2020, however, Xi was able to extol the virtues of centralized control in check-

ing the pandemic’s domestic spread. Far from undermining his political authority, Beijing’s iron-fisted approach to combating the virus has now become a point of national pride.

A UNIQUE MOMENT

Xi’s fast pace was provoked by a convergence of geopolitical, demographic, economic, environmental, and technological changes. The risks they pose are daunting, but not yet existential; Beijing has a window of opportunity to address them before they become fatal. And the potential rewards they offer are considerable.

The first major change is Beijing’s assessment that the power and influence of the West have entered a phase of accelerated decline, and as a result, a new era of multipolarity has begun, one that China could shape more to its liking. This view took hold as the U.S. wars in Afghanistan and Iraq became quagmires, and it solidified in the wake of the 2008 financial crisis, which the Chinese leadership saw as the death knell for U.S. global prestige. In 2016, the British vote to leave the European Union and the election of Donald Trump as president in the United States fortified the consensus view that the United States, and the West more generally, was in decline. This might suggest that China could opt for strategic patience and simply allow American power to wane. But the possibility of a renewal of U.S. leadership brought about by the advent of the Biden administration—and concerns about Xi’s mortality (he will be 82 in 2035)—means that Beijing is unwilling to wait and see how long this phase of Western decline will last.

The second important force confronting Xi is China's deteriorating demographic and economic outlook. By the time he assumed office, China's population was simultaneously aging and shrinking, and the country was facing an imminent surge of retirees that would stress the country's relatively weak health-care and pension systems. The Chinese Academy of Social Sciences now expects China's population to peak in 2029, and a recent study in *The Lancet* forecast that it will shrink by nearly 50 percent by the end of the century. Although Beijing ended its draconian one-child policy in 2016, the country has still recorded a 15 percent decline in births during the past 12 months. Meanwhile, the government estimates that by 2033, nearly one-third of the population will be over the age of 60.

Contributing to these woes is China's shrinking workforce and rising wages, which have increased by ten percent, on average, since 2005. Larger paychecks are good for workers, but global manufacturers are increasingly moving their operations out of China and to lower-cost countries, leaving a rising number of low-skilled workers in China unemployed or underemployed. And because only 12.5 percent of China's labor force has graduated from college (compared with 24 percent in the United States), positioning the bulk of the country's workforce to compete for the high-skilled jobs of the future will be an uphill battle.

Directly related to this worrying demographic picture is the slowdown of China's economy. With annual GDP growth having dropped from a high of 14 percent in 2007 to the mid-single digits

today, many of the long-standing problems Beijing had been able to sweep under the rug now require attention and a willingness to accept economic and political pain, from unwinding the vast sea of indebted companies to demanding that firms and individuals pay more into the country's tax coffers. At the heart of China's growth woes is flagging productivity. Throughout the first several decades of the post-Mao reform period, realizing productivity gains was relatively straightforward, as the planned economy was dissolved in favor of market forces and droves of citizens voluntarily fled the countryside for urban and coastal areas and the promise of higher-wage jobs. Later, as foreign companies brought investment, technology, and know-how to the country, industrial efficiency continued to improve. Finally, the massive amounts spent on infrastructure, especially roads and rail, boosted connectivity and thus productivity. All of this helped a poor and primarily agricultural economy rapidly catch up with more advanced economies.

Yet by the time Xi assumed power, policymakers were finding it increasingly difficult to maintain momentum without creating unsustainable levels of debt, just as they had done in response to the 2008 global financial crisis. What is more, the country was already saturated with transportation infrastructure, so an additional mile of road or high-speed rail wasn't going to add much to growth. And because almost all able-bodied workers had already moved from the countryside to urban areas, relocating labor wouldn't arrest the decline in productivity, either. Finally, the social and environmental costs of China's previous growth paradigm had become

both unsustainable and destabilizing, as staggering air pollution and environmental devastation provoked acute anger among Chinese citizens.

Perhaps the most consequential shifts to have occurred on Xi's watch are advances in new technologies such as artificial intelligence, robotics, and biomedical engineering, among others. Xi believes that dominating the "commanding heights" of these new tools will play a critical role in China's economic, military, and geopolitical fate, and he has mobilized the party to transform the country into a high-tech powerhouse. This includes expending vast sums to develop the country's R & D and production capabilities in technologies deemed critical to national security, from semiconductors to batteries. As Xi stated in 2014, first-mover advantage will go to "whoever holds the nose of the ox of science and technology innovation."

Xi also hopes that new technologies can help the CCP overcome, or at least circumvent, nearly all of China's domestic challenges. The negative impacts of a shrinking workforce, he believes, can be blunted by an aggressive push toward automation, and job losses in traditional industries can be offset by opportunities in newer, high-tech sectors. "Whether we can stiffen our back in the international arena and cross the 'middle-income trap' depends to a large extent on the improvement of science and technology innovation capability," Xi said in 2014.

New technologies serve other purposes, as well. Facial recognition tools and artificial intelligence give China's internal security organs new ways to surveil citizens and suppress dissent.



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The party's "military-civil fusion" strategy strives to harness these new technologies to significantly bolster the Chinese military's warfighting capabilities. And advances in green technology offer the prospect of simultaneously pursuing economic growth and pollution abatement, two goals Beijing has generally seen as being in tension.

THE PARANOID STYLE IN CHINESE POLITICS

This convergence of changes and developments would have occurred regardless of who assumed power in China in 2012. Perhaps another leader would have undertaken a similarly bold agenda. Yet among contemporary Chinese political figures, Xi has demonstrated an unrivaled skill for bureaucratic infighting. And he clearly believes that he is a figure of historical significance, on whom the CCP's fate rests.

In order to push forward significant change, Xi has overseen the construction of a new political order, one underpinned by a massive increase in the power and authority of the CCP. Yet beyond this elevation of party power, perhaps Xi's most critical legacy will be his expansive redefinition of national security. His advocacy of a "comprehensive national security concept" emerged in early 2014, and in a speech that April, he announced that China faced "the most complicated internal and external factors in its history." Although this was clearly hyperbole—war with the United States in Korea and the nationwide famine of the late 1950s were more complicated—Xi's message to the political system was clear: a new era of risk and uncertainty confronts the party.

The CCP's long experience of defections, attempted coups, and subversion by outside actors predisposes it to acute paranoia, something that reached a fever pitch in the Mao era. Xi risks institutionalizing this paranoid style. One result of blurring the line between internal and external security has been threat inflation: party cadres in low-crime, low-risk areas now issue warnings of terrorism, "color revolutions," and "Christian infiltration." In Xinjiang, fears of separatism have been used to justify turning the entire region into a dystopian high-tech prison. And in Hong Kong, Xi has established a "national security" bureaucracy that can ignore local laws and operate in total secrecy as it weeds out perceived threats to Beijing's iron-fisted rule. In both places, Xi has demonstrated that he is willing to accept international opprobrium when he feels that the party's core interests are at stake.

At home, Xi stokes nationalist sentiment by framing China as surrounded and besieged by enemies, exploiting a deeply emotional (and highly distorted) view of the past, and romanticizing China's battles against the Japanese in World War II and its "victory" over the United States in the Korean War. By warning that China has entered a period of heightened risk from "hostile foreign forces," Xi is attempting to accommodate Chinese citizens to the idea of more difficult times ahead and ensure that the party and he himself are viewed as stabilizing forces.

Meanwhile, to exploit a perceived window of opportunity during an American retreat from global affairs, Beijing has advanced aggressively on multiple foreign policy fronts. These

include the use of “gray zone” tactics, such as employing commercial fishing boats to assert territorial interests in the South China Sea and establishing China’s first overseas military base, in Djibouti. China’s vast domestic market has allowed Xi to threaten countries that don’t demonstrate political and diplomatic obedience, as evidenced by Beijing’s recent campaign of economic coercion against Australia in response to Canberra’s call for an independent investigation into the origins of the virus that causes COVID-19. Similarly, Xi has encouraged Chinese “Wolf Warrior” diplomats to intimidate and harass host countries that criticize or otherwise antagonize China. Earlier this year, Beijing levied sanctions against Jo Smith Finley, a British anthropologist and political scientist who studies Xinjiang, and the Mercator Institute for China Studies, a German think tank, whose work the CCP claimed had “severely harm[ed] China’s sovereignty and interests.”

Mao Zedong and Deng Xiaoping demonstrated strategic patience in asserting China’s interests on the global stage. Indeed, Mao told U.S. President Richard Nixon that China could wait 100 years to reclaim Taiwan, and Deng negotiated the return of Hong Kong under the promise (since broken by Xi) of a 50-year period of local autonomy. Both leaders had a profound sense of China’s relative fragility and the importance of careful, nuanced statesmanship. Xi does not share their equanimity, or their confidence in long-term solutions.

That has sparked concerns that Xi will attempt an extraordinarily risky gambit to take Taiwan by force by 2027,

the 100th anniversary of the founding of the People’s Liberation Army. It seems doubtful, however, that he would invite a possible military conflict with the United States just 110 miles from China’s shoreline. Assuming the PLA were successful in overcoming Taiwan’s defenses, to say nothing of surmounting possible U.S. involvement, Xi would then have to carry out a military occupation against sustained resistance for an indeterminate length of time. An attempted takeover of Taiwan would undermine nearly all of Xi’s other global and domestic ambitions. Nevertheless, although the more extreme scenarios might remain unlikely for the time being, Xi will continue to have China flaunt its strength in its neighborhood and push outward in pursuit of its interests. On many issues, he appears to want final resolution on his watch.

THE MAN OF THE SYSTEM

Xi’s tendency to believe he can shape the precise course of China’s trajectory calls to mind the economist Adam Smith’s description of “the man of system”: a leader “so enamored with the supposed beauty of his own ideal plan of government, that he cannot suffer the smallest deviation from any part of it.” In order to realize his near-term goals, Xi has abandoned the invisible hand of the market and forged an economic system that relies on state actors to reach predetermined objectives.

Critical to this shift has been Xi’s reliance on industrial policy, a tool of economic statecraft that had fallen out of favor until near the end of the tenure of Xi’s predecessor, Hu, when it began to shape Beijing’s approach to technologi-

cal innovation. The year 2015 marked an important inflection point, with the introduction of supersized industrial policy programs that sought not just to advance a given technology or industry but also to remake the entire structure of the economy. These included the Made in China 2025 plan, which aims to upgrade China's manufacturing capabilities in a number of important sectors; the Internet Plus strategy, a scheme to integrate information technology into more traditional industries; and the 14th Five-Year Plan, which outlines an ambitious agenda to decrease China's reliance on foreign technology inputs. Through such policies, Beijing channels tens of trillions of yuan into companies, technologies, and sectors it considers strategically significant. It does this by means of direct subsidies, tax rebates, and quasi-market "government guidance funds," which resemble state-controlled venture capital firms.

Thus far, Beijing's track record in this area is decidedly mixed: in many cases, vast sums of investment have produced meager returns. But as the economist Barry Naughton has cautioned, "Chinese industrial policies are so large, and so new, that we are not yet in a position to evaluate them. They may turn out to be successful, but it is also possible that they will turn out to be disastrous."

Related to this industrial policy is Xi's approach to China's private-sector companies, including many of the technological and financial giants that just a few years ago observers viewed as possible agents of political and social change. Technological innovation put firms such as Ant Group and Tencent in

control of critical new data flows and financial technology. Xi clearly perceived this as an unacceptable threat, as demonstrated by the CCP's recent spiking of Ant Group's initial public offering in the wake of comments made by its founder, Jack Ma, that many perceived as critical of the party.

Xi is willing to forgo a boost in China's international financial prestige to protect the party's interests and send a signal to business elites: the party comes first. This is no David and Goliath story, however. It's more akin to a family feud, given the close and enduring connections between China's nominally private firms and its political system. Indeed, nearly all of China's most successful entrepreneurs are members of the CCP, and for many companies, success depends on favors granted by the party, including protection from foreign competition. But whereas previous Chinese leaders granted wide latitude to the private sector, Xi has forcefully drawn a line. Doing so has further restricted the country's ability to innovate. No matter how sophisticated Beijing's regulators and state investors may be, sustained innovation and gains in productivity cannot occur without a vibrant private sector.

GRAND STRATEGY OR GRAND TRAGEDY?

In order to seize temporary advantages and forestall domestic challenges, Xi has positioned himself for a 15-year race, one for which he has mobilized the awesome capabilities of a system that he now commands unchallenged. Xi's truncated time frame compels a sense of urgency that will define Beijing's policy agenda, risk tolerance, and willingness

to compromise as it sprints ahead. This will narrow the options available to countries hoping to shape China's behavior or hoping that the "Wolf Warrior" attitude will naturally recede.

The United States can disprove Beijing's contention that its democracy has atrophied and that Washington's star is dimming by strengthening the resilience of American society and improving the competence of the U.S. government. If the United States and its allies invest in innovation and human capital, they can forestall Xi's efforts to gain first-mover advantage in emerging and critical technologies. Likewise, a more active and forward-looking U.S. role in shaping the global order would limit Beijing's ability to spread illiberal ideas beyond China's borders.

Unwittingly, Xi has put China into competition with itself, in a race to determine if its many strengths can outstrip the pathologies that Xi himself has introduced to the system. By the time he assumed power, the CCP had established a fairly predictable process for the regular and peaceful transition of power. Next fall, the 20th Party Congress will be held, and normally, a leader who has been in charge as long as Xi has would step aside. To date, however, there is no expectation that Xi will do so. This is an extraordinarily risky move, not just for the CCP itself but also for the future of China. With no successor in sight, if Xi dies unexpectedly in the next decade, the country could be thrown into chaos.

Even assuming that Xi remains healthy while in power, the longer his tenure persists, the more the CCP will resemble a cult of personality, as it did under Mao. Elements of this are already

evident, with visible sycophancy among China's political class now the norm. Paeans to the greatness of "Xi Jinping Thought" may strike outsiders as merely curious or even comical, but they have a genuinely deleterious effect on the quality of decision-making and information flows within the party.

It would be ironic, and tragic, if Xi, a leader with a mission to save the party and the country, instead imperiled both. His current course threatens to undo the great progress China has made over the past four decades. In the end, Xi may be correct that the next decade will determine China's long-term success. What he likely does not understand is that he himself may be the biggest obstacle. 🌐

China's Economic Reckoning

The Price of Failed Reforms

Daniel H. Rosen

Many observers look at China and see its leadership playing a masterful game. They see China refusing to bend its policies to fit global norms and successfully going its own way. The reality is that Beijing has tried to bend repeatedly under President Xi Jinping but has almost broken each time and has had to fall back on its old ways—which are not succeeding. The quantity and the quality of China's growth (looking past the anomalies of the pandemic period) have both deteriorated. And unless the leadership of the Chinese Communist Party finds its way back to the path of economic liberalization, China's future will look very different from the rosy picture the CCP paints.

The urgency of reform is a happy result of China's rise to middle-income status from the extreme poverty it experienced just a few decades ago. It is nothing to be ashamed of. But the applause that China has earned for its economic successes will subside if Xi fails to tolerate policy debate and accept more constrained political ambitions that admit the limits of the CCP's capabilities.

An honest assessment of recent setbacks suggests that time is running

out. Investors and businesses in China and abroad, as well as other governments, have so far gone along with the pretense that China is either succeeding at reform or understandably choosing to defer it; few have been willing to conclude that China has tried to reform but failed. Xi may believe that he has another decade to tinker with the country's economic model. Taking stock of the many major policy plans that the CCP has launched but then abandoned indicates otherwise: there are at most a few years to act before growth runs out. If China's leaders wait until the last minute, it will be too late.

STUCK IN THE MIDDLE

In recent years, China hawks in the United States have asserted that they were right all along: China has not reformed and never intended to do so. Some have even suggested that the CCP has been deceiving Washington since 1972, when U.S. President Richard Nixon went to China and normalized relations with Beijing. China, according to this view, was merely feigning an appetite for liberalization. That is a misreading of China's economic path. During the reform era ushered in by Deng Xiaoping in 1978, the party relaxed its control over economic forces such as inflation, internal capital flows, and unemployment. To stoke growth and innovation, Beijing let foreigners into strategically sensitive corners of the Chinese economy, such as telecommunications and aerospace. Sacred cows of communist ideology were sacrificed along the way. When Deng began the reform process, the state was setting almost all prices for goods and services; by the time China joined the

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World Trade Organization in 2001, all but a few prices were being set by market competition. In the 1990s, the CCP allowed more than 100,000 state-owned firms to close, resulting in more than 20 million layoffs. By 2020, the party had let foreigners build businesses in China worth \$3 trillion, many of them in direct competition with Chinese incumbents.

As significant as these policy moves were, however, they were the easy part: they mostly required bureaucrats to simply get out of the way. Officials didn't grow a market; they let a market grow out of a morass of government planning. Reduced state intervention and the dismantling of cross-border investment barriers, internal fees, and taxes transformed China's economic trajectory. In the decades after 1978, annual GDP growth rates of 5.5 percent or less—typical for low-income countries—accelerated into the double digits, turning China into an economic juggernaut.

But by the time the global financial crisis hit in 2008, Beijing had picked all the low-hanging fruit. To ensure continued strong growth, the party needed to lean in, promoting good governance and fair competition and imposing hard constraints on wasteful investment—delivering on the challenges faced by any successful modern regulatory state. For the next four years, however, easy credit became Beijing's main tool, and annual debt service costs catapulted from an estimated three trillion to eight trillion yuan. When Xi rose to the top of the CCP in 2012, growth had slowed to single digits, and the return on state investments in infrastructure was falling. This is what economists call

“the middle-income trap”: once a country emerges from poverty, it becomes harder to deliver growth.

Xi came to power with a mandate to take charge. From the start, he moved to consolidate his own authority, shrinking the Standing Committee of the Politburo from nine members to seven and personally chairing virtually all the important groups responsible for policymaking. As his point person on the economy, Xi chose Liu He, a well-known proponent of marketization. Xi set a high bar for reform, issuing a manifesto in 2013 known as the “60 Decisions.” He pledged to make the market “decisive” in guiding economic outcomes and to recast the role of the government in a manner that liberal Western economists would welcome: maintain macroeconomic stability, deliver public services, ensure fair competition and regulation, and address market failures. Xi was convinced by his economists that without bold action, China would face its own internal debt trap. If the party failed to transform the economy, Xi wrote during his first year in office, “we will find ourselves in a blind alley.”

Liu got to work. In the spring of 2013, policymakers set their sights on parts of the financial system that were swelling with risky liabilities. Banks were issuing short-term wealth management products at high interest rates and using the proceeds to invest in riskier long-term assets. The People's Bank of China, the country's central bank, decided to shock those banks into better behavior by cutting off their access to short-term funding. The move had massive unintended consequences: the banks were so surprised that they

stopped lending immediately, causing short-term borrowing rates to rise from around two or three percent to between 20 and 30 percent. Chinese stock markets plummeted by more than ten percent as traders tried to access cash through any liquid asset available. The PBOC quickly backed down and restored short-term funding to banks. As the central bank had feared, however, this only invited more risk-taking. From 2013 to 2016, borrowing via the short-term money market quintupled, and there was an explosion of so-called shadow lending, with Chinese banks providing money to third-party institutions, which in turn sought higher returns by going through unregulated channels (such as offering margin loans for stock market speculation) and by lending to riskier borrowers.

TWO STEPS FORWARD, TWO STEPS BACK

This interbank market crisis was just the first sign of what has become a pattern during the Xi era: bold attempts at reform followed by retreats when those attempts trigger instability and upheaval. The pattern recurred in 2014, when Beijing took steps to make it easier for Chinese companies to invest abroad directly, a necessity if they were to graduate from manufacturing basic goods for export to running global businesses. And invest they did, with outward foreign direct investment rising from \$73 billion in 2013 to a high of \$216 billion in 2016. The explosion of outbound investment was far more significant than anyone had anticipated. Some of these investments earned China bragging rights as a global player—the acquisition by Anbang

Insurance of the Waldorf Astoria, for example, and the financing of a venture with Carnival Cruise Lines by the China Investment Corporation, a sovereign wealth fund. But as these foreign assets piled up, China's foreign exchange reserves, built up over years thanks to consistent trade surpluses, fell by almost a quarter (from nearly \$4 trillion to below \$3 trillion) as Chinese players sought dollars to invest abroad. By the end of 2016, the CCP, anxious over the rapid outflows, decided that reform could wait and reimposed capital controls. Outbound investment has been stagnant ever since.

Tax policy was another area in which Xi moved aggressively at first. In June 2014, the Politburo approved a national fiscal and tax reform plan that, among other things, called for the Finance Ministry, headed by Lou Jiwei, to rein in the borrowing and spending of local governments and to introduce property taxes. Those tasks were supposed to have been completed by 2016. Five years past that deadline, however, the ministry has made little progress; local government debt has actually increased since the reforms were initiated, and the now retired Lou has publicly warned about the fiscal risks looming over the system.

Knowing that government spending could not fuel growth forever, Xi's team turned to the corporate sector. Xi pledged to reduce the overbearing role of the state and to make room for businesses to manage their commercial activity with less political interference. Pilot programs set out to empower independent directors to make decisions on strategy and leadership, paring back the role of CCP committees. Other

reforms were supposed to clarify which industries were well suited to market competition and which required continued state control. Both of those efforts stalled, however, and since 2017, the party has retained its hold on all corporate affairs at state-related companies and has sought to increase its influence over private firms, including foreign ones.

When Xi came to power, the party also tried to unleash equity markets to ease the financing burden on state banks. The debt levels of local governments and state-owned enterprises were a constant worry, and the prospect of using equity-market listings to deleverage was irresistible. Beijing envied the dynamism of Western stock markets. In 2013, the government simplified the requirements for initial public offerings, and within a year, 48 IPOs had been completed and another 28 had been cleared by regulators. Officials also lifted restrictions on margin trading, and editorials in state-controlled newspapers encouraged people to pile into increasingly bubbly stocks. Soon, China saw the downside of its gambit. In June 2015, after official support for the unsustainable trend was called into question, the bubble burst: within a month, the market lost a third of its value. Today, despite a substantial expansion of the overall economy, the market remains 25 percent below its 2015 high.

UNINTENDED CONSEQUENCES

Banking was another area in which Xi hoped to make strides. In October 2015, the PBOC announced a long-awaited milestone: the full liberalization of interest rates on bank deposits and loans. Those rates had previously been set by the central bank with guidance

from the State Council, the central government's chief administrative authority. That system prevented banks from competing with one another for depositors and borrowers. Until the early 2010s, rates were fixed far lower than market conditions would have dictated, which meant households were effectively subsidizing state borrowers: depositors should have received higher rates on their savings, and borrowers should have paid higher lending rates. That had the effect of encouraging overinvestment by state-owned enterprises in industries that were already dogged by overcapacity and reducing household consumption.

To address these problems, the central bank permitted banks to compete by offering depositors interest rates up to 50 percent above official benchmark rates; the ceiling had previously been just ten percent. Soon after, the deposit rate cap was eliminated altogether—in principle. In practice, banking officials worried that smaller banks would create instability if they competed based on market forces, and so they maintained an informal rule that deposit rates should remain no more than 50 percent higher than the benchmark rate. Those training wheels remain in place today: interest rates have been nominally liberalized, but little has truly changed, and banks are still restricted in how they can compete for customers.

Another goal of Xi's financial liberalization strategy was to secure the International Monetary Fund's recognition of the yuan as a reserve currency worthy of inclusion in the basket of currencies on which the IMF bases its Special Drawing Rights (SDRs), a unit

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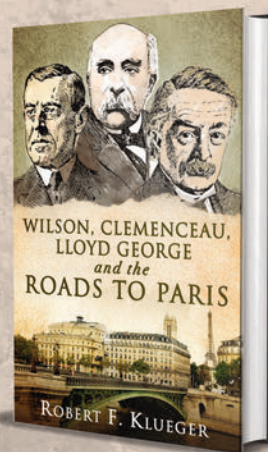
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of account that central banks use to make transactions. The PBOC hoped that if the yuan had that status, it would encourage other central banks to purchase assets denominated in yuan, making China's markets more attractive to foreign investors.

The trouble, however, was that currencies in the SDR basket are supposed to be freely usable in international transactions and traded frequently. China's capital controls made it hard to meet those criteria. To get around that stumbling block, Beijing claimed that there was in fact a liquid market for yuan—in Hong Kong, which maintains an offshore yuan market where currency rates can fluctuate more than in China itself. The problem with this work-around became clear when Beijing suddenly depreciated the yuan in August 2015 in an attempt to unify prices on the mainland and in Hong Kong. Alarming capital outflows resulted, facilitated by the very Hong Kong market that the PBOC had been promoting.

The IMF did eventually agree to add the yuan to the SDR basket in November 2015. At that point, China's central bank backed away from liberalizing the Hong Kong currency market, squeezing the liquidity out of it and diminishing its role as a trading center. Six years later, the offshore pool of Hong Kong yuan remains small, the currency still accounts for only a limited share of international cross-border transactions and a modest proportion of global foreign exchange reserves, and China's capital controls are still in place.

By the summer of 2016, Liu and the rest of the CCP leadership had grown weary of the risky lending activity that had led to the stock market bubble and

the interbank market crisis. China's financial system, they feared, was starting to look like that of the United States before the subprime crisis of 2007–8. So Beijing embarked on a deleveraging campaign to shrink the shadow banking system and reduce systemic financial risks. First, the central bank fixed short-term borrowing rates higher, which raised overall interest rates but did not significantly reduce credit volumes. Then, Beijing toughened regulatory rules to prevent banks from parking funds with third-party institutions in order to skirt regulations. As planned, the volume of new credit fell, but this had the effect of throttling the economy throughout 2018, because it turned out that borrowers from shadow banks were not only engaged in speculation but also investing in property development and local infrastructure. Once again, Beijing had to pull back, abandoning its aggressive deleveraging efforts and allowing credit to rise again, particularly for local governments.

The pattern of restoring central control after failed attempts to liberalize may be reaching its apex in one of the most important stories to come out of China in the past year: Beijing's crackdown on financial technology firms. This has led to antitrust actions against the technology giants Alibaba and Tencent and the shelving of an initial public offering for Ant Group, an Alibaba subsidiary.

The CCP has presented these steps as pro-consumer reforms, which seems reasonable in a world where many other countries are looking to rein in their tech titans. But for Beijing, the moves mark the end of a crucial financial opening. In the early 2010s, these firms

were given a free hand by party technocrats who hoped that financial innovations would force ossified state-owned banks to become more productive. This succeeded, at least in fits and starts: the new firms made the financial system work for previously underserved customers. But innovation also came with new risks, such as peer-to-peer lending platforms that offered high rates to depositors and even higher rates to borrowers. When many of the borrowers defaulted, investors protested, believing erroneously that the platforms were guaranteed by the government. In August 2018, thousands of people showed up in the heart of Beijing's financial district to demand compensation. A regulatory crackdown on peer-to-peer lenders commenced, in a prelude to this year's scrutiny of Ant Group. The crackdown has been successful in reducing financial risks, but it has also reversed the benefits of reform, as many low-income consumers now have fewer choices in accessing credit.

The pattern of macroeconomic policy in the Xi era is clear: each attempt at reform has produced a miniature crisis that has threatened to become a bigger one, prompting the CCP to revert to what it knows best—command and control. The official line, of course, is that there were no failures and that China is inexorably marching forward with Deng's agenda of "reform and opening." In a speech in December 2020, Xi boasted of having launched 2,485 reform plans, meeting the party's targets on schedule. The next month, the official newspaper, the *People's Daily*, concurred, saying that 336 high-priority reform goals had been "basically accomplished" and lauding

"significant breakthroughs in comprehensively deepening reform."

Privately, Chinese economists acknowledge that this is not the case. But they contend—not without merit—that the challenges afflicting market economic systems since the global financial crisis provide ample reason to proceed slowly. As Chinese Vice President Wang Qishan reportedly told then U.S. Treasury Secretary Henry Paulson in the midst of that crisis: "You were my teacher, but now here I am in my teacher's domain, and look at your system, Hank. We aren't sure we should be learning from you anymore." During the Trump era, even the United States—long the world's leading proponent of economic liberalization—seemed to call its free-market convictions into question.

But the real story is neither China's reform success nor its reform hesitancy. Xi has tried but largely failed to push ahead with the agenda that Deng launched in 1978 and that Xi's predecessors all sustained. The consequences of that failure are clear. Since Xi took control, total debt has risen from 225 percent of GDP to at least 276 percent. In 2012, it took six yuan of new credit to generate one yuan of growth; in 2020, it took almost ten. GDP growth slowed from around 9.6 percent in the pre-Xi years to below six percent in the months before the pandemic began. Wage growth and household income growth have also slowed. And whereas productivity growth—the ability to grow without needing to use more labor or resources—accounted for as much as half of China's economic expansion in the 1990s and one-third in the following decade, today it is estimated to contrib-

ute just one percent of China's six percent growth, or, by some calculations, nothing at all. All these data points signal a loss of economic dynamism.

HIGH STAKES

Why is it important to understand that Xi did not resist reform but instead failed at it? The reason is that when it comes to China's prospects, perceptions matter. If investors, businesses, and other governments believe that Xi has spurned reform but that China can deliver growth without it, then they will endorse and invest in Beijing's model. But if they understand that Xi has in fact attempted to liberalize but retreated to a low-productivity command-and-control economy, then they will hesitate, if not withdraw, and insist that Beijing do the hard work of policy reform before it can earn their trust.

Based on Xi's own belief that without reform China will hit a dead end, a reckoning appears to be inevitable. The question is when it will arrive and whether Beijing will take the bold steps that every country that has escaped the middle-income trap has been forced to take. Skeptics of China's continued progress have been wrong before, and they must explain what is different now to justify their bearishness. Three factors are most compelling. First, in recent years, interest on debt alone (never mind principal) has grown to double the value of annual GDP growth: this situation is causing bank failures, restructurings, and major defaults of state-owned enterprises. Second, for the first time since the mass starvations of the catastrophic Great Leap Forward, the working population is shrinking, which will result in a smaller labor

force and fewer people buying property in China's oversupplied housing market. And third, from 1978 to about 2015, the United States and other world powers went out of their way to engage with China and smooth its path to global opportunities. That is no longer the case, even if open-market democracies have not formed a consensus about the right stance to take on China going forward. In many ways, the tailwinds China enjoyed from global enthusiasm about its rise have become headwinds.

If Beijing cannot induce private firms to ramp up their investment and cannot persuade major economies to remain engaged with China, then the country's clear economic outlook will cloud over. Xi-era reform efforts have already precipitated a series of minicrises, each one shrinking the space for trial and error in the future. The high-tech wizards whom the CCP was so recently celebrating as the heroes of a new digital future are now scurrying to prove their fealty to the party rather than pushing officials to allow them to compete and innovate more aggressively. With business and household debt levels already extremely high, China can scrape out perhaps two or three more years of economic stability by piling on further loans, as long as global capital flows and supply chains do not dry up. If firms and investors do pull back, or if China needs to raise interest rates more aggressively at home, a reckoning could happen much sooner.

Beijing has options to ease this transition, but it cannot avoid it. Unlike Japan when its asset bubble popped in 1991, China is not a mature, high-income nation. Growing rural incomes will make China stronger but will not

produce trophy cities or high-tech machines. Xi's "dual circulation" campaign envisions a revolution in consumer spending. That, too, is a possibility, provided Beijing shifts from supporting firms to forcing them to serve consumers. And by selling off state enterprises, China could raise trillions of dollars to retire debt, fund health care, and pay for carbon abatement, all while stoking healthy private competition. These and many other avenues to sustainable growth are available. But in each case, the party's insistence that in "government, military, civilian, and academic; east, west, south, north, and center, the party leads everything" would have to be sacrificed—and to date, that has been a bridge too far.

At some point, China's leaders must confront this tradeoff: sustainable economic efficiency and political omnipotence do not go hand in hand. Throughout history, leaders faced with this conundrum in China and elsewhere have tried to hide falling productivity to buy time and keep searching for a way to have it all. And indeed, a number of statistics have lately been made unavailable in China. Beijing will point to its record of exceptionalism, but if it were to find a way to maintain stability, state control, and economic dynamism all at once, it would be the first country in history to do so. In light of the muddled reform record of the Xi years, skepticism seems justified.

If China meets the fate of other middle-income nations that failed to reform their way out of declining productivity, the picture will darken. Asset prices for property and corporate bonds will fall significantly, causing political discontent as people see their

wealth evaporate. With faltering confidence and too much riding on the credibility of government promises to ensure stability, new investment will dwindle, job creation will slow, and the tax and revenue base will shrink. All of this has already begun to happen, but Beijing will be forced to make much harder choices going forward.

That will mean a time of painful austerity for China and also for its partners abroad, who have come to count on China as a buyer of iron ore, a purveyor of development assistance, and a direct investor in startups and many other enterprises. This will have immense geopolitical consequences, as a recalibration of great-power competition takes place. Beijing could turn more belligerent in search of solutions. Conversely, it could return to the domestic development focus of prior years, reverting to Deng's admonition to keep the party's focus limited.

Economists are not well equipped to predict which grand political choices leaders will make. History does demonstrate, however, that every nation graduating to high-income status has gone through systemic crises, especially in banking. Those that accept the necessity of adjustment and jettison the fantasy of efficiency without reform come out more competitive. China has a strong legacy of embracing reform and adjustment, which has accounted for its rise. Reform is not a Western agenda being pushed on China: it is China's modern birthright. After a decade of failed efforts to carry it out, Beijing is looking for an easier way. Xi must rediscover that reform is the hardest route, except for all the others. 🌐

The Robber Barons of Beijing

Can China Survive Its Gilded Age?

Yuen Yuen Ang

It seemed like a typical story of Chinese corruption. Stuffing suitcases full of company shares, the businessman lavished bribes on influential officials in exchange for cheap loans to subsidize his railroad projects. The target of his largesse, those in charge of public infrastructure and budgets, were his friends and business associates. Their family members ran firms in the steel industry, which stood to benefit from the construction of new track. Over time, as the ties between the officials and the businessman grew closer, the officials doubled their financial support for his ventures, indulging his inflated costs and ignoring the risk of losses. Slowly but surely, however, a financial crisis brewed.

Stories like this are endemic to China: business leaders colluding with officials to exploit development projects for personal enrichment, graft infecting all levels of government, and politicians encouraging capitalists to take on outside risks. No wonder some observers have insisted since the 1990s that the Chinese economy will soon collapse under the

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weight of its own excesses, and bring down the regime with it. But here's the twist: the businessman is not Chinese but American, and the tale took place in the United States, not China. It describes Leland Stanford, a nineteenth-century railroad tycoon who helped catapult the United States' modernization but whose path to immense fortune was paved with corrupt deals.

The Gilded Age, which began in the 1870s, was an era of crony capitalism as well as extraordinary growth and transformation. Following the devastation of the Civil War, the United States rebuilt and boomed. Millions of farmers moved from fields to factories, infrastructure opened up long-distance commerce, new technology spawned new industries, and unregulated capital flowed freely. In the process, swashbuckling entrepreneurs who seized on the right opportunities at the right time—Stanford, J. P. Morgan, John D. Rockefeller—amassed titanic levels of wealth, while a new working class earned only a pittance in wages. Politicians colluded with tycoons, and speculators manipulated markets. Yet instead of leading to disintegration, the corruption of the Gilded Age ushered in a wave of economic, social, and political reforms—the Progressive era. This, along with imperial acquisitions, paved the way for the United States to rise and become the superpower of the twentieth century.

China is now in the midst of its own Gilded Age. Private entrepreneurs are growing fabulously wealthy from special access to government privileges, as are the officials who illicitly grant them. Recognizing the dangers of crony capitalism, Chinese President Xi Jinping is attempting to summon China's own Progressive era—an age of less corrup-



tion and more equality—through brute force. The problem, however, is that this is not the way to ensure that real reform takes hold. Xi is suppressing the bottom-up energy that holds the key to solving China’s current woes—and in so doing, he may end up making them even worse.

CATEGORY ERROR

For students of corruption, China poses a baffling puzzle. Normally, corrupt countries are poor and stay that way. Study after study has shown a strong statistical relationship between corruption and poverty. But China has managed to sustain four decades of economic growth despite levels of corruption that even Xi has described as “grave” and “shocking.” Why does it seem to have bucked the trend?

The answer lies in the type of corruption that prevails in China. Conventional metrics of corruption ignore the different varieties it comes in. The most popular metric, the Corruption Perceptions Index, released by Transparency International every year, measures corruption as a one-dimensional problem that ranges on a universal scale from zero to 100. In 2020, China scored 42, ranking it as more corrupt than Cuba, Namibia, and South Africa. Conversely, high-income democracies consistently rank among the cleanest countries in the world, reinforcing the popular belief that corruption is a malaise that is exclusive to poor countries.

Although appealing in its simplicity, this conception of corruption is misleading. In reality, corruption comes in distinct flavors, each exerting different social and economic harms. The public is familiar with three main types. The first is petty theft: police officers shaking down people on the street, for example.

The second is grand theft: national elites siphoning off massive sums from public treasuries into private accounts overseas. The third is speed money: petty bribes paid to regular officials to bypass red tape and delays and grease the wheels of bureaucracy. All three types are illegal, vociferously condemned, and rampant in poor countries.

But corruption comes in another, more elusive variety: access money. In this kind of transaction, capitalists offer high-stakes rewards to powerful officials in exchange not just for speed but also for access to exclusive, lucrative privileges, including cheap credit, land grants, monopoly rights, procurement contracts, tax breaks, and the like. Access money can manifest in illegal forms, such as massive bribes and kickbacks, but it also exists in perfectly legal forms. Take lobbying, which is a legitimate means of political representation in the United States and other democracies. In exchange for influence over laws and policy, powerful groups fund political campaigns and promise politicians plush positions after they leave office.

Different types of corruption harm countries in different ways. Petty theft and grand theft are like toxic drugs; they directly and unambiguously hurt the economy by draining public and private wealth while delivering no benefits in return. Speed money is akin to painkillers; it may relieve a headache but doesn’t improve one’s strength. Access money, on the other hand, is like steroids. It spurs muscle growth and allows one to perform superhuman feats, but it comes with serious side effects, including the possibility of a complete meltdown.

Once one unbundles corruption, the Chinese paradox ceases to look so baf-

fling. Over the past four decades, corruption in China has undergone a structural evolution, moving away from thuggery and theft and toward access money. By rewarding politicians who serve capitalist interests and enriching capitalists who pay for privileges, this now dominant form of corruption has stimulated commerce, construction, and investment, all of which contribute to GDP growth. But it has also exacerbated inequality and bred systemic risks. Bank loans, for example, go disproportionately to politically connected companies, forcing cash-strapped entrepreneurs to borrow from shadow banks at usurious rates. Connected companies, flush with excess credit, can then afford to spend irresponsibly and speculate in real estate. Furthermore, because politicians personally benefit from the investments they bring into their jurisdictions, they are driven to borrow and build feverishly, regardless of whether the projects are sustainable. As a result, the Chinese economy is not just a high-growth economy but also a high-risk and out-of-balance economy.

THE EVOLUTION OF CORRUPTION

This dramatic evolution of corruption and capitalism began with Deng Xiaoping, who steered China in a new direction after three decades of disaster under Mao Zedong. Without explicitly saying so, Deng introduced a new religion: pragmatism. He recognized that simultaneous political and economic liberalization would be too destabilizing for China. For a nation shaken by chaos, he said in a historic 1978 speech, “stability and unity are of prime importance.”

Thus, Deng chose the path of partial economic liberalization. Instead of leaping straight into capitalism, he intro-

duced market reforms on the margins of the planned economy and delegated authority to local governments. In doing so, he laid the ground rules for profit sharing within the bureaucracy: that is, apparatchiks would personally benefit from capitalism as long as they stayed loyal to the Chinese Communist Party. No wonder officials at all levels enthusiastically embraced market reforms. As the reforms got underway, many officials doubled as surrogate entrepreneurs—operating collective enterprises, recruiting investors through personal networks, and running businesses on the side.

But as markets opened up beginning in the 1980s, corruption flourished. It came in forms that were particular to a still backward country with a mixed economy and a government with little capacity to monitor millions of bureaucrats. Local governments, for example, held what were called “small treasuries,” slush funds filled with the unauthorized fees, fines, and levies extracted from residents and businesses. Because central regulators exerted scant oversight over local budgets, embezzlement proliferated. So did petty bribery, as the emerging class of private entrepreneurs was forced to pay local bureaucrats to overcome red tape. Even giant multinational corporations such as McDonald’s were not spared; at one point, local agencies slapped its restaurants in Beijing with 31 fees, most of them illegal. In the countryside, such corruption led to widespread complaints about the burdens shouldered by farmers, sparking protests across rural China.

Then came the Tiananmen Square crackdown of 1989, which struck a devastating blow to the reform move-

ment. At that point, China could have easily reverted to Maoism. Instead, Deng rekindled the flames of capitalism through his famous “southern tour” in 1992, before passing the baton to his successor, Jiang Zemin. The new leadership took Deng’s partial market reforms in the 1980s to the next level. Beijing’s pledge to establish “a socialist market economy” may have rung hollow to many Western ears, but it soon unleashed an institutional revolution.

In some ways, this post-Deng period can be likened to the United States’ Progressive era. Beijing dismantled key elements of central planning (for example, price controls and production quotas) and drastically reduced state ownership in the economy. From 1998 to 2004, about 60 percent of workers in state-owned enterprises were laid off. Simultaneously, the central government pursued bold reforms in banking, public administration, public finance, and regulation. These efforts laid the foundation for an accelerated phase of growth—but without formal political liberalization.

At the helm of this progressive campaign was Zhu Rongji, China’s premier from 1998 to 2003. Famous for giving fiery speeches in which he berated local officials for their ineptitude, Zhu rolled out a wide range of administrative reforms. Beijing consolidated public bank accounts in order to eliminate illegal slush funds and keep a closer watch over financial transactions. It divested government agencies of their side businesses to prevent them from abusing their regulatory powers. And it replaced cash payments of fees and fines with electronic payments to prevent bureaucrats from extorting citizens or stealing from public coffers.

The reforms worked. Beginning in 2000, the number of corruption cases involving embezzlement and the misuse of public funds fell steadily. Media mentions of “arbitrary fees” and “bureaucratic extortion,” an indicator of the public’s concern about these issues, also declined. It was no surprise, then, that by 2011, when Transparency International asked Chinese respondents whether they had paid a bribe to access public services in the past year, only nine percent said they had, compared with 54 percent of Indians and 84 percent of Cambodians. In China, at least in the more developed coastal areas, the growth-impeding forms of corruption had finally come under control.

PAY TO PLAY

Access money, however, exploded. After 2000, the number of bribery cases soared, and they involved ever-larger sums of money and officials of ever more seniority. Newspapers ran front-page stories on corruption scandals, replete with lurid details of decadence and greed. A former minister of railways was charged with taking \$140 million in bribes, not including the more than 350 apartments he had been given. The head of one state-owned lender allegedly kept a harem with over 100 mistresses and was arrested with three tons of cash hidden in his home. A police chief in Chongqing amassed a private museum collection that included precious works of art and fossilized dinosaur eggs.

Why did access money explode? Because the reforms China took did not diminish the government’s power over the economy so much as change it. Whereas in the 1980s, the primary role

of public officials was to plan and command, in the globalized capitalist economy of the 1990s, they acquired new functions—attracting high-stakes investment projects, borrowing and lending capital, leasing land, demolishing and building at a frenzied pace. All these activities gave officials new sources of power that were previously unthinkable in a socialist system.

The change can be traced to a seemingly obscure problem: a fiscal imbalance between the central government and local governments. In 1994, as part of their modernizing drive, Jiang and Zhu centralized tax revenue, keeping the lion's share in Beijing and drastically reducing the fraction kept by localities. The local governments were left financially strapped even as they faced continued pressure to promote growth and deliver public services. So an alternative source of income was found: land. All land in China belongs to the state and thus cannot be sold, but the right to use it can be leased. Beijing allowed local governments to lease those rights to corporate entities in order to raise revenue.

From that point onward, China's army of local officials marched away from industrialization and toward urbanization. Instead of relying on manufacturing as the primary engine of growth, local governments turned their attention to leasing agricultural land to real estate developers for residential and commercial use. In the two decades after 1999, the amount of revenue raised through the leasing of land rights grew more than 120-fold. Developers profited handsomely from this arrangement, collecting exorbitant rents after leasing farmland at bargain prices and turning it into glitzy real estate projects. In one instance

related to me by a bureaucrat, the value of a piece of land increased by a multiple of 35 simply through being converted from rural to urban use.

The local officials who controlled land rights also did well for themselves, accepting hefty kickbacks for aiding their cronies in securing prized parcels. They helped developers rig auctions to buy land plots cheaply, and they deployed the power of the state to artificially speed up the process of urbanization. Local functionaries packed farmers into suburban apartments to free up rural land, and they invested heavily in urban infrastructure, such as electric grids, public utilities, parks, and transportation, to increase the value of new developments.

All this new infrastructure was funded not only through the sale of land rights but also through loans. The law prohibited local governments from running budget deficits, but officials got around that rule by setting up subsidiary companies known as "government financing vehicles." These entities took out loans to raise money, which the officials then used to finance their pet infrastructure and construction projects.

It was this twin source of credit—leasing land and borrowing money—that financed China's massive infrastructure boom. Between 2007 and 2017, the country more than doubled the length of its highways, from 34,000 miles to 81,000 miles—"enough to go around the world more than three times," a government website boasted. The construction of subways was just as frenzied. China now boasts eight of the world's 12 longest subway systems.

Although it turbocharged China's urbanization, the infrastructure boom generated new risks. Local governments

and their financing vehicles accumulated mounting debts. Even central regulators did not know the scale of these liabilities until 2011, when they conducted their first audit, which found that local governments had borrowed about \$1.7 trillion. Despite repeated edicts from Beijing against borrowing, local debts continued to rise, reaching \$4 trillion in 2020, nearly equivalent to the total income local governments earned that year. This is the bubble that so many fear could burst.

To understand the marriage of growth and corruption, consider the case of an official named Ji Jianye. In 2004, Ji became the party secretary of Yangzhou. Repositioning the city as a historic tourist site, he launched a massive demolition and construction campaign that earned him the nickname “Bulldozer Ji.” These efforts paid off: the media hailed Ji for reviving the city, the United Nations recognized his city with an award, tourism flourished, and the price of luxury real estate skyrocketed. In 2010, Ji was transferred to a more prominent post: mayor of Nanjing, a provincial capital.

But as investigators would later discover, Ji was sharing directly in the profits of his ambitious urban redevelopment schemes. Like other Chinese bureaucrats, his official salary was very low; his real compensation came from corporate contributions. In a city undergoing a massive reconstruction, Ji directed nearly all the government contracts to a private construction company named Gold Mantis, owned by his longtime friends, which repaid him in the form of kickbacks. During Ji’s tenure in Yangzhou, the company’s profits grew 15-fold in just six years, and when the company subsequently went public, Ji received a percentage of the shares.

Stories such as Ji’s suggest that portrayals of the Chinese state as predatory or rapacious miss the true nature of its crony capitalism. Ji lined his own pockets, but he also successfully transformed Yangzhou. In recent decades, there have been many officials like him, leaders who are corrupt yet also deliver commerce, infrastructure, and public services. Unlike politicians in other countries who simply steal from the public or put obstacles in the way of entrepreneurs, these officials collect bribes by making it easier, not harder, for capitalists to do business.

None of this is to say that access money is good for the economy. To the contrary, like steroids, it causes unbalanced, artificial growth. Owing to Chinese officials’ power over land, collusion between businesses and the state has funneled excessive investment into one particular sector—real estate, which offers unmatched windfalls for the politically connected. As a result, Chinese businesses face perverse incentives to shift their efforts away from productive activities, especially manufacturing, and toward speculative investment. Some state-owned railway companies and defense contractors, for example, now find their real estate investment activities to be more profitable than their core businesses. Beijing recognizes the threat such a shift poses: in 2017, it issued a warning against “abandoning productive for speculative activities.”

Access money also exacerbates inequality. Within the business world, politically connected capitalists can easily secure government contracts, cheap loans, and discounted land, giving them an enormous edge over their competitors. In society at large, the superrich

snap up luxury apartments as investment properties, while urban housing remains out of reach for many ordinary Chinese. The result is a perverse situation in which the minority of Chinese people who own homes often do not live in them and the majority who need homes cannot afford them.

ENTER XI

In 2012, Xi took on the mantle of leadership under ominous circumstances. The party was facing its biggest political scandal in a generation: Bo Xilai, a Politburo member once seen as a contender for the top position, had been dismissed from his posts and would soon be arrested on charges of graft and abuse of power. This wasn't just any corruption scandal. Bo, the son of a prominent Chinese Communist Party leader, was also implicated in the murder of a British businessman, and he was rumored to have been plotting a coup against Xi.

This dramatic episode surely helped form Xi's worldview, imprinting in him a deep sense of insecurity not only about the party's future but also about his own survival. For Xi, Bo's brazenness revealed that access money in a supersized economy had created elite factions far more powerful than those any previous leader had had to contend with. And for the Chinese public, Bo's downfall offered a rare peek into the world of state-business collusion and the lavish lifestyles of the political elite.

It was now clear that China was rife with corruption, inequality, moral decay, and financial risk. Since Deng's reforms began, the party had successfully lifted an estimated 850 million people out of poverty by dint of sustained economic

growth, but a small minority had benefited disproportionately, particularly those lucky enough to control property. In 2012, China's Gini coefficient (a measure of income inequality, with zero representing perfect equality and one representing perfect inequality) reached 0.55, exceeding the United States' figure of 0.45. This was an especially jarring distinction for a nominally communist country. A businessman in Shanghai described the whiplash to me this way: "When I was growing up, textbooks tried to convince us about the decadence of capitalism by showing a picture of rich Americans' pets enjoying air conditioning, a luxury that few Chinese dreamed of having in those days. Today, my neighbor's dog will only drink Evian."

No wonder Xi has chosen to define his legacy by fighting two key battles: one against corruption and the other against poverty. At his maiden speech to the Politburo, Xi did not mince words about the threat that Bo's saga represented. "Corruption will doom the party and the state," he declared. Since then, he has launched the longest and widest-ranging anticorruption drive in the party's history. By 2018, a staggering 1.5 million officials had been disciplined. Unlike previous anticorruption campaigns, this one is purging not just low-level officials but also high-level ones—"flies" and "tigers," in Xi's words.

Is Xi's crackdown merely a pretext to purge his enemies or a genuine effort at reducing corruption? The answer is both. It would not be surprising if Xi has used the campaign to root out those who pose personal threats, including officials who were allegedly linked to a plot to overthrow his rule. But he has also set out to strengthen bureaucratic ethics—

for example, issuing a list of eight regulations prohibiting “extravagance and undesirable work practices,” such as drinking on the job. His campaign has also been remarkably thorough, extending beyond public offices into state-owned companies, universities, and even official media outlets. An abrupt drop in the sale of luxury goods after the campaign began suggests a temporary restraint in bribery and conspicuous consumption. But Chinese citizens’ perceptions have been mixed. While many are impressed by the forceful crackdown, others are disillusioned by the grotesque details of greed that the corruption investigations have revealed. Moreover, the campaign may not be doing much about inequality. According to Chinese government statistics, although the country’s Gini coefficient fell continuously from the year Xi took office to 2015, it has since picked up again.

It is too soon to say whether Xi’s campaign has substantially reduced the prevalence of access money. But two things are clear. First, Xi’s forceful campaign has placed officials on high alert. My analysis of a cohort of 331 city party bosses found that 16 percent of them were removed for corruption between 2012 and 2017, a high rate of turnover that should give local leaders good reason to put their corruption on hold. Second, the only significant predictor of whether officials survived the crackdown was whether their patron—the official who oversaw their appointment—also survived. Performance didn’t matter, suggesting that under Xi, the political system has become more personalist than rules-based. In short, Xi’s campaign has had a mixed record. It has successfully struck

fear into corrupt officials, but it has not removed the root causes of graft—namely, the enormous power of the government over the economy and the patronage system in the bureaucracy.

THE ROAD NOT TAKEN

China does not exist in a vacuum, of course. Across the Pacific, its chief rival is also experiencing a repeat of the Gilded Age. This time, the new technology the United States is grappling with is not steam power but algorithms, digital platforms, and financial innovations. Like China, the United States is beset by sharp inequality. Its government, too, fears the populist backlash from the losers of globalization, and the country is similarly struggling to reconcile the tensions between capitalism and its political system. In that sense, the world is witnessing a curious form of great-power competition today: not a clash of civilizations but a clash of two Gilded Ages. Both China and the United States are struggling to end the excesses of crony capitalism.

But the two countries are pursuing this goal very differently. Transparency mandates, muckraking journalists, and crusading prosecutors were central ingredients in the United States’ battle against graft during the Progressive era; today, President Joe Biden’s progressive agenda rests on restoring the integrity of democracy. Xi, on the other hand, has opted to stamp out inequality and corruption by tightening political control.

Xi’s pledge to eradicate rural poverty, for instance, has been carried out in the manner of a national campaign. Central planners have imposed hard targets on local officials, and the entire bureaucracy, even the entire society, has been mobi-

lized to meet them, regardless of what it takes. Although the cause is noble, the methods are extreme. Edicts from the top pressure local officials to eliminate poverty by fiat—by relocating millions of residents from remote areas to suburbs, for example, regardless of whether they want to move. Some of the uprooted now have neither farmland nor jobs.

The crusade against corruption is similarly top-down. In addition to arresting large numbers of corrupt bureaucrats, Xi has exhorted officials to demonstrate loyalty and adhere to party ideology. These measures have resulted in bureaucratic inaction and paralysis—“lazy governance,” as the Chinese say—with nervous officials opting to do nothing, so as to avoid blame, instead of introducing potentially controversial initiatives. Xi’s insistence on political correctness also extinguishes honest feedback within the bureaucracy. Officials’ fear of reporting bad news, for instance, may have contributed to the delay in China’s early response to the COVID-19 outbreak.

It didn’t have to be this way. China could have taken a different path in its quest to control corruption. Before Xi, in fact, the country was making steady progress toward open governance. Some local governments were increasing transparency and starting to solicit public input on policies. Despite the constraints of censorship, investigative newspapers such as *Caixin* and *Southern Weekend* regularly uncovered scandals that prompted reforms. Several localities experimented with reporting the assets and income of government officials, a move supported by legal activists; in 2012, central regulators considered turning these experiments into national law. As

soon as Xi’s anticorruption campaign began, however, these bottom-up efforts were snuffed out, and the government tightened its control over civil society.

In many ways, Xi’s centralization of personal power has put him in an exceptional position to challenge vested interests and advance difficult reforms. He could reduce monopoly control of state-owned enterprises and empower private companies, which, as of 2017, accounted for more than 90 percent of new jobs created. A strong private sector would accelerate the type of broad-based growth that reduces inequality. Or Xi could correct the fiscal imbalance between the central government and local governments, so that the latter are not forced to lease land and borrow money to raise revenue. He could also streamline the ballooning demands imposed by central planners on local governments, a move that would both reduce their need to exercise regulatory power and relieve their budgetary pressures.

Yet Xi has shown little interest in such reforms. Instead, in his bid to end crony capitalism, he is reviving the command system, the very approach that failed miserably under Mao. After successfully controlling the COVID-19 outbreak, he appears more convinced than ever that national mobilization and top-down orders under his strongman leadership are the only path forward. But by rejecting a bottom-up approach, Xi is stifling China’s adaptability and entrepreneurship—the very qualities that helped the country navigate its way through so many obstacles over the years. “It’s like riding a bike,” an official once told me. “The tighter you grip the handles, the harder it is to balance.”🌐

Becoming Strong

The New Chinese Foreign Policy

Yan Xuetong

In March, China's top diplomat, Yang Jiechi, made headlines when he told U.S. officials at a summit in Alaska that they did "not have the qualification . . . to speak to China from a position of strength." Even after years of heightened tensions between Beijing and Washington, the remark seemed unusually harsh, especially coming from a seasoned diplomat. The setting, too, was noteworthy: Yang was speaking at the first high-level diplomatic meeting between China and the United States since U.S. President Joe Biden entered the White House. It seemed like an unmistakable warning to the new administration.

At home, Yang's comment circulated widely on social media, resonating with the belief of many Chinese that their country has found its voice on the global stage. International media read the statement as reflective of a post-pandemic China: ambitious and outspoken in its claim to global leadership.

Yang's statement did, indeed, reflect a paradigm shift underway in Beijing: China believes that its rise to great-power status entitles it to a new role in world affairs—one that cannot be reconciled with unquestioned U.S.

dominance. Beijing's initial hopes that a Biden administration would ease tensions with China have been dashed. Instead, it views Biden's attempts at isolating China diplomatically as a serious threat and is working on multiple fronts to make the country less vulnerable to U.S. aggression and pressure.

Beijing's newfound confidence does not mean it will challenge Washington in every single domain. China rejects U.S. leadership on some issues, but as a developing country, it will limit competition to areas in which it feels it has an advantage, such as the fight against COVID-19, poverty reduction, trade, international infrastructure and development, digital payment systems, and 5G technologies, among others. Across the board, however, a post-pandemic China will make its voice heard with greater determination than before and will push back forcefully against any attempts to contain it.

CHINA'S DUAL IDENTITY

To be the world's "largest developing country" (a popular moniker in Beijing) once meant that China's capabilities surpassed those of its immediate peers. Nowadays, it means the country's power is second only to that of the United States. Consider the sharp contrast between Chinese success and American failure in the fight against COVID-19: China suffered the least among all major powers during the pandemic and is the only major economy to have grown over the past year. By the end of 2020, its GDP had reached 71 percent of U.S. GDP, up from 66 percent in 2019, and Chinese policymakers are confident that they will close the remaining gap in the coming decade. In their eyes, China has

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gone through the stages of standing up and getting rich and is now advancing to the stage of becoming strong. The U.S.-led unipolar order is fading away, its demise hastened by China's rise and the United States' relative decline. In its place will come a multipolar order, with U.S.-Chinese relations at its core.

Until recently, Beijing viewed this once-in-a-century shift with unalloyed optimism, predicting a "bright future for Chinese national rejuvenation." The turmoil of the Trump years—especially Washington's decision in 2017 to label China a "strategic competitor"—caused Chinese officials to dial down their enthusiasm. China's most recent five-year plan strikes a more sober tone, listing opportunities in the realm of technology and development and warning of the instability fueled by "unilateralism, protectionism, and hegemonism." Yet the bottom line, in Beijing's eyes, remains the same: China has become a global power that can meet the rest of the world on an equal footing.

China's global reach still has its limits. Despite being a major power, China also thinks of itself as a developing country—and rightly so, considering that its GDP per capita remains far behind those of advanced economies. (The International Monetary Fund puts China's 2020 GDP per capita at only \$10,484, compared with \$40,146 for Japan, \$45,733 for Germany, and \$63,416 for the United States.) The "developing country" label is also meant to signal Beijing's geopolitical alignment: even if China catches up with the West economically, the thinking goes, its loyalties will still lie firmly with the developing world—it will, as Chinese President Xi Jinping put it in a 2018

speech, "forever belong to the family of developing countries."

This dual identity will color all aspects of China's post-pandemic foreign policy. As a developing country, China still lacks the resources required of a true world leader, with globe-spanning responsibilities, especially in the military realm. As a great power, however, it will not follow the United States' lead, and on some issues, competition with Washington will be inevitable.

Take the issue of ideological rivalry. On the one hand, China is anxious not to frame relations with the West as a new Cold War: leaders in Beijing believe that Soviet-style ideological expansionism could trigger a backlash that might hinder their country's continued growth, and they do not expect their ideology to become as popular as Western liberalism is today—hence their insistence that China is a developing country "with Chinese characteristics," a phrase meant to imply that its political system and governance model cannot merely be exported to other countries.

On the other hand, China will try to shape an ideological environment favorable to its rise, pushing back against the notion that Western political values have universal appeal and validity. The United States defines democracy and freedom in terms of electoral politics and individual expression, for example, whereas China defines them in terms of social security and economic development. Washington will have to accept these divergences of opinion rather than try to impose its own views on others.

The same conviction will animate China's post-pandemic diplomatic

strategy. Contrary to the common perception, Beijing does not reject multilateral rules and institutions out of hand. It will not, however, accept rules that the United States makes without consultation with China. Instead, Beijing's objective is for international norms to rest on a truly inclusive multilateralism. Such is the idea behind the China-based multilateral forums that Beijing has been building with a host of states and regions, such as its cooperation forums with African, Arab, Latin American, Pacific island, and Southeast Asian states. From other major powers, meanwhile, Beijing expects treatment based on equality and mutual respect, as illustrated by its assertive retaliatory sanctions strategy. When the Trump administration imposed sanctions on 14 high-ranking Chinese officials over the disqualification of some Hong Kong lawmakers, China took revenge with sanctions on 28 American officials, including then Secretary of State Mike Pompeo. Likewise, Beijing quickly retaliated against British and EU sanctions over the Xinjiang issue. On both of these matters, the Chinese government considers any sanctions or criticism of its policies as interference in its internal affairs.

China's economic policies are shifting, too, impelled both by the pandemic, which revealed the vulnerability of global supply chains, and by U.S. attempts at economic decoupling. In fact, the Chinese government believes that protectionism, a slowing world economy, and shrinking global markets will outlast the pandemic. Under a new "dual circulation" strategy, which was unveiled at a high-profile Chinese Communist Party meeting in May 2020, Beijing therefore aims to lessen



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its dependence on foreign markets. The goal is to shore up China's massive internal market and to build robust domestic chains of supply, distribution, and consumption, thus reducing the country's vulnerability to outside economic pressure, especially from the United States. Science and technology will be at the center of this effort, laying the groundwork for future development. The resulting domestic boom, it is hoped, will in turn improve economic relations with other states and aid the recovery of the world economy.

Beijing will also seek to reduce its exposure to U.S. financial sanctions, including by promoting the use of the renminbi in foreign trade and investment. Last year, it started trials of a digital currency in a handful of large cities, an innovation that could one day allow China and its business partners to conduct international transactions outside SWIFT, the financial messaging system, which is under de facto U.S. control and a major source of American geopolitical leverage. China will, of course, not turn inward altogether: the Belt and Road Initiative, Beijing's massive global infrastructure campaign, will continue, although progress has been slow during the pandemic. Since the "dual circulation" strategy enshrines the domestic market, and not global linkages, as Beijing's primary political focus, the BRI's projects will henceforth be based more on market demand than on political considerations. China will also continue to seek technological cooperation with other countries, provided they can resist U.S. pressure to decouple from China on this front.

China's military strategy, by contrast, will remain largely unchanged in the

post-pandemic world. Beijing seeks to turn the People's Liberation Army into a world-class fighting force ready for war at any moment, emphasizing quality over quantity, cyber-capabilities over conventional prowess, and artificial-intelligence-based weapons systems over individual combat skills. Yet the PLA's mission will remain one of deterrence, not expansion. China's 2021 military budget, albeit larger than that of other major powers, is less than a third of what the United States spends on defense. On top of this budget disparity, China's military lacks experience: the PLA has not been involved in a shooting clash since 1989 and has not fought a real war since 1979. As a result, Beijing remains wary of direct military confrontations and will continue to reject military alliances, which could drag it into an unnecessary war. For the same reason, China has been careful not to let territorial conflicts in the South China Sea and on the Sino-Indian border escalate into live-fire clashes.

A HEALTHY COMPETITION

Biden's election initially raised hopes among Chinese officials and media that Washington's China policies were due for a fundamental rethink. That optimism quickly faded. Instead of a radical break, Biden's policies to date are in many ways a continuation of his predecessor's confrontational approach. As a result, U.S.-Chinese relations are unlikely to grow any less tense or competitive than they have been in recent years.

The Biden administration's forays into exclusive multilateralism—that is, its attempts to form issue-based coalitions in opposition to China on technology and human rights—are bound to

be a particular source of tension in the years ahead. Beijing views this as the most serious external threat to its political security and the biggest obstacle to its national rejuvenation. U.S.-led anti-China technology coalitions are an obstacle on China's path to technological superiority, and similar ideological coalitions will encourage secessionists in Hong Kong, Taiwan, Tibet, and Xinjiang. Both involve core interests on which China will not make concessions.

To counter U.S. attempts at forming such coalitions, Beijing has already begun shoring up its bilateral strategic partnerships. Within weeks of the public clash between American and Chinese representatives at the Alaska summit earlier this year, Beijing embarked on an extensive diplomatic campaign, dispatching its defense minister to the Balkans and its foreign minister to the Middle East, where the latter official signed a 25-year strategic cooperation agreement with Iran and pledged \$400 billion in Chinese investment in the country. At home, China received foreign ministers from Indonesia, Malaysia, the Philippines, Singapore, and South Korea and signed a joint statement with Russia that, in a departure from tradition, omitted the usual assurances that Chinese-Russian cooperation does not target any third party. (In the years ahead, Moscow is likely to be an important partner of Beijing's in pushing back against the politicization of human rights issues and in promoting alternative models of democracy and nonideological multilateralism.) Xi also sent the North Korean leader Kim Jong Un a message stating his willingness to further consolidate Beijing's relations with Pyongyang.

Beijing still hopes it can confine tensions with Washington to the economic realm and avoid an escalation to military clashes. Yet the risk of a conflict over Taiwan, especially, is growing. Beijing's most recent five-year plan reiterates its commitment to pursuing peace and prosperity across the Taiwan Strait, a policy that has long prevented a potential U.S.-Chinese war over the island. Although China has not given up the principle of peaceful unification to date, it may abandon it if Taiwan announces *de jure* independence. The more other countries support Taiwan's secessionist policies, the more the PLA will carry out military exercises to deter Taiwan. In the meantime, Beijing hopes to reach a tacit understanding with Washington that maintaining peace in the Taiwan Strait is a shared interest.

This is not to suggest that cooperation with Washington is out of the question. Beijing has expressed its willingness to play an active role in reforming global governance regimes, in aiding the global economy's post-pandemic recovery, and in tackling transnational challenges in concert with Washington. Xie Zhenhua, China's climate envoy, has already met with his U.S. counterpart, John Kerry. Chinese Foreign Minister Wang Yi has signaled that China does not oppose the Biden administration's efforts to relaunch the 2015 Iran nuclear deal, and U.S. and Chinese diplomats have discussed plans for each side to recognize the other's COVID-19 vaccinations for the purposes of overseas travel. Meanwhile, China is open to trade negotiations based on the so-called Phase One agreement signed by the Trump administration in 2020, and even some U.S. officials, such as Tom

Vilsack, the agriculture secretary, have noted that China has so far made good on the promises made in that agreement.

Even if competition carries the day, it would be best thought of as a race, not a boxing match: each side is doing its best to get ahead, but neither has any intention of destroying or permanently changing the other. In 2019, prior to becoming high-level national security officials in the Biden administration, Kurt Campbell (the National Security Council's top Asia official) and Jake Sullivan (now the national security adviser) argued as much in these pages. "The basic mistake of engagement," they wrote, "was to assume that it could bring about fundamental changes to China's political system, economy, and foreign policy." A more realistic goal, they continued, was to seek "a steady state of clear-eyed coexistence on terms favorable to U.S. interests and values." That view is not too far removed from Wang's hope that both sides should engage in "healthy competition" based on "improving oneself and illuminating the other side, rather than mutual attacks and a zero-sum game." If neither Beijing nor Washington intends to subjugate the other, their rivalry will be fierce—but milder than the existential great-power struggles of the twentieth century.

NEW BATTLEFIELDS

How will such competition play out in practice? It will, for one, unfold on novel battlegrounds, chief among them cyberspace. As the digital sphere takes over more and more of people's lives, cybersecurity will become more important than territorial security. Already, the digital economy is growing rapidly as a share of major powers' GDPs,

making it an essential source of national wealth. The race for leadership on 5G and 6G telecommunications networks will increasingly shape the contest, and for the time being, China seems to be in the lead. By February 2021, Chinese companies, including the technology giant Huawei, accounted for 38 percent of approved 5G patents, compared with around 17 percent for U.S. companies. (In other areas, however, American digital platforms remain ahead of their Chinese counterparts, and U.S. digital platforms account for some 68 percent of the global digital economy in terms of market capitalization, compared with just 22 percent for Chinese companies.)

Meanwhile, international cooperation will increasingly take the form of issue-specific coalitions instead of truly international (or even regional) institutions. At times, Beijing and Washington might belong to some of the same clubs: for example, when it comes to the nonproliferation of cyberweapons and certain kinds of artificial intelligence tools. In the long run, the digital superpowers could even have a shared interest in introducing and enforcing some international tax regulations to protect their own companies from being overtaxed by other countries. For the most part, however, China and the United States will build rival teams, with other countries deciding which to join on a case-by-case basis, depending on which arrangement best serves their national interests. Most governments will welcome this trend, having already adopted hedging strategies to avoid picking sides between the two powers.

Of course, a club-based international system will bring complications of its own: a country that joins some coalitions

tions led by Washington and others led by Beijing will be a less trustworthy partner for both powers. It could also become common for members of the same coalition to punish one another for actions required by their membership in other clubs. For instance, both Australia and China are members of the Regional Comprehensive Economic Partnership, a trade agreement among a dozen states in the Asia-Pacific, yet disputes over human rights recently led Australia to cancel its BRI deal with China, which responded by suspending an economic dialogue between the two countries. Likewise, eastern European states have often told Chinese diplomats that their membership in the EU forces them to side against China on political matters. The same countries, however, cooperate with China on infrastructure investment and technology, at the risk of violating EU regulations, citing their participation in the Cooperation Between China and Central and Eastern European Countries, a diplomatic forum in the region initiated by China.

Such conflicts are likely to heighten political instability and accelerate the trend toward deglobalization in the decade ahead, but they are preferable to a world split into rigid geopolitical blocs. As long as individual states remain members of clubs on both sides of the divide, it will not be in their interest to throw in their lot with one side only. This bipolar configuration will cause some tension, but on the whole, it will be far less dangerous than all-out, Cold War–style competition.

China's post-pandemic foreign policy is just beginning to take shape. Beijing has always adjusted its policies to

shifting domestic and foreign circumstances, following Deng Xiaoping's approach of "crossing the river by feeling the stones." The coming era will be no different: achievements and failures will inform China's path and choices. The backdrop to these adjustments, however, will be a radically altered global landscape, in which unilateral decisions by Washington and the various alliances and issue-specific coalitions it leads will no longer be as viable as they once were. As many states prepare for a return to life after the pandemic, they should come to terms with this new reality. 🌐

The Plot Against China?

How Beijing Sees the New Washington Consensus

Wang Jisi

The United States and China are embroiled in a contest that might prove more enduring, more wide-ranging, and more intense than any other international competition in modern history, including the Cold War. In both countries, fears have grown that the contest might escalate into open conflict. In the past decade, the consensus in Washington has shifted decisively in favor of a more confrontational posture toward Beijing, a process that reached its peak during the Trump administration, which expressed open hostility to China and vilified the Chinese Communist Party (CCP). The recent change in U.S. administration has produced a different tone, but not a dramatic shift in substance: the Biden administration's Interim National Security Strategic Guidance, released in March, asserts that China "is the only competitor potentially capable of combining its economic, diplomatic, military, and technological power to mount a sustained challenge to a stable and open international system." Many in Washington argue that this tougher new

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consensus on China has emerged in response to more assertive, even aggressive moves on Beijing's part: in their view, China has forced the United States to take a firmer stance.

The CCP's official line remains that bilateral ties should be guided by the principle of "no conflict, no confrontation, mutual respect, and win-win cooperation," as Chinese President Xi Jinping described it in his first telephone conversation with U.S. President Joe Biden, in February. Nevertheless, just as American views on China have hardened in recent years, so have many Chinese officials come to take a dimmer view of the United States. The conventional wisdom in Beijing holds that the United States is the greatest external challenge to China's national security, sovereignty, and internal stability. Most Chinese observers now believe that the United States is driven by fear and envy to contain China in every possible way. And although American policy elites are clearly aware of how that view has taken hold in China, many of them miss the fact that from Beijing's perspective, it is the United States—and not China—that has fostered this newly adversarial environment, especially by carrying out what the CCP views as a decades-long campaign of meddling in China's internal affairs with the goal of weakening the party's grip on power. Better understanding these diverging views of recent history would help the two countries find a way to manage the competition between them and avoid a devastating conflict that no one wants.

THE FEELING IS MUTUAL

It is not difficult to understand why U.S. officials see China as a competitor.



Most analysts estimate that by the end of 2021, Chinese GDP will be equivalent to around 71 percent of U.S. GDP. In comparison, in the early 1980s, during the Cold War, Soviet GDP equaled less than 50 percent of U.S. GDP. Meanwhile, China has replaced the United States as the largest destination for foreign investment. Americans increasingly feel that in the contest with China, the momentum is with Beijing.

As China has grown richer and more powerful, U.S. politicians hoping to look tough have harshly criticized the CCP and have played on public fears about the U.S.-Chinese trade imbalance, China's alleged hacking of U.S. institutions and theft of trade secrets, and illegal Chinese immigration. In 2020, President Donald Trump repeatedly accused China of spreading the pathogen that causes COVID-19, referring to it as "the China virus," and suspicions that Beijing has misled the world about the virus's origins linger. Under Biden, official U.S. rhetoric on China has become less belligerent but still reflects an antagonistic mood. China has "an overall goal to become the leading country in the world, the wealthiest country in the world, and the most powerful country in the world," Biden said at his first press conference, in March. "That's not going to happen on my watch, because the United States is going to continue to grow and expand."

Suspicion of China is hardly exclusive to U.S. officials and elites. By last fall, a record-setting 73 percent of Americans polled reported holding a negative view of China, according to the Pew Research Center. This may in part reflect a generational shift. Older

Americans tend to see their Chinese peers as students or junior partners, eager to learn from American experiences. Younger Americans, however, are confronting a far more assertive China, and they may be less patronizing—and, in a way, less sympathetic—to their Chinese counterparts. Meanwhile, the United States has witnessed an alarming spike in racially motivated violence and hateful speech directed against people of Asian origin, and some analysts believe this trend is related to the worsening U.S. relationship with China. More than five million people of Chinese origin live in the United States today, over three million of whom were born in China. And prior to the beginning of the pandemic, U.S. colleges and universities hosted nearly 400,000 students from the Chinese mainland. These people and the communities they form have often been viewed as a bridge between the two countries. Increasingly, however, their presence and the treatment they receive may become sources of friction.

In the United States, China's rise is a source of neuralgia and anxiety. Unsurprisingly, in China, the country's growing status is a source of confidence and pride. "As the world faces unprecedented turbulence," Xi told a group of high-ranking CCP officials in January, "time and momentum are on China's side." Chinese officials seem to feel increasingly emboldened in confronting Washington. In March, Yang Jiechi—a Politburo member and a veteran Chinese diplomat—made headlines at a contentious high-level U.S.-Chinese meeting in Alaska, where he publicly rebuked the American officials in attendance for speaking to China "in a

condescending way” and asserted that “the United States does not have the qualification . . . to speak to China from a position of strength.”

During the past year, China’s confidence has been buoyed by a series of stark contrasts with the United States. By mid-May, the U.S. death toll from COVID-19 was nearly 600,000, whereas China—with a far larger population—had lost fewer than 5,000, according to government figures. In recent years, the United States has supplied a steady drumbeat of stories about mass shootings, police brutality, and urban unrest—a degree of chaos and violence without parallel in China. And the controversy surrounding the 2020 U.S. presidential election, culminating in the January 6 assault on the Capitol by rioters attempting to overturn Trump’s defeat, revealed a high degree of social and political instability in the United States, especially compared with the order and predictability of the Chinese system. Against this backdrop, many Chinese analysts highlight the political dysfunction, socioeconomic inequality, ethnic and racial divisions, and economic stagnation that plague the United States and other Western democracies. They also point out that many developing countries and former socialist countries that emulated Western models after the Cold War are not in good shape, and they note how Afghanistan and Iraq, the two places where the United States has intervened most forcefully, continue to suffer from poverty, instability, and political violence. For all these reasons, many Chinese, especially the younger generation, feel fully justified in meeting

U.S. pressure with confidence and even a sense of defiant triumphalism.

THE HIDDEN HAND

Underneath the recent hardening of Chinese views on the United States lies a deeper, older source of antagonism. In Chinese eyes, the most significant threat to China’s sovereignty and national security has long been U.S. interference in its internal affairs aimed at changing the country’s political system and undermining the CCP. Americans often fail to appreciate just how important this history is to their Chinese counterparts and just how much it informs Beijing’s views of Washington.

The CCP’s rise to power in 1949 wiped out U.S. political, economic, and cultural ties to the Chinese mainland. In response to Washington’s effort to contain and isolate China, Beijing forged an alliance with Moscow and soon found itself directly fighting the United States during the Korean War. At around that time, the CCP waged an ideological campaign to rid educated Chinese of the mindset of “being pro-America, fearing America, and worshipping America.” In the mid-1950s, the CCP took note when the United States and its allies supported anticommunist rebellions in Soviet-dominated Hungary and Poland. For the next two decades, guarding against Western subversion and preventing a “peaceful evolution” toward Western-style capitalism and democratization remained at the top of the party’s agenda.

In the late 1970s, the Chinese leader Deng Xiaoping’s “reform and opening” policy ushered in a dramatic political transformation and led to the warming of U.S.-Chinese relations. Commercial

activities and civil society links between the two countries boomed in the 1980s. Closer ties, however, also fed Chinese suspicions that the Americans intended to sow the seeds of dissent in China and eventually topple the CCP. The U.S. media's intense coverage of the Tiananmen Square demonstrations in 1989 and the sanctions that Washington and its allies levied on Beijing in the wake of those events confirmed the party's concerns about American intentions.

Ever since, anytime the CCP has encountered political turmoil at home, it has believed the United States to be a hidden hand. In the late 1990s, after Beijing cracked down on Falun Gong, an organization the CCP had identified as an "evil cult," its leader and some followers fled to the United States and established a stronghold there, and the U.S. House of Representatives denounced China's "persecution" of the group and its adherents. The United States has also hosted and given consistent support to a number of Chinese dissidents. In October 2010, Liu Xiaobo, a well-known intellectual and fierce critic of the CCP, was awarded the Nobel Peace Prize. The U.S. House of Representatives congratulated Liu and called on China to release him from jail. It is widely believed in China that U.S. politicians pushed the Nobel Committee to award the prize to Liu.

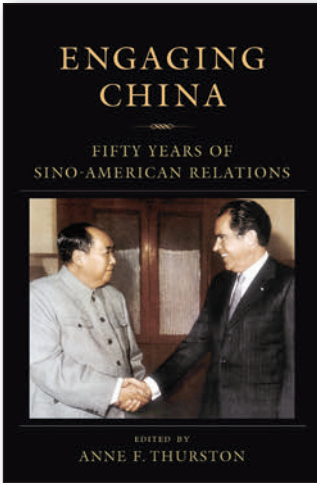
Chinese officials are particularly irritated by what they see as American meddling in restive regions of China. In 2008, when a riot took place in Lhasa, the capital of Tibet, the CCP saw the violence as the intentional result of long-term U.S. support for Tibetan separatists living overseas and led by the Dalai Lama, who was granted nine

meetings with U.S. presidents between 1991 and 2008. Chinese state media in early 2009 asserted that "the Dalai clique has in fact become a tool for U.S. rude interference into China's internal affairs and attempts to split China." In 2018, Trump enacted a law that requires the U.S. Department of State to punish Chinese officials who bar Americans from traveling freely to Tibet, a move that China's Foreign Ministry condemned as "grossly interfering in China's domestic affairs."

More recently, the western Chinese region of Xinjiang has become a major source of friction. Beijing charges that violent riots there in July 2009 were planned and organized from abroad and that Uyghur activists in the United States who received encouragement and support from American officials and organizations acted as a "black hand" behind the unrest. In 2019, human rights groups in the United States accused the CCP of engaging in the surveillance and torture of Uyghurs and other Muslim minorities and of detaining at least one million people in camps in Xinjiang. In 2020, the U.S. Congress passed legislation requiring the federal government to report on abuses in the region. And in March, the Biden administration labeled China's actions in Xinjiang a "genocide" and sanctioned Chinese officials in charge of security affairs in the region. Beijing has repeatedly denied that allegation and accused Washington of being "obsessed with fabricating lies and plotting to use Xinjiang-related issues to contain China and create [a] mess in China," in the words of the spokesperson of the Permanent Mission of China to the UN.



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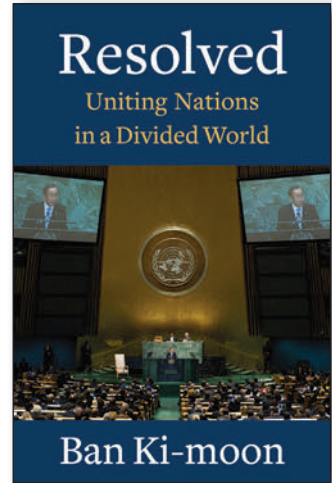
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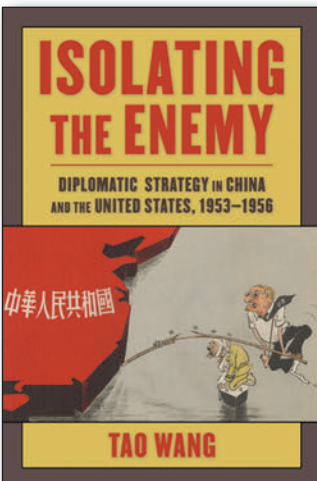
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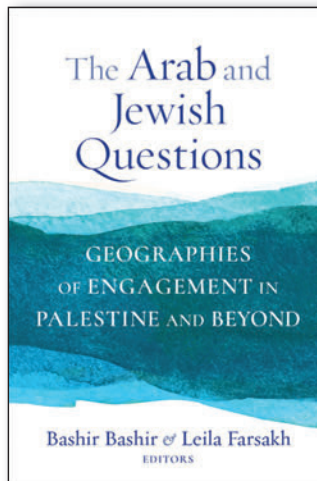
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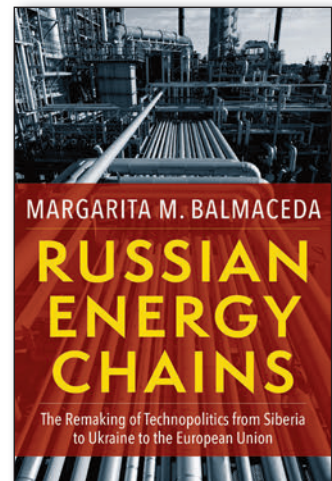
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U.S. policy toward Hong Kong represents another long-running source of Chinese mistrust. In 2014, a series of street protests that came to be known as Occupy Central (or the Umbrella Movement) occurred in Hong Kong in reaction to Beijing's decision to reform the territory's electoral system. Beijing believed that the U.S. government and U.S.-based nongovernmental organizations had helped stage the protests. When protests flared again in 2019–20 in response to proposed changes to the extradition agreement between the mainland and Hong Kong, security forces cracked down, and the Trump administration levied sanctions on a number of Chinese and Hong Kong officials. In March, the Biden administration added additional sanctions in response to Beijing's imposition of a restrictive new national security law in Hong Kong.

Finally, no issue has bred as much Chinese distrust of the United States as the status of Taiwan. For decades, Washington's "one China" policy has generally had the intended effect of preventing disagreement over the island from sparking a U.S.-Chinese conflict. But there have been many near misses, and the policy's ability to paper over tensions is wearing thin. In 1995, as pro-independence factions in Taiwan gained momentum, the island's leader, Lee Tung-hui, received a U.S. visa to visit Cornell University, his alma mater, where he gave a speech that irritated Beijing. In reaction, China conducted military exercises near Taiwan, and Washington sent two aircraft carrier battle groups to the area in the spring of 1996. In Beijing's view, the crisis left little doubt that Washington would remain a major stumbling block to

unification. During the administration of the Taiwanese leader Ma Ying-jeou, from 2008 to 2016, tensions between Beijing and Taipei subsided. But since 2016, when the pro-independence Democratic Progressive Party took power in Taipei, Beijing's stance has hardened again. China has steadily mounted political and military pressure on Taiwan to deter the DPP from making moves toward de jure secession. Meanwhile, in recent years, Washington has begun to push the envelope when it comes to Taiwan. In December 2016, when he was president-elect, Trump received a phone call from the Taiwanese leader Tsai Ing-wen to congratulate him on his election victory, a conversation that provoked angry protests from Beijing. Although Trump himself did not seem particularly focused on Taiwan, he signed a number of pieces of legislation aimed at augmenting U.S.-Taiwanese ties and bolstering the island's international position. In January, Biden became the first U.S. president since 1978 to host Taiwan's envoy to the United States at his inauguration. Days after that, the U.S. State Department released a statement confirming Washington's "rock solid" commitment to the island.

The CCP believes that all these perceived U.S. attempts to foment dissent and destabilize China are part of an integrated American strategy to westernize (*xihua*) and split up (*fenhua*) China and prevent the country from becoming a great power. Beijing believes that Washington was the driving force behind the "color revolutions" that took place in the first decade of this century in former Soviet states and that the U.S. government has ginned up protest movements

against authoritarian regimes around the world, including the Arab revolts of 2010–11. The CCP believes that those alleged U.S. interventions will supply a blueprint for Washington to undermine and eventually topple the party. The central government and Chinese official media acknowledge no distinctions among the U.S. government’s executive branch, the U.S. Congress, American media, and American-based nongovernmental organizations. The CCP views all American institutions and individuals that criticize or take action against Beijing as players in a well-planned, well-organized campaign of subversion, and the party brands any Chinese citizen or group that has in one way or another been backed by the United States or American organizations as a “stooge” or “political tool” of Washington.

China’s reactions to perceived U.S. interference have hardly been confined to angry rhetoric. In recent years, China has consolidated the CCP’s power base in society and further restricted the “politically incorrect” information its citizens can access, and Beijing has sanctioned U.S. officials, organizations, and individuals whom the party alleges are working against China. This vigilance against perceived U.S. interference forms one part of a comprehensive, long-term strategy to safeguard the CCP leadership, which also includes a number of laws and policies aimed at restricting the ability of Americans and other foreigners to encourage political dissent in China—activities that the party sees as threats to its legitimacy and authority. The CCP has also stepped up its “political education” among cadres and the general public at home and its propaganda efforts abroad.

The CCP’s concerns about U.S. meddling in China’s internal affairs have a direct connection to the tension between Washington and Beijing on range of geopolitical issues, including territorial disputes in the South China Sea and finger-pointing over the origins of the virus that caused the COVID-19 pandemic. China’s increasingly assertive posture in these disagreements is in part a reaction to the CCP’s perception that the United States is attempting to weaken the country and delegitimize the party. The message is clear: China will not be intimidated.

TWO ORDERS, TWO REALITIES

The U.S.-Chinese relationship revolves around two orders: the internal order that the CCP maintains in China and the international order that the United States wants to lead and sustain. Until the current downward spiral in the bilateral relationship, which began in 2017, Washington and Beijing maintained an implicit understanding: the United States would not openly attempt to destabilize China’s internal order, and in turn, China would not intentionally weaken the U.S.-led international order. Within the framework of this mutual understanding, the two countries tremendously expanded their commercial and civic links—to the point of interdependence. They also started to coordinate and cooperate on various global issues, such as counterterrorism and climate change. The implicit understanding has now unraveled, however, as the United States seems determined to weaken the CCP and China appears intent on defying U.S. leadership of global institutions and Western values more broadly. The prospect of a vicious cycle looms.

To avoid open conflict, leaders in Washington and Beijing need to accept two fundamental realities. The first is that the CCP enjoys immense popularity among the Chinese people; its grip on power is unshakable. Despite challenges at home, such as an economic slowdown, an aging population, and an imperfect social welfare system, the party's rule will remain unchallenged for the foreseeable future. External pressures on China to change its political system are likely to be futile and might even backfire by promoting unity and inflaming anti-Western sentiment. The second reality is that the United States will remain the most powerful actor in shaping the global order. The country's problems are obvious: racial tensions, political polarization, socioeconomic inequality, and weakened alliances. Its strength, however, lies in its diversity, its culture of innovation, and the resilience of its civil society—and those attributes remain unchanged. Many countries might be frustrated by Washington's hypocrisy, dysfunction, and flagging leadership, but few genuinely wish to see the United States depart from their region and leave behind a power vacuum.

Given these realities, both countries should abide by what the Chinese have long referred to as an approach of "mutual respect." Washington should respect Beijing's internal order, which has lifted hundreds of millions of people out of poverty and brought stability to the world's largest country, and Beijing should respect Washington's positive role in the existing international order, which has helped promote economic growth and technological advancement—and which has, in fact, greatly

benefited China. The two countries will continue to compete in many areas: which government serves its people better, which country will recover sooner from the COVID-19 pandemic and keep its citizens healthier, which country is more popular in the world, and so on. But they should refrain from competing over which country can level the loudest and harshest criticisms of the other and which can produce the most formidable weapons.

To prevent competition from becoming catastrophe, two issues will require special attention. The first is Taiwan. The CCP regards the status of Taiwan as central to China's sovereignty and territorial integrity; the U.S. government views Taiwan through the lens of its international obligations and security interests. Both countries, however, share a common interest: maintaining peace. As the veteran U.S. policymakers Kurt Campbell and Jake Sullivan observed in these pages in 2019, "Taiwan is not only a potential flash point; it is also the greatest unclaimed success in the history of U.S.-Chinese relations," as a result of the flexible and nuanced approach historically adopted by both sides. If Washington sticks to its "one China" policy and refrains from openly supporting Taiwanese independence, Beijing will likely continue to seek peaceful unification with Taiwan, unless conditions specified in China's Anti-Secession Law—such as the Taiwan authorities unilaterally claiming *de jure* independence by removing "China" from the island's official name—push the mainland to use force.

The second crucial issue is U.S.-Chinese economic competition, and the problems it presents are both broader

and thornier than the Taiwan dilemma. “Socialism with Chinese characteristics” and “the liberal international order” appear to be increasingly incompatible. Even before the trade war triggered by the Trump administration, the pattern of bilateral U.S.-Chinese economic exchanges was becoming unsustainable, because Americans had grown increasingly aggrieved over what they saw as China’s unfair trade and technology policies. The two economies have become so deeply intertwined, however, that economic and technological decoupling would incur myriad losses and foster unprecedented uncertainty.

At the moment, Beijing is emphasizing economic self-reliance and indigenous innovation, at the same time that Washington grapples with rising populist nationalism—an impulse that expressed itself in Trump’s “America first” approach and now partly inspires Biden’s “foreign policy for the middle class.” Both countries are eager to increase their economic competitiveness and disadvantage the other. In reality, however, neither economy will thrive unless both enjoy a strong recovery in the wake of the pandemic.

China needs to hasten reforms to allow for more foreign trade, investment, and technological know-how, which is what the new Chinese mantra of “dual circulation” is all about. Spurring domestic production and consumption, the thinking goes, would encourage foreign businesses to rely more on China’s industrial supply chains and consumer markets and foster what Xi has called an “open world economy.” Embracing international economic integration will in turn buttress China’s internal order, because a booming

economy should boost the CCP’s popularity. China may continue to resist calls for remaking its political system, but it should abide by (or adjust to) international rules that will benefit its economy, aid social progress, and provide environmental security in the long run. The United States, for its part, should reconsider the possible consequences of buttressing the existing order. A truly liberal order would be more inclusive and take into consideration the values of non-Western societies and the interests of countries beyond Washington’s circle of like-minded partners. The failures of U.S. interventions in Afghanistan and the Middle East should serve as sobering reminders of the limits of American power.

If the United States and China fail to manage their competition, the world will face division, turbulence, and conflict. The first step to building mutual respect would be to try to understand the roots of their mutual mistrust. If leaders in both countries can understand how the other side views the past, they will have a better chance of building a better future. 🌐

The Taiwan Temptation

Why Beijing Might Resort to Force

Oriana Skylar Mastro

For more than 70 years, China and Taiwan have avoided coming to blows. The two entities have been separated since 1949, when the Chinese Civil War, which had begun in 1927, ended with the Communists' victory and the Nationalists' retreat to Taiwan. Ever since, the strait separating Taiwan from mainland China—81 miles wide at its narrowest—has been the site of habitual crises and everlasting tensions, but never outright war. For the past decade and a half, cross-strait relations have been relatively stable. In the hopes of persuading the Taiwanese people of the benefits to be gained through a long-overdue unification, China largely pursued its long-standing policy of “peaceful reunification,” enhancing its economic, cultural, and social ties with the island.

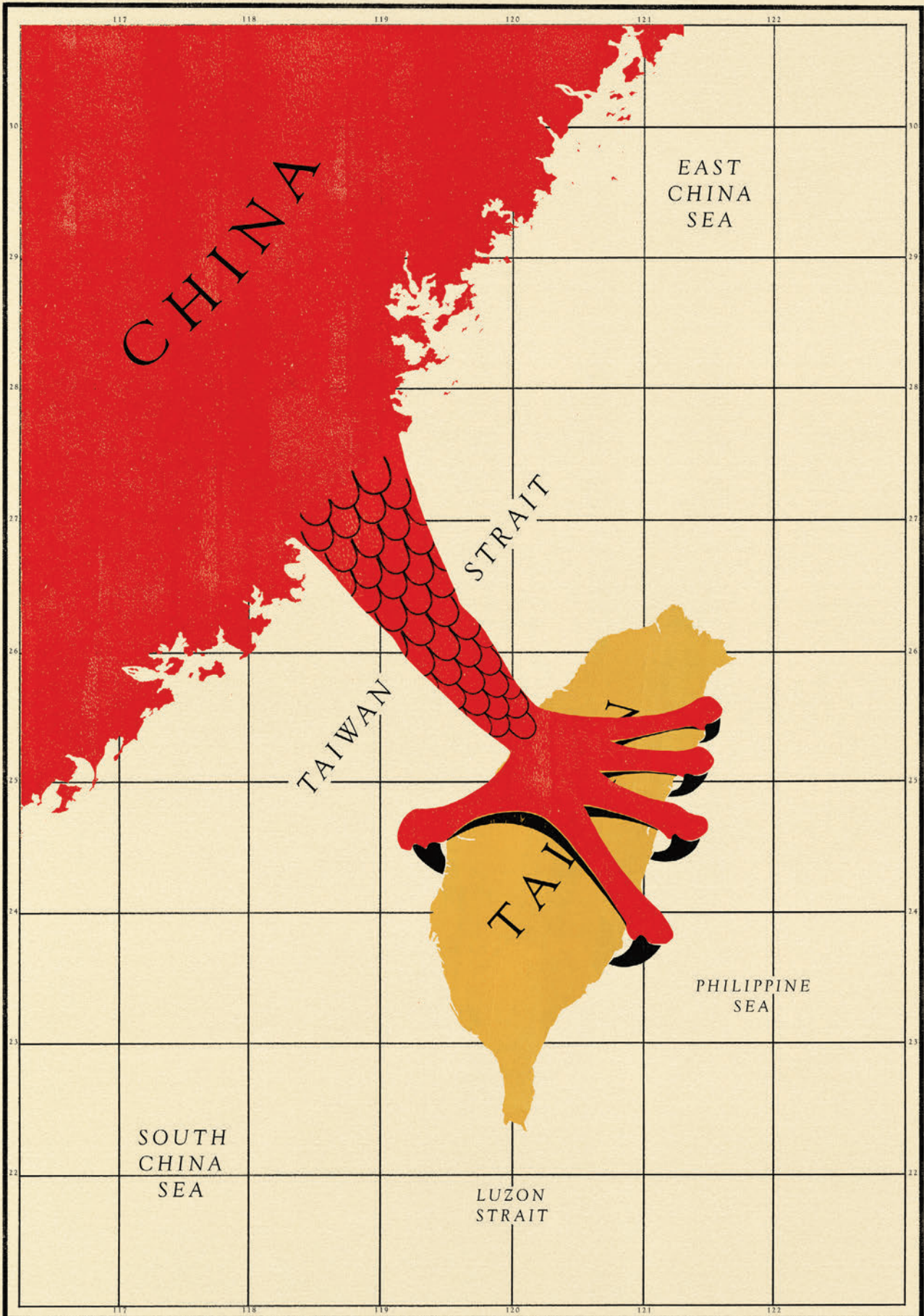
To help the people of Taiwan see the light, Beijing sought to isolate Taipei internationally, offering economic inducements to the island's allies if they agreed to abandon Taipei for Beijing. It also used its growing economic leverage

to weaken Taipei's position in international organizations and to ensure that countries, corporations, universities, and individuals—everyone, everywhere, really—adhered to its understanding of the “one China” policy. As sharp as these tactics were, they stopped well short of military action. And although Chinese officials always maintained that they had a right to use force, that option seemed off the table.

In recent months, however, there have been disturbing signals that Beijing is reconsidering its peaceful approach and contemplating armed unification. Chinese President Xi Jinping has made clear his ambition to resolve the Taiwan issue, grown markedly more aggressive on issues of sovereignty, and ordered the Chinese military to increase its activity near the island. He has also fanned the flames of Chinese nationalism and allowed discussion of a forceful takeover of Taiwan to creep into the mainstream of the Chinese Communist Party (CCP). The palpable shift in Beijing's thinking has been made possible by a decades-long military modernization effort, accelerated by Xi, aimed at allowing China to force Taiwan back into the fold. Chinese forces plan to prevail even if the United States, which has armed Taiwan but left open the question of whether it would defend it against an attack, intervenes militarily. Whereas Chinese leaders used to view a military campaign to take the island as a fantasy, now they consider it a real possibility.

U.S. policymakers may hope that Beijing will balk at the potential costs of such aggression, but there are many reasons to think it might not. Support for armed unification among the Chi-

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CHINA

EAST CHINA SEA

TAIWAN STRAIT

PHILIPPINE SEA

SOUTH CHINA SEA

LUZON STRAIT

TAIWAN



nese public and the military establishment is growing. Concern for international norms is subsiding. Many in Beijing also doubt that the United States has the military power to stop China from taking Taiwan—or the international clout to rally an effective coalition against China in the wake of Donald Trump’s presidency. Although a Chinese invasion of Taiwan may not be imminent, for the first time in three decades, it is time to take seriously the possibility that China could soon use force to end its almost century-long civil war.

“NO OPTION IS EXCLUDED”

Those who doubt the immediacy of the threat to Taiwan argue that Xi has not publicly declared a timeline for unification—and may not even have a specific one in mind. Since 1979, when the United States stopped recognizing Taiwan, China’s policy has been, in the words of John Culver, a retired U.S. intelligence officer and Asia analyst, “to preserve the possibility of political unification at some undefined point in the future.” Implied in this formulation is that China can live with the status quo—a *de facto*, but not *de jure*, independent Taiwan—in perpetuity.

But although Xi may not have sent out a save-the-date card, he has clearly indicated that he feels differently about the status quo than his predecessors did. He has publicly called for progress toward unification, staking his legitimacy on movement in that direction. In 2017, for instance, he announced that “complete national reunification is an inevitable requirement for realizing the great rejuvenation of the Chinese nation,” thus tying Taiwan’s future to his primary political platform. Two

years later, he stated explicitly that unification is a requirement for achieving the so-called Chinese dream.

Xi has also made clear that he is more willing than his predecessors to use force. In a major speech in January 2019, Xi called the current political arrangement “the root cause of cross-strait instability” and said that it “cannot go on generation to generation.” Chinese scholars and strategists I have spoken to in Beijing say that although there is no explicit timeline, Xi wants unification with Taiwan to be part of his personal legacy. When asked about a possible timeline by an Associated Press journalist in April, Le Yucheng, China’s vice foreign minister, did not attempt to assuage concerns of an imminent invasion or deny the shift in mood in Beijing. Instead, he took the opportunity to reiterate that national unification “will not be stopped by anyone or any force” and that while China will strive for peaceful unification, it does not “pledge to give up other options. No option is excluded.”

Chinese leaders, including Xi, regularly extol the virtues of integration and cooperation with Taiwan, but the prospects for peaceful unification have been dwindling for years. Fewer and fewer Taiwanese see themselves as Chinese or desire to be a part of mainland China. The reelection in January 2020 of Taiwanese President Tsai Ing-wen, who favors pursuing more cautious ties with China, reinforced Beijing’s fears that the people of Taiwan will never willingly come back to the motherland. The death knell for peaceful unification came in June 2020, however, when China exerted sweeping new powers over Hong Kong through a

new national security law. Hong Kong's "one country, two systems" formula was supposed to provide an attractive template for peaceful unification, but Beijing's crackdown there demonstrated clearly why the Taiwanese have been right to reject such an arrangement.

Chinese leaders will continue to pay lip service to peaceful unification until the day the war breaks out, but their actions increasingly suggest that they have something else in mind. As tensions with the United States have heated up, China has accelerated its military operations in the vicinity of Taiwan, conducting 380 incursions into the island's air defense identification zone in 2020 alone. In April of this year, China sent its largest-ever fleet, 25 fighters and bombers, into Taiwan's air defense identification zone. Clearly, Xi is no longer trying to avoid escalation at all costs now that his military is capable of contesting the U.S. military presence in the region. Long gone are the days of the 1996 crisis over Taiwan, when the United States dispatched two aircraft carrier battle groups to sail near the strait and China backed off. Beijing did not like being deterred back then, and it spent the next 25 years modernizing its military so that it would not be so next time.

Much of that modernization, including updates to hardware, organization, force structure, and training, was designed to enable the People's Liberation Army to invade and occupy Taiwan. Xi expanded the military's capabilities further, undertaking the most ambitious restructuring of the PLA since its founding, aimed specifically at enabling Chinese forces to conduct joint operations in which the air force, the navy, the army, and the strategic

rocket force fight seamlessly together, whether during an amphibious landing, a blockade, or a missile attack—exactly the kinds of operations needed for armed unification. Xi urgently pushed these risky reforms, many unpopular with the military, to ensure that the PLA could fight and win wars by 2020.

The voices in Beijing arguing that it is time to use these newfound military capabilities against Taiwan have grown louder, a telling development in an era of greater censorship. Several retired military officers have argued publicly that the longer China waits, the harder it will be to take control of Taiwan. Articles in state-run news outlets and on popular websites have likewise urged China to act swiftly. And if public opinion polls are to be believed, the Chinese people agree that the time has come to resolve the Taiwan issue once and for all. According to a survey by the state-run *Global Times*, 70 percent of mainlanders strongly support using force to unify Taiwan with the mainland, and 37 percent think it would be best if the war occurred in three to five years.

The Chinese analysts and officials I have spoken to have revealed similar sentiments. Even moderate voices have admitted that not only are calls for armed unification proliferating within the CCP but also they themselves have recommended military action to senior Chinese leadership. Others in Beijing dismiss concerns about a Chinese invasion as overblown, but in the same breath, they acknowledge that Xi is surrounded by military advisers who tell him with confidence that China can now regain Taiwan by force at an acceptable cost.

BATTLE READY

Unless the United States or Taiwan moves first to alter the status quo, Xi will likely consider initiating armed unification only if he is confident that his military can successfully gain control of the island. Can it?

The answer is a matter of debate, and it depends on what it would take to compel Taiwan's capitulation. Beijing is preparing for four main campaigns that its military planners believe could be necessary to take control of the island. The first consists of joint PLA missile and airstrikes to disarm Taiwanese targets—initially military and government, then civilian—and thereby force Taipei's submission to Chinese demands. The second is a blockade operation in which China would attempt to cut the island off from the outside world with everything from naval raids to cyberattacks. The third involves missile and airstrikes against U.S. forces deployed nearby, with the aim of making it difficult for the United States to come to Taiwan's aid in the initial stages of the conflict. The fourth and final campaign is an island landing effort in which China would launch an amphibious assault on Taiwan—perhaps taking its offshore islands first as part of a phased invasion or carpet bombing them as the navy, the army, and the air force focused on Taiwan proper.

Among defense experts, there is little debate about China's ability to pull off the first three of these campaigns—the joint strike, the blockade, and the counterintervention mission. Neither U.S. efforts to make its regional bases more resilient nor Taiwanese missile defense systems are any match for China's ballistic and cruise missiles, which are the most advanced in the

world. China could quickly destroy Taiwan's key infrastructure, block its oil imports, and cut off its Internet access—and sustain such a blockade indefinitely. According to Lonnie Henley, a retired U.S. intelligence officer and China specialist, "U.S. forces could probably push through a trickle of relief supplies, but not much more." And because China has such a sophisticated air defense system, the United States would have little hope of regaining air or naval superiority by attacking Chinese missile transporters, fighters, or ships.

But China's fourth and final campaign—an amphibious assault on the island itself—is far from guaranteed to succeed. According to a 2020 U.S. Department of Defense report, "China continues to build capabilities that would contribute to a full-scale invasion," but "an attempt to invade Taiwan would likely strain China's armed forces and invite international intervention." The then commander of U.S. Indo-Pacific Command, Philip Davidson, said in March that China will have the ability to successfully invade Taiwan in six years. Other observers think it will take longer, perhaps until around 2030 or 2035.

What everyone agrees is that China has made significant strides in its ability to conduct joint operations in recent years and that the United States needs adequate warning to mount a successful defense. As Beijing hones its spoofing and jamming technologies, it may be able to scramble U.S. early warning systems and thereby keep U.S. forces in the dark in the early hours of an attack. Xi's military reforms have improved China's cyberwarfare and electronic warfare capabilities, which could be

trained on civilian, as well as military, targets. As Dan Coats, then the U.S. director of national intelligence, testified in 2019, Beijing is capable of offensive cyberattacks against the United States that would cause “localized, temporary disruptive effects on critical infrastructure.” China’s offensive weaponry, including ballistic and cruise missiles, could also destroy U.S. bases in the western Pacific in a matter of days.

In light of these enhanced capabilities, many U.S. experts worry that China could take control of Taiwan before the United States even had a chance to react. Recent war games conducted by the Pentagon and the RAND Corporation have shown that a military clash between the United States and China over Taiwan would likely result in a U.S. defeat, with China completing an all-out invasion in just days or weeks.

Ultimately, on the question of whether China will use force, Chinese leaders’ perceptions of their chances of victory will matter more than their actual chances of victory. For that reason, it is bad news that Chinese analysts and officials increasingly express confidence that the PLA is well prepared for a military confrontation with the United States over Taiwan. Although Chinese strategists acknowledge the United States’ general military superiority, many have come to believe that because China is closer to Taiwan and cares about it more, the local balance of power tips in Beijing’s favor.

As U.S.-Chinese tensions have risen, China’s state-sponsored media outlets have grown more vocal in their praise for the country’s military capabilities. In April, the *Global Times* described an

unnamed military expert saying that “the PLA exercises are not only warnings, but also show real capabilities and pragmatically practicing reunifying the island if it comes to that.” If China chooses to invade, the analyst added, the Taiwanese military “won’t stand a chance.”

GO FAST, GO SLOW

Once China has the military capabilities to finally solve its Taiwan problem, Xi could find it politically untenable not to do so, given the heightened nationalism of both the CCP and the public. At this point, Beijing will likely work its way up to a large-scale military campaign, beginning with “gray zone” tactics, such as increased air and naval patrols, and continuing on to coercive diplomacy aimed at forcing Taipei to negotiate a political resolution.

Psychological warfare will also be part of Beijing’s playbook. Chinese exercises around Taiwan not only help train the PLA but also wear down Taiwan’s military and demonstrate to the world that the United States cannot protect the island. The PLA wants to make its presence in the Taiwan Strait routine. The more common its activities there become, the harder it will be for the United States to determine when a Chinese attack is imminent, making it easier for the PLA to present the world with a *fait accompli*.

At the same time that it ramps up its military activities in the strait, China will continue its broader diplomatic campaign to eliminate international constraints on its ability to use force, privileging economic rights over political ones in its relations with other countries and within international bodies, downplaying human rights, and,

above all, promoting the norms of sovereignty and noninterference in internal affairs. Its goal is to create the narrative that any use of force against Taiwan would be defensive and justified given Taipei's and Washington's provocations. All these coercive and diplomatic efforts will move China closer to unification, but they won't get it all the way there. Taiwan is not some unoccupied atoll in the South China Sea that China can successfully claim so long as other countries do not respond militarily. China needs Taiwan's complete capitulation, and that will likely require a significant show of force.

If Beijing decides to initiate a campaign to forcibly bring Taiwan under Chinese sovereignty, it will try to calibrate its actions to discourage U.S. intervention. It might, for example, begin with low-cost military options, such as joint missile and airstrikes, and only escalate to a blockade, a seizure of offshore islands, and, finally, a full-blown invasion if its earlier actions fail to compel Taiwan to capitulate. Conducted slowly over the course of many months, such a gradual approach to armed unification would make it difficult for the United States to mount a strong response, especially if U.S. allies and partners in the region wish to avoid a war at all costs. A gradual, coercive approach would also force Washington to initiate direct hostilities between the two powers. And if China has not fired a shot at U.S. forces, the United States would find it harder to make the case at home and in Asian capitals for a U.S. military intervention to turn back a slow-motion Chinese invasion. An incremental approach would have domestic political benefits for Beijing, as

well. If China received more international pushback than expected or became embroiled in a campaign against the United States that started to go badly, it would have more opportunities to pull back and claim "mission accomplished."

But China could decide to escalate much more rapidly if it concluded that the United States was likely to intervene militarily regardless of whether Beijing moved swiftly or gradually. Chinese military strategists believe that if they give the United States time to mobilize and amass firepower in the vicinity of the Taiwan Strait, China's chances of victory will decrease substantially. As a result, they could decide to preemptively hit U.S. bases in the region, crippling Washington's ability to respond.

In other words, U.S. deterrence—to the extent that it is based on a credible threat to intervene militarily to protect Taiwan—could actually incentivize an attack on U.S. forces once Beijing has decided to act. The more credible the American threat to intervene, the more likely China would be to hit U.S. forces in the region in its opening salvo. But if China thought the United States might stay out of the conflict, it would decline to attack U.S. forces in the region, since doing so would inevitably bring the United States into the war.

WISHFUL THINKING

What might dissuade Xi from pursuing armed unification, if not U.S. military might? Most Western analysts believe that Xi's devotion to his signature plan to achieve the "Chinese dream" of "national rejuvenation," which requires him to maintain economic growth and improve China's international standing, will deter him from using military force and

risking derailing his agenda. They argue that the economic costs of a military campaign against Taiwan would be too high, that China would be left completely isolated internationally, and that Chinese occupation of the island would tie up Beijing for decades to come.

But these arguments about the cost of armed unification are based more on American projections and wishful thinking than on fact. A protracted, high-intensity conflict would indeed be costly for China, but Chinese war planners have set out to avoid this scenario; China is unlikely to attack Taiwan unless it is confident that it can achieve a quick victory, ideally before the United States can even respond.

Even if China found itself in a protracted war with the United States, however, Chinese leaders may believe they have social and economic advantages that would enable them to outlast the Americans. They see the Chinese people as more willing to make sacrifices for the cause of Taiwan than the American people. Some argue, too, that China's large domestic market makes it less reliant on international trade than many other countries. (The more China economically decouples from the United States and the closer it gets to technological self-sufficiency, the greater this advantage will be.) Chinese leaders could also take comfort in their ability to quickly transition to an industrial wartime footing. The United States has no such ability to rapidly produce military equipment.

International isolation and coordinated punishment of Beijing might seem like a greater threat to Xi's great Chinese experiment. Eight of China's top ten trading partners are democra-

cies, and nearly 60 percent of China's exports go to the United States and its allies. If these countries responded to a Chinese assault on Taiwan by severing trade ties with China, the economic costs could threaten the developmental components of Xi's rejuvenation plan.

But Chinese leaders have good reason to suspect that international isolation and opprobrium would be relatively mild. When China began to cultivate strategic partnerships in the mid-1990s, it required other countries and organizations, including the European Union, to sign long-term agreements to prioritize these relationships and proactively manage any tensions or disruptions. All these agreements mention trade, investment, economic cooperation, and working together in the United Nations. Most include provisions in support of Beijing's position on Taiwan. (Since 1996, China has convinced more than a dozen countries to switch their diplomatic recognition to Beijing, leaving Taiwan with only 15 remaining allies.) In other words, many of China's most important trading partners have already sent a strong signal that they will not let Taiwan derail their relationships with Beijing.

Whether compelling airlines to take Taiwan off their maps or pressuring Paramount Pictures to remove the Taiwanese flag from the *Top Gun* hero Maverick's jacket, China has largely succeeded in convincing many countries that Taiwan is an internal matter that they should stay out of. Australia has been cautious about expanding its military cooperation with the United States and reluctant even to consider joint contingency planning over Taiwan (although the tide seems to be shifting in Canberra). Opinion polls show that most

Europeans value their economic ties with China and the United States roughly the same and don't want to be caught in the middle. Southeast Asia feels similarly, with polls showing that the majority of policymakers and thought leaders from member states of the Association of Southeast Asian Nations believe the best approach to U.S.-Chinese sparring is for the association to "enhance its own resilience and unity to fend off their pressures." One South Korean official put it more memorably in an interview with *The Atlantic*, comparing the need to pick sides in the U.S.-Chinese dispute to "asking a child whether you like your dad or your mom." Such attitudes suggest that the United States would struggle to convince its allies to isolate China. And if the international reaction to Beijing's crackdowns in Hong Kong and Xinjiang is any indication, the most China can expect after an invasion of Taiwan are some symbolic sanctions and words of criticism.

The risk that a bloody insurgency in Taiwan will drag on for years and drain Beijing of resources is no more of a deterrent—and the idea that it would be says more about the United States' scars from Afghanistan and Iraq than about likely scenarios for Taiwan. The PLA's military textbooks assume the need for a significant campaign to consolidate power after its troops have landed and broken through Taiwan's coastal defenses, but they do not express much concern about it. This may be because although the PLA has not fought a war since 1979, China has ample experience with internal repression and dedicates more resources to that mission than to its military. The People's Armed Police

boasts at least 1.5 million members, whose primary mission is suppressing opposition. Compared with the military task of invading and seizing Taiwan in the first place, occupying it probably looks like a piece of cake.

For all these reasons, Xi may believe he can regain control of Taiwan without jeopardizing his Chinese dream. It is telling that in the flood of commentary on Taiwan that has come out of China in recent months, few articles have mentioned the costs of war or the potential reaction from the international community. As one retired high-level military officer explained to me recently, China's main concern isn't the costs; it's sovereignty. Chinese leaders will always fight for what is theirs. And if China defeats the United States along the way, it will become the new dominant power in the Asia-Pacific. The prospects are tantalizing. The worst-case scenario, moreover, is that the United States reacts more quickly and effectively than expected, forcing China to declare victory after limited gains and go home. Beijing would live to capture Taiwan another day.

NO EXIT

These realities make it very difficult for the United States to alter China's calculus on Taiwan. Richard Haass and David Sacks of the Council on Foreign Relations have argued in *Foreign Affairs* that the United States could improve cross-strait deterrence by ending its long-standing policy of "strategic ambiguity"—that is, declining to state specifically whether and how it would come to Taiwan's defense. But the main problem is not U.S. resolve, since Chinese leaders already assume the United States will

intervene. What matters to Xi and other top Chinese leaders is whether they think the PLA can prevail even in the face of U.S. intervention. For that reason, successful deterrence requires convincing China that the United States can prevent it from achieving its military objectives in Taiwan, a difficult undertaking that would come with its own downsides and potential risks.

One way to convince Beijing would be to develop the capabilities to physically stop it from taking Taiwan—deterrence by denial. This would involve positioning missile launchers and armed drones near Taiwan and more long-range munitions, especially antiship weapons, in places such as Guam, Japan, and the Philippines. These weapons would help repel a Chinese amphibious and air assault in the initial stages of an attack. If Chinese leaders knew their forces could not physically make it across the strait, they would not consider trying unless Taiwan took the truly unacceptable step of declaring independence.

The United States would also need to invest heavily in intelligence, surveillance, and reconnaissance in the region. The attractiveness of a full-on invasion from China's perspective lies in the possibility of surprise: the United States may not be able to respond militarily until after Beijing has taken control of the island and the war is over. Leaving aside the operational challenges of such a response, it would be politically difficult for any U.S. president to authorize an attack on China when no shots were being fired at the time.

An enhanced U.S. military and intelligence presence in the Indo-Pacific would be sufficient to deter most forms of armed unification, but it wouldn't

prevent China from using force altogether. Beijing could still try to use missile strikes to convince Taiwan to bend to its will. To deter all Chinese military aggression, the United States would therefore need to be prepared to destroy China's missile batteries—which would involve U.S. strikes on the Chinese mainland. Even if U.S. intelligence capabilities improve, the United States would risk mistaking Chinese military exercises for preparations for an invasion—and igniting a war by mistake. China knows this and may conclude the United States would not take the chance.

The most effective way to deter Chinese leaders from attacking Taiwan is also the most difficult: to convince them that armed unification would cost China its rejuvenation. And the United States cannot do this alone. Washington would need to persuade a large coalition of allies to commit to a coordinated economic, political, and military response to any Chinese aggression. And that, unfortunately, remains a remote possibility, since many countries are unwilling to risk their economic prospects, let alone a major-power war, in order to defend a small democratic island.

Ultimately, then, there is no quick and easy fix to the escalating tensions across the strait. The only way the United States can ensure Taiwan's security is to make an invasion impossible for Beijing or to convince Chinese leaders that using force will cause them to be pariahs. For the last 25 years, however, Beijing has sought to prevent Washington from doing either. Unfortunately for Taiwan, only now is the United States waking up to the new reality. 🌐

Life of the Party

How Secure Is the CCP?

Orville Schell

The Chinese Communist Party: A Century in Ten Lives

EDITED BY TIMOTHY CHEEK, KLAUS MÜHLHAHN, AND HANS VAN DE VEN. Cambridge University Press, 2021, 302 pp.

China's Leaders: From Mao to Now

BY DAVID SHAMBAUGH. Polity, 2021, 288 pp.

The Party and the People: Chinese Politics in the 21st Century

BY BRUCE J. DICKSON. Princeton University Press, 2021, 328 pp.

July 23 marks the 100th anniversary of the Chinese Communist Party, which was founded in Shanghai in 1921. The first party congress was attended by, among others, a 27-year-old Mao Zedong, who had made an arduous journey from his inland Hunan Province. This summer, China will hold an epic celebration to honor the occasion. Although the party will forgo a military parade in Tiananmen Square (lest it appear too militaristic), the jingoistic *Global Times* explained that “large-scale exhibitions will be held to display the glorious course, great achievements, and valuable experience of the CCP over the

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past 100 years.” There will be celebratory publications, seminars, commemorative stamps and coins, medals for “outstanding party members,” and a special hotline set up so that patriotic citizens can report any “historical nihilists”—miscreants who might deign to “deny the excellence of advanced socialist culture.” Xi Jinping, China’s president and the general secretary of the CCP, has, in rhetoric that would have pleased Mao, exhorted the party’s 90 million members to “vigorously carry forward the Red tradition.” Meanwhile, propaganda organs are bombarding the public with wordy slogans: “Adhere to Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the important idea of the ‘Three Represents,’ the Scientific View of Development and Xi Jinping Thought on Socialism With Chinese Characteristics for the New Era as the guide!”

Although such language is familiar to older Chinese who lived through the Mao era, many others are left wondering how such retrograde big-leader Kultur fits into a modern globalized world—especially one in which an autocratic latter-day people’s republic continues to astound analysts, with an economic growth rate of 18 percent in the first quarter of 2021. After all, didn’t Western theorists once insist that a growing economy was the companion to ineluctable democratic development?

Those of us who have long watched China’s progress—I first joined the China-watching fraternity at Harvard in the early 1960s as a student of John Fairbank and Benjamin Schwartz—now find ourselves entering an era hauntingly reminiscent of that earlier one when Americans were shut out of “Red China,”



left to make sense of Mao's tectonic revolution through Chinese newspapers and by peering through knotholes from Hong Kong, Macau, and Taiwan. Now, after several decades of hopeful engagement, Beijing's "Wolf Warrior" diplomacy is again souring relations with the United States. Chinese libraries and archives have closed their doors to scholars, the government is denying visas to foreign correspondents, harsh crackdowns are suffocating global civil society groups, and the COVID-19 pandemic has brought cultural exchanges to a standstill. And this time, the United States is jousting with a far more successful, powerful, and threatening adversary.

As the CCP marks its centennial with an avalanche of official party histories portraying China as a monolithic powerhouse, three recent books serve as reminders that Chinese communism has given rise to a surprising diversity of viewpoints and leadership styles. Although the country's leaders have all shared a commitment to a one-party Leninist government, this fact masks deeper uncertainty. Despite nationalist bravado about China's "rejuvenation" and success at nation building, the party's ongoing obsession with control reveals a lack of confidence in the system it has confected.

FROM ONE, MANY

Communist China's historical diversity is most evident in the volume edited by Timothy Cheek, Klaus Mühlhahn, and Hans van de Ven, which profiles a score of figures who played important roles in the CCP's contradictory development. They include the Dutch communist politician Henk Sneevliet, alias Maring, who helped organize the CCP in the

1920s; the outspoken intellectual leftist Wang Shiwei, who was beheaded for his candor in 1947; and the reform-minded CCP general secretary Zhao Ziyang, who was purged in 1989 for sympathizing with student protesters.

China's Leaders, by David Shambaugh, covers roughly the same broad period, with five essays on Mao and his successors: Deng Xiaoping, Jiang Zemin, Hu Jintao, and Xi. As Shambaugh skillfully demonstrates, Xi marks a sharp break with these other post-Mao leaders. By ending collective rule and crowning himself the unilateral leader, Xi has reincarnated China as a highly centralized, neo-Maoist technocracy. By dashing the dream of engagement—an idea founded on the premise that increased trade, scholarly exchange, civil society interaction, and diplomacy would bridge the divide between China and the United States—he has thrown U.S.-Chinese relations into a death spiral.

The Party and the People, by the political scientist Bruce Dickson, drafts a helpful balance sheet of the party's strengths and weaknesses, giving readers a better understanding of how the CCP's versatility enabled it to become the longest-ruling communist party in history. Although Deng's exuberant reforms did start to bend China's Leninist metal, under Xi's tutelage, China has begun to snap back into its old Maoist shape. What is new, as Dickson hastens to note, is that the party's legitimacy is "based not on the consent of the governed, but on its ability to modernize the country."

Evident throughout these narratives of the CCP's history is the way dissident voices outside the party have repeatedly

made themselves heard and shifted the party's direction. This tradition of diversity remains encoded in China's political DNA, like a recessive gene ready to express itself at any time. These shifts should prompt observers to remember that at any given time, China's posture is only a freeze-frame of that moment and should never be mistaken as constant.

So how should outsiders understand this endlessly morphing country that keeps surprising analysts with its extraordinary developmental acumen and self-wounding blindness? What Shambaugh calls the "operating software" of Xi's rule includes the feeling that China is constantly under siege by both internal and external enemies, a national fixation on secrecy, a desire to regulate everything, endless "reeducation" and "rectification" campaigns, and an insistence that "the Party control the gun" at all times. Above all, instead of subscribing to the view that human beings, like markets, are best given as much freedom as possible, the CCP contends that almost every aspect of human life may require oversight and intervention. As Dickson notes, it "will not tolerate demands that [will] challenge its monopoly on power."

The CCP's deeply rooted domestic impulse to control and constrain has a parallel expression in China's interactions with the outside world. While so-called soft power is something most democratic nations view as an independent, natural byproduct of their cultural and social activities, the CCP views it as something in need of careful management—even manufacture and manipulation. To promote China's image abroad, the CCP maintains a massive, well-funded apparatus, the United

Front Work Department, which runs global propaganda campaigns on behalf of Xi's version of socialism.

Beijing's international trade policy obeys similar incentives. The common wisdom among market economies is that global commerce functions best when left unrestrained, except when subject to the oversight of institutions such as the World Trade Organization. In China, however, the CCP views trade as a weapon that can be wielded to gain influence and geostrategic advantage.

China's recent trade policies echo an economic strategy pursued by Germany before World War II. In 1941, the economist Albert Hirschman described Berlin as neither a free trader nor protectionist but a "power trader." As the economist Robert Atkinson has more recently written, Hitler's Germany used global commerce "as a key tool to gain commercial and military advantage over its adversaries," turning "foreign trade into an instrument of power, of pressure, and even of conquest" to "degrade its adversaries' economies, even if that imposed costs on [its] own economy." Today, argues Atkinson, China has become just such a power trader, seeking to make itself such an important market for the export of raw materials that it turns others "into dependent vassal states, worried that China could cut off their exports at any time."

Beijing has already demonstrated its propensity to be a retaliatory and punitive trade partner. It cut Norwegian salmon exports after the dissident Liu Xiaobo won the Nobel Peace Prize; closed down stores run by the South Korean chain Lotte, halted tourism, and stopped K-pop exchanges after Seoul accepted a U.S. missile defense system;

embargoed Canadian exports when the chief financial officer of the Chinese telecommunications firm Huawei was arrested in Vancouver; slapped tariffs on Australian wine, cotton, and barley exports when Canberra urged the World Health Organization to study the Chinese origins of the COVID-19 pandemic; and sanctioned a Berlin-based think tank and members of the European Parliament after they criticized China's treatment of its Uyghur population.

By Atkinson's account, China is not just another trader seeking larger markets and more profit but an authoritarian power set on mobilizing itself to become a global hegemon. As Xi himself has proclaimed, "Our responsibility is to unite . . . to work for realizing the great revival of the Chinese nation in order to let the Chinese nation stand more firmly and powerfully among all nations around the world." If Atkinson is right, the world confronts not only a formidable new trading, technological, industrial, economic, and military power but also a state willing to deploy all these forces to make the world a safer place for its form of autocracy.

BEIJING'S DIALECTIC

The German philosopher Hegel believed that history had an inexorable forward motion. Karl Marx borrowed this idea, concluding that history would inevitably lead to world socialism. Indeed, many other Western thinkers have fallen in thrall to a similar teleology, believing that history was inescapably moving toward greater freedom and democracy.

Martin Luther King, Jr., famously proclaimed that "the arc of the moral

universe is long, but it bends toward justice." U.S. President Ronald Reagan told the British Parliament that Marxism-Leninism was destined for "the ash heap of history." President Bill Clinton made numerous references to autocratic countries—usually China—as being on "the wrong side of history." President Barack Obama predicted victory in the war on terrorism "because we are on the right side of history." He even had a rug made for the Oval Office with the King quote woven into it.

But did these idealistic Americans misidentify history's direction? Does history even have a direction? With the United States awash in racial protests and mass shootings, with right-wing populists storming the U.S. Capitol, and with American conservatives refusing COVID-19 vaccinations in the name of liberty, might history end up favoring Xi's form of dynamic Leninist capitalism instead of freedom and democracy?

The authors of these three centennial volumes claim no clairvoyance about history's intention. Some of the figures they write about, however, give reason to believe that even if history lacks direction, it still brings change rather than constancy. Their profiles show that communist China's odyssey has been riven by conflicting forces, clashing ideologies, competing factions, and colliding visions. Although the one-party system Stalin bequeathed to Beijing has remained essentially unchanged since 1921, the lives described in these three books have nonetheless helped Chinese politics swing between opposing poles ever since the end of the old imperial system. It is precisely this ever-fluctuating and unresolved state that renders Beijing so unpredictable.

Today, China's tight social controls, impressive infrastructure, dynamic economy, and modernizing military may lend the appearance of a well-ordered, confident, and invincible nation united around an unchallengeable leader and a unified party. Its successes should not be dismissed. But when one factors in the party's history of fratricidal struggle, fixation on control, obsession with ceremony, and mania for propaganda, a different picture emerges: of a system so uncertain and lacking in self-confidence that its leaders need to maintain an expensive simulacrum of national greatness to believe in their true prowess. Whatever history's goal, its deterministic end state is unlikely to be the kind of insecure neo-Maoist technocracy that needs state control and "Wolf Warrior" diplomacy to assert its greatness. Such a rigidly controlled, brittle, and belligerent system contravenes one of the most powerful of modern human urges: to enjoy as much liberty and freedom as possible within the constraints of any given societal context. It is hard to imagine Xi's version of the CCP ever becoming comfortable enough with either itself or its restless people to allow Chinese citizens a meaningful quotient of political liberty and freedom.

Major challenges, moreover, have repeatedly ruptured communist China's well-manicured surface to expose a molten core beneath. The recent essay in these pages by Cai Xia, a former Central Party School professor, is but one example. "Xi was no reformer," she bluntly wrote. "Over the course of his tenure, the regime has degenerated further into a political oligarchy bent on holding on to power through brutality and ruthlessness.

It has grown even more repressive and dictatorial." After breaking with the CCP, Cai was hounded into exile.

Then there are the rapier-like missives of the Tsinghua University law professor Xu Zhangrun, who criticized Xi for his mishandling of the COVID-19 outbreak and for reviving Mao's rule by personality cult. "Enough, the moldy campaigns of deification and personality cult," he cried out. "Enough, the monstrous lies and endless sufferings; enough the blood-sucking red dynasty and greedy party-state; enough, the absurd policies and practices in trying to put the clock back over the past seven years; enough, the mountains of bodies and seas of blood resulting from the red tyranny over the past 70 years." Xu was summarily cashiered from his university position.

This spring, even former Premier Wen Jiabao spoke out, marking the death of his mother in the obscure *Macau Herald* by describing his father's persecution during the Cultural Revolution. "He was often subjected to barbaric 'interrogation' and beatings," wrote Wen. "In my mind, China should be a country full of fairness and justice. There should always be respect for the will of the people, humanity and the nature of human beings." His oblique critique was quickly taken offline by censors.

ITS OWN WORST ENEMY?

The continual reappearance of such discordant voices throughout China's communist history hints that political control, economic growth, and infrastructure alone do not necessarily make a durable nation. What is missing? Those things that lie within the realm of what the economist Adam Smith

dubbed “moral sentiments.” It’s here that China’s stunning century of progress remains most underdeveloped, incomplete, and vulnerable.

As some of the figures profiled in *The Chinese Communist Party* show, China does have a long historical tradition of humanism and reform, which the party has now silenced. As Xi recently warned, “All the work by the party’s media must reflect the party’s will, safeguard the party’s authority, and safeguard the party’s unity. They must love the party, protect the party, and closely align themselves with the party leadership in thought, politics and action.”

Although Shambaugh observes that “Xi Jinping has unleashed a sustained reign of repression and comprehensive controls on China not seen since the Maoist era,” Dickson urges observers not to let Beijing’s repression cloud the ways in which the party has been responsive. “There is no question that the CCP uses repression against its perceived enemies,” he admits. But, he notes, “it also uses other tools to create popular support: rising prosperity, national pride, even responsiveness to public opinion to varying degrees.” The editors of *The Chinese Communist Party*, for their part, counsel that because “the Party is dangerous to provoke,” others must do “everything possible to keep China from becoming an implacable enemy.” That may be true, but unless such efforts are reciprocal, they have little prospect of success.

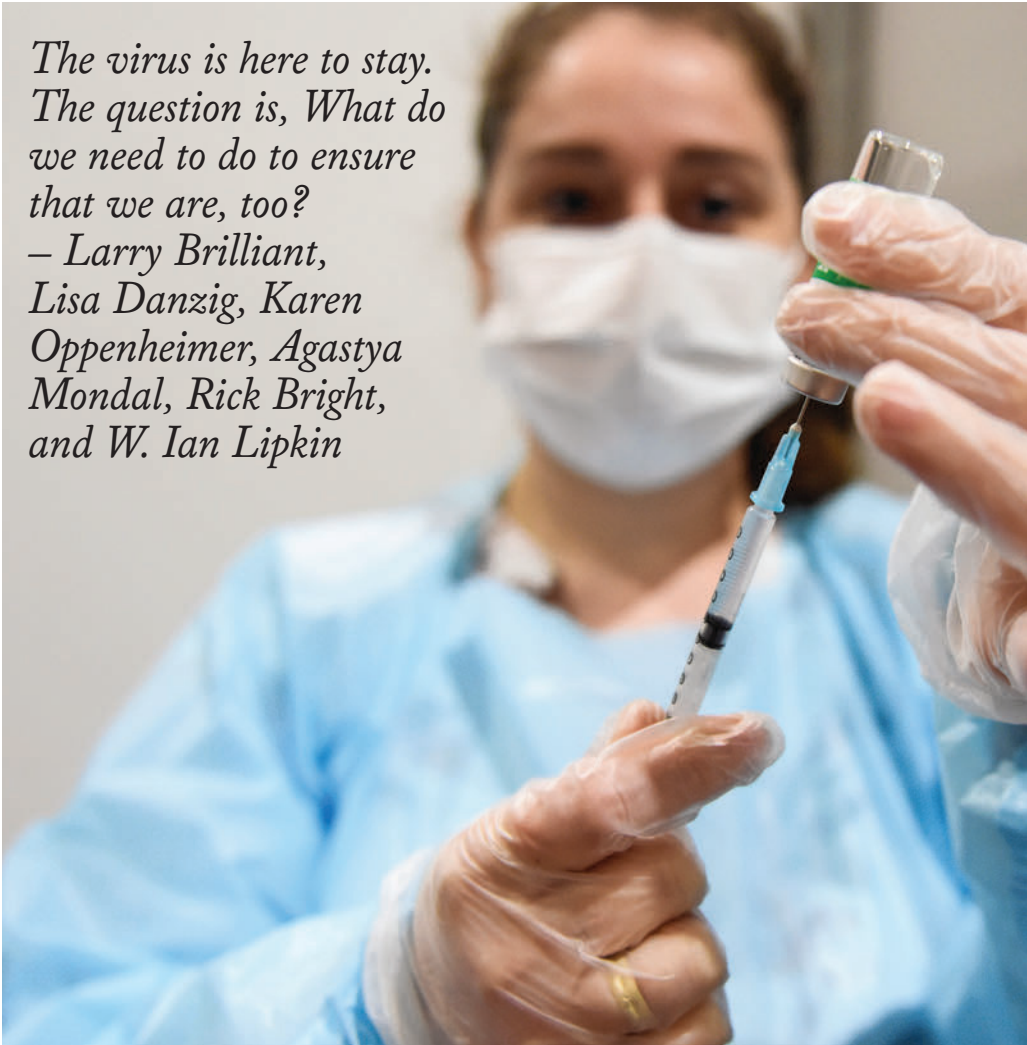
These scholarly books leave the reader with respect for China’s material progress but also a deep sense of alarm over the confrontational authoritarian gear into which Xi has now shifted his country. His imperial reign raises a

question that hovers over each of these works: Can China continue to cohere and progress without a humanistic moral core? Lacking that crucial ingredient, China has become a giant social science experiment. Perhaps the CCP has managed to perfect an entirely new model of development that does not require such quaint values as freedom, justice, and liberty. But modern history suggests that the absence of these elements can imperil a country. Think of fascist Italy and Germany, imperial Japan, Francoist Spain, theocratic Iran, and the Soviet Union.

Yet even though it lacks such humanistic niceties, the CCP is now celebrating its centennial anniversary. Might the Chinese just be different from everyone else, especially those in the West? Perhaps, some say, Chinese citizens will prove content to gain wealth and power alone, without these aspects of life that other societies have commonly considered fundamental to being human. Such an assumption seems unrealistic, not to say patronizing. In the end, the Chinese people will likely prove little different in their yearnings from Canadians, Czechs, Japanese, or Koreans. Just because those outside China cannot see or hear a more fulsome expression of universal values right now does not mean that such desires do not exist. Stilled for the moment, they have appeared again and again in the past and are bound to reappear in the future. 🌐

ESSAYS

*The virus is here to stay.
The question is, What do
we need to do to ensure
that we are, too?*
– Larry Brilliant,
Lisa Danzig, Karen
Oppenheimer, Agastya
Mondal, Rick Bright,
and W. Ian Lipkin



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The Forever Virus

A Strategy for the Long Fight Against COVID-19

Larry Brilliant, Lisa Danzig, Karen Oppenheimer, Agastya Mondal, Rick Bright, and W. Ian Lipkin

It is time to say it out loud: the virus behind the COVID-19 pandemic is not going away. SARS-CoV-2 cannot be eradicated, since it is already growing in more than a dozen different animal species. Among humans, global herd immunity, once promoted as a singular solution, is unreachable. Most countries simply don't have enough vaccines to go around, and even in the lucky few with an ample supply, too many people are refusing to get the shot. As a result, the world will not reach the point where enough people are immune to stop the virus's spread before the emergence of dangerous variants—ones that are more transmissible, vaccine resistant, and even able to evade current diagnostic tests. Such supervariants could bring the world back to square one. It might be 2020 all over again.

Rather than die out, the virus will likely ping-pong back and forth across the globe for years to come. Some of yesterday's success sto-

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ries are now vulnerable to serious outbreaks. Many of these are places that kept the pandemic at bay through tight border controls and excellent testing, tracing, and isolation but have been unable to acquire good vaccines. Witness Taiwan and Vietnam, which experienced impressively few deaths until May 2021, when, owing to a lack of vaccination, they faced a reversal of fortune. But even countries that have vaccinated large proportions of their populations will be vulnerable to outbreaks caused by certain variants. That is what appears to have happened in several hot spots in Chile, Mongolia, the Seychelles, and the United Kingdom. The virus is here to stay. The question is, What do we need to do to ensure that we are, too?

Conquering a pandemic is not only about money and resources; it is also about ideas and strategy. In 1854, at a time when germ theory had yet to take hold, the physician John Snow stopped a cholera epidemic in London by tracing its source to an infected well; after he persuaded community leaders to remove the handle from the well's pump, the outbreak ended. In the 1970s, smallpox was rampant in Africa and India. The epidemiologist William Foege, working in a hospital in Nigeria, recognized that the small amount of vaccine he had been allocated was not enough to inoculate everyone. So he pioneered a new way of using vaccines, focusing not on volunteers or the well-connected but on the people most at risk of getting the disease next. By the end of the decade, thanks to this strategy—first called “surveillance and containment” and later “ring vaccination”—smallpox had been eradicated. It is a twenty-first-century version of this strategy, along with faster mass vaccination, that could help make COVID-19 history.

For this pandemic, epidemiology also has tools to return the world to a state of relative normalcy, to allow us to live with SARS-CoV-2 as we learned to deal with other diseases, such as influenza and measles. The key lies in treating vaccines as transferable resources that can be rapidly deployed where they are needed most: to hot spots where infection rates are high and vaccine supplies are low. The United States, flush with vaccines, is well positioned to lead this effort, using a modernized version of the strategy employed to control smallpox.

Meanwhile, governments should exploit new technologies to get better at identifying and containing outbreaks. That means embracing exposure notification systems to alert people to their possible infection. And it means enhancing capabilities to sequence viral genomes, so that researchers can rapidly determine which variant is

where and which vaccines work best against each. All this needs to happen as quickly as possible. The slower countries vaccinate people most at risk of spreading the disease, the more variants will emerge.

The international system for responding to pandemics must also be repaired. As the current crisis has laid bare, that system is dangerously underfunded, slow, and vulnerable to political interference. In a time of rising nationalism, countries need to find a way to work together to reform the global public health institutions that will be responsible for waging this long fight against COVID-19. These bodies must be protected and empowered so that they can work faster than they have.

The pandemic is in many ways a story of magical thinking. In the early days of 2020, many leaders denied that what began as a regional outbreak in Wuhan, China, could spread far and wide. As the months went on, governments imagined that the virus could be contained with border controls and that its spread would miraculously slow with warm weather. They believed that temperature checks could identify everyone who harbored the virus, that existing drugs could be repurposed to mitigate the disease, and that natural infection would result in durable immunity—all assumptions that proved wrong. As the body count rose, many leaders remained in a state of denial. Ignoring the scientific community, they failed to encourage mask wearing and social distancing, even as the evidence mounted. Now, governments must come to grips with another inconvenient truth: that what many hoped would be a short-lived crisis will instead be a long, slow fight against a remarkably resilient virus.

HOW WE GOT HERE

COVID-19 hit at an inauspicious geopolitical moment. An era of rising nationalism and populism made it frustratingly difficult to mount a collaborative response to a global pandemic. Jair Bolsonaro of Brazil, Xi Jinping of China, Narendra Modi of India, Vladimir Putin of Russia, Recep Tayyip Erdogan of Turkey, Boris Johnson of the United Kingdom, and Donald Trump of the United States—all these leaders evinced some combination of parochialism and political insecurity, which caused them to downplay the crisis, ignore the science, and reject international cooperation.

The two countries vying for global leadership are most to blame for allowing an outbreak of a novel disease to become a crippling pandemic: China and the United States. Even setting aside the question

of whether the virus jumped to humans as a result of a lab accident or animal spillover, Beijing was less than forthright in sharing information about the scale of the problem in its early days. And although it may never be clear what Chinese decision-makers knew when, it was nonetheless irresponsible of them to allow international travel in and out of an epidemic area during a period of intense holiday travel—a decision that possibly created a superspreader event.

The United States, for its part, disregarded early warnings from dozens of epidemiological Cassandras and denied the gravity of the emerging crisis. The Trump administration treated COVID-19 as an abstract threat instead of the clear and present danger it was and failed to mount a coordinated national response. The U.S. government banned some but not all travel from China, waited way too long to control travel from Europe, refused diagnostic test kits developed abroad, and bungled the development of its own test kits. It failed to procure and distribute the personal protective equipment needed to safeguard frontline workers and the general population, leaving states to compete with one another for critical supplies. Politicians made mask wearing a matter of political identity. The result of all the chaos, delay, and stupidity was a largely uncontrolled spread and a heightened death toll. The United States is a rich, educated country that is home to the world's leading scientific institutions and just over four percent of the global population. Yet in the first year of this pandemic, it had an astounding 25 percent of the world's COVID-19 cases and 20 percent of deaths from the disease.

Some governments did take the threat seriously. At the beginning of the pandemic, the best predictor of a country's success against this coronavirus was recent experience with an outbreak caused by an earlier coronavirus—SARS or MERS. When COVID-19 appeared, Taiwan, which had been hit hard by SARS in 2003, rapidly implemented screenings, closed its borders to residents of Wuhan, and activated a command center to coordinate its response. Fortunate to have an epidemiologist at the helm as vice president, the Taiwanese government acted transparently. It rolled out a program of comprehensive testing, tracing,

What many hoped would be a short-lived crisis will instead be a long, slow fight against a remarkably resilient virus.

and isolation and encouraged social distancing and mask wearing. As of May 1, 2021, Taiwan had reported just 12 deaths from COVID-19.

Vietnam had also learned from SARS. In the years following that epidemic, it built a robust public health infrastructure, including an emergency operations center and a national surveillance system to facilitate data sharing and case finding. When the current pandemic hit, the government was ready to implement a program of mass testing, contact tracing, quarantining, and business shutdowns. By April 2020, Vietnam had deployed a mobile app to over half its population that automatically notified users if they had been near someone with a confirmed case of COVID-19. Despite having a dense population of 96 million, the country reported no new deaths from September 2020 to May 2021. By early May, it had counted a total of just 35 deaths.

By contrast, the international response to COVID-19 was surprisingly inept, especially compared with previous campaigns to contain epidemics or eradicate diseases. With smallpox and polio, for example, governments and international organizations worked together to develop and fund cohesive strategies, around which response teams were organized worldwide. Not so for COVID-19. Politics undermined public health in a global crisis to an extent nobody had thought possible. The president of the United States silenced trusted public health leaders from the U.S. Centers for Disease Control and Prevention (CDC), the respected disease-prevention agency that the world expected to take the lead in that very moment, and he withdrew the United States from the World Health Organization (WHO) just as global collaboration was needed most. Emboldened by Trump, self-interested leaders elsewhere followed suit, pursuing disease-denying policies that further amplified the death toll and suffering.

Vaccine development has been one of the few bright spots in this pandemic. Pharmaceutical and biotechnology companies worked hand in hand with governments to make powerful new vaccines in record time. The two vaccines based on messenger RNA, or mRNA—the Moderna and Pfizer-BioNTech ones—moved lightning fast. Just two months after the genetic sequence of SARS-CoV-2 was published, the Moderna vaccine was being tested in a Phase 1 clinical trial, and not long after, it moved on to Phase 2. At the same time, a number of actors—the Coalition for Epidemic Preparedness Innovations;



Out and about: dining in New York City, May 2021

Gavi, the Vaccine Alliance; the WHO; and many governments, companies, and philanthropies—were investing massively in manufacturing capacity. As a result, the companies behind the two vaccines were able to rapidly scale up production and conduct Phase 3 trials over the summer. The trials demonstrated that the Moderna and Pfizer-BioNTech vaccines were not just safe but also far more effective than many had thought, and by the end of 2020, regulatory agencies around the world had authorized them for emergency use. Vaccines based on a modified adenovirus also moved quickly. The United Kingdom authorized the Oxford-AstraZeneca vaccine in December 2020, and the United States did the same for the single-dose Johnson & Johnson vaccine in February 2021.

Although the creation of the vaccines was a triumph of international cooperation, their distribution has been anything but. Hedging their bets, the United States and other rich countries bought many times the number of doses they needed from several manufacturers, essentially cornering the vaccine market as if the product were a com-

modity. Making matters worse, some countries imposed restrictive export regulations that have prevented the wider manufacture and distribution of the vaccines. In May, pointing out that 75 percent of the vaccine doses had so far gone to just ten countries, the WHO's director general, Tedros Adhanom Ghebreyesus, rightly called the distribution a "scandalous inequity that is perpetuating the pandemic."

In the absence of global coordination for the purchase and distribution of vaccines, governments struck bilateral deals, leaving some unlucky countries with less effective or untested vaccines. For instance, China has exported more than 200 million doses of four homegrown vaccines—more than any other country—and yet there is disturbingly little transparent data on the Chinese vaccines' safety. Anecdotal reports from Brazil, Chile, and the Seychelles have raised doubts about their efficacy. Meanwhile, India's devastating surge in COVID-19 cases has reduced exports of its locally produced vaccines, leaving the countries that were depending on them, such as Bhutan, Kenya, Nepal, and Rwanda, with inadequate supplies. The United States made a lot of promises, but as of late May, the only vaccine it had exported was the Oxford-AstraZeneca one—which the U.S. Food and Drug Administration had not yet authorized—sending four million doses to its neighbors, Canada and Mexico.

To provide at least a cushion of vaccines for less well-off countries, and to help the WHO manage the challenge of global vaccine distribution, a coalition of organizations created a unique consortium called COVAX. The body went on to develop an "advance market commitment" mechanism, through which governments have agreed to buy large numbers of doses at predetermined prices. The goal is to raise enough money to provide nearly one billion doses to 92 countries that are not able to pay for vaccines themselves, allowing each to meet 20 percent of its vaccine needs. As of May, however, reaching this target anytime in 2021 seemed a long shot.

In fact, the barriers to access have been so profound that many low- and middle-income countries won't have enough vaccines to inoculate even just their at-risk populations until 2023. This disparity has led to a jarring split-screen image. At the same time that Americans were taking off their masks and preparing for summer vacations, India, with only three percent of its 1.4 billion inhabitants fully vaccinated, was ablaze in funeral pyres.

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THE CORONAVIRUS AT A CROSSROADS

Over a year and a half into the pandemic, it has become clear that the race to contain the virus is simultaneously a sprint and a marathon. Yes, the world needs to vaccinate as many people as possible as quickly as possible to slow the spread of the virus. But if every human on the planet were vaccinated tomorrow, SARS-CoV-2 would still live on in multiple animal species, including monkeys, cats, and deer. In Denmark, more than 200 people contracted COVID-19 from minks. Although there is no evidence yet of sustained transmission from humans to animals and then back to humans, the discovery of SARS-CoV-2 in so many species means that it is not just plausible but probable.

The dream of herd immunity has also died. Just a year ago, some newly minted experts were arguing that the virus should be given free rein to circulate in order for countries to reach herd immunity as soon as possible. Sweden famously followed this approach; predictably, it experienced dramatically higher rates of infection and death than nearby Denmark, Finland, and Norway (while suffering similar economic damage). Only after hundreds of thousands of unnecessary deaths occurred worldwide was this misguided strategy abandoned.

More recently, epidemiologists were debating what percentage of a population had to be vaccinated to reach herd immunity and when that threshold would be reached. But now it is becoming clear that the world cannot wait for herd immunity to contain the pandemic. For one thing, vaccination is proceeding too slowly. It is taking too long to produce and deliver sufficient supplies of vaccines, and a sizable global anti-vaccine movement is dampening demand for them. For another thing, there has been a constant flow of new variants of the virus, threatening the progress that has been made with vaccines and diagnostics.

Variants are an unavoidable byproduct of the pandemic's exponential growth. More than half a million new cases of COVID-19 are reported every day. Each infected person harbors hundreds of billions of virus particles, all of which are constantly reproducing. Each round of replication of every viral particle yields an average of 30 mutations. The vast majority of mutations do not make the virus more transmissible or deadly. But with an astronomical number of mutations happening every day across the globe, there is an ever-growing risk that some of them will result in more dangerous viruses, becoming what epidemiologists call "variants of concern." Hyperintense outbreaks—such as the ones in New York City in



Putting out fires: at a crematorium in Srinagar, India, May 2021

March 2020, Brazil in March 2021, and India in May 2021—only increase the risk.

A number of variants have already emerged that spread more easily, cause more severe illness, or reduce the effectiveness of treatments or vaccines, such as the B.1.1.7 variant (first detected in the United Kingdom), B.1.351 (South Africa), B.1.429 (California), P.1 (Brazil), and B.1.617.2 (India). Although variants are often labeled with a geographic tag based on where they were first identified, they should be considered global threats. (In fact, given the uncertainty about where each variant emerged, as opposed to where it happened to be first reported, the geographic nomenclature would best be dropped altogether.)

To date, the three vaccines authorized in the United States—the Moderna, Pfizer-BioNTech, and Johnson & Johnson vaccines—are effective against the existing variants. But two variants, B.1.351 and B.1.617.2, have shown signs of impairing the efficacy of other vaccines and of therapeutic antibodies. Each new, more resistant or

more transmissible variant may require additional booster shots, or perhaps new vaccines altogether, adding to the massive logistical challenge of vaccinating billions of people in nearly 200 countries. Other variants may even evade current diagnostic tests, making them more difficult to track and contain. The pandemic, in short, is hardly in its last throes.

AMERICA'S ROLE

As a wealthy, powerful, and scientifically advanced country, the United States is optimally positioned to help lead the long fight against COVID-19. To do so, the country must recover its reputation for global public health leadership. At a time of resurgent nationalism at home and abroad, it will need to rise above the forces of division and rally the rest of the world to join it in undertaking what may be the biggest experiment in global health cooperation ever.

To start, the United States must continue its trajectory toward zero COVID-19 cases at home. No country can help others if it is crippled itself. Extraordinarily effective vaccines, along with equally impressive vaccination campaigns in most U.S. states, have dramatically decreased the number of infections. When epidemiologists look at the United States now, they no longer see a blanket of disease covering the entire country; instead, they see scattered flare-ups. This means they can discern individual chains of transmission—a game-changer in terms of strategy.

One of the most important missing pieces of the U.S. vaccination program is an appreciation for the power of speedy, targeted deployment. Vaccines should be redistributed to the parts of the country with high infection rates to protect those most at risk of contracting the disease and reduce the potential for transmission. In many ways, this strategy represents a return to the basics of disease control. To eradicate smallpox in the 1970s, epidemiologists encouraged public health departments to report potential cases, looked for symptomatic people at large gatherings, maintained a “rumor register” to pick up new outbreaks, and offered cash rewards to people who found potential cases. They investigated every case, located the source of infection, and identified contacts who were likely to get the disease next. Those who were infected with smallpox, as well as the people they had exposed to the disease, were quickly isolated and vaccinated. By practicing “just in time” vaccination, epidemiologists were able

to prevent new chains of transmission—quickly controlling the disease and saving as many as three-quarters of the vaccine doses as compared to if they had performed mass vaccination.

Of course, it was a different disease, a different vaccine, and a different time. Part of what makes COVID-19 so difficult to combat is that it is an airborne illness with so much asymptomatic transmission. Today, however, epidemiologists have the added benefit of powerful new tools for detecting outbreaks and developing vaccines. They can use these innovations to build a twenty-first-century version of surveillance and containment for the battle against this pandemic. Adopting a strategy of “just in time” vaccination, the United States and other countries with moderate infection rates should prioritize the immunization of people known to have been exposed (for whom vaccination can still prevent or mitigate symptoms), along with their contacts and communities, using old-fashioned or modern-day methods.

Variants are an unavoidable byproduct of the pandemic’s exponential growth.

If the United States solves the puzzle of controlling outbreaks of COVID-19 at home and shields itself against importations of the virus from abroad, it will have a blueprint that it can share globally. It should do so, turning outward to help lead what will be the largest and most complicated disease-control campaign in human history. To that end, it should support expanded manufacturing capacity for COVID-19 vaccines worldwide and get to work distributing enough of them to reach the last mile of each country in the world—and do so faster than new supervariants can emerge.

There is other work to be done domestically, as well. The \$1.9 trillion American Rescue Plan, passed by Congress in March, provided \$48 billion for diagnostic testing and additional public health personnel to contain outbreaks. Such efforts have become all the more important as demand for vaccinations has slowed. As of May, barely half of the country was fully immunized. Even allowing for those with natural immunity from prior infection, that leaves about 125 million Americans susceptible to COVID-19. Thus, there is even more reason to build the capacity to protect these Americans from the inevitable importations of the virus, doubling down on efforts to find, manage, and contain all outbreaks.

Part of this effort will require building a stronger disease surveillance system in the United States. Hospitals, testing labs, and local public health agencies already routinely report data about COVID-19 to the CDC. But the CDC must continue adding more innovative ways to detect outbreaks early on. Already, epidemiologists around the

*The global framework
for pandemic response
is broken.*

world are experimenting with digital disease detection, combing through data on pharmacy purchases and scouring social media and online news stories for clues of new outbreaks. Taking advantage of electronic medical records, they are tracking the symptoms

of emergency room patients in real time. And they have created participatory surveillance systems, such as the apps Outbreaks Near Me in the United States and DoctorMe in Thailand, which allow people to voluntarily disclose symptoms online.

Together, these reporting systems could capture a high percentage of symptomatic cases. To find missed infections, epidemiologists can monitor sewage for virus shed in feces to detect unreported outbreaks. And to capture asymptomatic cases, an especially important task for interrupting the transmission of SARS-CoV-2, exposure notification systems will prove key. With these systems, users are alerted through their cell phones if they have come into close contact with someone infected with the virus, without that person's identity being divulged—thus informing people who do not feel sick that they may in fact be carrying the virus. At the same time as they are notified of possible infection, users can be advised to get tested, vaccinated, or learn about government support for isolation. Although such systems are still in their infancy, early reports from Ireland and the United Kingdom, where they have taken off, are encouraging.

Adding newer forms of disease detection to conventional reporting systems would give public health officials the kind of situational awareness that battlefield commanders and CEOs have long been accustomed to. That, in turn, would allow them to act much more quickly to contain outbreaks. So would faster and cheaper viral sequencing, which would enable scientists to rapidly identify infections and variants. They could use that information to update diagnostic tests to ensure accurate surveillance and modify vaccines to maintain their efficacy. If a particular variant was found to be vulnerable to one

vaccine and not others, the vaccine that worked best could be rushed to the areas where the variant was prevalent. Such a custom-tailored approach will become yet more important as new vaccines are created for new variants; those vaccines will inevitably be in short supply.

Everyone should be grateful for the remarkable vaccines that won the race to be first. But the United States and other wealthy countries must nonetheless invest in the next generation of COVID-19 vaccines, ones that are less expensive to manufacture, require no refrigeration, and can be given in a single dose by untrained personnel. This is no pipe dream: researchers are already developing vaccines that can survive heat, take effect more quickly, and can be administered through a nasal spray, oral drops, or a transdermal patch. Thanks to these innovations, the world could soon have vaccines that are as practical to distribute in rural India or Zimbabwe as they are in London or Tokyo.

SYSTEM REBOOT

Even though the United States must play a leading role in getting this pandemic under control, that will not be enough without efforts to reform the global framework for pandemic response. The current system is broken. For all the debates about who should have made what decisions differently, a simple fact remains: what began as an outbreak of a novel coronavirus could have been contained, even when it was a moderately sized epidemic. In a report released in May, an independent panel chaired by two former heads of state, Ellen Johnson Sirleaf of Liberia and Helen Clark of New Zealand, did not assign blame for that failure. But the panel did offer suggestions for how to prevent the same mistake from happening again.

Its headline recommendation was to elevate pandemic preparedness and response to the highest levels of the UN through the creation of a “global health threats council.” This council would be separate from the WHO, led by heads of state, and charged with holding countries accountable for containing epidemics. In order to rebuild public trust in global health institutions, it would have to be immune from political interference. The report envisioned the council as supporting and overseeing a WHO that had more resources, autonomy, and authority. One vital contribution it could make would be to identify those diagnostic tests, drugs, and vaccines for COVID-19 that merit investment most and allocate resources accordingly, so that they can be rapidly developed and efficiently distributed. Although many de-

tails remain to be worked out, the recommendation of such a council represents a brave attempt in the middle of a pandemic to reform how pandemics are managed—akin to rebuilding a plane while flying it.

The most urgent need for global public health is speed. With a viral epidemic, timing is nearly everything. The faster an outbreak is discovered, the better chance it can be stopped. In the case of COVID-19, early and rapid detection would let decision-makers around the world know where to surge appropriate vaccines, what variants are circulating, and how to triage resources based on risk. Fortunately, when the next novel pathogen emerges—and it is a question of when, not if—scientific advances will allow global public health institutions to move faster than ever before. Scientists at the CDC and at the WHO's Global Outbreak Alert and Response Network, or GOARN, have made huge strides in compiling a range of data streams to quickly learn of new outbreaks. Twenty years ago, it took six months to detect a new virus with pandemic potential; today, it can be done in a matter of weeks.

But the global system for disease surveillance has ample room for improvement. The latest surveillance technologies—digital disease detection, participatory surveillance systems, and exposure notification systems—should be available everywhere, not just in the richest countries. So should viral-sequencing technologies. It is time to move beyond the old model of global health, in which samples of pathogens were sent from poor countries to rich ones to be sequenced, with the countries that sent the samples rarely sharing in the test kits, vaccines, and therapeutics that were developed as a result. This is a matter not only of fairness but also of epidemiological necessity, since the closer to its origin a new epidemic can be detected, the faster the world can respond.

Even if a novel pathogen escapes national borders, there is still time to contain it regionally. Governments should encourage the sharing of data about emerging diseases among neighboring countries. To that end, they should back Connecting Organizations for Regional Disease Surveillance, or CORDS, a group that brings together three dozen countries, several UN agencies (including the WHO), and a number of foundations, all in an effort to share early warning signals of infectious diseases and coordinate responses to them. In the same spirit, the WHO should work with governments and nongovernmental organizations to put anonymized case-level demographic, epidemiological, and sequencing data all in a single database. The end goal is a global health intelligence network that

would bring together scientists who can collect, analyze, and share the data needed to inform the development of diagnostic tests, drugs, and vaccines, as well as make decisions about where to surge vaccines to control outbreaks.

FINISHING THE JOB

COVID-19 is not yet the worst pandemic in history. But we should not tempt fate. The past year and a half revealed how globalization, air travel, and the growing proximity between people and animals—in a word, modernity—have made humanity more vulnerable to infectious diseases. Sustaining our way of life thus requires deep changes in the way we interact with the natural world, the way we think about prevention, and the way we respond to global health emergencies. It also requires even populist leaders to think globally. Self-interest and nationalism don't work when it comes to a lethal infectious disease that moves across the globe at the speed of a jet plane and spreads at an exponential pace. In a pandemic, domestic and foreign priorities converge.

Most of the planet is still mourning for what has been lost since this pandemic began. At least three and a half million people have died. Many more are suffering from lingering effects of the disease. The financial toll of the pandemic has been estimated at some \$20 trillion. Virtually no one has been spared from some grieving or some loss. People are ready for the long nightmare to be over. But in most places, it is not. Huge disparities have led to a Dickensian tale of two worlds, in which some countries are experiencing a respite from the disease while others are still on fire.

The psychiatrist Elisabeth Kübler-Ross famously and controversially outlined the stages of grief that people go through as they learn to live with what has been lost: denial, anger, bargaining, depression, and acceptance. Almost everyone has experienced at least one of these stages during the pandemic, although in many ways, the world is still stuck in the first stage, denial, refusing to accept that the pandemic is far from over. To these five stages, the bioethicist David Kessler has added one more that is crucial: finding meaning. From the devastation of COVID-19, the world must work together to build an enduring system for mitigating this pandemic and preventing the next one. Figuring out how to do that might be the most meaningful challenge of our lifetime. 🌍

The Fulbright Paradox

Race and the Road to a New American Internationalism

Charles King

It was an act of political bravery heard around Washington, if not around the world. By January 1954, Senator Joseph McCarthy's Permanent Subcommittee on Investigations had upended lives and destroyed careers, all in an effort to expose a fantastic conspiracy inside American government and society. That month, the committee was up for reauthorization. When senators' names were called to approve a motion to keep it going, only one nay came from the floor: that of the junior Democratic senator from Arkansas, J. William Fulbright. "I realized that there was just no limit to what he'd say and insinuate," Fulbright later said of McCarthy. "As the hearings proceeded, it suddenly occurred to me that this fellow would do anything to deceive you to get his way." Within a year, Fulbright had helped persuade 66 other senators to join him in censuring McCarthy and ending his demagogic run. By the spring of 1957, McCarthy was gone for good, dead of hepatitis exacerbated by drink.

President Harry Truman once called Fulbright "an overeducated Oxford S.O.B.," and the senator might have felt that was about right. As a Rhodes scholar, promoter of the United Nations, enemy of McCarthyism, chair of the hearings that helped expose the horrors of the Vietnam War, and founder of the academic exchange program that bears his name—now in its 75th year—he had a good claim to being the most broadly influential American internationalist of the twentieth century. From his first run for federal office, in 1942, until his death, in 1995, he cast himself as a political tinker wandering in a divided America: a salvage man trying to pull what he could from a country that was, for much of his career, riven by race, class, and geography.

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Fulbright's ideas were shaped at a time of party polarization and chin-jutting demagoguery unmatched until the rise of Donald Trump. His life is therefore an object lesson about global-mindedness in an age of political rancor and distrust—but not exactly in the ways one might think.

In addition to being a foreign policy visionary, Fulbright was, as his biographer Randall Woods put it 26 years ago, “a racist.” He vocally opposed the racial integration of public schools mandated by the Supreme Court's 1954 ruling in *Brown v. Board of Education*. In the 1960s, he filibustered or voted against the era's monumental civil rights legislation. Later in life, he would claim his stance was tactical. Electoral viability in his home state of Arkansas depended on defending states' rights and a gradualist approach to equality for Black Americans, he said. But to those who knew him, that argument was only partly true. “To his mind the blacks he knew were not equal to whites nor could they be made so by legislative decree,” Woods wrote.

Americans today are less than one lifetime removed from the system of apartheid that Fulbright defended. The United States has had only one president who came of age when full racial equality was the law of the land. Eighty-one of the 100 current U.S. senators were born in an era when people could be arrested for marrying across racial lines. Americans are more armed, more forgiving of extrajudicial killing, and more comfortable with state-sanctioned confinement and execution than the citizens of any other free country. A hardening segment of the population sees broader social empowerment as an existential threat, and the country's institutions have proved weak when challenged by officials determined to subvert them. If one were analyzing another country similarly placed in history, the warning lights for the fate of democracy would be flashing red.

In a moment of crisis, Fulbright is a clarifying case. He was a figure who committed his life to global understanding yet found it impossible to apply the same ideals to his homeland. What seems like a contradiction in Fulbright's outlook, however, is really a blind spot in Americans' own. The combination of open-mindedness abroad and bigotry at home was not unique to him. His opinions aligned with a deeper conviction in U.S. statecraft that the interests of a great power are best pursued by placing a partition between domestic politics and foreign policy. Yet in an age of savvy authoritarianism, foreign competitors now have a more clear-eyed view of American society than at any point in recent history. Their grasp of American studies is often

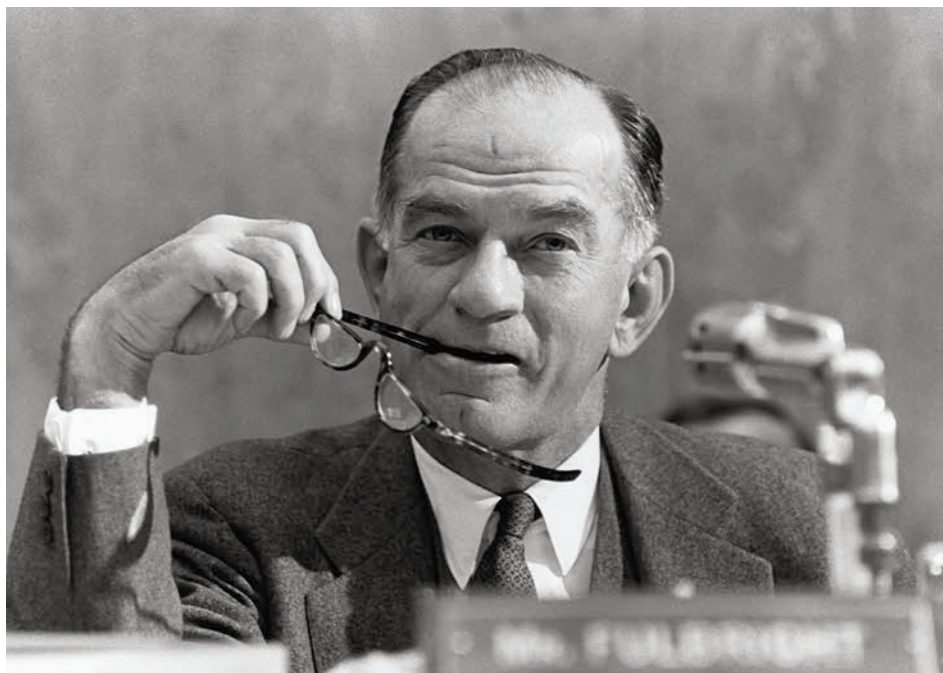
starkly discerning, with an understanding of the fissures of class, race, and locale—and an unprecedented ability to exploit them.

Remaking U.S. internationalism will require that Americans bridge the old divide between committed globalists and concerned localists. The task is more complicated than leading through “the power of our example,” as President Joe Biden has often repeated, especially when that example includes an organized effort to upend electoral democracy. To counter their own illiberal nationalists and braying chauvinists, Americans should start by practicing the sober self-awareness that Fulbright claimed was critical to living intelligently in the world. Both Fulbright’s vision and his myopia form the story of his country’s twentieth-century rise. And with new limitations on access to voting and more “America first” candidates preparing for electoral runs, the central question of his life remains deeply relevant today: What price does a racially ordered polity pay for its global role?

A MAN OF THE WORLD

Fulbright was representative of a certain species of midcentury internationalist: white, male, patrician in style if not background, and schooled in both the superiority of Anglo-Saxon civilization and the obligations of noblesse. He grew up in northwestern Arkansas at the social apex of an otherwise provincial and largely white, southern upland. His mother, Roberta, was a local businesswoman with an extensive telephone list and a gift for persuasion. Her ambitions were realized through Bill, as he was known, whom she helped usher toward the Rhodes scholarship, a college lectureship, and the presidency of the University of Arkansas, all before his 35th birthday.

Fulbright’s political career began with a term in the U.S. House of Representatives and then a race for the Senate. His Senate tenure would extend from President Franklin Roosevelt to President Gerald Ford, and he still holds the record for the longest continuous service as chair of the Senate Foreign Relations Committee. Because of the scholarships that he established by an act of Congress just after World War II, Fulbright was close to a household name before people quite knew why. The original funding for the Fulbright Program came from an ingenious bit of budgeting and backdoor internationalism: selling wartime assets left behind by the United States in other countries, which were hard to repatriate and of little value if converted to dollars, in order to pay the local expenses of Americans studying and research-



The racist internationalist: Fulbright in the U.S. Senate

ing there. It would eventually grow into the world's largest foreign scholarship program, supported bilaterally by Washington and partner governments. In the 1950s, the program put Fulbright himself squarely in McCarthy's sights. Scholarship recipients were America-haters who promoted communism, McCarthy alleged. To Fulbright, this was nonsense. "You can put together a number of zeros and still not arrive at the figure one," he told McCarthy during one hearing.

Over the next two decades, Fulbright would stage-manage some of the most deeply civic moments of the era. As the Vietnam War devolved into both a foreign policy quagmire and a national crisis, Fulbright convened a series of Senate hearings that interrogated the war's origins, its cost in lives and prestige, and pathways to ending it. The televised hearings, which ran intermittently from 1966 to 1971, brought high-level debate about the conflict into American living rooms. Across the administrations of Lyndon Johnson and Richard Nixon, a who's who of foreign and defense decision-makers was called to testify. The diplomat and strategist George Kennan confirmed that many professed communists, such as the North Vietnamese leader Ho Chi Minh, were in fact nationalists. Kennan recommended "a resolute and courageous liquidation of unsound positions"—in other words, stop the war. Long before he became a U.S. senator, a 27-year-old John

Kerry, wearing his fatigues and service ribbons and representing Vietnam Veterans Against the War, spoke the most arresting question of the age: “How do you ask a man to be the last man to die for a mistake?” Secretary of State Dean Rusk defended the Johnson administration’s policies, only to be met by the incredulous drawl of Fulbright,

Fulbright’s life is an object lesson about global-mindedness in an age of political rancor.

sounding like a southern lawyer descending on a dodgy witness.

If there was a moment when the White House began to lose middle America, the Fulbright hearings marked it. From the outset, Johnson was so worried about their impact that he pressed one television network to air *I Love Lucy* reruns

instead of live coverage. In the first month alone, the president’s approval rating on the war slid from 63 percent to 49 percent. Fulbright’s role was all the more powerful because he had earlier supported the 1964 Gulf of Tonkin Resolution, which facilitated the United States’ all-out attack on the North Vietnamese. By the time Nixon was inaugurated in 1969, however, Fulbright had transformed into something he could never have predicted—an antiwar activist. The counterculture had the streets, but Fulbright had the Constitution’s requirement that the Senate hold the presidency to account, even when both institutions were controlled by the same party. It was an enactment of the founders’ vision that has never since been equaled.

Fulbright’s political philosophy was on full display in those moments before the cameras. As a student at Oxford in the 1920s, he had settled into a loose belief in progress and an expectation of cooperation among nations, tempered by a certain pessimism about humans’ ability to get it all right. As a legislator, he often seemed to channel the conservative British statesman Edmund Burke. Legislatures worked best, Burke believed, when they were composed of the best people: educated, curious about the world, expert in their craft. Their role was not only to make laws but also to inform their constituents—“to teach the nation what it does not know,” as the nineteenth-century English constitutionalist Walter Bagehot put it.

The world was a plurality, which demanded tolerance for differences of opinion and culture, as well as properly functioning international institutions that would promote mutual dependence. Fulbright pressed

for engagement with the Soviet Union during the Cold War, and when the communist system began to falter, late in his life, he still counseled restraint and outreach rather than a victory dance. Change had to come about in evolutionary ways, he believed. For both a nation's adversaries and a legislator's own voters, it was no good pushing people onto ground they were not ready to inhabit. Government, at home and abroad, worked best when it practiced pragmatism and followed the law.

Although some of these ideas get framed as Wilsonian today, many of them—pluralism, tolerance, the primacy of the rule of law—had avatars among white opponents of racial equality. It was here that Fulbright's outlook connected with those of other segregationists, such as President Woodrow Wilson himself. In 1956, Fulbright signed the Declaration of Constitutional Principles, also known as the Southern Manifesto, along with 100 other members of Congress. The document codified southern resistance to racial integration as a matter of states' rights. It denounced outside "agitators and troublemakers" and pledged the use of "all lawful means" to resist federal law.

The document might have been even more extreme had Fulbright not worked behind the scenes to soften it. The word "lawful" may have been one of his insertions. Still, other southern Democrats, such as Al Gore, Sr., and Johnson, then the Senate majority leader, decided not to sign the manifesto. Throughout the rest of the 1950s and into the 1960s, when civil rights legislation came to the Senate floor, Fulbright again held the line. "The Negroes of my State vote freely and without coercion," he proclaimed during one filibuster. A defense of southern prerogatives was a stand for constitutional restraint, he maintained. Change via federal mandate did violence to the unique conditions the South had inherited from slavery, including the mere fact that white majorities lived alongside large African American minorities.

When Fulbright looked back on those moments, even in his 80s, he cited the constraints imposed on him by the wishes of his constituents. It would take time for them to come around to the idea of equality, he believed. The constituents he could most readily see, however, were the white ones. The African American communities of Arkansas's Mississippi Delta, whom he also represented, were largely invisible. The problem was that they didn't vote, Fulbright claimed. But to the degree that was true, he must have known why. The vast southern system of disenfranchisement, coercion, and terror was still firmly in place throughout his time on Capitol Hill.

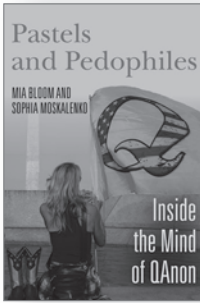
Americans typically tell the story of the civil rights movement as a struggle between subjugators and emancipators, which of course it was. But Fulbright also occupied a zone inhabited by so many white leaders of the era, especially if they took an interest in global affairs. It was a position whose evil lay in its sheer banality. With the great questions of war and peace clamoring for attention, they felt, full citizenship for Black Americans just wasn't that important.


SOUTHERN LIVING

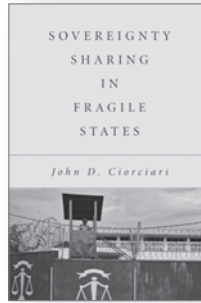
The contradictions in Fulbright's outlook are puzzling only from a specific perspective. U.S. foreign policy is often narrated from New England—the “city upon a hill” described by the Massachusetts Bay colonist John Winthrop, the Harvard and Yale men who designed global institutions and managed the Cold War, and so on—but it was born in the South.

The peculiarities of a slaveholding region were central to the emergence of U.S. foreign relations and, later, westward expansion, as Sven Beckert, Matthew Karp, Heather Cox Richardson, and other historians have shown. The wealth derived from cotton, tobacco, and other commodities—the fruit of the forced labor of nearly four million women and men on plantations stretching from the Chesapeake Bay to the Gulf of Mexico—spurred a commitment to free trade. National leaders from southern states defended slavery not just as a domestic institution but also as the basis for alliances and world order. A consistent strand in U.S. foreign policy thinking before the Civil War was the South's other indigenous Jeffersonianism—not Thomas's but that of Senator Jefferson Davis, the future Confederate president. “Among our neighbors of Central and Southern America, we see the Caucasian mingled with the Indian and the African,” Davis said in a speech in 1858. “They have the forms of free government, because they have copied them. To its benefits they have not attained, because that standard of civilization is above their race.” For Davis and other white southerners, the United States' calling was not to spread universal freedom and republicanism. It was to model the superiority of a political economy founded on the supposedly natural ranking of races.

After the end of Reconstruction, the influence of southern voices and ideas grew both locally and nationally. The South didn't so much lose the Civil War as outsource it, spreading new theories and techniques of segregation beyond the region itself. Domestically, the Jim



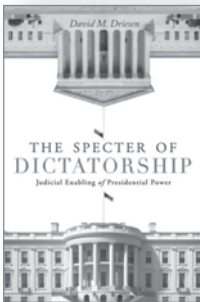
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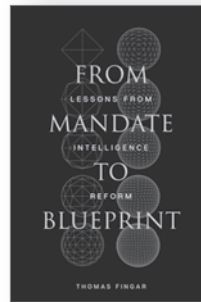
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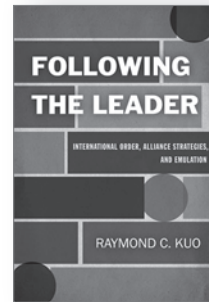
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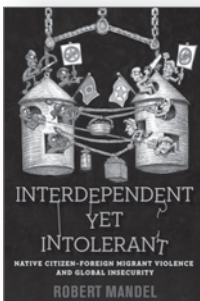
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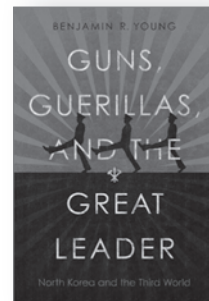
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Crow system cemented the legal, economic, and political power of whites, as did the brutal counterinsurgencies against Native Americans fought by the regular military on the western plains. Places that had no association with the old Confederacy, from Indiana to California, rushed to create their own versions of apartheid, including prohibitions on interracial marriage and restrictions on voting.

U.S. foreign policy is often narrated from New England, but it was born in the South.

Internationally, U.S. interventions in Hawaii, the Philippines, Cuba, and Haiti were explained using the same tropes that many antebellum southerners had seen as theirs: manliness, white supremacy, and faith in one's own noble intent, even when other people ex-

perienced it as terror. The map of the world as it appeared to white strategists was one of natural affinities—Europeans and their descendants, Africans and theirs—that rendered foreigners familiar and co-citizens foreign. Politics was the art of managing the unfortunate side effect of enslavement, immigration, and empire, namely, the fact of race mixing. The bedrock principle of politics was the same inside the borders of the United States as beyond: “a harsh and cruel struggle for existence . . . between superior races and the stubborn aborigines,” as the Wisconsin political scientist and diplomat Paul Reinsch put it in his textbook *World Politics at the End of the Nineteenth Century* in 1900.

The same reasoning was still at work during World War II, enabling the internment of Japanese Americans in the United States and informing different visions of the conflicts in Europe and the Pacific. “In Europe we felt that our enemies, horrible and deadly as they were, were still people,” wrote the war correspondent Ernie Pyle from the Pacific theater. “But out here I soon gathered that the Japanese were looked upon as something subhuman and repulsive, the way some people feel about cockroaches or mice.” The mechanisms that helped sustain and spread these ideas, as the scholar and civil rights leader W. E. B. Du Bois wrote in the *American Journal of Sociology* in 1944, were part of the structure of U.S. politics: “The power of the southerners arises from the suppression of the Negro and poor-white vote, which gives the rotten borough of Mississippi four times the political power of Massachusetts and enables the South through the rule of seniority to pack the committees of Congress and to dominate it.”

The consonance between domestic order and foreign affairs proved difficult to sustain, however. In the 1950s, the growing opposition to race-based discrimination, pursued in the courts and through acts of bravery by Black Americans, slowly began to weaken the system that southern whites had effectively nationalized after the 1870s. A new global competitor, the Soviet Union, took pains to highlight the hypocrisy at the heart of American claims about freedom and democracy. It is tempting to look back on that Soviet approach as a minor element of Cold War jockeying. But at the time, it was of more than passing concern to American diplomats, intelligence analysts, and others who understood the vulnerabilities created by American racism. “Racial discrimination furnishes grist for the Communist propaganda mills,” the U.S. Justice Department told the Supreme Court in an amicus brief for the *Brown v. Board of Education* case, “and it raises doubts even among friendly nations as to the intensity of our devotion to the democratic faith.”

The communists had a point, of course, even if it was an inconvenient one. “Can’t you just tell the Africans not to drive on Route 40?” President John F. Kennedy once asked an aide after a Maryland diner sparked an international incident by refusing to serve Chad’s representative to the United Nations. For white politicians and intellectuals, the easier thing to accept was that the domestic and foreign worlds were essentially separate, demanding different ethical reasoning and specific analytic models. “Both domestic and international politics are a struggle for power,” the scholar Hans Morgenthau wrote in *Politics Among Nations*, first published in 1948, yet “different moral, political, and general social conditions prevail in each sphere.” States were atomic, amoral units in the international system, each chasing an object called a national interest. Grand strategy was the technique by which a state pursued its goals, given the available resources and the actions of allies and adversaries. A selective reading of Thucydides and Machiavelli might suggest that this had been the normal way of thinking about world affairs for millennia. As time went on, even when scholars began to open the black box of the state, the drivers of behavior that suggested themselves were personalist or antisepically structural, such as institutional rivalry, the military-industrial complex, and interest-group politics. Scholars tended to ignore the thing that Du Bois and others had insisted on for a century: the connection between who wielded power at home and the aims a government pursued abroad.

The result was to place the most urgent domestic issues outside the purview of the globally minded. At a time when American politics and international affairs were entangled as never before—with a feedback loop running from Mahatma Gandhi to Martin Luther

American internationalism has to start with the braided reality of a country founded on enslavement and the Enlightenment.

King, Jr., and then out to anticolonial and human rights struggles around the world—denying these connections was essential to forming a coherent concept of the national interest. After all, a collective will is stable only as long as one controls who counts as the collective. That is how it was possible for virtually every leading white policy-maker and global affairs expert of the

time to relegate racism, disenfranchisement, and colonialism to the sidelines, as the scholars Kelebogile Zvobgo and Meredith Loken have argued in a key critique. Between 1945 and 1993, they observed in *Foreign Policy* last year, the word “race” appeared only once in the titles of articles in the top five international relations journals. In a remarkable sleight of hand, scholars stopped recognizing the ties between domestic power and global ambition, something that had been obvious, in its white-supremacist version, to people such as Davis, precisely when that relationship was coming to matter most: at the moment of American ascendancy.

For all their differences, the establishment figures who shaped the United States’ postwar role shared the concept of the international arena as a safe space separate from the concerns of home and inhabited mainly by men like them (the gender, of course, mattered). In these ways, Fulbright was representative of his cadre of foreign policy minds—Kennan, Morgenthau, Dean Acheson, John Foster and Allen Dulles, Henry Kissinger—whose serial biographies once constituted the standard way of writing the history of U.S. foreign relations. Like them, he rejected the isolationism of the aviator and America First celebrity Charles Lindbergh, the haranguing anticommunism of McCarthy, and the miscegenation-phobia of the Alabama politician George Wallace. Each was, in his fashion, *déclassé* and, what is even worse to a self-invented patrician, zealous.

By contrast, what the great affairs of state really required was sober discernment. “A sound sense of values, the ability to discriminate be-

tween that which is of fundamental importance and that which is only superficial,” Fulbright wrote in these pages in 1979, “is an indispensable qualification of a good legislator.” His example of a fundamental matter was emboldening the United Nations. A superficial one, he said, was the poll tax, which he knew was explicitly used to keep Black citizens away from the voting booth. “Regardless of how persuasive my colleagues or the national press may be about the evils of the poll tax, I do not see its fundamental importance,” he wrote.

Most readers would find his dismissal of voting rights shocking today, but the distinction was both telling and commonplace at the time. It exemplified the habit of carving the national interest in ways that avoided the burls: For whom? For what purpose? In whose actual interest? Fulbright had once coined a phrase for what it meant to elide questions such as these. It was on the cover of one of his several books, even if it never occurred to him to turn the analysis back on himself. The title of that book was *The Arrogance of Power*.

Now, a new generation of historians and political scientists is taking the problems of American democracy seriously and placing them in the appropriate comparative light. They are redefining the place of racism and antiracism in U.S. history and resurrecting thinkers, from Du Bois to the civil rights pioneer Pauli Murray, who drew explicit connections between national politics and foreign policy. That process has accompanied a broad and necessary rethinking of racial hierarchies in college syllabuses, publishers’ lists, film scripts, art exhibitions, symphony repertoires, and other areas. That American college students can still study diplomacy without Ralph Bunche, anthropology without Zora Neale Hurston, and history without Carter G. Woodson is a sign of how far the desegregation of the imagination has yet to go. Rediscovering Black voices such as these isn’t a matter of “political correctness” or “wokeness”—what self-aware person uses such terms?—or even a question of justice, although it might lead in that direction. It is at base about being less dumb.

A new American internationalism can rise on this fresh foundation. It has to start with the braided reality of a country founded on enslavement and Enlightenment ideals—holding in one’s head at once both 1619, the year the first Africans were forcibly brought to the Colonies, and 1776, the year of the Declaration of Independence. It also entails putting away the residual exceptionalism that still divides scholars and journalists in the United States from their counterparts

elsewhere and that, in turn, determines what students and the public think is important to know. Mainstream liberals, as well as conservatives, tend to diminish the ills caused by the United States abroad while recasting ones effected closer to home—the American prison system, health-care disparities, voter suppression—as unimportant to an understanding of global affairs. That habit can be undone.

The United States ought to be a laboratory for investigating issues that are too often consigned to the vast abroad. Global development also matters in the Mississippi Delta, in upland Appalachia, and on the Standing Rock Indian Reservation. American authoritarianism—from Jim Crow to Trump—bears a family resemblance to systems of violence and personalist dictatorships in other parts of the world. Corruption has the same sources everywhere and is fed by networks that are multinational. Populism, ethnic nationalism, radicalization, and the politics of nihilism and despair all have American versions, which are now more linked than ever, via the Internet and social media, to their global equivalents. The United States has a well-developed export industry of unfreedom, from ruthless campaign advisers to private security firms, whose paid expertise will continue to shape political outcomes and public safety in communities around the world. Reclaiming the domestic as international requires recognizing these realities, and the first step is easy to state, if not to achieve. It is summed up in a line that Fulbright once quoted from President Abraham Lincoln's 1862 message to Congress. "We must disenthral ourselves," Lincoln wrote, "and then we shall save our country."

THE TWO FULBRIGHTS

Fulbright's life, like most people's, was mottled. He acquiesced to awfulness yet led in areas that required political and moral courage. His failings were his country's, and especially his region's. His achievements were his alone. He was brave and weak, persuasive and exasperating, prescient and shortsighted, a futurist in thrall to the past. If the United States had followed the domestic path he supported in the 1950s and 1960s, it would have committed a massive act of injustice and self-betrayal. If it had followed the foreign policies he advocated in the 1960s and 1970s, the era would likely have claimed fewer lives.

In 1982, Fulbright's alma mater (and my own), the University of Arkansas, held a ceremony renaming its College of Arts and Sciences after him, with an oration by the economist John Kenneth Galbraith.

The former senator himself beamed from the dais. Nearly four decades later, in August 2020, the university established a special committee to make recommendations about the future of the college's name and a prominent statue of Fulbright on campus. By that time, Woodrow Wilson's name had been dropped from Princeton's School of Public and International Affairs. Monuments to old secessionists and segregationists had fallen across the country. Congress would soon pass legislation stripping the surnames of Confederate generals from U.S. military bases. This past April, the committee recommended that the Fulbright name and statue be removed.

The reexamination of Fulbright is part of the broader transformation in how Americans talk about themselves in the past tense. Monuments, like nations, are situated in history. As societies change, so do the things they erect to instruct children in the preferred way of recounting it. The meaning of tributes to the dead is no more than what the living do with them. As any visitor to Washington, D.C., can confirm, the Victims of Communism Memorial—unveiled by President George W. Bush in 2007 and now a gathering place for clients from a nearby homeless shelter—has ironically become a monument to the victims of capitalism. The usefulness of statues resides in whether they enable human achievement or inhibit it in the here and now. If the latter is the case, it is best to let them go. Ghosts do not care either way.

There may come a time when societies no longer feel that buildings need human names or that people of note warrant bronzing. Until then, there are plenty of ways to remember the people whose world-views exceeded their biographies. One of them is the transformative experience of being a Fulbrighter. Since 1946, over 400,000 people (myself included) from more than 160 countries have benefited from an array of Fulbright programs; at present, around 3,000 American students, teachers, and scholars do so annually. Among the awardees are 39 heads of state or government, 60 Nobelists, and 88 Pulitzer Prize winners. The Fulbright title remains a marker of brainy, worldly achievement. "Aren't you the woman who was recently given a Fulbright?" the musician Paul Simon asked on his multi-Platinum album

Fulbright acquiesced to awfulness yet led in areas that required political and moral courage. His failings were his country's.

Graceland. It would be hard to imagine a more profitable investment in building a world both more peaceful and more inclined to think of the United States as, on balance, a force for good.

This legacy is a remarkable monument not to a man but to an idea, one lived out imperfectly in a single life and betrayed repeatedly by the country that professed it. Fulbright's own biography is evidence that the best of what the United States produced in the last century was inseparable from the worst—a complicated, grownup fact that ought to inform how Americans approach everything from education in international affairs to foreign-policy making. And to generations of people in Africa, Asia, Europe, and the Americas, Fulbright's most enduring contribution is something that the United States now has an opportunity to bring back home: the astonishing, liberating idea that governments have a duty to help people lose their fear of difference. 🌍

A Better Boom

How to Capture the Pandemic's Productivity Potential

James Manyika and Michael Spence

In the early days of the coronavirus pandemic, much of the global economy came to a grinding halt. In the United States, industrial production and retail sales plunged to historic lows. In the eurozone, employment contracted at the fastest rate ever recorded. And around the world, many economies went into a sudden and deep recession.

The pandemic did more than temporarily paralyze the global economy, however. It spurred businesses in practically every sector to radically rethink their operations, often accelerating plans for technological and organizational innovation that were already in the works. Overwhelmingly, firms adopted new digital technologies that enabled them to continue doing business even under severe coronavirus restrictions. The result was a profound economic transformation, one that has hastened the potential for productivity gains even in sectors that have historically been slow to change. In health care, for example, telemedicine had long promised new efficiencies and added value, but it was not until the COVID-19 crisis that it took off. In retail, with the exception of e-commerce players, firms had been slow to adopt digital sales strategies, doing so mostly as a way to complement Main Street retailing. That changed rapidly with the pandemic.

Surprising as it may seem, out of the deepest economic crisis since World War II could come a new era of productivity gains and prosperity. Whether that happens will depend largely on the decisions that governments and businesses make as they prepare to exit the pandemic in the coming months. In the short and medium term, the prospects for increased productivity—and prosperity—are encourag-

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ing, as the United States and other countries spend heavily on economic recovery and businesses reap the benefits of digitization. But the outlook is less optimistic over the long term, since governments cannot spend indefinitely and consumer and investment spending may not fill the gap.

Governments and businesses must therefore seek to create the conditions for sustained productivity growth and prosperity, in particular by facilitating the diffusion of technological and organizational innovations and bolstering consumer demand. Out of a major global crisis could come a major jolt of productivity growth—but only if policymakers and business leaders make the most of this moment.

THE PRODUCTIVITY PARADOX

The history of productivity growth can be understood as a succession of technological revolutions, from the steam engine to the computer. Each offered the promise of accelerated productivity and economic growth, and each eventually delivered. But there has often been a delay between innovation and adoption, and another between adoption and economic impact. The economist Robert Solow summed up these apparent discrepancies in a 1987 article in *The New York Times Book Review*, writing, “You can see the computer age everywhere but in the productivity statistics.” His formulation became known as “the Solow paradox.”

But then came the revolution in information and communication technologies between 1995 and 2005, a decade in which the Solow paradox was temporarily resolved. Widespread adoption of these technologies was accompanied by a simultaneous acceleration in productivity, which grew at an annualized rate of 2.5 percent in the United States, a full percentage point faster than the rate between 1970 and 1995. Companies invested heavily in information and communication technologies and reorganized their operations and managerial practices around them. They did so out of the desire to gain a competitive edge, but also because of relatively robust consumer demand for their products.

Productivity growth accelerated in several sectors as a result, driving growth in the U.S. economy as a whole. This period was characterized by an unusual combination of large spurts in productivity growth in a few big sectors employing many workers, such as retail and wholesale, and even larger productivity growth in smaller sectors, such as those that produced computers and electronic products. In both big



No man's land: at a manufacturing plant in Tanjung Malim, Malaysia, December 2019

and small sectors, there was a virtuous cycle of employment growth to meet demand and even faster growth in the value of the output from these sectors. The value of outputs across all sectors of the economy grew by 3.4 percent per year between 1995 and 2005, whereas the total number of hours worked grew by only 0.9 percent per year.

But the boom did not last. Between 2005 and 2019, annual productivity growth in the United States fell by more than half, to 1.0 percent. In the aftermath of the 2008 global financial crisis, from 2010 to 2019, it was even lower, at 0.6 percent. Unlike the United States, European countries had not experienced rapid productivity gains in the 1995–2005 period, but they did experience the postcrisis decline. Between 2010 and 2019, annual productivity growth fell below one percent in France, Germany, and the United Kingdom.

The Solow paradox was back. After a decade of rapid productivity gains, the information technology revolution had reached a point of diminishing returns. But the next wave of technology—the digitization of processes, big data and analytics, cloud computing, the Internet of Things—was not yet ready to fill the gap. Despite early breakthroughs in image recognition and natural language processing,

Out of the deepest economic crisis since World War II could come a new era of productivity gains and prosperity.

few firms had begun to make use of artificial intelligence technologies, and digitization was proceeding slowly. We estimated, based on a sector-by-sector assessment, that in 2015, the United States had reached only 18 percent of its digital potential and Europe had reached only 12 percent. Moreover, a gap had opened up between the firms that were digital lead-

ers and those that were digital laggards—a gap that other researchers found was correlated with a gap in labor productivity.

This gap in technology adoption was widening at a time of weak consumer demand for goods and services, in large part due to the aftereffects of the financial crisis. Firms scaled back their investments, and fewer new businesses were created. Making matters worse, the share of income that flowed to top earners and the owners of capital increased, while the share that went to labor decreased, further weakening demand.

Across the United States and Europe, the vast majority of sectors experienced declines in productivity growth. Only four percent of all sectors recorded productivity jumps in 2014, compared with an average of 18 percent of sectors that achieved substantial increases in productivity in the previous two decades. Growth in gross value added—a measure of a firm’s or a sector’s contribution to GDP—declined from 3.4 percent annually between 1995 and 2005 to 1.8 percent between 2005 and 2019. Growth in hours worked remained roughly unchanged, at 0.7 percent, throughout both periods.

These two very different periods of economic activity in the United States reveal much about the underpinnings of productivity growth. It stems first and foremost from the widespread adoption of technological innovations, especially general-purpose technologies such as electricity and the Internet. But it also stems from the managerial innovation and reorganization of functions and tasks that occur when firms adopt new

technologies. Both of these processes must spur leaps in productivity growth in many sectors, or at least in a few large ones, so that productivity jumps in the economy as a whole. Finally, adoption and reorganization within and across sectors must be driven by competition, which incentivizes firms to innovate and helps spur technological diffusion.

Not all productivity growth is created equal, however. Productivity growth can be achieved through gains in the volume or value of outputs for a given number of hours worked, or it can come about as a result of a reduction in hours worked for a given output. Often both happen at the same time. But it is when the former exceeds the latter that a virtuous cycle is created in which innovation and investment generate growth in employment and wages, which in turn generates demand for increased (or more valuable) output. This is what happened during the period from 1995 to 2005. When the latter source of productivity growth exceeds the former, however, a vicious cycle results in which firms reduce labor costs faster than they grow the volume or value of their outputs, which in turn puts pressure on employment and incomes.

POST-PANDEMIC POTENTIAL

The pandemic has primed advanced economies for another period of rapid productivity growth. It is too early to say for sure whether such growth will be the product of a virtuous or a vicious cycle, but signs point to the former. Despite uncertainty, stress, and plummeting economic activity in the early days of the COVID-19 crisis, many firms boldly deployed and used new general-purpose technology—especially digital technology—in ways that have driven virtuous productivity gains in the past. In October 2020, we surveyed 900 C-suite executives in various sectors and countries and found that many had digitized their business activities 20 to 25 times as fast as they had previously thought possible. Often, this meant shifting their businesses to online channels, since roughly 60 percent of the firms we surveyed experienced a significant increase in customer demand for online goods and services as a result of the pandemic.

Before the pandemic, e-commerce was forecast to account for less than a quarter of all U.S. retail sales by 2024. But during the first two months of the COVID-19 crisis, e-commerce's share of retail sales more than doubled, from 16 percent to 33 percent. And that growth did not just reflect brick-and-mortar firms setting up shop online for the first time. Firms that were already highly digitized before the pandemic

significantly expanded their online capabilities to meet the surge in demand. They also reorganized their operations, including their logistics, to complement what they were doing digitally—for example, by expanding their direct-to-home delivery capabilities.

Businesses also strove to become more efficient and agile. In Europe and North America, nearly half of the respondents to our survey said that they had reduced their operating expenditure as a share of revenue between December 2019 and December 2020. Two-thirds of senior executives said they had increased investment in automation and artificial intelligence, whether to help warehouse and logistics operations cope with higher e-commerce volumes or to enable manufacturing plants to meet surging demand. Many companies used technology to reduce the physical density of their workplaces or to enable contactless service—for instance, by expanding self-checkout in grocery stores and pharmacies and employing online ordering apps for restaurants and hotels. Other businesses, such as meatpacking and poultry plants, accelerated the deployment of robotics to reduce their need for labor. If there was one lesson from the pandemic, it was that digital capability and resilience go hand in hand.

But even as the arrival of vaccines has made it possible to imagine a return to relative normalcy in parts of the developed world, continued digitization and the adoption of other technological innovations promise to deliver still more productivity gains. The largest of these gains—roughly an additional two percentage points per year—could come in the health-care, construction, information technology, retail, pharmaceutical, and banking sectors. In health care, for instance, accelerating the use of telemedicine beyond the pandemic could drive incremental productivity growth for years. According to one recent U.S. poll, 76 percent of patients expressed interest in using telemedicine in the future, and industry experts project that the services for 20 percent of health-care spending could be delivered virtually—up from 11 percent before the pandemic. Other sectors, including automotive, travel, and logistics, show less—but still substantial—potential for productivity growth as a result of more flexible task scheduling, leaner operations, and smarter procurement.

Overall, these innovations and organizational changes could accelerate productivity growth by around one percentage point per year between now and 2024 in the United States and the six large European economies that we analyzed (France, Germany, Italy, Spain,

Sweden, and the United Kingdom). This gain would result in a productivity growth rate twice as high as the rate after the 2008 global financial crisis, and in the United States, it would expand per capita GDP by roughly \$3,500 by 2024. That would be a stunning outcome, but it will hinge on continued technology adoption by firms and the maintenance of robust demand.

Even more productivity gains could be on the horizon thanks to other advancements. The accelerating revolution in biology, for instance, could transform sectors from health care and agriculture to consumer goods, energy, and materials. Biological innovation has already enabled the rapid development of new vaccines for COVID-19. Equally impressive revolutions in energy could make possible the widespread adoption of solar and wind power, especially in light of recent progress toward better (and cheaper) batteries. Artificial intelligence is also advancing rapidly, but is still a long way from being deployed widely across companies and sectors. When and if that happens, the productivity gains could be enormous.

FOLLOW THE DIGITAL LEADER

Future gains in productivity, even those that boost overall growth, are likely to be uneven. We analyzed metrics that have the potential to unleash future productivity growth—such as research-and-development spending, revenue, capital expenditures (including digital expenses), and mergers and acquisitions—and found that especially in the United States, a small number of large superstar firms accounted for a disproportionately large share of the activity in all these categories. From the third quarter of 2019 to the third quarter of 2020, U.S. superstars (defined as the top ten percent of firms by profit) saw much shallower declines in capital expenditures and revenue than did other companies. During the same period, U.S. superstars spent \$2.6 billion more on R & D than they did the previous year, while all other firms spent just \$1.4 billion more.

If this investment, innovation, and technology adoption gap between superstars and the rest of the large firms and smaller, less profitable firms persists, any post-pandemic acceleration in productivity growth could fall short of its potential. Small and medium-sized enterprises have been hit disproportionately hard by the COVID-19 crisis. As a result, many of them are unable to make big investments in future productivity and are therefore liable to fall

even further behind the superstars. This is what happened in the aftermath of the 2008 global financial crisis, when only a minority of companies achieved productivity growth.

But there is room for cautious optimism about the ability of non-superstars to close some of the gap. Before the pandemic, the superstars tended to be highly digitized and innovative in their managerial ap-

After years of sluggish productivity growth, COVID-19 has triggered a frenzy of technological and organizational innovation.

proaches, as well as more profitable and resilient. They were therefore better placed to weather and even take advantage of the shock. But as the hardest-hit firms and sectors recover, and as early digital adopters demonstrate the enormous potential of these technologies, many of the digital laggards could begin to catch up. Indeed, in another survey of executives we conducted in

December 2020, about 75 percent of respondents in North America and Europe said they expected investment in new technologies to accelerate substantially between 2020 and 2024, up from 55 percent between 2014 and 2019. This expected uptick was similar across firm sizes.

Another reason for optimism is that in 2020, a year that saw the darkest economic days of the pandemic, 24 percent more new businesses were created in the United States than in 2019. Europe lagged behind the United States on this metric, with new business creation staying roughly flat in 2020 in France, Germany, and the United Kingdom and declining by more than 15 percent in Italy and Spain. If the American increase in business dynamism persists, however, it should contribute to more productivity growth.

Investment, innovation, and technology adoption are only one-half of the virtuous cycle of productivity growth, however. The other half is demand for the expanded output that results—in other words, income growth from increased productivity has to flow to people who will spend that additional money. In the short term, the outlook for demand is good, especially for countries that have made progress toward vaccinating their populations and could be among the first to open up their economies. Pent-up demand and savings from the pandemic could be unleashed all at once, resulting in a strong initial bounce in demand led by consumers. In the United States, President Joe Biden's \$1.9 trillion economic support bill should push demand even higher.

In the medium term, the outlook for demand is also relatively solid, although it will depend on the size, deployment, and longevity of government spending. In the United States, Biden now has set his sights on a large infrastructure package. As his administration shifts its focus from economic relief to investment in productive areas, it could also increase productivity growth by raising demand to match potential supply, creating a high-pressure economy, that is, one with low unemployment and high growth. The outlook in continental Europe, where large-scale government economic support is harder to coordinate, is less certain. Nonetheless, the EU has put in place an unprecedented plan totaling some \$900 billion to boost investment in the digital and green energy transitions.

But government spending on this scale will likely be time-limited, making the long-term outlook for demand less rosy. Moreover, long-neglected problems, including the falling share of firms' income going to workers, rising inequality, and the long-term decline in private investment, could drag down demand. Roughly 60 percent of the post-pandemic productivity gains that we estimate could come from innovations and organizational restructuring—the one percentage point of acceleration per year between now and 2024—would stem from firm-level measures, such as automation, designed to cut labor and other business costs. Unless firms do more to boost the volume or value of their output and help workers transition by acquiring new skills, the drive for efficiency will risk generating productivity gains through a vicious, rather than a virtuous, cycle, undermining wages and jobs and weakening consumption-driven demand and investment.

A NEW AGE OF DYNAMISM?

What can businesses and governments do to capitalize on the positive short- and medium-term outlook for productivity and to improve the long-term outlook? First, they should work to speed up technology adoption and managerial innovation, helping these changes spread within and across sectors. As the recovery begins, firms that have until recently been focused on crisis management and survival should follow the lead of superstar firms by investing in technology and reorganization. The superstars can assist in this process by supporting their broader ecosystems, in particular by doing business with smaller firms that offer complementary products and services. Governments can support the process, as well, by investing in research and development.

Policymakers should also seek to strengthen competition and business dynamism. In a healthy economy, the firms that add the most value prosper and grow, while the firms that add the least value shrink or disappear: so-called creative destruction. Policymakers can revive and reinforce this natural sorting process by revising competition rules, bankruptcy procedures, and product and labor-market regulations.

Governments and businesses should also aim to bolster demand and encourage business investment, the other half of the virtuous productivity cycle. As government spending tapers off, businesses should play their part by creating broad-based revenue growth while also finding efficiencies. Additionally, they should spend more on upgrading the skills of their employees, helping them make the most of technological and organizational innovations while also reducing inequality and unemployment. Governments can incentivize such investments in human capital through tax credits that encourage retraining and by shifting the tax burden away from labor income and toward capital income.

But productivity growth isn't everything, especially as it is measured and projected today. It does not capture important dimensions of individual and social well-being that may be significantly augmented in the post-pandemic environment. For instance, the spread of digital technologies could foster more inclusive patterns of growth, and telemedicine could deliver timely primary health-care services to millions in the developing world. Nor do measures of productivity growth account for some of the negative externalities associated with modern innovations, which will compound over time and profoundly affect people's quality of life.

What is perhaps most notable is that productivity as it is currently measured does not account for climate change. To mitigate that risk around the world, significant investment in technologies that make energy greener and more efficient is needed. Some of this investment will increase productivity growth. Electric vehicles, for instance, are not just good for the environment; they also require less labor to produce and so raise productivity. To the extent that energy-efficient investments divert resources and talent away from other, even more potentially productive areas of the economy, they could dampen short-term productivity growth. Over the long term, however, their effect will be positive, since they will prevent a dramatic decline in future productivity, among other catastrophic outcomes. Many of these gains may never be captured by the standard productivity measures, since the gains will

represent a downturn that never occurred. But some of the productivity gains could eventually be captured, especially those related to infrastructure designed to help the economy adapt to climate change.

As they prepare to exit the pandemic, governments and businesses alike will have to balance these short- and long-term goals. Yet even now, as COVID-19 continues to exact a human and economic toll, a potential upside appears to be emerging. After years of sluggish productivity and economic growth following the 2008 global financial crisis, COVID-19 has triggered a frenzy of technological and organizational innovation. Whether this frenzy leads to a new age of dynamism will depend on what governments and businesses do to sustain a virtuous cycle of ever-greater productivity. 🌐

A Measure Short of War

The Return of Great-Power Subversion

Jill Kastner and William C. Wohlforth

In the run-up to the 2016 U.S. presidential election, a foreign power managed to exert what seemed like unprecedented influence over the sacred rites of American democracy. On social media, a legion of paid Russian trolls sowed discord, spreading pernicious falsehoods about the Democratic nominee, Hillary Clinton, and seeking to boost turnout for the Republican candidate, Donald Trump. Powerful Russians close to the Kremlin sought out contact with Trump and his courtiers, dangling the promise of damaging information about Clinton. State-sponsored hackers stole and leaked her campaign aides' private emails. They went on to target election systems in all 50 states and even managed to infiltrate voter databases.

The meddling set alarm bells ringing. "We have been attacked; we are at war," the actor Morgan Freeman solemnly announced in a video in 2017 released by a group calling itself the Committee to Investigate Russia, which was backed by old U.S. intelligence hands such as James Clapper, the former director of national intelligence, and Michael Morell, the former acting director of the CIA. A *New York Times* headline announced that "Russian cyberpower" had "invaded" the United States. Foreign policy experts predicted a coming wave of digital subversion, led by authoritarian states targeting their democratic rivals. "This digital ecosystem creates opportunities for manipulation that have exceeded the ability of democratic nations to respond, and sometimes even to grasp the extent of the challenge," Alina Polyakova of the Brookings Institution testified before a congressional committee in 2019. "All democracies are current or potential future targets."

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U.S. policymakers scrambled to react. In its final months, the Obama administration expelled 35 Russian diplomats, seized Russian diplomatic property, and pledged that the United States would retaliate at a time and place of its choosing. In 2018, Congress created an entirely new agency—the Cybersecurity and Infrastructure Security Agency, a division of the Department of Homeland Security—to prevent similar intrusions in the future.

The 2016 election may have been a rude wake-up call, but no one should have been surprised. Russia's operation was just the latest instance of a pattern that stretches back in history as far as the eye can see. Subversion—domestic interference to undermine or manipulate a rival—has always been a part of great-power politics. What stands out as an anomaly is the brief period of extraordinary U.S. dominance, beginning after the collapse of the Soviet Union, when the United States appeared immune to malicious meddling by peer competitors, in large part because there weren't any. Now, that dominance is beginning to wane. Great-power competition has returned—and with it, so has great-power subversion.

DARK ARTS

In international relations, subversion is best understood as the practice of trying to gain an advantage by directly influencing a foreign country's domestic politics against its wishes. By manipulating events inside another country's borders, a subverter hopes to change the policy of an existing regime—or change the regime itself. Subversion combines the aggression of war and the stealth of espionage but fits into neither category neatly. It lacks the overt nature of combat and military threats, the passive nature of espionage and intelligence gathering, and the arm's-length politesse of diplomacy and coercion. It is secret, active, and transgressive.

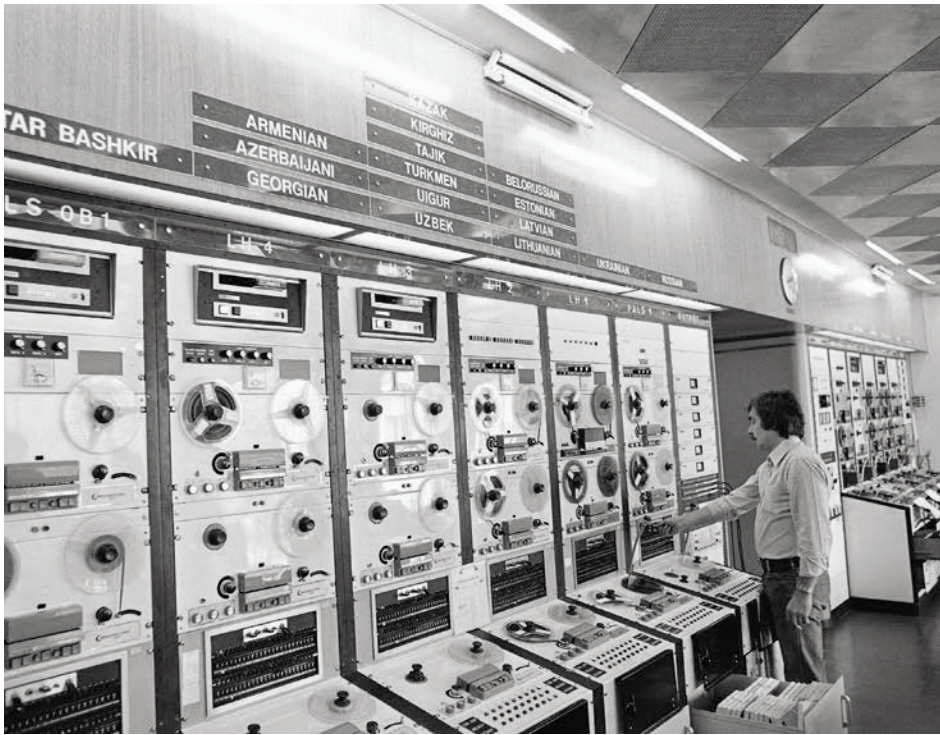
Subversion can be classified into three levels of severity. The first level involves propaganda, a tactic as old as speech itself. In 1570, when Pope Pius V issued his papal bull declaring Queen Elizabeth I a heretic and calling on good English Catholics to remove her from the throne, he was engaging in subversive propaganda. The same was true during the Cold War when Radio Liberty beamed anticommunist broadcasts into the Soviet Union. Level 1 subversion can entail one state's open endorsement of opposition candidates or parties in another country's election, as when Stalin publicly backed the

third-party candidacy of Henry Wallace in his run against U.S. President Harry Truman in 1948.

It can also include undermining an incumbent. In nineteenth-century Europe, German Chancellor Otto von Bismarck disagreed so strongly with British Prime Minister William Gladstone's approach to European affairs that he embarked on a quest to destroy Gladstone's reputation at home—a smear campaign of anti-Gladstone propaganda. As Bismarck's son Herbert put it in an 1884 letter, the plan was to “squash Gladstone against the wall, so that he can yap no more.” The prime minister's prestige, he added, “will vanish even among the masses of the stupid English electorate.”

Ramping things up a notch brings one to Level 2 subversion. This form is always covert, and it includes disinformation, a more muscular version of propaganda. In the 1980s, for example, the KGB, working with the East German Stasi, spread the rumor that HIV had been developed in the United States as part of a biological weapons program; they planted the story in an Indian newspaper in 1983, and it was eventually picked up by mainstream media elsewhere. Within two years, the story had spread across Africa and beyond, and it still has believers today. Forgery is a common tactic of Level 2 subversion. After Pope John Paul II was attacked by a gunman in 1981, KGB operatives released fake documents purporting to come from the U.S. embassy in Rome that implied Washington was behind the assassination attempt. The creation of fake personas, most recently online, is another tactic—and not one that was invented by Russia in 2016. Beginning as early as 2011, the U.S. military undertook such activities in the fight against terrorism, developing software to create fake foreign-language accounts to counter extremism online.

Level 2 subversion can also include covert offers of money or material support to opposition forces or interest groups. With help from abroad, the subverting state hopes, these groups might be able to change foreign policy or sow discord in the target country. Thucydides recounts that in the fifth century BC, Athens dangled the promise of financial aid from Persia to conspirators on the island of Samos in an attempt to overthrow its democracy. The Athenians “urged the most powerful men in Samos itself to work with them to try and establish an oligarchy there, despite the fact that the Samians had just been through an internal uprising to avoid being governed by an oligarchy,” he wrote. More recently, in the United Kingdom in 1929, the Soviets gave a secret subsidy to the Labour Party, which, in a coalition with



The spirit of radio: at Radio Free Europe/Radio Liberty in Munich, August 1977

the Liberal Party, subsequently won enough votes in parliamentary elections to form a government.

During the Cold War, the Soviet Union sought to help U.S. presidential candidates it thought would be friendlier, directly approaching Adlai Stevenson in 1960 with a blanket offer of support and Hubert Humphrey in 1968 with financial help for his cash-strapped campaign. (Both candidates politely refused the offers.) Moscow also worked to undermine candidates deemed hostile. In 1984, the KGB embarked on an across-the-board effort, involving agents of influence, front organizations, and disinformation, to convince the American public that Ronald Reagan's reelection would mean war. Outside the electoral system, the KGB sought to radicalize the U.S. civil rights movement in order to sow domestic instability. It tried to discredit Martin Luther King, Jr., by releasing compromising information about him, and it connived to promote more radical civil rights leaders. Around the same time, of course, the CIA was bolstering dissidents in the Soviet Union, smuggling in banned materials and providing money, public relations services, and publishing outlets to Russian, Ukrainian, and Baltic nationalists, as well as reform-minded Communists.

Level 3 subversion is violent: arming and funding insurgents, sabotaging infrastructure, and assassinating opponents. When Protestants in the Netherlands revolted against Spanish rule in the 1570s, Queen Elizabeth I secretly helped them pay for thousands of Swiss and other troops to come fight for the Protestant cause. During the Troubles in Northern Ireland, the Soviet Union provided money and arms to the Irish Republican Army, bedeviling officials in London, who scrambled to stanch the flow. In the early Cold War, the United States tried to subvert the Soviet Union by funneling logistical and material support to insurgents in the Baltic states and Ukraine. It tried a similar tactic against communist China, supporting rebels in Tibet.

At all three levels, the goals of subversion can vary. Subversive activities may be used to weaken a target by sowing internal discord so that it is distracted from pursuing its interests on some other front. This is what Elizabeth I was doing when she funded mercenaries to aid Dutch Protestant rebels—she hoped Spain would become consumed with the uprising and shelve its plans to restore Catholicism in England by securing her overthrow—and what Russia is attempting today with its support for populist nationalist movements in Western democracies. Alternatively, a country may intend to change another country's foreign policy by secretly supporting one side of a domestic debate. During the Cold War, Moscow provided, through its front organizations, logistical, organizational, and financial support to the peace movement in the West. More recently, it may have interfered in the 2016 Brexit referendum, encouraging the British public to vote to leave the EU.

Sometimes, subversion has a maximalist goal: changing the nature of the regime itself. In 1875, Bismarck engineered a war scare, insinuating that Germany was about to launch a preventive attack against France. His goal was to frighten French voters away from choosing conservative monarchists, whose victory seemed to promise a more formidable great-power competitor across the Rhine. The gambit worked. The French press soon took to calling Bismarck “the Great Elector of France.”

A TEMPTING TOOL

There's a reason states have turned to subversion so often throughout history: it's much less costly and risky than conventional statecraft. Subversion to weaken a rival is a cheap alternative to balancing and

war. Subversion to change a rival's policy is a cheap alternative to coercion, deterrence, or diplomacy. Why raise an army and invade an adversary when you can spread propaganda, pay off politicians, or dispatch Internet trolls to achieve subtler but still tangible gains? Why entangle yourself in risky alliances or bankrupt yourself building up the means to contain a rival if you can simply join forces with a faction on the inside, eager for your help and intent on directing that rival's power elsewhere? Even when subversion achieves less than traditional statecraft would, it can still be attractive. After all, in the competitive environment of great-power rivalry, each state faces incentives to weaken the other. And since great powers dominate international politics, even a small effect on a big target might be worth the effort.

Subversion also promises flexibility: a state can put pressure on an adversary to change its behavior without having to lob artillery over the border or offer costly inducements or concessions. If things get hot, subversion can be dialed down or denied, giving the subverter much more room for maneuver in a changing environment. It would be a foolish general who would start a war just to see how far he could get, but a subverter can do just that. Subversion can act as a safety valve, venting some of the fears and frustrations that drive states to attack one another. It is a seductive measure short of war; if the costs of conflict are prohibitively high, subversion promises an alternative method of advancing one's position.

Subversion, in other words, is the hyena of international relations. It skulks around the edges of the legitimate world, waiting to take advantage of confusion or weakness but lacking the courage to attack in the open. And just as the hyena fills a key position in nature's food chain, subversion has an important role to play in international statecraft. In many cases, it lets states avoid the dichotomous choice between war and peace, allowing them to play out their rivalries in unsettling but perhaps less dangerous ways.

Subversion allows victims to act with restraint, too. Great powers at the receiving end of it may hold back precisely because they find this form of statecraft useful themselves and are reluctant to take measures that might permanently remove it from the toolkit. From

Why raise an army and invade an adversary when you can spread propaganda and pay off politicians?

today's vantage point, the Reagan administration's reaction to the KGB's ramped-up political warfare in the 1980s seems mild: merely the creation of an interagency group meant to publicize Soviet disinformation campaigns. One reason for the restraint may have been that the United States was busy subverting the Soviet Union at the same time. A declassified paper from 1987 outlines a CIA program "designed to exploit the current Soviet policy of 'glasnost' and the revolution in electronic communications, two phenomena which offer an unprecedented opportunity for our covert action program to impact on Soviet audiences." Another declassified document, this one recounting a 1987 White House meeting, reveals that the U.S. government printed pamphlets falsely labeled as coming from a Communist youth organization. "Six thousand copies were infiltrated into the Soviet Union," the document reads, "claiming to support Gorbachev's reform program, but demanding democratic reforms well beyond what the regime will tolerate." No wonder the Reagan administration showed little interest in punishing Moscow for similar behavior.

Those are the benefits of subversion, but it has its share of costs, too. The most obvious one is retaliation, and the bigger the target, the bigger the retaliation. Escalation, both accidental and intentional, is a real danger, particularly with Level 3 subversion, when a target's red-line might be crossed or actors on the ground might exceed their brief.

Much less obvious, but possibly much more important, is the potential destruction of trust that comes with subversion. Trust is crucial in international relations. Even between bitter foes, a modicum of trust allows for cooperation and de-escalation. Subversion risks shattering it, and it can do so much more easily than traditional moves such as military buildups or the forging of new alliances, which promise harm only if the target makes a future move in the wrong direction.

Subversion is also a poor choice for signaling one's intentions. It is usually far safer and easier to try to alter another state's behavior by building up one's own power or wielding traditional carrots and sticks. Through such traditional statecraft, a state can signal that it is not unalterably hostile to a rival but rather only preparing to impose costs should the rival undertake some further action. Subversion, however, makes such a message much harder to send. Once the subversion has been done, there is no way for the subverter to claim that it is not inherently hostile and no way for the target to alter its behavior to avoid punishment. The fact that subversion is usually denied by the

perpetrator complicates matters further. It's hard for a government to pretend it isn't doing something while also offering to stop doing it.

Another cost is less tangible and more debatable. Governments that resort to subversion may face opprobrium for breaking one of the most cherished norms of international relations: sovereignty. This norm, often dated to the Peace of Westphalia, in 1648, holds that states have the ultimate authority within their territory and thus that other states must not interfere in it. For many scholars, it is axiomatic that the consequences of violating this norm act as a brake on subversion. But as realists point out, what really matters is the capacity of states to enforce their sovereignty, not the norm itself. After all, states resented their rivals' hostile activities on their territory long before rules against such behavior were established at Westphalia. And there has been plenty of subversion since, even by states that claim to revere the norm of sovereignty. Norms are a malleable constraint.

CHOOSING SUBVERSION

At some point, of course, the costs of subversion outweigh the benefits, and a state decides to hold back. The trick for potential subverters is to correctly calculate the costs, especially the potential for retaliation. After all, one state's minor irritation could be another state's redline.

When a great power is facing off against a weaker one, the cost-benefit calculation routinely skews in favor of the great power, so the stronger state can be expected to use subversion if the disagreement is deep enough. There are plenty of examples of subversion flourishing when such a power imbalance exists, from the Soviet Union in Afghanistan to the United States in Iran and Chile. The political scientists Alexander Downes and Lindsey O'Rourke have counted over 100 instances since 1816 in which one country tried to impose regime change on another. Not surprisingly, none occurred between great-power peers in peacetime. After all, regime change is serious business. If a great power initiates actions to try to bring about regime change in a peer country, the two states are almost by definition already at war—or will be soon.

In wartime, however, the calculus changes, because most of the costs are inoperative. Retaliation and escalation are less relevant concerns when a war has already started; fears that a reputation for subversion might impede cooperation fall by the wayside. And so great powers tend to go at one another with gusto in the heat of battle. France and the United Kingdom undertook frenetic efforts to subvert

each other during the Napoleonic Wars, when they empowered sympathetic political forces in each other's territory. During World War I, Germany had an extensive program of subversion against tsarist Russia, which culminated in the train trip it arranged to bring Vladimir Lenin to Petrograd's Finland Station, sparking the revolution that took Russia out of the war. In World War II, Germany cultivated fifth columns—foreign citizens whose loyalties lay with their government's enemies—to undermine France and the Soviet Union.

But among great-power rivals not at war, subversion is normally kept to a simmer—useful and ubiquitous, but not a game-changer. Throughout the nineteenth century, the Austrian, German, and Russian empires worried that France or the United Kingdom might threaten their territorial integrity by supporting Polish independence. But their fears never materialized, because leaders in Paris and London knew that the empires would likely go to war to prevent the creation of an independent Poland. Over the same period, the United Kingdom worried that Russia would weaken the British position in India, with the goal of adding it to its growing empire, but Russia declined to do so. In all these cases, states had daggers at the hearts of their great-power rivals, but they decided not to use them. In a time of peace, the costs were simply too large: the destruction of trust and the very real possibility of retaliation and escalation. Great powers are hard targets.

This is the pattern, but there are variations. A great power will often take a shot if its rival is weakened. In 464 BC, when a devastating earthquake in Sparta led to a revolt, Sparta asked other Greek cities for help subduing the rebellion but rejected a contingent of 4,000 Athenians for fear that they would switch sides and aid the rebels. (Thucydides noted that the Athenians' "enterprising and revolutionary character" posed a particular threat.) In 1875, France was reeling from defeat and occupation in the aftermath of the Franco-Prussian War when Bismarck decided to manipulate its domestic politics. Communist China was still recovering from revolution and war in the 1950s when the CIA armed and advised a Nationalist army in Burma that staged repeated incursions into China's Yunnan Province.

Another source of variation is the degree to which a target is able to be subverted—namely, the prevalence of sympathetic agents that enjoy legitimacy and political sway in the target country. During the Cold War, a worldwide network of communist parties stoked hope in Moscow and fear in Western capitals. The French Communist Party,

for example, enjoyed widespread popularity and made the support of Soviet interests a key part of its identity. The party stood ready to act on Stalin's orders, as it did when it organized mass strikes in opposition to the Marshall Plan. France, its power diminished by World War II, could not credibly deter Moscow from influencing the party, so it was left playing defense against this domestic threat, which often meant violently repressing French Communists. But soon, the subversion subsided. Under Charles de Gaulle, the French government presented itself to the Kremlin as a far more valuable diplomatic prize than anything the French Communists could offer, relegating the party to a sideshow for the rest of the Cold War.

Subversion is the hyena of international relations.

Subversion also rises and falls with the state of relations between two great powers. The more intense a rivalry is, the less a would-be subverter worries about destroying its reputation for trustworthiness; the prospect of cooperation is already low. This was precisely the way the American diplomat George Kennan viewed the rivalry between the United States and the Soviet Union at the beginning of the Cold War. Kennan saw subversion as having few downsides—it was certainly cheaper and less risky than preventive war or permanent European alliances—which is why he argued for making subversion a centerpiece of U.S. strategy. And so in a top-secret memo to the president in 1948, he advised Washington to “encourage the development among the Russian peoples of attitudes which may help to modify current Soviet behavior and permit a revival of the national life of groups evidencing the ability and determination to achieve and maintain national independence”—in other words, fan the flames of nationalism, and thus secessionism, in the Soviet Union in an effort to cause Moscow to stand down in the Cold War.

Ultimately, however, the Soviet Union under Stalin proved too hard a target, and one whose threat to escalate in response was too credible. Kennan had overestimated the popularity of Stalin's opponents and underestimated the dictator's ability to crush them. In time, American diplomats came to believe that Level 3 subversion would make it impossible to carry on necessary diplomacy with Moscow, and so Washington focused on Level 1 and 2 subversion for the rest of the Cold War. (Never again, for example, did it attempt to

infiltrate armed insurgents into Soviet territory. A dalliance with Pakistan during the 1980s to dispatch CIA-backed Afghan mujahideen into Soviet Tajikistan was cut short for precisely these reasons.) China, by contrast, was a much more enticing target. It was far weaker than the Soviet Union, and there was less diplomatic interaction to worry about preserving. Accordingly, the CIA aided Tibetan insurgents from the late 1950s through the 1960s. The operation was shelved only when President Richard Nixon made his diplomatic overture to Beijing in 1972.

Variation in great powers' use of subversion also depends on their comparative advantage: states choose subversion to the degree that it seems attractive in relation to the other tools at their disposal. If influence can be gained overtly and cheaply, subversion loses some of its luster. In the early Cold War, the United States felt it had very few options to influence the Soviet Union, so subversion loomed large in the minds of U.S. statesmen of that day. Later, as the diplomatic and trade agenda expanded, Washington had more tools to exert pressure on Moscow. And in the unipolar era, with democracy on the march, the United States saw even less need for subversion. Far better, policymakers thought, to fund nongovernmental organizations to spread democracy than put that task on the CIA. As Allen Weinstein, co-founder of the National Endowment for Democracy, admitted in 1991, "A lot of what we do today was done covertly 25 years ago by the CIA."

Finally, the emergence of new technologies can temporarily upset the cost-benefit calculation by offering a novel opportunity to give subversion a try. Johannes Gutenberg's perfection of his printing press in the middle of the fifteenth century set off a revolution in the mass distribution of information and ideas, including an event that was profoundly subversive to the Catholic authorities and unleashed the Protestant Reformation: Martin Luther nailing his "95 Theses" to the door of a church in Wittenberg in 1517. A few decades later, the invention of increasingly powerful gunpowder and the wheel-lock pistol allowed an assassin with a handgun unique and deadly access to his target. William I of the Netherlands met this fate in 1584, prompting Queen Elizabeth I to ban mechanical firearms within 500 yards of a royal palace.

But with time, newly soft targets were hardened. The printed pamphlet begot censorship and counterpropaganda; the pistol, armor and bodyguards. This cycle has repeated itself throughout history. There was

a time when U.S. officials thought that radio broadcasts would be a potent tool to undermine the Soviet Union. Then it was Xerox machines, followed by personal computers. But each time, Moscow was able to respond, jamming radio broadcasts and controlling access to copying machines and other technology. The pendulum always swings back.

EVERYTHING OLD IS NEW AGAIN

Viewed in the context of this long history, the events of 2016 don't seem so abnormal. The United States, lulled into a sense of security by its post-Cold War dominance, let down its guard and ignored warnings to boost critical infrastructure ahead of the election. A new technology—the Internet—created a temporary imbalance by offering a novel, cheap, and powerful weapon of subversion for a fellow great power to try out. In the aftermath, the target state now finds itself scrambling to strengthen its defenses and devise new ways to retaliate and raise the costs of subversion. History suggests that it would take a severe weakening of one of the great powers of today to make it truly vulnerable to subversion. Barring war, revolution, or state breakdown, none of the great powers—not the United States or China or Russia—is likely to reach the low that, say, France did after its war with Prussia, when Bismarck was able to meddle so effectively. Great powers must become extraordinarily weak for subversion against them to become a game-changer.

Still, lesser degrees of influence and meddling will be more prevalent in the future than in the past quarter century, purely because the world has returned to normality after an anomalous period of extraordinary U.S. dominance. Subversion, in other words, has reclaimed its rightful place among the various tools of statecraft. But it is also being aided by other recent trends. One is the increasingly ideological color that current rivalries are taking on, with the issues at stake not merely the national interests of the opposing powers but also their very systems of government. As in the religious wars of the sixteenth century or the Cold War of the twentieth, when rivals view one another as illegitimate, they will more readily embrace subversion. Another trend is the rise of centrifugal forces in the United States. New areas of dissensus around political and economic equality will multiply the number of aggrieved groups and open up new areas of vulnerability. With the American public unreconciled and the wounds of the Trump era still raw, the country's foes will have new opportunities for subversion.

But again, 'twas ever thus. States will always suffer from internal vulnerabilities that can be exploited by outside actors. Russian President Vladimir Putin is happy to benefit from the fact that in France, Marine Le Pen's National Rally, although a deeply rooted indigenous

Viewed in the context of this long history, Russia's election meddling doesn't seem so abnormal.

movement, happens to share Russia's interest in weakening the European project. In the 1980s, the Soviets saw an opportunity in bolstering authentic Western peace activists who opposed new missile deployments in Europe and advocated a nuclear freeze. Similarly, U.S. officials did not hesitate to take advantage of a confluence of interests with

uncompromising liberal reformers in Mikhail Gorbachev's Soviet Union. The convergence mindset of the post-Cold War era—the idea that history is on the side of democracy and American power—must give way to a frank appreciation of the reality of competition.

The history of subversion should also offer reason to relax about new technologies. Someday, no doubt, a subverter will wield a new technology that yet again sets alarm bells ringing. From the printing press to radio, from the mimeograph machine to the Internet, technological change has invariably opened up new avenues for manipulation and subversion—and set off renewed handwringing and teeth gnashing. In recent years, deepfakes—fake video clips that look real—have raised the prospect of frighteningly convincing disinformation. But states will find a way to push back, perhaps harnessing the very artificial intelligence used to create deepfakes as a tool for their destruction.

Those worried about subversion should also remember that politics and statecraft can still keep it under control. Subversion is the continuation of great-power rivalry by other means, and the nature of the emerging rivalries between the United States and both China and Russia shows a reassuring need for a great deal of cooperation. On climate change, arms control, and nuclear proliferation, the great powers will be forced to work together. Much of what China and Russia want to achieve on the world stage will require bargaining with the United States and its allies. And both Beijing and Moscow surely realize that if they rely on subversion to the point where their trustworthiness is destroyed, the possibility of dealmaking will disappear. The old rules of cost-benefit calculation will still apply, preventing subversion from running rampant.

Moreover, as authoritarian states, China and Russia have unique vulnerabilities in the subversion game. The openness of democratic societies does make them softer targets, but repressive regimes are more brittle. Witness Beijing's and Moscow's desperate attempts to curtail Internet freedoms. Or consider their extreme sensitivity to Western governments' efforts to support human rights, promote democracy, and combat corruption around the world. While most democracies would consider those endeavors relatively mild stuff, from the perspective of Beijing or Moscow, they look deeply subversive and threatening. This is to be expected, because authoritarian regimes almost always have a legitimacy problem. They know that grassroots opposition to their system of government is more prevalent than grassroots opposition to democracy.

History can only interpret the past and help explain the present; it cannot predict what comes next. But to the extent that it is possible to divine the future of subversion, one thing above all seems clear: it will always be with us. Some level of meddling will forever accompany rivalry, because states, whether they admit it or not, find it useful. As with espionage, governments will remain reluctant to disarm themselves of a valuable tool of statecraft, no matter how much lip service they pay to norms and niceties. The world has not entered a new age of subversion. It never left the old one. 🌐

Myanmar's Coming Revolution

What Will Emerge From Collapse?

Thant Myint-U

Myanmar is at a point of no return. The army's February coup, meant to surgically shift power within the existing constitutional framework, has instead unleashed a revolutionary energy that will be nearly impossible to contain.

Over the past four months, protests and strikes have continued despite the killing of more than 800 people and the arrest of nearly 5,000 more. On April 1, elected members of parliament from Aung San Suu Kyi's National League for Democracy (NLD), together with leaders from other political parties and organizations, declared a "national unity government" to challenge the authority of the recently established military junta. And through April and May, as fighting flared between the junta and ethnic minority armies, a new generation of pro-democracy fighters attacked military positions and administrative offices across the country.

The junta could partially consolidate its rule over the coming year, but that would not lead to stability. Myanmar's pressing economic and social challenges are too complex, and the depth of animosity toward the military too great, for an isolated and anachronistic institution to manage. At the same time, the revolutionaries will not be able to deal a knockout blow anytime soon.

As the stalemate continues, the economy will crumble, extreme poverty will skyrocket, the health-care system will collapse, and armed violence will intensify, sending waves of refugees into neighboring China, India, and Thailand. Myanmar will become a failed state, and new forces will appear to take advantage of that failure: to grow the coun-

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try's multibillion-dollar-a-year methamphetamine business, to cut down the forests that are home to some of the world's most precious zones of biodiversity, and to expand wildlife-trafficking networks, including the very ones possibly responsible for the start of the COVID-19 pandemic in neighboring China. The pandemic itself will fester unabated.

The task now is to shorten this period of state failure, protect the poorest and most vulnerable, and begin building a new state and a freer, fairer, and more prosperous society. A future peaceful Myanmar can only be based on both an entirely different conception of its national identity, free of the ethnonationalist narratives of the past, and a transformed political economy. The weight of history makes this the only acceptable outcome but also a herculean task to achieve. The alternative, however, is not dictatorship, which can no longer achieve stability, but rather ever-deepening state failure and the prospect of a violent, anarchic Myanmar at the heart of Asia for decades to come.

A COLONIAL INHERITANCE

Myanmar is a colonial creation. Over the course of the nineteenth and early twentieth centuries, the United Kingdom conquered the coastline from Bengal to the Malay Peninsula, the valley of the Irrawaddy River (home for a millennium to Burmese-speaking Buddhist kingdoms), and then the surrounding uplands (regions that had never before come under external control). Myanmar—then called Burma—was forged through a military occupation and governed as a racial hierarchy. Imperial census administrators complained that the many and varied identities of its inhabitants were too fluid and contingent and that the country was “a zone of racial instability.” They nonetheless divided everyone into neat racial categories, with some races deemed “indigenous” and others “alien.” The British also established an incredibly unequal and exploitative colonial political economy, based on the large-scale immigration of Indian labor and the export of primary commodities—mainly rice, oil, and timber—to global markets.

Modern Burmese politics emerged a century ago, and at its core was an ethnonationalism rooted in the notion of a Burmese-speaking Buddhist racial identity. In 1937, ten years before Pakistan was partitioned from India along religious lines, the British partitioned Burma from India on the basis of perceived racial difference. After winning independence in 1948, the new Burmese state tried to incorporate those non-Burmese peoples of the country also deemed indigenous,

such as the Karens and the Shans, but within a framework of Burmese racial and cultural supremacy. Those peoples categorized as “aliens,” such as the more than 700,000 people from the Rohingya Muslim community viciously expelled to Bangladesh in 2016 and 2017, have fared worse. Myanmar’s nation-building project has failed for decades, leaving behind a landscape of endemic armed conflict and a country that has never truly been whole.

The Burmese army has been the self-appointed guardian of this ethnonationalism. It is the only army in the world that has been fighting nonstop since World War II: against the British and then the Japanese, and, after independence, against an extraordinary array of opponents, including Washington-backed Chinese nationalist armies in the 1950s, Beijing-backed communist forces in the 1960s, drug lords, and ethnic armed forces struggling for self-determination, all the while taking as well as inflicting enormous casualties. Since the 1970s, most of the fighting has been confined to the uplands, where the army became an occupation force imposing central rule on ethnic minority populations. But every now and then, the army would descend into the cities of the Irrawaddy River valley to crush dissent. The ranks of the armed forces have grown to over 300,000 personnel. In recent years, the military has acquired new Chinese and Russian combat aircraft, drones, and rocket artillery. It is led by an officer corps that cannot imagine a Myanmar in which the military is not ultimately in control.

For four decades after independence, successive civilian and military governments embraced socialism in response to colonial-era economic inequalities. The main opposition to ruling governments was communist. During the 1960s, the military junta of the time combined the nationalization of major businesses with extreme isolation from the rest of the world. But that orientation shifted in 1988, when a new army junta seized power, rejected socialism, and began encouraging private business, foreign trade, and foreign investment. Over the following years, however, Western countries began to impose sanctions in solidarity with a nascent democracy movement. At the same time, the army’s principal battlefield enemy, the Beijing-backed communist insurgency in the northeast, collapsed, making trade with China possible for the first time in decades. The net result was a Burmese capitalism intimately tied to China’s giant industrial revolution next door.

The political economy that emerged during the 1990s and early years of this century was the most unequal since colonial times. Illicit



People power: anti-coup demonstrators in Yangon, April 2021

narcotics syndicates flourished, especially in areas where the junta had reached cease-fires with local militias. Timber and mining (especially of jade) enriched a cohort of generals, militia leaders, and their business partners, who invested these profits in real estate in the country's biggest city, Yangon, sending housing prices into the millions of dollars. By 2008, newly discovered offshore gas fields were providing the junta with over \$3 billion a year, money that those with the right connections could access at ludicrously low exchange rates. Not all army officers accumulated much wealth, but all enjoyed access to patronage networks that could transform power into wealth.

No one paid taxes, and the state provided next to no social services, with the World Health Organization listing Myanmar's health system at the absolute bottom of its table of national health systems in 2000. The army confiscated land on an enormous scale from ordinary people. Then, in 2008, a cyclone killed 140,000 people. Landlessness, the cyclone, and other environmental threats relating to climate change fueled an epic migration from west to east, from lowland ethnic Burmese areas to Yangon and upland minority areas, and from everywhere around the country to Thailand, where three million to four million

unskilled laborers from Myanmar work today. Myanmar's ethnic demographics became further jumbled, separating identity from place.

Ethnonationalism had no ideological rivals. In 1989, the generals changed the name of the country from Burma, a geographic term used by Europeans since the sixteenth century to mean the area around the Irrawaddy valley, to Myanmar, an ethnonym for the Burmese-speaking majority. Socialism and communism had been discredited, and in their place came a nationalist narrative rooted in a conception of the country as a union of indigenous "national races," with the Burmese-speaking Buddhist people—the Myanmar people—and their culture at the unquestioned center.

THE DEMOCRATIC OPENING

A decade ago, Myanmar began opening up both its political system and its economy. The reforms came about not because of sanctions or diplomatic engagement but because the country's aging autocrat, General Than Shwe, believed that a new constitutional setup would help ensure him a safe and comfortable retirement. He didn't want to hand power to a new military dictator, who might one day turn against him, and he believed the more prudent option was to split power between an army under a younger cohort of generals and a government led by the pro-army party he had created, the Union Solidarity and Development Party. But in 2011, the reformist ex-generals leading the USDP went off script, releasing political prisoners, including Aung San Suu Kyi, ending media censorship, freeing the Internet, and ushering in a level of political freedom unknown for half a century. Western governments, hoping democracy might be just around the corner, rolled back sanctions, and the country's economy boomed. The opening of the telecommunications sector sparked a revolution in connectivity: in 2011, almost no one in Myanmar had a phone; by 2016, most people had smartphones and were on Facebook. A new generation came of age in a period of relative freedom and wanted desperately for their country to succeed as a prosperous and peaceful democracy.

The army, however, was left in its own universe. When Than Shwe retired, he promoted a relatively junior officer, Min Aung Hlaing, to be the new commander in chief, with the explicit task of safeguarding the army's preeminence. But Min Aung Hlaing and the new crop of generals below him were decades younger than the men of the old junta, and they had little access to the moneymaking networks of prior

decades. At the same time, the reforms begun in 2011 shrank the army's role in the economy considerably. It lost its privileged access to foreign currency and corporate monopolies. Its share of the national budget was reduced. Moreover, the army no longer had a say in economic policy. Some of its former business partners lost out to newly arrived foreign competition; others thrived in the open environment. But few companies were any longer dependent on the military's largess.

The democratic reforms still left the army in its own universe.

In the 2010s, the army placed less emphasis on moneymaking and more on the exercise of violence. The generals wanted to upgrade their weaponry and become, in their own words, a “standard modern army.” They dreamed of ending the country's endless internal armed conflicts on their own terms, using a mix of pressure and persuasion to disarm and demobilize the many and varied forces fighting on behalf of ethnic minority communities. Their focus over the past ten years has been campaigns against new ethnic minority forces, in particular the Arakan, Kokang, and Ta'ang armies, all linked to China, as well the ethnic cleansing of the Rohingya. To some extent, their uncompromising stance found support among the public, as Burmese ethnonationalism flourished on social media, as well as among Buddhist organizations that saw Islam and all things foreign as threats to the conservative order they espoused.

From 2011 to 2015, the army shared power with the reformist ex-generals of the USDP in what was more or less an amicable relationship. But in 2016, after Aung San Suu Kyi's NLD won a landslide election victory, they found themselves in government with their longtime political foes. Under the constitution, the army held three ministries—Defense, Home Affairs (which controlled the police), and Border Affairs—as well as a quarter of the seats in parliament. But Aung San Suu Kyi enjoyed real power. Her supermajority meant she could pass any law she wished, as well as control the country's budget and the entire range of government policy apart from the security issues directly under the military's purview.

She and the generals shared conservative values, including a respect for age, self-discipline, and the Buddhist establishment, and had a similar ethnonationalist worldview. They were united in believing that the Western reaction to the Rohingya expulsions was unfair. In

2019, Aung San Suu Kyi acted out of conviction, not expediency, when she went to The Hague to defend the army before the International Court of Justice. But her relationship with the generals was testy at best. The NLD feared a coup. The army feared a conspiracy between Aung San Suu Kyi and the West to remove it from the government altogether. Min Aung Hlaing worried that Aung San Suu Kyi might one day throw him under the bus to placate her erstwhile international supporters, many of whom had disavowed her after the violent displacement of the Rohingya.

As political tensions grew, the country's economy reached a tipping point. In 2016, the central bank, following advice from the International Monetary Fund, introduced new prudential regulations for Myanmar's private banks at a time when as many as half of all loans in the country were nonperforming and the once white-hot real estate market had just nose-dived. Aung San Suu Kyi suddenly found that she had leverage over a business class that many of her supporters loathed. The cronies who had become rich under the old junta now vied for her attention. Her technocrats pushed for further liberalization. At the same time, Beijing, which had nurtured close ties with Aung San Suu Kyi, was proposing multibillion-dollar infrastructure projects through its Belt and Road Initiative, including the China-Myanmar Economic Corridor, which would stretch from China's southwestern province of Yunnan to the Bay of Bengal.

Then came the COVID-19 pandemic. Its impact on public health was minimal, but lockdowns and disruptions to foreign trade sent the economy into a tailspin. The government's response was anemic at best, offering virtually no cash support to those hardest hit. According to one survey conducted in October 2020, the proportion of the population living in poverty (those making less than \$1.90 a day) had risen from 16 percent to 63 percent over the previous eight months, with a third of people polled reporting no income since August 2020. Public trust in Aung San Suu Kyi, however, only grew, as she appeared on Facebook for the first time, live-streaming conversations with health-care workers and others. Millions didn't blame her for the economy's ills and instead felt that they finally had a leader who was looking out for them.

But alarm bells were already ringing, especially outside the Burmese-majority heartland. After the ethnic cleansing of the Rohingya Muslims, an entirely new dynamic emerged in Rakhine State, in the

west of the country: the rise of the Arakan Army, set on achieving self-determination for the state's Rakhine-speaking Buddhist community. In 2018, the Arakan Army began large-scale attacks on government positions. It was the most significant armed insurrection in Myanmar in a generation. By late 2020, it had pinned down several army divisions and had gained *de facto* authority over vast swaths of the Rakhine countryside.

At the other end of the country, the methamphetamine industry, which supplied markets as far afield as Japan and New Zealand, was thriving as never before. The drugs were produced in areas controlled by militias near the Chinese border, with the bulk of profits going not to anyone in Myanmar but to powerful transnational syndicates, such as the one headed by the Chinese Canadian Tse Chi Lop, who was arrested in January in Amsterdam and is purported to have made as much as \$17 billion in revenue annually. Drugs encouraged a growing ecosystem of money laundering and other illicit industries, with over a hundred casinos in the northeast, near the Chinese province of Yunnan, and plans for a giant gambling and cryptocurrency hub on the border with Thailand.

National elections took place last November in the feverish context of rising conflict and economic woes. But people still voted overwhelmingly for Aung San Suu Kyi. The army leadership was shocked, having believed that the NLD would fare poorly, given the state of the economy, and that the military top brass would have at least a say in choosing the next president. Instead, Aung San Suu Kyi, thanks to the scale of her win, seemed set to be more powerful still. Efforts by Aung San Suu Kyi and Min Aung Hlaing to reach an understanding went nowhere. He fixated on allegations of electoral fraud and demanded an investigation into the election. She refused to consider this. The army felt humiliated. But ordinary people, thrilled by her victory, could only imagine better times ahead.

THE COUP AND THE UPRISING

On February 1, the army seized power, arresting Aung San Suu Kyi and other NLD leaders. It was billed not as a coup d'état but as a state of emergency under the constitution, with the new junta composed of members of several political parties (other than the NLD) as well as top generals. Min Aung Hlaing stacked his cabinet with senior technocrats and, in his first public appearances, promised to prioritize the

post-pandemic economic recovery and even suggested a multibillion-dollar stimulus package. He seems to have thought that he could take over without much of a fuss, sideline the NLD, focus on fixing the economy, and then hold fresh elections skewed to his advantage. If so, he completely misread the public mood.

The reaction to the coup was spontaneous and visceral. Within days, hundreds of thousands of people poured onto the streets demanding an end to military rule, the release of Aung San Suu Kyi and other civilian leaders, and the restoration of the elected government. At the same time, a civil disobedience movement began, with medics leaving government hospitals, and quickly spread across the public sector, from ministerial departments down to local administrative bodies. On February 22, a general strike shut down businesses, including banks, all around the country. And a campaign on Facebook meted out “social punishment” in the form of orchestrated public attacks on any person or business thought to have links to the army or the junta.

The army cracked down mercilessly. It had held back at first, perhaps in the hope that the protests would melt away on their own. But over the last week of February, battle-hardened troops of the army’s elite light infantry divisions, including the units responsible for the ethnic cleansing of the Rohingya, began moving into Yangon and other cities. A campaign of terror accompanied the lethal use of force: as night fell, the Internet went dark, and soldiers began firing indiscriminately in residential neighborhoods, setting off sound grenades, breaking down doors, and hauling people away. The large crowds dissipated, but smaller and even more determined protests persisted. Young men and women erected makeshift barricades and wielded shields and occasionally improvised weapons to defend themselves against the soldiers’ automatic fire. On March 14 alone, dozens were killed in Yangon’s industrial suburb of Hlaingthaya. On March 27, over a hundred died as the army opened fire on crowds across Myanmar.

The carnage radicalized the resistance. With videos of the beating and killing of civilians shared over the Internet, the popular desire to simply reverse the coup transformed into a determination in some quarters to see an end to the army altogether. Protesters raised signs calling for “R2P,” referring to the principle of “the responsibility to protect,” which obliges the international community to intervene in a country to defend its people from crimes against humanity, even if such an action violates that country’s national sovereignty. For a

while, many in Myanmar genuinely expected that the world would save them from a new dictatorship. But by late March, with no armed international intervention in sight, many young protesters turned to armed insurrection. In the city of Kalay, near India, for example, local residents resolved to fight back as the “Kalay Civil Army,” arming themselves with homemade hunting rifles, killing several soldiers, and holding out for ten days before the army overran their positions. Dozens of new groups, locally organized and lightly armed, began appearing in different parts of the country over the following months. In May, another militia called the Chinland Defense Force held the town of Mindat, in the rugged western uplands, for three weeks before the army, using artillery and helicopter gunships, forced them to withdraw. All the while, hundreds of young men and women made their way to territories controlled by ethnic minority armies to receive training, including in explosives. By late May, there had been dozens of arson and other attacks on police and administrative offices and nearly a hundred small bombings against junta-linked targets, including in Yangon.

*Economic implosion will
turn Myanmar into
a failed state.*

These new guerilla movements can certainly keep the junta off balance. But the insurrectionists will not be able to build a new army to challenge the existing one without significant help from a neighboring country, which seems next to impossible. And nothing in the history of Myanmar's army suggests that a sizable chunk of its forces would break away and join a rebellion. That leaves the ethnic minority armies as the only other possible agents of a broader uprising. The Kachin Independence Army and the Karen National Liberation Army, in the far north and southeast of the country, respectively, have already mounted new attacks on army positions. Other groups, too, may move from statements of political support to armed action. But even the combined might of the ethnic armed organizations—numbering perhaps 75,000 fighters in total—would be no match for a military that has far superior artillery and a monopoly on airpower. Moreover, the most powerful ethnic armed organization, the United Wa State Army, with 30,000 troops, has deep links to China, having emerged from the old communist insurgency. It will heed the advice of Beijing, which has no love for the Myanmar army but does not want to see an all-out civil war.

MYANMAR AS A FAILED STATE

More than anything that happens on the battlefield, it is the ongoing implosion of the economy that will turn Myanmar into a failed state. Industries on which ordinary households rely, such as tourism, have collapsed, as have other sources of income, such as remittances from overseas, which totaled as much as \$2.4 billion in 2019, a result of income lost by migrant workers abroad during the global pandemic. The garment industry employed over a million people, many of them young women, and was a success story during the past decade, but it has been devastated as orders from Europe have dried up. The future of the agricultural sector, the biggest employer in the country, remains uncertain, with logistics disrupted by strikes and China now closing border crossings out of fear of COVID-19. What is most critical is that the financial sector has been paralyzed by a mix of strikes, the unwillingness or inability of the central bank to provide added liquidity, and a general collapse in confidence. Closed banks mean no cash at ATMs and thousands of businesses unable to make payroll, taking trillions of kyats (equal to billions of dollars) each month out of circulation. The knock-on effect across all sectors has been catastrophic.

The economy may be on its knees, but the junta will likely not suffer. Revenues from natural gas and mining will continue to flow into its coffers. The army-owned conglomerates provide at most a fraction of the \$2.5 billion or so the military receives annually from the regular budget, and so foreign sanctions on those firms won't have much effect. In any case, the junta now controls the country's entire \$25 billion budget: the first cuts won't be to defense in any fiscal squeeze.

But the people of Myanmar will suffer enormously. The UN Development Program expects half of Myanmar's population of 55 million to fall into poverty over the coming six months, and the World Food Program worries that 3.5 million more people will face hunger. Lifesaving medicines and treatments are in extremely short supply, and over the course of 2021, 950,000 infants will not receive the vaccines that they would normally get for diseases such as tuberculosis and polio. Those who suffer most will include those who have always been the most vulnerable, including landless villagers, upland farmers, migrant workers, the Rohingya, people of South Asian descent, and the internally displaced. The economy will collapse not with a bang but with a whimper, as a new generation grows up severely malnourished and uneducated.

Myanmar as a failed state may look something like this: The army holds the cities and the Irrawaddy valley, but urban guerilla attacks and a spreading insurrection prevent any firm consolidation of junta rule. The strikes end, but millions remain unemployed, and the vast majority of people have little or no access to basic services. Some ethnic armed groups are able to carve out additional territory, while others come under withering air and land assault. In Rakhine State, the Arakan Army expands its de facto administration, and in the eastern uplands, old and new militia groups strengthen their ties to transnational organized crime networks. Extractive and illicit industries become a bigger piece of Myanmar's economic pie. As armed fighting intensifies, Beijing, fearing instability above all, feels compelled to increase its sway over all territories east of the Salween River. Myanmar becomes a center for the spread of disease, criminality, and environmental destruction, with human rights atrocities continuing unchecked.

BREAKING FREE FROM THE PAST

A deep crisis can be an opportunity for radical change. Ongoing efforts by elected members of parliament, civil society groups, and emerging protest networks across the country to break through entrenched ethnic divides represent a seismic shift, one that might eventually do what the democratic thaw of the last decade could not: overcome the legacy of colonial-era racism and a century of ethno-nationalist politics, end discrimination, and foster a new multicultural national identity. Equally important will be a reimagining of the economy, turning it away from a reliance on the market liberalization that yielded the extreme inequality of past decades and toward a new welfare state and the kinds of structural transformations that could create inclusive, dynamic development.

Myanmar's future need not be bleak. Successful change must come from within, and there is absolutely no doubt, given what has happened since February, that Myanmar's young people are determined to alter the course of their country's history. It is they who must chart a path forward. But global action now could alleviate some of the suffering in the country and help it more swiftly escape impending disaster.

First, the international community needs to agree to a resolution in the UN Security Council that clearly demands a quick and peaceful transition back to an elected civilian government. China must be on board; there is simply no substitute for China's involvement because

of its economic clout in Myanmar and its deep ties to many of the country's ethnic armed organizations. International sanctions that do not involve China may be symbolically important, but they will be just that: symbolic. The junta can survive with just China's tacit support. But Beijing can play a constructive role. It has always had difficult relations with the generals, is wary of instability, would prefer a return to civilian government, and remains uncertain of its next moves. Diplomacy between Beijing and Washington will be essential in achieving a Security Council resolution and thereby providing the needed framework for international cooperation on Myanmar. Several countries in the region are important, as well, especially India and Thailand, Myanmar's other key neighbors, and Japan, whose aid and investments have been a big part of the country's economic growth over the past decade. The Association of Southeast Asian Nations, the regional body, is far less significant; it initiated a process of dialogue with the junta in April that has yet to bear any fruit.

Second, outside powers must support and encourage all those working not only for democracy in Myanmar but also for the broad transformation of Myanmar politics and society. That includes serious efforts, possibly through an expanded UN civilian presence in Myanmar, to monitor human rights abuses and negotiate the release of political prisoners. It is critical, however, not to raise false hopes by offering people in Myanmar the chimera of international salvation; that would only steer energy away from building the necessary and broadest possible coalitions at home.

Third, outside help needs to be based on an appreciation of Myanmar's unique history, one in which past army regimes have withstood the strictest international isolation, and the unique psychology of the generals themselves, molded by decades of unrelenting violence. The international community's usual carrots and sticks won't work.

Fourth, foreign governments should assist poor and vulnerable populations as much as possible, perhaps focusing initially on providing COVID-19 vaccinations. But such assistance must be handled with tremendous political skill and designed in collaboration with health-care workers themselves, so as not to inadvertently entrench the grip of the junta. Many of the junta's opponents have wanted to crash the economy to help trigger revolution, but as weeks stretch into months and years, it will be necessary to protect the civilian economy as much as possible, to prevent a worsening humanitarian disaster. Responsi-

ble global firms that do not do business with the army should be encouraged to stay in the country. A population that is healthy and well fed is one that will be better able to push for political change.

Governments must try different initiatives with as much flexibility and international coordination as possible. There is no magic bullet, no single set of policies that will solve the crisis in Myanmar. That's because the crisis isn't just the result of the February coup; it is the outcome of decades of failed state building and nation building and an economy and a society that have been so unjust for so long to so many. The outside world has long tended to see Myanmar as a fairy tale, shorn of its complexities, in which an agreeable ending is just around the corner. The fairy tale must now end and be replaced with serious diplomacy and well-informed, practical strategies. With this, there is every chance that over a few years—not magically overnight—Myanmar can become the peaceful democracy so clearly desired by its people. 🌍

Antimonopoly Power

The Global Fight Against Corporate Concentration

Barry C. Lynn

More than 75 years after the United States began to build a system of liberal trade to help integrate the world around a vision of peaceful economic cooperation, many of the most vital international systems are failing. Nations are fighting over how to secure vaccines, how to divvy up the production of semiconductors, how to respond to China's mercantilism and militarism, how to manage technology and information monopolists such as Facebook and Google, and even how to share the metals necessary to build the batteries for electric cars.

One result of these problems has been a surge in calls for governments to introduce protectionist measures, closely manage domestic industries, and pursue new visions of autarky. But these clashes and government officials' responses to them threaten far more than the world's fragile international industrial and financial systems. They have led states to lose faith in the rule of law and in the intentions of longtime allies. Worse, they have played a role in the disruption of democratic debates and norms in the United States and Europe.

The United States can begin to end these dangers today. Washington can start by acknowledging that most of the current problems can be traced to a single source: the concentration of control over production and communications in the hands of a few corporations and countries. U.S. officials should recognize that today's monopolists have done what monopolists have always done, which is to strip out redundancies in order to reap profits, while exploiting dependency for power. This, in turn, will help the United States remember a core idea that guided the country for its first 200 years—that trade policy

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is a form of antimonopoly policy and can be used to break the kinds of concentration that threaten U.S. security.

The United States should begin to use the principles and tools of competition to limit its dependence on any single foreign source of the goods and services on which Americans depend. U.S. officials should use similar tools to eliminate the ability of technology monopolists to disrupt news and information systems in the United States and abroad. Such an approach would force Americans to relearn the core paradox of liberalism: that although liberalism aims to limit the role of government in the political economy and maximize individual liberty, it is a system that must be imposed on corporations and other nations and then protected with the full power of the state. From the first days of the republic, antimonopolism has been the key to the United States' strategic vision—the broad tool that the country has used to build and protect liberal democracy at home and around the world.

EGGS, MEET BASKET

In March, images of the container ship *Ever Given* aground in the Suez Canal became an emblem of the fragility of today's international systems. The stranding triggered a series of disruptions to global transport, demonstrating how the world's maritime cargo systems depend on a handful of chokepoints. Yet such disruptions are among the lesser threats posed by the concentration of capacity and control in global industrial systems.

Consider how the avoidable shortages of masks, testing gear, and vaccines have shattered trust among even the closest and most integrated of neighbors during the COVID-19 pandemic. Or take the semiconductor industry, which provides crucial components for almost every major industrial product in the world today. A single chipmaker, Taiwan Semiconductor Manufacturing Corporation, has nearly monopolized the production of high-end semiconductors, producing almost all of the world's supply of certain types of essential chips. This year, shortfalls at TSMC disrupted production in industries from automobiles to telecommunications: Ford, for instance, projected in April that it would lose half of its second-quarter output. Making matters worse, TSMC has concentrated a substantial amount of its operations on a single island—Taiwan—that bestrides two kinds of fault lines, one physical and the other political. An earthquake or a conflict with China could suddenly shut down all of the corporation's production, with catastrophic effects.

There are similar threats in the communications sector. Amazon, Facebook, and Google have concentrated control over how people exchange information with one another. Their business models—which rely on manipulating what citizens read and buy and which seek to monopolize online advertising revenue—have undermined the free press and the public square in democracies around the world. Just as dangerous, Facebook and Google have sought to intimidate or pay off influential publishers, including News Corp and *The New York Times*, and have punished countries, such as Australia, that have dared to try to regulate them. At the same time, digital interconnection has given foreign states and groups new ways to disrupt everyday life in the United States, as demonstrated by Russia's alleged massive hack of U.S. government computers last year, the ransomware attack on Colonial Pipeline in May, and China's and Russia's routine exploitation of Facebook, Google, and Twitter to influence U.S. political debates.

Then there are more old-fashioned threats. China, for instance, has used its power over essential components and profit flows to coerce Western corporations such as Apple, Disney, and Nike into promoting Chinese propaganda and reinforcing the power of the Chinese state. The country has used that same power to pressure U.S. allies to agree to special deals. In December 2020, less than a month before Joe Biden took office as U.S. president, Germany pushed the EU into a wide-ranging investment agreement with China, a key source of supplies and profits for German car-makers and manufacturers.

The most immediate danger is the way that monopolists and mercantilists have stripped out many of the physical redundancies that once helped ensure the stability and resilience of international systems. There are many examples of how shocks in one place have swiftly become global problems. The Taiwan earthquake in September 1999, the financial crisis beginning in September 2008, and the Tohoku earthquake in Japan in March 2011 all saw local shocks trigger cascading shutdowns of industrial production around the world. Even more terrifying is the prospect of a political or military action that cuts off access to a key industrial zone. A Chinese move on Taiwan, for instance, would risk not only a major-power war but also the shutdown of much of the world's industrial production.



Strategic supplies: producing masks in Vélizy-Villacoublay, France, January 2021

LIBERTY FROM MONOPOLY

That the United States would one day find itself entirely dependent on any one foreign power for essential products would have appalled the country's founders. The Declaration of Independence was a vision of liberty not merely of person from person but also of nation from nation—and especially of the United States from Great Britain's monopolistic trading system. This vision shaped U.S. policy soon after the country's independence. When the Napoleonic Wars led the British to try to block the United States from trading with the French and others, President Thomas Jefferson imposed an embargo on trade with European powers in an attempt to force them to change course. After that failed, President James Madison launched the War of 1812 against the United Kingdom.

The United States' goal during this era was not to fully break off trade with the British. Rather, Americans sought to build a domestic manufacturing base that was sophisticated and diverse enough to ensure that their country could defend itself in times of crisis. Atop this base, the United States aimed to trade not just with the United King-

dom but also with China, France, Spain, the Baltic states, and British possessions such as Canada—on American ships, with American finance, and on freely negotiated terms. This vision of open trade amounted to an entirely different way to organize the world economy

From the first days of the republic, antimonopolism has been the key to the United States' strategic vision.

than that of Europe's monarchies, with their competing colonial and mercantilist systems.

Over the long century from Waterloo to World War I, the United States' antimonopoly approach to trade served it well. By early in the nineteenth century, Americans had mastered shipbuilding and arms-

making to a degree that empowered them to declare the Monroe Doctrine to protect the new republics of Latin America. By mid-century, U.S. companies had begun to master mass production and even to export the model, as the American inventor and manufacturer Samuel Colt did when his firm set up a firearms factory in London. Decades before the start of the Gilded Age and the rise of Wall Street, Americans had shown they could develop the nation at an astonishing speed.

During these years, the U.S. government also used antimonopoly policy to advance democracy. From the late eighteenth century into the twentieth century, the United States sought to promote the independence of its citizens by distributing land to them and shielding family-sized properties from the reach of corporations and banks. The American antimonopoly vision also played a foundational role in the decades-long fight to break the slave power, which many Americans considered a monopolistic threat to the system of small proprietorship that the U.S. government had cultivated. Internationally, the United States developed the Open Door policy to oppose formal monopolistic colonization not only in the Americas but also around the world, especially in China. Americans viewed this policy partly as a way to ensure that the federal government did not build the kinds of autocratic institutions necessary to run colonial empires.

By the time Germany shattered the peace in 1914, U.S. President Woodrow Wilson had succeeded in updating the United States' domestic antimonopoly regime for the industrial age. In his first 16 months in power, Wilson established the foundations of the modern

liberal administrative state by passing the Clayton Antitrust Act, the Federal Trade Commission Act, the Federal Reserve Act, tariff reform, and a progressive income tax and by overseeing the first breakup of the communications corporation AT&T. (Twenty years later, Wilson's vision would serve as the intellectual and institutional basis for the New Deal.)

But when World War I ended, Wilson failed to exploit the United States' new standing to finish the job that Jefferson and Madison had started: breaking the monopolistic systems of trade of France and the United Kingdom. Although he had proved a master at imposing liberalism at home, Wilson left the French and the British free to both destroy the German economy through punitive reparations and maintain the colonial regimes that had inspired Germany's play for power.

As World War II drew to a close, however, U.S. Presidents Franklin Roosevelt and Harry Truman showed that they had learned from Wilson's failures. In 1937, the columnist Walter Lippmann had argued that liberal systems must seek to "conserve the existing order of things in the field of ultimate power, but to concede an increasing equality of rights in all other fields." In the Bretton Woods system, the United States aimed to create an open and liberal system of trade, policed by U.S. economic power. Washington also imposed strong antimonopoly regimes on Germany and Japan, reinforced the neutrality of international communications systems, and finally fatally weakened the British and the French imperial regimes. The Truman administration even tried to enact a global antimonopoly policy through the Havana Charter, a 1948 treaty signed by 56 countries to regulate world commerce, but the Senate blocked the effort.

After the communist revolution in China and the outbreak of war in Korea, the U.S. government ratcheted up its efforts to impose a liberal system on the world, seeking to build an integrated economy from West Berlin to Tokyo. The Truman and Eisenhower administrations forced U.S. corporations to export manufacturing technology and capacity to allies while intentionally ceding to them large portions of the U.S. markets for apparel, cars, airplanes, and even electronics. Washington also used the Marshall Plan to push economic integration in Western Europe, giving a boost to the European Coal and Steel Community, which required France and West Germany to renounce some aspects of economic sovereignty and later served as a cornerstone of the European Union.

The result was an international system remarkably like the one Jefferson and Madison had envisioned a century and a half before. And it worked. In one of the great political successes in history, the United States laid the foundation for a liberal, open system of political and commercial cooperation that spanned half the world and buttressed democracy and prosperity for three generations.

FALSE ECONOMIES

Until the 1970s, the U.S. government approached the political economy much as it had since its founding. The main goals were to ensure liberty and near equality for as many citizens as possible and to protect democracy against concentrations of power. The main philosophical assumptions were that all societies were systems of power and that everything that happened in them was the result of political decisions. The main tools for achieving these social and political ends were antimonopoly law and policy.

But in the early days of Ronald Reagan's presidency, a group of economists and legal scholars led by Milton Friedman, Robert Bork, and Richard Posner set out to replace this long-standing approach. These proponents of neoliberalism, as their worldview was known, argued that the goal of economic policy should be to maximize the material welfare of consumers by promoting more efficient production. These thinkers portrayed the market itself as a sort of metaphysical power that determined many of the outcomes of economic and social life.

The Reagan administration began to promote the new ideas soon after it took office, directing the Justice Department and the Federal Trade Commission to enforce existing antimonopoly laws in ways that prioritized economic efficiency over traditional social and political goals. But Washington did not carry this new thinking beyond the water's edge. Even as U.S. officials worked to concentrate economic power at home, they continued to use the country's trade policy to break concentrations of capacity abroad. Most dramatically, in the mid-1980s, the U.S. government used a sophisticated system of quotas and tariffs to disrupt an effort by Japan to monopolize the computer industry.

After the collapse of the Soviet Union, Americans in both political parties began to push pro-monopoly thinking. At home, the Clinton administration introduced pro-monopoly policy into the banking, communications, defense, finance, and media industries, as well as into

corporate governance and patent law. It pushed regulatory agencies abroad, especially in Europe, to adopt similar approaches.

The Clinton administration reshaped U.S. trade policy along pro-monopoly lines. Extolling the efficiency of extreme economic specialization among nations, it adopted a utopian vision of a single, world-spanning community forged by the globalization of manufacturing, finance, and communications. As Robert Reich, later Bill Clinton's secretary of labor, argued in 1991, borders were becoming "ever more meaningless" before the "centrifugal forces of the global economy."

Two actions during these years stood out: the creation of the World Trade Organization in 1995 and the eventual lifting of most restrictions on exchange with China. Whereas the early postwar system sought to ensure that democratic governments decided what systems to internationalize and how, the new WTO freed big corporations and mercantilist nations to concentrate capacity and organize production largely as they saw fit. The immediate result was a burst of monopolization across various industrial sectors by corporations supported by mercantilist governments in Brazil, Germany, Japan, South Korea, and Taiwan. Ultimately, the biggest winner was China, where the state had developed sophisticated systems of surveillance, control, and coercion.

What followed was a revolutionary restructuring of most of the world's production and financial systems. Monopolists worked with mercantilists to transfer entire industries to China and, to a lesser extent, India, Mexico, South Korea, and Taiwan. And whereas most production had historically been compartmentalized within vertically integrated manufacturers that served individual states or regions, the new order often resulted in international networks designed to serve all nations at once.

From the outset, it was clear that the new structure posed many dangers. Three stood out. The new system raised the potential for cascading industrial crashes in the event that a natural disaster or a political shock cut off access to an essential source of supply. It empowered China's authoritarian government to exercise more power over countries that depended on Chinese industrial capacity, includ-

*The U.S. government
used antimonopoly policy
to advance democracy.*

ing the United States. And it undermined the ability of the United States, European countries, and many other states to surge manufacturing during crises, such as pandemics and wars.

Despite the risks, U.S. policymakers pressed on. For one thing, investors and businesses were profiting from moving industrial capacity offshore. For another, faith in the utopian promise of globalization had taken hold in elite U.S. policy and intellectual circles. That the United States spent over a decade distracted by war in Afghanistan and Iraq after the 9/11 attacks did not help. The upshot was the abandonment of the system the United States had used to keep itself safe and free for two centuries. Thus, the nation was left naked to the winds of chance and the whims of foreign powers.

BREAKING UP IS GOOD TO DO

The election of U.S. President Donald Trump in 2016 marked the end of the Clinton-era approach to trade. Trump campaigned as a protectionist, and once in office, he raised tariffs not only on China but also on the United States' close trading partners. The Trump administration also took the first coherent actions since the Reagan presidency to disrupt offshore concentrations of power, most importantly by sanctioning the Chinese communications corporations Huawei and ZTE. But Trump's team failed to publish a coherent explanation of its vision or to institutionalize its ideas.

Some Democrats welcomed many of Trump's moves on trade, and during the 2020 campaign, neither candidate advocated a return to Clinton-era trade policy. Since taking office in January, Biden has largely shied away from the globalists who dominated the Clinton and Obama administrations, appointing thinkers who endorse a more nationalist approach to manufacturing. The Biden administration has backed those appointments with plans to rebuild industries producing certain essential goods, such as semiconductors, within U.S. borders.

It is only natural to react to a big problem by locating its causes and doing the opposite. But before U.S. officials formalize a vision of a post-international world, they should recognize that even the most coherent protectionist vision would pose many risks. Protectionism could intensify the scramble for components and raw materials and contribute to the breakdown of international political systems. And by further concentrating capacity and eroding systems

of mutual support, protectionist measures could in fact make Americans less safe than they are today.

There is a better way. Instead of aiming to bring production home, the United States should work to break concentrations of power within the international economic system.

The United States can do so by using the same tool that protectionists seek to employ—the nation’s control over its own borders—but to different ends.

U.S. officials can learn from three recent antimonopoly models as they develop such a policy. The first is the approach the United States has long

taken to the oil sector. Since the end of World War II, Washington has been willing to use the full power of the state—as it did during the Gulf War—to ensure that no one actor can paralyze the United States or its allies by cutting off the supply of oil. The second useful model is the United States’ governance of domestic manufacturing from the mid-1930s until the early 1980s, when Washington aimed to ensure there were at least four makers of any good. The results showed that strong competition among four or more players delivered higher quality, faster innovation, lower prices, stronger redundancies, and greater surge capacity. The Reagan administration’s response to Japan’s play to control the computer industry offers a third model. The most important lesson of these examples is that the United States should enforce simple limits on how much capacity and control any country is allowed to concentrate.

Applied to today’s conditions, this lesson would instruct the United States to ensure that no country controls more than, say, a quarter of the manufacturing capacity that supplies U.S. demand for any essential good, component, or service. Once any state fulfills 25 percent of total U.S. demand, Washington should require top-tier manufacturers and importers to turn to suppliers located elsewhere.

The United States should ultimately apply such a rule to all products, components, and services, no matter how trivial they seem, because concentrations of power in one sector can be used to exercise power over others. But given the need to address the most pressing threats swiftly, Washington should start by identifying the concentrated industrial capacities that support entire systems—such

The United States was left naked to the winds of chance and the whims of foreign powers.

as electronics and chemicals—and prioritize actions to distribute productive capacities in those sectors.

To force compliance with this system of quotas, the Biden administration should instruct the Office of the U.S. Trade Representative to impose stiff tariffs on imported goods or services from any country that supplies more than a quarter of U.S. demand. The administration

Protectionist measures could make Americans less safe than they are today.

should also punish any manufacturer or trading company that fails to diversify its sources of supply. The timing of these measures should reflect the fact that it can take a year or more to build new factories. In the case of TSMC's control of advanced

semiconductors, for instance, over the next six months, the United States should escalate tariffs against Taiwan and ramp up fines on all corporations that import TSMC semiconductors into the United States. Once the administration has taken such steps, Congress should pass legislation making this new system of tariffs permanent.

This approach would require the U.S. government to look deep inside supply chains. The good news is that U.S. Customs and Border Protection has developed extensive expertise in enforcing "rules of origin" regimes in the years since the signing of the North American Free Trade Agreement in 1993. And in those nearly three decades, the technological ability to trace where components come from has only grown. U.S. Customs and Border Protection could likely upgrade its capabilities to meet the new demands.

Distributing production across more countries would not address all the threats the United States faces from the concentration of power and capacity in nations and businesses. Three others stand out: Big Tech's chokehold on information, news, and communication; the lack of U.S. capacity to produce many of the supplies essential to national security and health emergencies; and the exploitation of patent monopolies by large corporations to limit their rivals' access to essential technologies. In each case, however, the United States can draw lessons from the domestic and international antimonopoly regimes in place before the Reagan and Clinton administrations.

In the case of Facebook, Google, and other corporations that have captured extensive control over global communications and information systems, Washington should view them as utilities and use

so-called common carrier rules to limit their ability to manipulate how individuals share information and news with one another. As for products and components vital to national security—such as drug ingredients, military hardware, and N95 masks—Washington should immediately use a combination of tariffs, subsidies, and domestic competition policies to ensure that the United States can produce nearly all of what it needs at home, whenever it is needed. Finally, the United States should eliminate most of the patent rights of dominant corporations, as it did between the late 1930s and the early 1980s, in order to prevent those companies from using patents to reinforce their control over vital goods. The Biden administration's support for waiving the patent rights tied to COVID-19 vaccines marked a good start.

SELLING THE DEAL

The big political question is how such a strategy would be met at home and around the world. In both cases, there is reason for hope.

For U.S. consumers, the costs of such a plan would likely be minimal and short-lived. Manufacturing generally accounts for only a small portion of the final price of most products. And increased competition would swiftly result in more innovation, higher quality, and lower prices. In the unlikely event that higher costs became permanent, the enormous advances in security and safety that the new rules would deliver would be worth the price.

Many U.S. businesses would also likely embrace the plan. By disrupting the power of mercantilists such as China, the new trade rules would increase the freedom of manufacturers, traders, and investors to do business where they want and to avoid business where they don't. The rules' simplicity could also eliminate much of the uncertainty and disorder that U.S. trade policy has seen in recent years.

Selling such a plan internationally would be more challenging. After 75 years of support for multilateral decision-making, the United States would suddenly be acting unilaterally to restructure much of the international economy. But most key allies could swiftly come to understand that the United States' intent is not to concentrate power over day-to-day business in the hands of American officials or corporations but to provide the people of the world with an opportunity to rebuild a liberal international system designed to ensure the security of all nations and promote cooperation and shared prosperity. What is

more, given China's dominance of so many industrial systems, any effort to limit the United States' dependence on that country would create a wide array of opportunities for other countries and companies to enter lines of business now dominated by a powerful few. Even Beijing may not entirely oppose such a vision. Although China would lose much of its ability to manipulate other countries and corporations, it would gain from having to worry less about its own dependencies.

Imposed in a neutral fashion, a quota system could encourage other countries and non-U.S. corporations to regulate their trade along similar lines, in search of the same benefits. Indeed, as soon as the United States moves to break the power of monopolists and mercantilists, it will likely find most people and many businesses around the world ready to join Americans in constructing a renewed international system, one that is more open and resilient—and more truly liberal—than any yet built. 🌐

The Threat Reflex

Why Some Societies Respond to Danger Better Than Others

Michele Gelfand

The COVID-19 pandemic has killed more than three million people worldwide, but the fatality rate is wildly uneven across countries. Some countries responded to the first outbreaks with swift and decisive action, imposing sweeping lockdowns, shutting borders, implementing rigorous contact tracing, and enforcing social distancing and mask mandates. Many of these countries have so far evaded the worst of the pandemic, experiencing relatively low numbers of cases and deaths. Other countries struggled to fend off the disease with tragic results: rampant sickness, overwhelmed hospitals, and overflowing morgues.

The variation in outcomes can be striking. Taiwan and Florida both have populations of about 20 million, yet as of May 2021, Taiwan had suffered just 23 COVID-19 deaths, whereas Florida had recorded over 36,000. What accounts for this stark difference? New research from social scientists points to an often overlooked factor: variations in how societies respond to threats. Some countries have well-developed threat reflexes that evolved over centuries of dealing with chronic diseases, invasions, natural disasters, and other dangers. The ability of people to follow rules in a crisis has served some countries well during the pandemic, as was evident in Taiwan. Places that have faced few such threats failed to develop these reflexes—and dropped the ball when it came to responding to the menacing new virus. Many Floridians resisted rules for social distancing and mask wearing.

A country that closely observes and upholds social norms can be considered to be “tight.” People in those societies don’t tolerate devi-

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ance and generally follow the rules. “Loose” countries celebrate individual creativity and freedom. They are lax in maintaining rules and customs but very tolerant of new ideas and ways of being. Visitors to Germany might notice pedestrians waiting patiently for a crosswalk signal during rush hour; in the United States, one is more likely to see people dashing across the street at an opportune moment.

Social norms form the nervous systems of nation-states. Just as physical nervous systems have common pressure points that can trigger predictable mental and physical reflexes, societies have important pressure points, too. Understanding them can explain not just why some countries have so far beat COVID-19 and others have struggled but also larger political questions, such as why democracies have grown more susceptible to authoritarian politics. Populist autocrats appeal to a society’s desire for order by empathizing with people who feel threatened and promising them a return to tightness. Their power rests on a fundamental understanding of how social norms tighten and loosen.

TIGHT AND LOOSE

The Greek historian Herodotus, in his travels across the world in the fifth century BC, was the first to observe the opposing tendencies of societies toward either order or permissiveness. He singled out the Persian Empire for its openness to foreign ideas and practices: “There is no nation which so readily adopts foreign customs as the Persians. Thus, they have taken the dress of the Medes, considering it superior to their own; and in war they wear the Egyptian breastplate.” By contrast, he described the Egyptians as having very strong norms, especially about cleanliness, religion, and respect for authority. Two centuries later, the Greek historian Polybius contrasted Roman discipline, order, and rationality with Celtic impetuosity, chaos, and passion on the battlefield. These ancient writers had stumbled on one of the most important ways in which human groups varied—by the strength of their social norms.

It wasn’t until the late 1960s that social science took account of these essential differences. The American anthropologist Pertti Pelto introduced the terms “tight” and “loose” in his work on underlying cultural codes. Like many seminal discoveries, Pelto’s was something of an accident. He set out to study the impact of reindeer herding on community politics among the Skolt Sami in northern Finland. What intrigued him most, however, were the conspicuously loose norms he



The new normal: shopping in Taipei, February 2021

saw there. He expected to find families managing herding activities in an organized and systematic way. Instead, he observed that the Skolts routinely left reindeer unattended, paid them only irregular visits, and had a very vague sense of organized cooperation with one another.

Pelto later studied the strength of norms across 20 traditional societies. The “tight” Hutterites in North America, Hanos in Arizona, and Lugbaras in Uganda had strong norms, were quite formal, and had severe punishments for norm violations, whereas the “loose” Skolts in Finland, !Kung in South Africa, and Cubeos in Brazil had weaker norms and a greater tolerance for deviance. Pelto’s work never attracted the recognition it deserved and was buried in the stacks of libraries for decades.

A team of researchers and I picked up where Pelto left off. We tracked and ranked tightness and looseness across 33 countries in a paper published in *Science* in 2011. We queried individuals about their perceptions of the strength of their country’s social norms, including whether people in their country had many social norms that they were supposed to abide by, whether their compatriots strongly disapproved of others who acted in inappropriate ways, whether they had the freedom to choose how they wanted to act, and whether people in their

country almost always complied with social norms. Analyzing these perceptions allowed us to assess the variation in tightness and looseness across the globe. Societies are not monoliths, of course, and can have areas in which norms are observed more closely or more laxly. But tightness and looseness generally exist on a continuum. Austria, Germany, Japan, Norway, Singapore, South Korea, and Turkey tend to be tight, while Brazil, Greece, the Netherlands, New Zealand, Spain, and the United States tend to be loose.

*Social norms form
the nervous systems of
nation-states.*

Tightness and looseness confer advantages and disadvantages to societies. Tight cultures exemplify order and discipline. Societies with tight cultures tend

to consist of individuals who are more attentive to rules, have greater impulse control, and are more concerned about making mistakes. They have higher uniformity—even to the point where their clocks are more synchronized on city streets. Loose cultures have less order: people have lower impulse control and suffer from greater levels of debt, obesity, alcoholism, and drug abuse. But countries with loose cultures also boast much higher levels of openness: they are more tolerant of people of different races, religions, and sexual orientations; are more entrepreneurial; and have much higher levels of creativity.

But what explains these variations in social norms? Tight cultures and loose ones don't share any obvious characteristics, such as geography, language, religion, or traditions. GDP isn't a factor, either: rich and poor countries abound in both categories. Japan, a rich country, and Pakistan, a poor one, have tight cultures; the rich United States has a loose one, as does the far poorer Brazil. Instead, the extent to which societies have been exposed to collective threats in part determines their relative tightness or looseness.

Tight cultures have grappled with more frequent natural disasters, a greater prevalence of disease, greater resource scarcity, higher population density, and territorial invasions. Groups exposed to frequent dangers need stricter rules to coordinate to survive. Groups that have experienced fewer threats can afford to be permissive. The United States, for example, is separated by oceans from other continents, has abundant natural resources, and has faced relatively few invasions and major natural disasters in its history. Singapore, by contrast, has over 20,000 people per square mile, suffers from resource scarcity, and en-

dured the risk of ethnic violence in the twentieth century. The architect of Singapore's economic rise, Lee Kuan Yew, put it simply in his book *From Third World to First*: "We had one simple guiding principle for our survival, that Singapore had to be more rugged, better organized, and more efficient than others in the region."

Although there are some exceptions to the general rule, the pattern is overwhelming across continents and centuries. Revisiting Pelto's original data source—ethnographies—we expanded his sample to study over 86 nonindustrial societies in a paper published in the *Proceedings of the Royal Society B* in 2020. Sure enough, we found the same connection between exposure to threats and tightness of social norms. Societies that have endured many severe crises and dangers tend to be more ordered, wary of difference, and disciplined in the following of rules than societies without that historical experience.

Tightening during times of threat is an important adaptation that helps groups coordinate and survive. This simple principle lies at the heart of two problems plaguing societies today—populism and the pandemic. Populist authoritarian leaders hijack, amplify, and manipulate threat signals and then promise to return their countries to a tight order. Faced with the pandemic, societies have ignored threat signals with tragic consequences. Understanding tight-loose dynamics can help countries better anticipate and manage these challenges.

DEMOCRATIC RECKONING

Whatever their excesses, populist authoritarians seek to provide their fellow citizens with an answer to an altogether rational question: Who will protect me? Before the 2016 U.S. presidential election, my research team found that Americans who perceived a lot of threats—including from illegal immigration, a lack of jobs, crime, terrorism, and Iran—wanted the United States to be tighter. They craved security and order in a community that seemed to be collapsing. This preference, far more than political orientation, predicted voter support for Donald Trump, as it did for his political counterparts elsewhere, such as Marine Le Pen in France.

Globalization, surging immigration, and the Internet have transformed societies, often in ways that seem to have upended the old order. Populist autocrats appeal to people who are wary of change and apparent disorder, who suspect that their societies are growing too loose. The power of these leaders rests on a fundamental understand-

ing of how social norms tighten and loosen. Stoking fears of a country unmoored and adrift, they promise quick, simple solutions that will return the country to a tighter social order of yesteryear.

Recall Trump's inaugural campaign speech in 2015, in which he underscored the threat from Mexican "rapists" and argued that China was "killing us." The far-right Italian politician Matteo Salvini inveighed against immigration by declaring, "We are under attack. Our culture, society, traditions, and way of life are at risk." Hungarian Prime Minister Viktor Orbán has claimed that his country needs to get rid of "Muslim invaders." In France, Le Pen warned that globalization and Islam will "bring France to its knees." Invoking a menacing threat succeeds by tapping into the deep evolutionary impulse to tighten that has long helped groups survive.

Democracies have to reckon with this psychology. Populist leaders will come and go, but threats—perceived or real—will always abound and produce the desire for tightness. Some of the threats, such as the loss of well-paid and secure employment for working-class people in the West, are real. Rather than dismiss fears of these threats, authorities need to empathize with those who are struggling and develop innovative solutions, particularly for people put out of work by the decline of manufacturing and the rise of artificial intelligence. When fears are unwarranted, however, governments and civil society groups need to better dispel fake and exaggerated threats designed to manipulate a population.

U.S. policymakers also need to be more mindful of the unintended consequences of rapid changes in cultural norms. The sudden displacement of long-standing regimes can unleash extreme disorder that allows populist autocrats to step into the breach and promise to replace chaos with tightness. This happened during the Arab Spring: after a popular uprising ousted Egyptian President Hosni Mubarak in 2011, it quickly became apparent that Egypt was transitioning not to freedom but to chaos. In my surveys of Egyptians in the spring of 2012, those who felt the country had become unsafe and had lost its traditional social norms expressed keen support for autocratic rule. Egypt soon jolted back to an even tighter regime—call it autocratic recidivism. In much the same way, populations in disorganized and chaotic Iraqi districts initially welcomed the so-called Islamic State (or ISIS), which promised to restore order and fix essential services that had been neglected by the govern-

ment. History repeatedly shows that chaos pushes people toward a yearning for tightness. This psychology leaves populations in places where norms have collapsed vulnerable to extremists.

THE PANDEMIC THREAT

The examples above show how perceived threats—whether real or imagined—can promote tightening. But the COVID-19 pandemic has tragically demonstrated the devastating effects of societies failing to tighten when facing a genuine threat. As COVID-19 cases exploded in 2020, governments and citizens turned to global health officials, contagious-disease specialists, and economists to help formulate strategies for containment, mitigation, and recovery. But it wasn't only experts who shaped how countries handled the pandemic; the relative strength of their social norms did, too.

Loose societies have struggled with the pandemic far more than tight ones. Our analysis of more than 50 countries in the autumn of 2020, published in *The Lancet Planetary Health*, found that those with high levels of looseness had over five times the cases and eight times the deaths as compared to those with high levels of tightness. These effects were found even when controlling for wealth, inequality, age, population density, climate, authoritarianism, and the stringency of the government's response. Ironically, people in countries with loose cultures had far less fear of COVID-19 throughout 2020, even as cases skyrocketed. In tight countries, 70 percent of people were very scared of catching the virus. In loose ones, only 50 percent were. Not all loose countries have done poorly, and not all tight ones have been successful at limiting cases and deaths during the pandemic. Yet the results of our study suggest that cultural looseness can be a liability in times of collective threat.

People in countries that are adapted to low levels of danger didn't respond as swiftly to the pandemic's threat signal. Indeed, the virus benefited immensely from some societies' propensity for rule breaking. Americans exemplify this maverick spirit, which fuels the United States' world-class creativity and innovation but is a major liability during times of collective threat. Countless Americans flouted public health protocols by holding parties, shopping without wearing masks, and generally scoffing at the virus. Instead of fearing COVID-19, many Americans were more troubled by lockdowns and mask mandates. Meanwhile, people in Singapore and Taiwan voluntarily abided by rules about physical distancing, the wearing of masks, and not congre-

gating in large numbers. Both places managed to protect their populations from COVID-19 without entirely shutting down their economies.

Leaders play an enormous role in influencing the psychology of tightness and looseness. Notably, threat signals may be intentionally distorted and manipulated by leaders who are more concerned about avoiding blame and maintaining their political standing than the health of their citizens. In Brazil, President Jair Bolsonaro described the virus as causing mere “sniffles,” and in the United States, Trump frequently promised that the virus would just “disappear.” This sneering in the face of death encouraged their followers to do the same. In evolutionary terms, minimizing a threat can reduce the necessary tightening response needed to fend it off.

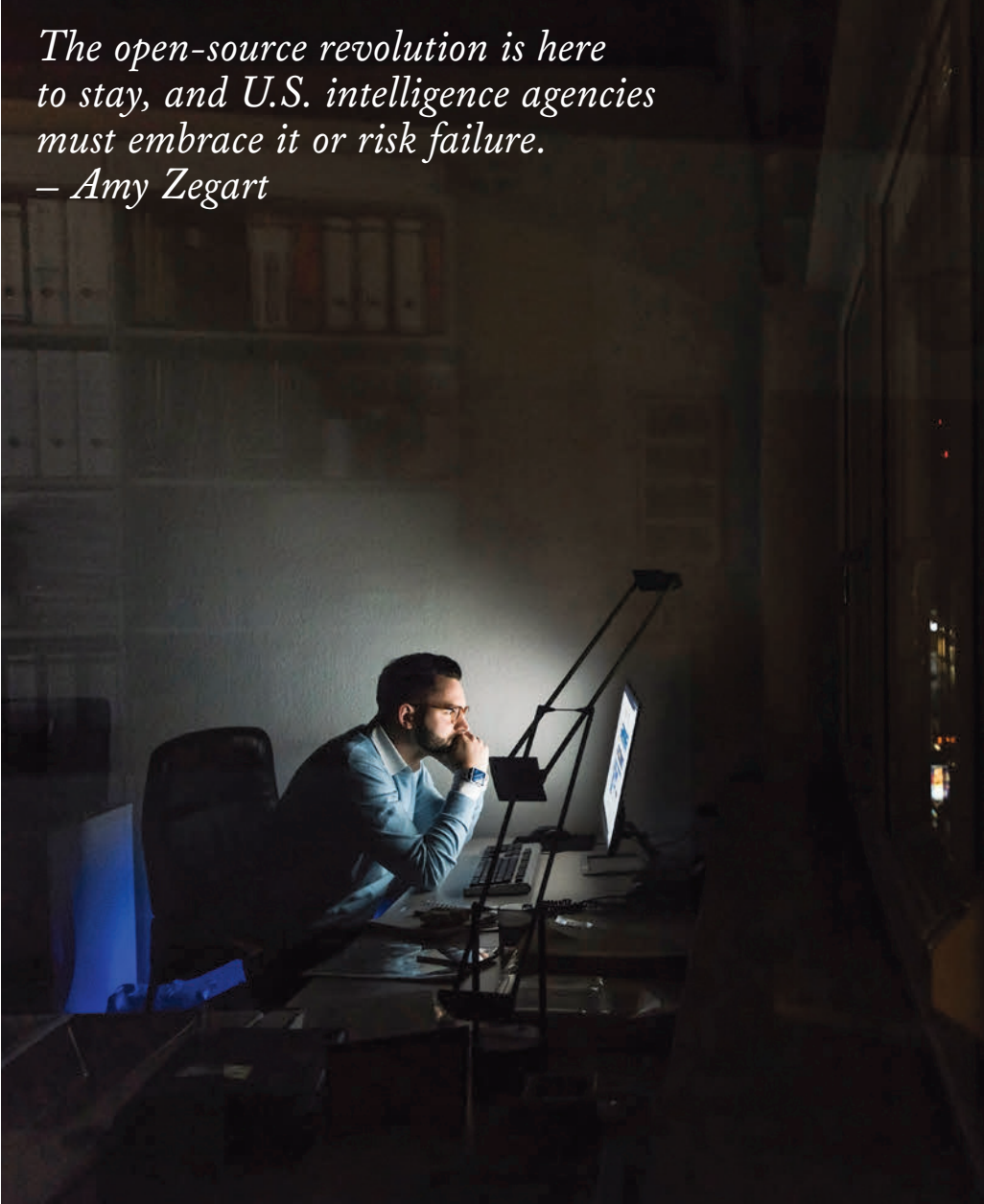
CRACKING THE CODE

The pandemic can be seen as a dress rehearsal for future threats and a reminder of the importance of cultural intelligence. Governments in loose countries need to be prepared to explain risks to their citizens in clear and consistent ways. Unlike concrete and vivid threats, such as warfare and terrorism, germs are invisible and abstract, so people can ignore the threat signal more easily. Governments must remind their citizens that tightening during times of collective threat is temporary. The sooner a society tightens in the face of a threat, the faster it can defeat the threat and return back to its cherished looseness. New Zealand, which is famously loose, got this right. Through great leadership and the willingness of its citizens to follow rules, the country beat COVID-19 rather than being beaten by it. It displayed what I call “tight-loose ambidexterity”: the ability to tighten when there is an objective threat and loosen when that threat recedes. India, which leans toward tightness, did the opposite: it loosened prematurely, with tragic consequences.

Understanding tightness and looseness can allow governments and societies to better anticipate trends in rapidly changing regions and develop national strategies informed by a more sophisticated appreciation of cultural differences. Herodotus recognized these cultural codes several millennia ago, and it’s time for thinkers and policymakers today to do the same. 🌐

REVIEWS & RESPONSES

The open-source revolution is here to stay, and U.S. intelligence agencies must embrace it or risk failure.
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Spies Like Us

The Promise and Peril of Crowdsourced Intelligence

Amy Zegart

We Are Bellingcat: Global Crime, Online Sleuths, and the Bold Future of News
BY ELIOT HIGGINS. Bloomsbury, 2021, 272 pp.

On January 6, throngs of supporters of U.S. President Donald Trump rampaged through the U.S. Capitol in an attempt to derail Congress's certification of the 2020 presidential election results. The mob threatened lawmakers, destroyed property, and injured more than 100 police officers; five people, including one officer, died in circumstances surrounding the assault. It was the first attack on the Capitol since the War of 1812 and the first violent transfer of presidential power in American history.

Only a handful of the rioters were arrested immediately. Most simply left the Capitol complex and disappeared into the streets of Washington. But they did not get away for long. It turns out that the insurrectionists were fond of taking selfies. Many of them posted photos and videos documenting their role in the assault on Facebook, Instagram,

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Parler, and other social media platforms. Some even earned money live-streaming the event and chatting with extremist fans on a site called DLive.

Amateur sleuths immediately took to Twitter, self-organizing to help law enforcement agencies identify and charge the rioters. Their investigation was impromptu, not orchestrated, and open to anyone, not just experts. Participants didn't need a badge or a security clearance—just an Internet connection. Within hours, this crowdsourcing effort had collected hundreds of videos and photographs before rioters could delete them or social media platforms started taking them down. Beyond merely gathering evidence, citizen detectives began identifying perpetrators, often by zeroing in on distinctive features captured in images, such as tattoos or unusual insignias on clothing. Soon, law enforcement agencies were openly requesting more online assistance. By March, the volunteer community of amateur investigators had sent some 270,000 digital tips to the FBI; hundreds of suspects have now been arrested and charged.

This is the emerging world of open-source intelligence. Tracking criminals at home and adversaries abroad used to be the province of governments, which enjoyed a near monopoly over the collection and analysis of essential information. In the old days, law enforcement agencies had special access to data used for identifying perpetrators—such as fingerprint records—that ordinary citizens did not. Intelligence agencies had unique data, too; they were the only organizations with the resources and know-how necessary to launch billion-dollar

satellites and collect information at scale. Publicly available information mattered, but information residing in government agencies mattered more.

Not anymore. Today, new technologies are enabling nonstate actors and individuals to collect and analyze intelligence, too—sometimes more easily, more quickly, and better than governments. Commercial firms are launching hundreds of satellites each year, offering low-cost eyes in the sky for anyone who wants them. More people on earth have cell phones than have running water, enabling them to post what they are seeing in real time from anywhere. More than half the world is online, producing and acquiring open-source intelligence even if they don't know it. According to a 2019 World Economic Forum report, Internet users post some 500 million tweets to Twitter and 350 million photos to Facebook every day.

Bellingcat is a key member of this new open-source intelligence ecosystem. Formally founded in 2014, Bellingcat eludes easy definition. It conducts activities traditionally performed by a wide variety of players, including journalists, activists, hobbyists, and law enforcement agencies. Led by Eliot Higgins and a small staff, Bellingcat draws on the work of thousands of volunteers from around the world, united by a shared passion for using openly available information to investigate crimes, battle disinformation, and reveal wrongdoing. The group's name was inspired by a fable about a cat that terrorizes a group of mice. The mice are faster than the cat, but they realize they cannot protect themselves unless they hear the cat coming. Their solution: find a brave mouse to hang a bell on the cat's neck. Higgins sees his

mission as “belling” the cats of global injustice. He calls his organization “an intelligence agency for the people,” an “open community of amateurs on a collaborative hunt for evidence.”

In *We Are Bellingcat*, Higgins traces his improbable journey from college dropout and video-game player to open-source intelligence pioneer. After the 9/11 terrorist attacks, in 2001, Higgins, a British citizen then in his 20s, was struck by the slowness of traditional media. “News was happening so fast,” he writes, “and the papers were so slow.” He became obsessed with current affairs and started joining online message boards. By 2011, when the Arab Spring protests were erupting across the Middle East, Higgins was arriving early to his office job to scour the Internet for news. It was then that he had a realization: reporters were often posting more information in their personal Twitter feeds than in their published stories; social media had facts that traditional media did not.

Higgins eventually moved from consuming information to producing it, posting comments on the Something Awful message board and *The Guardian's* live blog, then creating his own blog under the handle Brown Moses, after the Frank Zappa song of the same name. His self-described forte was using Google Earth to determine the locations of events and identifying unusual weaponry he found in photos. Imagery, he discovered, could be a gold mine in the hands of a careful investigator. Photographs often contained telltale clues—a distant road sign, a certain type of tree, a time of day, a specific kind of munition—that the subjects and photographers themselves

didn't realize were present. "What people mean to show is not all they are revealing," writes Higgins.

Bellingcat is best known for investigating the shutdown of Malaysia Airlines Flight 17, which crashed in Ukraine in 2014, killing all 298 people onboard. The Russian government insisted that Ukrainians were behind the tragedy and launched disinformation campaigns to spread false narratives and sow confusion. Bellingcat uncovered the truth: the plane was shot down by a Russian Buk surface-to-air missile supplied by Russian special operations forces to pro-Russian separatists in Ukraine, who likely mistook the civilian airliner for a Ukrainian military plane. The amateur investigators at Bellingcat found all sorts of ingenious sources to piece together the Buk missile's secret transport from Russia to Ukraine. They used pictures and videos of separatist military hardware that Ukrainians liked to post on social media; dashboard camera footage of daily drives in the region, which car owners posted on YouTube (a popular local hobby); an app called SunCalc, which measures shadows in pictures to pinpoint the time of day of an image; and Instagram selfies of a Russian undercover soldier posing at the border. Bellingcat's volunteers identified the specific Russian military unit and individuals involved. They even pinpointed the exact weapon that shot down the plane by tracking photos of its transport and identifying the unique pattern of bumps and tears that appeared on a rubber part of the Buk transporter's exterior.

Bellingcat has notched many other successes: unearthing and compiling

overwhelming evidence that Syrian President Bashar al-Assad used chemical weapons against his own citizens; identifying neo-Nazis involved in violent protests in Charlottesville, Virginia, in 2017; and unmasking members of a Russian hit team that in 2018 tried to assassinate a former Russian military officer who had spied for the British and was living in the United Kingdom. In one case, Bellingcat investigators identified someone photographed assaulting an African American man in Charlottesville by examining social media photos of white nationalist rallies held in the summer (when it was hot and people tended to open their shirts) and matching the distinctive pattern of moles at the top of the suspect's chest. In another case, Higgins saw a late-night video tweeted by a Syrian activist, Sami al-Hamwi, that showed a man picking through strange turquoise canisters on the ground in Syria. "Anyone know what this weird [bomb] is?" Hamwi asked. Higgins found another video from the same area showing a split shell that had fins and a distinctive shape. Another amateur sleuth sketched it and posted the drawing so people could more easily hunt for matches at specialty weapons sites online. Eventually, Higgins concluded that the videos showed parts of a Russian-made RBK-250-275 cluster bomb, a widely denounced munition that releases bomblets that often fail to explode, posing risks for civilians (including children) who later find them. The turquoise canisters the man was picking through on the video were live bombs.

This track record has brought Bellingcat a level of attention and

renown that Higgins scarcely could have imagined when he started the project; the once obscure blogger now sits on the Technology Advisory Board of the International Criminal Court. He recounts this unlikely tale with fascinating detail and fervor, making *We Are Bellingcat* a mix of memoir, manifesto, and police procedural: *CSI* for the international relations set.

WISE CROWDS, DANGEROUS MOBS

Perhaps unsurprisingly, *We Are Bellingcat* gives a glass-half-full view of open-source intelligence, focusing almost entirely on its promise and glossing over its potential risks. But the downsides are important to consider.

Bellingcat is part of an eclectic, expanding ecosystem that is home to a wide range of inhabitants with varying motives and capabilities. There are hobbyists, journalists, activists, academics, part-timers, profiteers, volunteers, fact checkers, conspiracy peddlers, and everything in between. Higgins's outfit is one of the most capable and responsible members of this emerging world, with high standards for verification and a commitment to training. Those values are shared by a number of academic experts and former government officials who also conduct valuable open-source intelligence work. But open-source intelligence is a loose, unregulated field, open to anyone: there are no formal qualifications, rules, or standards. Operating online means that errors can go viral. And participants don't risk losing a promotion or a job for making a mistake. Higgins disdains the hierarchy and bureaucracy of government intelligence agencies, but red tape has some benefits: the best intelligence

agencies insist on rigorous hiring standards and procedures, formalized analytic training, mandatory peer review of intelligence products, and penalties for poor performance.

Higgins is also passionate about the benefits of crowdsourcing to find the truth. But a thin line separates the wisdom of crowds from the danger of mobs. The herd is often wrong—and when it is, the costs can be high. After two terrorists detonated explosives near the finish line of the Boston Marathon in 2013, killing three people and wounding more than 260, users of the online forum Reddit who were eager to crack the case identified several “suspects” who turned out to be innocent; the crowdsourced investigation quickly devolved into a digital witch-hunt.

Recent research has found that facial recognition algorithms—which are widely available and easy to use online—are far more accurate at identifying lighter-skinned faces than darker-skinned ones, increasing the risks that amateur sleuths, as well as government agencies, could wrongfully charge the innocent. That is exactly what happened to Robert Julian-Borchak Williams in 2020, an African American man who is the first known person in the United States to be charged with a crime he did not commit because his face was erroneously identified by a faulty facial recognition algorithm. After the January 6 siege of the U.S. Capitol, an anonymous Washington-area college student used imagery posted online and simple facial detection software to create Faces of the Riot, a website with 6,000 photographs of people believed to have been involved in the attack. “Everybody

participating in this violence, [which] really amounts to an insurrection, should be held accountable,” said the student. But Faces of the Riot did not distinguish between people who broke into the Capitol complex and those who only attended protests outside it. Nor did the site’s image dump identify or remove mere bystanders, members of the press, or police officers.

Flawed open-source investigations can also lead intelligence officials and policymakers astray, sapping resources from other missions and priorities. In 2008, a former Pentagon strategist named Phillip Karber was teaching a class at Georgetown University when he decided to guide his students on an open-source intelligence investigation to uncover the purpose of a massive underground tunnel system in China. The existence of the tunnels had been known for years, but their use remained uncertain. Karber’s student sleuths produced a 363-page report that concluded that the tunnels were secretly hiding 3,000 nuclear weapons—which would have meant that China possessed a nuclear arsenal around ten times as large as what most experts and U.S. intelligence agencies believed, according to declassified estimates.

Experts judged that the report was flat wrong and found the analysis to be riddled with egregious errors. Among them, it relied heavily on an anonymous 1995 post to an Internet forum—a source that was “so wildly incompetent as to invite laughter,” wrote the nonproliferation expert Jeffrey Lewis. Nevertheless, the report was featured in a *Washington Post* article, was circulated among top Pentagon officials, and led to a congressional hearing. It was all a

wild-goose chase that consumed the most valuable resource in Washington: time. As open-source intelligence grows, such distractions are likely to proliferate. Increasingly, U.S. intelligence agencies may have to serve as verifiers of last resort, debunking crowdsourced claims that make headlines instead of giving policymakers the intelligence they need.

Open-source intelligence investigations also tend to focus on details to illuminate the big picture. In Higgins’s view, truth is truth, small things add up, and everyone knows it. This approach is seductive but riskier than it sounds. Intelligence is a murky business in which individual facts often support many competing hypotheses. In 1990, for example, U.S. satellite imagery clearly showed Iraqi forces mobilizing near the Kuwaiti border. But nobody knew whether the Iraqi leader Saddam Hussein was bluffing to gain leverage in his dispute with the Kuwaitis or whether he was really preparing to invade. The facts were obvious, but Saddam’s intentions were not.

Small truths can also lead to big distortions. Humans often place too much weight on information that confirms their views and too little weight on information that contradicts them. U.S. General Douglas MacArthur was blindsided by China’s entry into the Korean War mostly because he was convinced that the Chinese leader Mao Zedong wouldn’t dare join the fight; MacArthur put stock in intelligence that supported that belief and discounted anything that challenged it. Asking the wrong question can also produce information that is narrowly accurate yet highly misleading. Michael

Hayden highlighted this danger during his 2006 confirmation hearing to serve as CIA director. “I have three great kids,” Hayden told the Senate Intelligence Committee, “but if you tell me to go out and find all the bad things they’ve done, . . . I can build you a pretty good dossier, and you’d think they were pretty bad people, because that was what I was looking for and that’s what I’d build up.” Truths can deceive even when nobody intends it.

WIDE OPEN

The revolution in open-source intelligence is here to stay, and U.S. intelligence agencies must embrace it or risk failure. Innovators such as Bellingcat are harnessing publicly available information with new technologies in exciting ways. But like anything in intelligence, this emerging landscape holds both promise and pitfalls.

Maximizing the benefits and mitigating the risks of this open-source world requires action on three fronts. First, governments and nongovernmental actors need to develop closer partnerships to make it easier to collaborate and share open-source intelligence. Meanwhile, governments need to create intelligence agencies dedicated to open-source collection and analysis, which remains a peripheral activity in most intelligence bureaucracies. In the United States, the CIA, the National Security Agency, and other intelligence agencies have promising open-source initiatives underway. But these will not be enough: a new open-source intelligence agency is needed. Secret agencies will always favor secrets. Just as the U.S. Air Force was hobbled until it split from the army, open-source intelligence

will remain underfunded, underpowered, and underutilized as long as it sits inside agencies whose missions, cultures, and capabilities are all designed for a classified world.

Finally, nongovernmental open-source groups such as Bellingcat have work to do. The ecosystem as a whole needs to codify and institutionalize best practices, create shared ethical norms, establish quality standards, and improve collection and analysis skills to reduce the risk of errors and other bad outcomes. Here, too, efforts are underway. Bellingcat is running training programs, and the Stanley Center for Peace and Security, a nonprofit, is convening international workshops with leaders in open-source intelligence to examine ethical challenges and develop recommendations for addressing them.

Today, open-source intelligence is dominated by Americans and the United States’ Western democratic allies. Many of the leading organizations are filled with experts who are driven by a sense of responsibility, who have exacting quality standards, and who work closely with government officials and international bodies. But the future is likely to bring more players from more countries with less expertise, less sense of responsibility, and less connectivity to U.S. and allied intelligence officials and policymakers. China already operates commercial satellites, and the internationalization of the commercial satellite business is expected to grow significantly in the next several years. The open-source world will soon be more crowded and less benign. Now is the time to prepare. 🌐

Chronicle of a Defeat Foretold

Why America Failed in Afghanistan

Christina Lamb

The American War in Afghanistan: A History

BY CARTER MALKASIAN. Oxford University Press, 2021, 576 pp.

In 2008, I interviewed the United Kingdom's then outgoing military commander in Afghanistan, Brigadier Mark Carleton-Smith, in a dusty firebase in Helmand Province, where international troops had been battling the Taliban on a daily basis for territory that kept slipping away. The war in Afghanistan could not be won militarily, Carleton-Smith told me. He was the first senior coalition military officer to say so publicly, and the story made the front page of the British *Sunday Times*. U.S. Defense Secretary Robert Gates promptly denounced Carleton-Smith to the news media as "defeatist."

Thirteen years on, U.S. President Joe Biden appears to have reached the same conclusion as the British brigadier. In April, Biden announced that the United States would pull all its remaining troops out of Afghanistan by

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the 20th anniversary of 9/11, ending what he referred to as "the forever war." But by now, such a withdrawal was all but a foregone conclusion: the Taliban had proved a stubborn enemy that was not going anywhere and that indeed controlled close to half the country's territory.

How the conflict once known as "the good war" (to distinguish it from the war in Iraq) went so wrong is the subject of a new book, *The American War in Afghanistan*, which claims to be the first comprehensive account of the United States' longest war. Its author, Carter Malkasian, is a historian who has spent considerable time working in Afghanistan, first as a civilian official in Helmand and then as a senior adviser to the U.S. military commander in the country. A sprawling history of more than 500 pages, the work stands in stark contrast to Malkasian's previous book, *War Comes to Garmser*, which tells the compelling story of one small district in Helmand. In his new book, Malkasian considers just how it could be that with as many as 140,000 soldiers in 2011 and some of the world's most sophisticated equipment, the United States and its NATO allies failed to defeat the Taliban. Moreover, he asks why these Western powers stayed on, at a cost of more than \$2 trillion and over 3,500 allied lives lost, plus many more soldiers badly injured, fighting what the British brigadier and others long knew was an unwinnable war.

FATAL BEGINNINGS

The Afghan intervention seemed, at the start, a success story. The United States entered Afghanistan in October 2001 with the backing of the United



Way out: U.S. soldiers in Laghman Province, Afghanistan, December 2014

Nations and fueled by worldwide outrage over the 9/11 attacks. It dispatched B-52 bombers, laser-guided missiles, and Green Berets, who worked alongside local militias to topple the Taliban within 60 days, with the loss of only four U.S. soldiers (three a result of friendly fire) and one CIA agent. The operation seemed a model of intervention and cost a total of \$3.8 billion: President George W. Bush described it as one of the biggest “bargains” of all time. Observes Malkasian: “The ease of the 2001 success carried away sensibility.”

The Taliban fell, Osama bin Laden fled to Pakistan—and the Bush administration no longer seemed to know what it was trying to achieve in Afghanistan. Bush made much of women’s rights, declaring in his State of the Union address in January 2002 that

“today women of Afghanistan are free,” after “years as captives in their own homes,” when the Taliban forbade girls from going to school and women from working, wearing lipstick, or laughing out loud. But Washington had no appetite for rebuilding Afghanistan and almost no understanding of the war-ravaged country, let alone of how much work would be needed to secure and reconstruct it.

Malkasian argues that the United States made mistakes between 2001 and 2006 that set the course for failure. The catalog of errors he recounts is by now familiar. Defense Secretary Donald Rumsfeld did not want to invest in the Afghan army—and by the end of 2003, just 6,000 Afghan soldiers had been trained. Warlords, whom most Afghans blamed for the country’s descent into violence in the first place, roamed free

and even became ministers and members of parliament. At the same time, the United States and its allies shut the Taliban out of talks on a political settlement, failing to appreciate that the group represented a point of view that many among the majority Pashtuns shared. The United States should have pressed its advantage, Malkasian suggests, at a time when the Afghan government had popular support and the Taliban were in disarray. Instead, it empowered militias and conducted overly aggressive counterterrorism operations that alienated ordinary Afghans and led the excluded Taliban to resort once more to violence.

Nonetheless, the Bush administration classed Afghanistan as a success and turned its attention to Iraq. The Taliban fled across the border to Pakistan, where they regrouped, raised funds, recruited in the madrasahs, and trained with the assistance of Pakistan's security service, the Inter-Services Intelligence. Many ISI officers had worked with Taliban leaders for decades and shared their worldview. Moreover, Malkasian notes that Islamabad's strategic thinking centered on its rivalry with India. Pakistan had fought four wars with its neighbor and feared that India would encircle it by gaining influence in Afghanistan. India had 24 consulates in Afghanistan, Pakistani officials complained; in fact, it had only four.

Pakistan's role turned out to be fatal. Even as the United States prosecuted its war in Afghanistan, those it fought found refuge and training in the country next door. But the Bush administration not only turned a blind eye to Pakistan's machinations; it provided Pakistan with \$12 billion, more than

half of which was a reimbursement for military operations, as American officials believed that Islamabad was helping in what they saw as the more important fight against al Qaeda.

THE HEART OF AFGHANISTAN

Afghan officials like to blame Pakistan for the deepening war. But the Taliban had something more in its favor—something Malkasian calls “the Taliban's tie to what it meant to be Afghan.” The heart of Afghanistan, by Malkasian's description, is the *atraf*, or countryside, with its mud-walled homes, hidden-away women, and barefoot children, a realm where “other than cell-phones, cars, and assault rifles, the 21st century was invisible.” Into this space came American soldiers with night-vision goggles and missiles the price of Porsches. The last foreigners the villagers had seen were the Russians who occupied their country in the 1980s. The Taliban were able to use that memory as a powerful motivator in a country that prided itself on defeating superpowers and never having been colonized.

Malkasian believes that the Taliban profited from their posture as a force for Islam, against infidels. But my own reporting in Afghanistan suggests a somewhat more ambiguous dynamic. Mullahs in villages would rage against the foreign presence, but they collected their salaries from a government dependent on foreigners. Ordinary Afghans I spoke to suggested that religion was less important to them than pride in their history of defeating superpowers. The fact that the Taliban paid unemployed farmers further boosted the group's advantage. Moreover, as Malkasian details, the Taliban

exploited tribal rivalries that Western forces didn't understand. Many powerful Pashtun tribes, such as the Ghilzais, the Ishaqzais, and the Noorzais, felt cut out. They resented foreign troops for disrespecting their culture (entering women's quarters, bombing wedding parties) and attempting to eradicate their poppy crops.

The United States had created conditions that called for a more robust Afghan state than it had built. As Malkasian writes, "If a state faces a hostile safe haven on its border and mistreats various segments of its population, it had best have capable military forces of one form or another." When the Taliban reemerged in earnest in 2006, their forces were estimated at only 10,000, which should have been containable. But the foreign forces in Afghanistan were unfamiliar with the terrain, both geographic and cultural; the U.S. leadership was distracted by Iraq, where a civil war was spinning out of control; and Afghanistan had not even a small, capable army.

As for Afghan President Hamid Karzai, he was furious about NATO airstrikes and what he saw as British meddling in Helmand, where he had been forced to remove a governor. Increasingly paranoid, rather than unite tribes that might have stepped in to fight the Taliban, he tried to divide them, lest they become a political threat. Later, the Afghan security forces were ramped up and gained numerical superiority over the Taliban and at least equivalent ammunition and supplies. Still, they threw in the towel at decisive moments. "The Taliban had an edge in inspiration," writes Malkasian. "The average soldier and policeman simply

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wanted to fight less than his Taliban counterpart. Many could not reconcile fighting for Afghanistan alongside an infidel occupier and against a movement that represented Islam.”

In stressing the religious dimension, however, Malkasian overlooks more material conditions that sapped motivation from many Afghan fighters. Some were reluctant to fight for a government whose insatiable demand for bribes they felt was the bane of their lives. Others were well aware that there would be no medevacs for injured security forces and that corrupt commanders were siphoning off their fuel and supplies, as well as pocketing the pay for “ghost fighters,” who existed only on the books. They saw little utility in risking their lives for a predatory government when the Taliban seemed just as likely to return.

THE CLOCKS AND THE TIME

The United States, sucked in ever deeper, seemed to exhaust every strategy, from maintaining a light footprint to surging U.S. troops, increasing them almost threefold, to more than 80,000 by 2010. President Barack Obama, who was constitutionally wary of pouring troops and dollars into military interventions, and who had opposed the war in Iraq at its inception, found himself sending more and more Americans to prop up a government that had lost the trust of its people. But he never considered getting out altogether: the cost was just too high. “The United States was stuck,” writes Malkasian. And the Taliban expanded their influence with the support of Iran and Russia, both of which were interested in making life hard for the Americans.

So how did Washington come unstuck, and why now? U.S. President Donald Trump, with his “America first” policy, was never going to have much time for Afghanistan; indeed, one of his campaign promises was to end the war. By the autumn of 2018, with midterm elections approaching, Trump raged to his generals that their strategy had been “a total failure” and he wanted out. For the first time, talks with the Taliban took on real urgency. In February 2020, Washington signed a deal promising withdrawal by May 1, 2021. The Afghan government had been completely excluded from these negotiations. When Biden came into office, Kabul hoped the new president would not only delay the withdrawal but also leave a permanent force in place. In the end, it got only four months’ grace.

In announcing a September pullout, Biden argued that the United States should “be focused on the reason we went in the first place: to ensure Afghanistan would not be used as a base from which to attack our homeland again. We did that. We accomplished that objective.” But even this point is not entirely clear-cut. True, there hasn’t been an attack from Afghanistan since 9/11. But al Qaeda has not gone away. In fact, the situation is more complicated than before, as there is not only al Qaeda to contend with but also Islamic State Khorasan, or IS-K, which is small in numbers but has conducted deadly suicide attacks in Afghanistan, including on maternity hospitals and schools, particularly in Kabul.

The current U.S. plan is to contain terrorism from afar, using drones, intelligence networks, and special operations raids launched from bases somewhere in the region. William

Burns, the CIA director, admitted that this plan involved “a significant risk.” It was “not the decision we hoped for,” said the British defense chief, Nick Carter.

“These are professional understatement,” William Hague, a former British foreign secretary, wrote recently in response. “Most western security officials I know are horrified.”

Even if the United States’ war is over, Afghanistan’s is not. In the last 15 years, more than 40,000 civilians have been killed. The Afghan government and the Taliban began peace talks in Qatar late last year—but since then, the fighting has intensified, causing even more casualties. When peace talks got underway between the Taliban and the United States in 2019, I asked young Afghans what peace would mean to them. “Being able to go for a picnic,” said one. “Not having to wonder if you will come back again when you leave for work or study,” said another. Most, however, could not answer at all. Fully 70 percent of the Afghan population is under the age of 25, and fighting has gone on since the Soviet invasion in 1979. These Afghans have only ever known war.

Malkasian’s book raises a disturbing question: In the end, did the U.S. intervention in Afghanistan do more harm than good? “The United States exposed Afghans to prolonged harm in order to defend America from another terrorist attack,” he writes. “Villages were destroyed. Families disappeared. . . . The intervention did noble work for women, education, and free speech. But that good has to be weighed against tens of thousands of men, women, and children who died.”

Those “noble” achievements are not negligible, however. There are now 3.5

million Afghan girls in school (although more than two million still do not go). Women are working in all sorts of fields: law enforcement, cinema, robotics. The health-care system has been transformed, and life expectancy for Afghan women has increased by almost ten years. Afghanistan has flourishing media. Even the presence of cell phones indicates a society connected with the rest of the world. Young Afghans will not easily give up these hard-won rights.

The fear is that these gains may now be threatened. Since the peace deal was signed, there have been dozens of assassinations of judges, journalists, and human rights activists, as well as the horrific bombing of a girls’ school. And however U.S. policymakers may seek to dress it up, to the Taliban, the American pullout is a victory. As the oft-quoted Taliban adage goes, “You have all the clocks, but we have all the time.”

The Afghans, after all, never believed that the Americans would stay. Back in 2005, in the remote village of Shkin, a place of intense fighting in the mountains of eastern Afghanistan, I watched local villagers happily accept health care and other help from U.S. soldiers in the day, then rocket their base at night. When I asked them why, they had a simple explanation: “In the end, they’ll be gone, and the bad guys will still be here.”🌐

Anti-imperial Subjects

Asia's Unfinished Rebellions

Adom Getachew

Underground Asia: Global Revolutionaries and the Assault on Empire

BY TIM HARPER. Harvard University Press, 2021, 864 pp.

As great powers clashed during World War I, another war raged in colonial Asia. In February 1915, Indian soldiers mutinied in Singapore following rumors that they would soon be sent to Egypt to fight fellow Muslims of the Ottoman Empire. Unable to control the rebellion, the British had to rely on European special constables and the support of the Japanese imperial consul to regain control of the city-island. This mutiny was part of a wider plot by the far-flung members of the Ghadar Party, an Indian anti-imperial movement started in California, to initiate a pan-Indian insurrection across the British Empire. A transnational network stretching from San Francisco to Kabul supported these efforts; Ghadarites worked in collaboration with German consulates, the Ottoman Empire, and Irish republicans to supply resources, especially arms, to Indian rebels. Imperial counterintel-

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ligence agents eventually managed to snuff out this revolution, but not before it shook the British Empire and its allies. *The New York Times* called the Singapore Mutiny the “greatest threat to British power in Asia” in over half a century.

In Tim Harper’s *Underground Asia*, a magisterial history of anti-imperialism in Asia in the first three decades of the twentieth century, this uprising constitutes one part of an Asia-wide assault on European empires. Asia seethed during World War I. Waves of labor strikes hit the urban centers and plantations of Java. A revolt against new land taxes broke out in Kelantan, on the Malay Peninsula. From Saigon to Sumatra, Singapore to Lahore, the spirit of rebellion spread like wildfire. Specific grievances fueled each uprising, and their participants espoused a range of political ideologies. But the rebellions shared a global outlook: a conviction that the tables would soon be turned in favor of subjugated peoples against their European masters.

Ironically, this surge of anti-imperialism has often been treated as an offshoot of an American or European story. Scholars of this period tend to focus on how anticolonial movements borrowed ideas of national self-determination and revolution from Western liberals, such as Woodrow Wilson, or from communist revolutionaries, such as Vladimir Lenin. That emphasis has the effect of casting political events in Asia as mere echoes of developments in the West.

Harper, by contrast, seeks to place Asian anticolonialism in its own context. The scale and ambition of his work are nothing short of remarkable. He reconstructs how migration, the translation and transmission of texts, and the

formation of intellectual and political communities helped spark the rebellions and build an “Asian underground” of determined radical opposition to European empires at the high point of imperialism. Although by training a historian of Southeast Asia, he dispenses with the restricting framework of area studies—which separates East, Southeast, and South Asia—and likewise doesn’t confine his inquiry to a particular empire, looking across the borders of British, Dutch, and French possessions. In so doing, Harper shows how imperial subjects in Asia came to develop radical worldviews and build the movements that would eventually drive European powers out of the continent.

But his is also a history of a lost era and its forgotten possibilities. He shows how Asian revolutionaries in the period developed internationalist and cosmopolitan visions of the world, which were much broader than those of the nationalists who would come to dominate Asia and Africa during the mid-twentieth century. Decolonization and the emergence of nation-states in those parts of the world rested on the defeat of alternative conceptions of freedom centered on pan-Asianism, pan-Islamism, and a communist world revolution.

Harper’s book arrives at another moment of rebellion across Asia. In the unprecedented demands for reform of the monarchy in Thailand, the struggles for Hong Kong’s autonomy, the large-scale and months-long strikes of Indian farmers, and the uprising against the return of military rule in Myanmar, hundreds of thousands have taken to the streets in recent years. The protests sweeping Asia are reminders that the project of achieving freedom and

equality in the region, a project begun underground in the early decades of the last century, remains unfinished today.

THE LIGHT OF ASIA

At the dawn of the twentieth century, as European empires tightened their hold across Asia, one country seemed to offer anti-imperial thinkers a vision of a future beyond colonial rule. Surveying “the present outlook of the darker races” in 1897, the African American intellectual W. E. B. Du Bois declared that “the one bright spot in Asia to-day is the island empire of Japan.” Centralizing and modernizing reforms in the nineteenth century had strengthened the Japanese state such that it could resist the advances of European empires. Japan’s decisive military victory over Russia in 1905 further confirmed the country’s status as “the light of Asia,” inspiring anticolonial thinkers across the continent.

Japan attracted many dreamers in this period. Harper’s narrative begins in 1905 with the journey of a group of Vietnamese revolutionaries—Phan Boi Chau, Prince Cuong De, and Phan Chau Trinh—who fled French Indochina for Japan after the French suppressed the anticolonial Can Vuong movement. Many other political and intellectual exiles turned to Japan for refuge. Students from across the region arrived to study in Tokyo. Merchants set up shop in rapidly industrializing Japanese cities. And aspiring industrialists came to learn from Japan’s industrial processes.

The idea of Asia as a political space united by a common struggle against Western imperialism, rather than a vague geographic concept, first emerged in this dynamic and bustling milieu. Students and exiles from various parts of the

continent developed a common language of lamenting the “loss of country” and the shared “sickness” brought on by European domination. To them, Asia appeared as a “field for concerted action”; Asian thinkers in the early twentieth century looked forward to remaking their world on their own terms. They imagined a future that was not bound by territorial nation-states and instead was defined by political and economic relationships that traversed the region. This was the dream of pan-Asianism, a movement that encompassed various projects of building Asian unity through linguistic, religious, and commercial networks.

But Japan’s own imperial ambitions, its aspiration to be an “empire among empires,” quickly made it an inhospitable place for the nascent project of pan-Asianism. Japan signed agreements with France and the United Kingdom that exposed exiles to regimes of surveillance and repression. For figures such as the Vietnamese Chau, Japan no longer offered a viable model of Asian solidarity. The first wave of exiles dispersed from Japan and went underground. Chau ended up in China, where he built a new revolutionary league; French agents soon hunted down that group, as well. Despite its crackdown on the political organizing of exiles and émigrés, Japan did remain a hub of anti-imperial revolutionary ideas. Harper argues that even after the Russian Revolution in 1917, when anti-imperialists came to describe Russia as a political mecca, Japan continued to be “the principal source” of translated socialist texts.

Of course, Asian students and activists did travel to European centers—notably Berlin, Moscow, and

Paris—and learn from radical European political theory. The circulation and translation of European political and social thought, including the works of Karl Marx, the Russian anarchist Peter Kropotkin, and the Italian nationalist Giuseppe Mazzini, played an important role in the intellectual formation of many anti-imperial thinkers. But Asians understood these texts through their own experiences and predicaments.

For instance, migrant labor formed a key bedrock of the economies of Western empires in Asia. That labor was more likely to be located on the plantation or at the docks than on the factory floor, the site so central to classical Marxist theory. In the early twentieth century, regimes of migrant labor uprooted millions of people. Asian cities such as Singapore grew dramatically, as they served as conveyor belts for labor and capital. Laborers from southern India fed the plantations of Malaya and Ceylon, where many lost their lives to malaria or dysentery. Chinese and Indian immigrants worked on railways and farms in Canada and the United States before new forms of immigration control and exclusion blocked their arrival. Students and political exiles would follow the paths that labor forged across oceans and continents.

THE VILLAGE ABROAD

Many of Harper’s protagonists are male, but he also shows how women participated in and took advantage of the turbulent and changing times. Women flocked to work in cities and factories to forge more independent lives. They also played a central role in uprisings and rebellions. For instance, women initiated the first labor strikes at the turn of



Unfinished revolution: protesting in Hong Kong, September 2014

the century in Shanghai's factories. They can be difficult for historians to find in traditional archives; many women employed male pseudonyms or had their contributions diminished in the historical record by male comrades.

Despite these silences, Harper finds many women who daringly advanced revolutionary causes. In 1925, Wong Sang—dubbed “the bobbed-haired woman” for the fashionable, modern haircut she sported—set off a bomb in Kuala Lumpur in a failed attempt to assassinate the governor. When asked to enter her plea during her trial, she said very little, admitting that she was responsible and coyly suggesting she had “a very bad temper.” The investigation that followed her trial revealed that she was part of a conspiracy that stretched across modern-day Indonesia, Hong Kong, Malaysia, and Thailand.

Wong and others who played a role in Asia's “great age of movement” were not isolated actors but part of new networks formed at “the waterfront, the lodging house, the coffeeshop, the clandestine printing press in the back alley,” Harper writes. Traveling the circuits of the Asian underground, they became members of what Chau called “the village abroad,” a dispersed but meaningful community of radicals who helped facilitate rebellion against and resistance to Western empires by illicitly moving people, money, arms, and revolutionary literature. The village abroad offered a distinct vantage point—both at the center of global economic processes and at their margins—from which its denizens debated important questions, including about the relationship among class, national, and religious identities and the necessity and pru-

dence of violence as a tool of resistance. They always kept an eye on the global character of their struggle, while still staying attuned to the particular contexts in which they lived and strived.

Exemplary of this underground were the activities of the Ghadar movement, a group of U.S.-based Indian anticolonial revolutionaries that formed from the Hindustani Association of the Pacific Coast. As Harper notes, the group's journal, *Ghadar* (Mutiny), was published in "a polyphony of languages and scripts," including Gurmukhi, Hindi, and Urdu, and reached a global readership as it spread through the growing South Asian diaspora. Through publications and public meetings, Ghadarites grounded the fight for freedom from the British in invocations of a heroic Indian past. They drew on a range of ideologies but shared the anarchistic orientation of the wider world of underground Asia. Anarchism, Harper argues, was well suited to the experience of displacement and exile as "a doctrine of self-help and self-governance" and as an internationalist vision. It also fit the milieu of the village abroad, which was characterized by the "mixed labor forces of the waged, the unwaged and the casual."

Members of the village abroad often endorsed political violence. A December 1913 Ghadar pamphlet, for instance, celebrated the attempted assassination in 1912 of the British viceroy of India with a homemade bomb, hailing "the power of the bomb" for "its ability to sow perpetual fear among the British." These sporadic acts of violence would powerfully expose how imperial power relied on the compliance and support of the colonized. Violence turned the

empire into "a nervous state," to borrow the historian Nancy Rose Hunt's evocative term, which felt obliged to constantly look over its shoulder.

But the underground did not just produce violence. It circulated ideas, information, and propaganda that offered eye-opening critiques of European empire, presented the tantalizing possibility of new postcolonial futures, and girded revolutionaries for the long struggle ahead. The pamphlets, magazines, and letters spread news across the region and drew new recruits to anti-imperial causes. Stopping this flow of incendiary writing would become as important to imperial powers as uncovering possible bomb attacks.

THE END OF A WORLD

After World War I, the cosmopolitan Asian underground began to wane. New restrictions on the mobility of labor and the ever more intricate dragnet of imperial surveillance and repression weakened the networks of the village abroad. As a result, anti-imperial thinkers and activists turned from the wider project of Asian liberation to narrower, nationalist aims. "The early vision of an Asian whole, united in suffering the same sickness," was less powerful. Elder fugitives of the underground mourned the loss of a more internationalist project. For Lala Har Dayal, a founding member of the Ghadar Party, this was the age of "dismal nationalism."

Harper charts this transformation in part through three anchor characters: the Indian Communist M. N. Roy, the Indonesian Tan Malaka, and the Vietnamese Nguyen Ai Quoc (better known by his assumed name of Ho Chi Minh—"He Who Enlightens"). The arcs of their

lives map onto the ideological evolution of the struggle for freedom in Asia. Harper's narrative unfolds as a detective's tale, piecing together archival fragments, tracking aliases and pseudonyms, and doggedly following hidden trails to reconstruct the men's distinctive and overlapping itineraries.

Roy sits awkwardly in the standard history of Indian anticolonialism that gives a central role to the Indian National Congress and leaders such as Mahatma Gandhi and Jawaharlal Nehru. But Roy's globe-spanning travels and his internationalist vision made him an emblematic figure of the Asian underground. Roy was initiated into anticolonial politics in India during the Swadeshi movement, which began in 1905 and was a precursor to the nationalist freedom struggle against the British. He left India in the midst of the 1915 Asia-wide uprisings. Following sojourns in Mexico City (where he helped found the Mexican Communist Party) and Berlin, he became a key theorist for the Comintern in Moscow. From this perch, he insisted on the central role Asia would play in world revolution and urged Lenin and others to turn their attention to the East. He also advocated a more skeptical stance toward the nationalist movements that Lenin often wanted to support and instead insisted on prioritizing workers and peasant movements in the colonies. But even as he commanded a central role in trying to direct a wider communist Asian revolution, he grew distant from developments in India, and his ability to influence events there waned. Frustrated by the "impotence of exile," as Harper puts it, Roy returned to India in 1930. There, colonial authorities arrested him on an earlier warrant for conspiring to

overthrow the empire. Released in 1936 due to poor health, he then briefly joined forces with the Indian National Congress, the nationalist party he had rejected in his early years. The partnership did not last long: Roy believed that the global fight against fascism took precedence over Congress's commitment to noncooperation with colonial authorities, and the party expelled him for wanting to support British efforts during World War II. He experienced the end of empire in India as a spectator far removed from the field of action.

Malaka, a prominent member of the Indonesian Communist Party, known as the PKI, epitomized how members of the underground could meld visions of the world seemingly at odds with one another. He argued that pan-Islamism and Bolshevism were mutually reinforcing rather than opposed political projects. He was forced to leave the Dutch East Indies after authorities arrested him in 1922. He welcomed exile as a chance to experience, in his words, "the largeness of the world" but also recognized that "seldom are we [exiles] able to hold firm to our original beliefs, desires, and faith." Malaka remained committed to the cause of Indonesian liberation, but along the way, his understanding of this project took on new dimensions that pitted him against his PKI comrades. From exile, he articulated a republican vision of Indonesia based on universal suffrage and a federal constitution. When his former comrades in the PKI planned an open rebellion, he rejected it as a "putsch," favoring instead a slower, broader mass mobilization. He didn't shy away from the use of violence as a revolutionary tactic, but he imagined direct action in more subtle ways, including "the suborning of military garrisons,

the solidarity of general stoppages, the unstoppable momentum and moral force of the mass demonstrations.” Malaka would later be hailed as “the father of the Indonesian Republic” by Sukarno, the first leader of the country after independence, but when Malaka finally returned from exile, in 1945, Indonesian nationalist forces jailed and executed him.

Unlike these counterparts, Ho Chi Minh was successful in leading a national liberation movement. Ironically, he is the most shadowy of the three, having retreated so far into the underground that many parts of his travels are difficult to confirm. Like Roy, he passed through the Americas on his way to Moscow; like Malaka, he would come to reject explosive military plots and “patriotic anarchism” in favor of slowly building organizational capacity. In 1925, Ho Chi Minh organized the Revolutionary Youth League in the southern Chinese city of Canton (now Guangzhou). He saw firsthand the widening fissures between the two main forces in China, the Kuomintang, or Nationalist Party, and the Chinese Communist Party. When he formed the Vietnamese Communist Party, he sought to build an organization that combined both nationalism and communism. The Comintern in Moscow chastised him for narrowing his work to Vietnam rather than seeking to liberate Indochina more broadly. But his increasingly national focus reflected changing times, as anti-imperial and socialist struggles throughout the region shifted from the internationalist orienta-

tion of the era of the underground to a more nationalist one. When Ho Chi Minh returned to Vietnam in 1941, after 30 years of exile, he had undergone a dual transformation: “from the son of a mandarin to a plebian, from a cosmopolitan into a patriot,” a journey that reflected the waxing and waning world of underground Asia. Ho Chi Minh’s return marked the beginning of a national struggle, first to end the Japanese occupation and French colonization of Vietnam and then to fend off the fateful intervention of the United States.

Around the time Ho Chi Minh returned to Vietnam, Chau penned his memoir. “My history is entirely a history of failure,” he concluded. The diverse, eclectic world of underground Asia—its rebellions nurtured in port cities, its smuggled journals, its migrant enclaves—had failed to realize its radical and internationalist vision of pan-Asianism. In its place, the end of European imperialism in Asia ushered in an age of narrower nationalisms fixated on state building. Chau’s journey to Japan in 1905 had opened one pathway of underground Asia, but those routes were now closed. 🌐

FOR THE RECORD

A capsule review of an edited volume, *The Future of Global Affairs* (May/June 2021), misidentified one of its contributors. The book contains a chapter by the international relations professor Michael Oppenheimer of New York University, not by the Princeton environmental scientist of the same name.

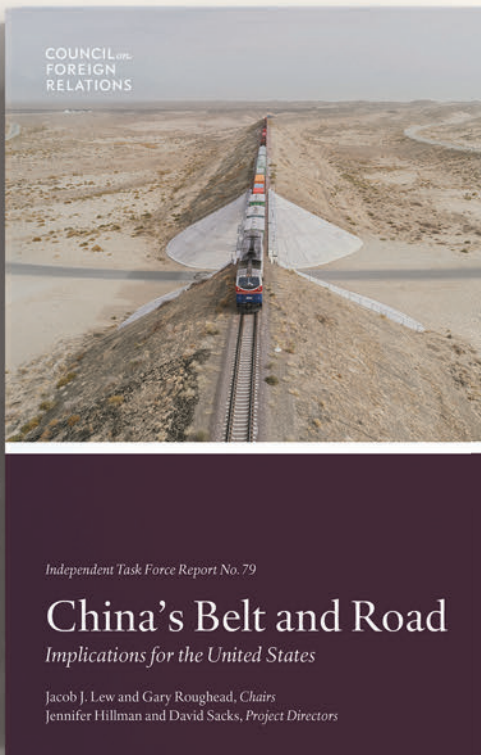
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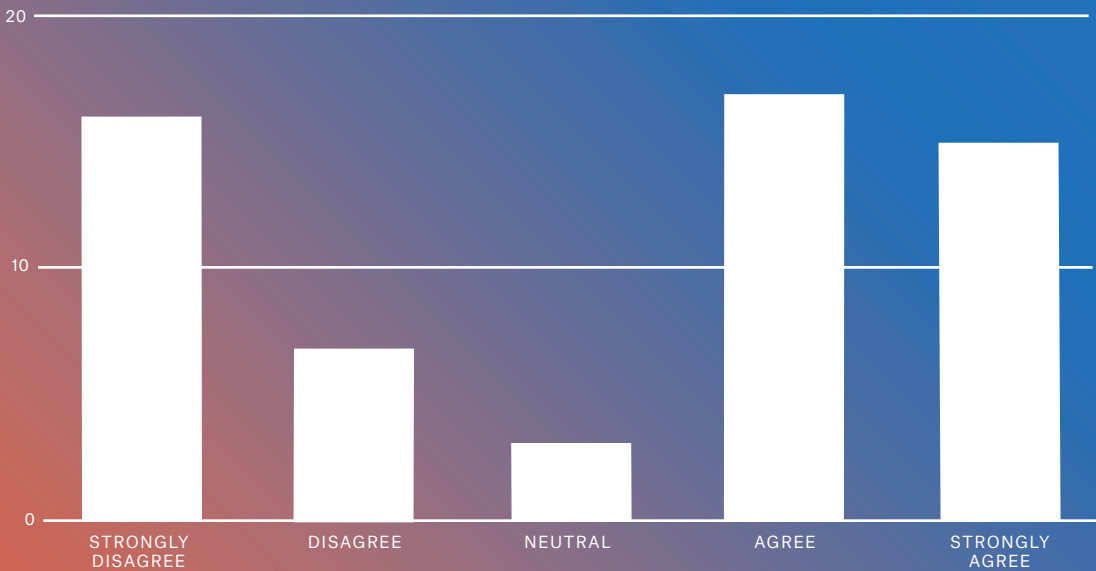
China's Belt and Road *Implications for the United States*

Jacob J. Lew and Gary Roughead, *Chairs*
Jennifer Hillman and David Sacks, *Project Directors*

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Foreign Affairs Brain Trust

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STRONGLY DISAGREE, CONFIDENCE LEVEL 9

David Petraeus

Partner, KKR, and former U.S. Commander of Coalition Forces in Iraq and Afghanistan

“I fear that we will deeply regret this decision and conclude that we should have maintained a sustainable commitment on the ground to help our Afghan security force partners, to prevent the civil war that may now engulf Afghanistan, and to ensure that al Qaeda and the Islamic State are not able to establish a sanctuary in Afghanistan or in neighboring countries.”



AGREE, CONFIDENCE LEVEL 8

Anne-Marie Slaughter

CEO, New America

“Withdrawing our troops is likely to be a miserable outcome for Afghan women and Afghanistan’s society and economy. But President Joe Biden has had the courage to recognize that 20 years of surges and strategy changes is enough; the United States accomplished its initial mission of destroying a base for al Qaeda and cannot accomplish the larger mission of trying to remake Afghan society.”

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